



ASX RELEASE

For Immediate Release – 14 June, 2017

Aspire Financing and Balance Sheet Restructure

Nuurstei Option Exercised and Capital Raising to be Launched

- **Aspire to undertake a capital raising seeking to raise up to A\$4 million from the issue of up to 200 million shares at 2 cents each with a free attaching 12 month option exercisable at 2.5 cents.**
- **Agreement reached to exercise option to acquire the remaining 50% interest in the ECJV (increasing Aspire's interest in the Nuurstei Coking Coal Project to 90%) with the US\$1 million consideration to be satisfied through the issue of securities on the same terms as the capital raising.**
- **Agreement to convert approximately US\$1m in debt and interest obligations into equity in the Company on the same terms as the capital raising.**
- **Approval of Aspire shareholders to be sought in July 2017 to implement these transactions.**

Aspire Mining Limited (ASX: AKM, the "**Company**" or "**Aspire**") is pleased to advise that it has entered into an agreement with one of its major shareholders and financiers, Noble Group (**Financier**), to facilitate the exercise by the Company of its option to acquire the remaining 50% of the Ekhgoviin Chuluu Joint Venture ("ECJV") and to restructure existing debt and interest obligations.

In connection with these transactions, Spectral Investments Pty Ltd (a company associated with director and substantial shareholder Mr Neil Lithgow) and Mr Bat-Erdene Khadbaasan (a substantial shareholder in the Company) have agreed to convert amounts drawn down by the Company under a short term debt facility into equity.

Each of these transactions are subject to Aspire successfully completing a proposed capital raising (outlined below) and the approval of Aspire shareholders being obtained at a general meeting expected to be held in July 2017.

Collectively, these transactions are expected to significantly strengthen the Aspire balance sheet by:

- Aspire acquiring an additional 45% beneficial interest in the Nuurstei Coking Coal Project.
- Consolidating and extending existing debt facilities out to August 2019.
- Adding up to A\$4 million in cash (less capital raising expenses) pursuant to the capital raising.

- Facilitating the issue of approximately A\$2.6 million in equity in lieu of cash payments (pursuant to the ECJV option exercise arrangements as well as existing debt and interest payment obligations).

These are important steps in the recapitalisation and repositioning of the Company as a near term Mongolian coking coal miner from the Nuurstei Coking Coal Project while developments continue for the Erdenet to Ovoot Rail Project.

Further details in relation to each of these transactions are set out below.

Exercise of the Nuurstei Option

The Company has agreed to exercise its option to acquire the remaining 50% of the ECJV for a consideration of US\$1 million and the grant of a royalty in respect to future production of saleable coking coal from the Nuurstei Coking Coal Project.

It has further been agreed that the US\$1 million payable on exercise of that option can be satisfied through the issue of US\$1 million in equity securities on the same terms as any such securities are proposed to be offered pursuant to the Capital Raising (outlined below).

The exercise of the ECJV option will increase the Company's investment to a 90% interest in the Nuurstei Coking Coal Project, a near term coking coal production opportunity. The Nuurstei Project has been approved for registration in Mongolia and the process of receiving a 30 year mining license is well advanced. The consolidation of ownership of the Nuurstei Project will result in the Company funding 100% of exploration and development expenditure until a production investment decision is made, as the 10% minority holder is free carried through to the investment decision.

Debt Facility Restructure

The Company currently has US\$5 million outstanding to the Financier pursuant to a long term debt facility established in February 2013 (the "Long Term Facility") and US\$1.5 million of a US\$2 million 12 month short term loan facility established in August 2016 (the "Short Term Facility").

To provide the Company with increased financial flexibility in relation to amounts outstanding under the Long Term Facility and the Short Term Facility, it has been agreed that:

- repayment of amounts owing on the Short Term Facility (US\$1.5 million and a 10% repayment fee) be by way of an additional amount of US\$1.65 million being made available under the Long Term Facility (taking the total principal amount owing under that facility to US\$6.65 million); and
- the repayment date for amounts owing under the Long Term Facility be extended to 17 August 2019.

The Long Term Facility can be repaid by the Company at any time prior to maturity. The Company has agreed to pay down the loan from 50% of net free cash flow before interest and tax from the Nuurstei Coking Coal Project once that project moves into production. In consideration for restructuring the debt facilities, the Company has agreed that from 17 August 2017, the interest rate on the Long Term Facility will increase from 9% per annum to 10.45% per annum. The Company has also agreed to increase the marketing rights allocation in relation to the Ovoot Coking Coal Project by an additional 5%, taking their allocation over Ovoot coal to 65%.

Amounts advanced under the Long Term Facility are and will remain secured over the Company's initial 50% interest in the ECJV (which security was approved by shareholders at the Company's 2015 Annual General Meeting).

Debt to Equity Conversions

To further strengthen the Company's balance sheet, it has been agreed that Aspire is to satisfy its obligations to pay the interest owing under the Loan Term Facility to 30 June 2017 (being US\$625,068.49) by way of the issue of equity securities on the same terms as such securities are proposed to be issued under the capital raising.

In addition, Spectral Investments Pty Ltd (a company associated with director and substantial shareholder Mr Neil Lithgow) and Mr Bat-Erdene Khadbaasan (a substantial shareholder in the Company) have agreed to convert amounts drawn down by the Company under a Short Term Debt Facility of US\$150,000 and US\$200,000, respectively, into equity on the same terms as such securities are proposed to be issued under the capital raising.

The impact of the above debt for equity conversions, along with the satisfaction of the Nuurstei Option exercise price through the issue of shares in the Company, results in the issuance of approximately 131,671,200 shares for a value of A\$2.6 million and 131,671,200 options.

These transactions are conditional on a capital raising being completed and approval of shareholders at a general meeting.

Capital Raising

The Company is seeking to raise up to A\$4 million by way of the issue of up to 200 million fully paid ordinary shares in the capital of the Company at \$0.02 cents each, with each share being issued together with an attaching 12 month option to acquire a further fully paid ordinary share at an exercise price of \$0.025 cents each. The Company will be able to accept oversubscription applications for an additional 50 million shares (A\$1 million).

The Company will issue a prospectus in relation to the proposed capital raising, with the capital raising being subject to shareholders approving the issue of shares in connection with that raising as well as the other transactions outlined above.

The capital raising will not be underwritten and there is no minimum amount sought pursuant to the raising.

Further details regarding the capital raising will be provided in the Prospectus to be issued shortly. The shareholder meeting documentation seeking approval to the transactions outlined above is in the process of being finalised and will be dispatched to shareholders at the earliest opportunity.

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