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ASX RELEASE



For Immediate Release – 30 April 2018

QUARTERLY REPORT Quarter Ended 31 March 2018

Nuurstei Coking Coal Project (90%)

- **Drilling at Nuurstei temporarily delayed while the Company engages in additional local community consultation.**
- **Feasibility Study continuing.**
- **Discussions with potential customers in Korea and China progressing.**
- **Purchase contract for 100,000 tonnes of coal from an adjoining mine area completed and mining contractor mobilised.**

Northern Railways LLC (80% potentially diluting to 34%)

- **Draft Feasibility Study received from China Gezhouba Group International Engineering Co Ltd (“CGGC”). Northern Railways currently reviewing the study.**
- **Erdenet to Ovoot Concession Agreement amended to include CGGC as Joint EPC Contractor to build the Erdenet to Ovoot Railway.**
- **EPC Framework Agreement signed with CGGC and China Railways 20 Bureau Construction Group (CR20BG) such that CGGC and CR20BG now share EPC responsibilities.**
- **CGGC completed assessment for further investment to fund completion of all remaining conditions precedent for the Erdenet – Ovoot Railway. CGGC requires a guarantee on the availability of capacity on the Trans Mongolian Rail system before additional investment can be made.**

Aspire Mining Limited (ASX: AKM, **Aspire**, or the **Company**), focussed on the exploration and development of metallurgical coal assets in Mongolia and the rail infrastructure required to bring production from these assets to market, is pleased to present its Quarterly Activities Report for the quarter ending 31 March 2018.

The Company currently wholly owns 100% of the large scale, world class Ovoot Coking Coal Project (**Ovoot Project**), and a 90% interest in the Nuurstei Coking Coal Project (**Nuurstei Project**), both located in northern Mongolia.

Nuurstei Coking Coal Project (90%)

The 2018 exploration and infill drilling plan comprising 54 holes has been approved by the Mongolian Resource Authority and all site based and local government approvals have been received. However, after mobilising the drilling contractor towards the end of the Quarter it was decided to temporarily suspend activity on site while further consultations were undertaken with the broader community and relevant non-Government organisations. This includes a local media campaign and establishment of a Community Relations office in the local community. The Company will look to restart the drilling programme in the near term.

The Company has been able to send an indicative bulk sample to Brisbane for coke oven pilot plant testwork which will provide a full specification for the product including hot and cold coke strengths. These results are expected shortly.

Discussions are actively being held with potential Korean and Chinese customers who are waiting on these results.

The Company has also agreed to purchase 100,000 tonnes of raw coal from the Mongolian Government Agency which owns and operates a coal mine adjacent to the Nuurstei Project. The formal contract has now been signed. The coal purchase price per tonne has been set at cost plus a margin.

This mine is currently producing small quantities of raw coal for local thermal uses. The Company has undertaken that the thermal coal will continue to be provided for that local use.

The Company has engaged, PSST LLC, a Mongolian mining contractor that it will manage on behalf of the Government Agency. The mining contractor is now being mobilised to site. The strategy is to use this coal to test logistics and cost assumptions to be used in the Nuurstei Project Feasibility Study by transport of this raw coal along existing road and rail facilities for delivery to export markets in China, Russia and potentially, Korea and Japan.

Northern Railways LLC (80% potentially diluting to 34%)

Northern Railways LLC (**Northern Railways**), Aspire's Mongolian rail infrastructure subsidiary, is responsible for activities associated with the construction and commercialisation of the 547 km Erdenet to Ovoot Railway in northern Mongolia. The Erdenet to Ovoot Railway is a part of Mongolian Rail Policy included in the "Northern Rail" Economic Corridor, an initiative to establish an international economic corridor between China and Russia through Mongolia and supported by all three Governments to facilitate trade between the three nations and the wider Asian and European economies.

The March Quarter saw some very significant advances for the Erdenet to Ovoot Rail Project and the Northern Rail Corridor.

China Gezhouba Group (CGGC) has been officially added to the Erdenet to Ovoot Consortium and included in the Rail Concession Agreement as a joint EPC Contractor with China Railway 20 Bureau Corporation Group.

On the 12 October 2017 Northern Railways signed a binding MOU with CGGC to complete the Feasibility Study for the Erdenet to Ovoot Rail Project by 31 March 2018. The agreement also laid out a pathway for CGGC to fund Northern Railways through to completion of the conditions precedent included in the Erdenet to Ovoot Rail Concession Agreement.

CGGC had until 15 February 2018 to confirm whether it will proceed to funding Northern Railways through to completion of conditions precedent. CGGC completed its analysis and only one matter remained outstanding which related to getting a guarantee from the operator of the Trans Mongolian Railway that sufficient rail capacity will be made available for Northern Railways freight volumes when it becomes available.

In an agreement signed on 11 April 2018 during the Mongolian Prime Minister’s official visit to China, CGGC agreed to defer its investment decision into Northern Railways until after receipt of the capacity guarantee. This agreement also committed Northern Railways to enter into an EPC Agreement by the end of November 2018.



Figure 1: Signing ceremony of MOU between Northern Railways and CGGC on 11 April 2018 in Beijing

Feasibility Study

On 22 March 2018 CGGC delivered the Draft Erdenet to Ovoot Feasibility Study. This study is currently being reviewed by Northern Railways. Construction costs are consistent with the First Stage Feasibility Study completed in January 2017.

The completed Feasibility Study is a key hurdle in engaging with potential funding sources to further funding discussions.

Once the review is completed and the study finalised, the Russian Ministry of Rail has requested its own review of the study to ensure it is consistent with Russian Design Standards in consideration for the future connectivity of the Northern Rail Corridor with the Russian rail system.

Northern Rail Corridor

During the Quarter, an agreement was entered into with Mosgioprotrans, a Russian rail design institute to jointly complete a Preliminary Economic Assessment of the rail connection between Ovoot to Arts Suuri to Kyzyl (refer Figure 2 below). Northern Railways will complete the PEA for the Ovoot to Arts Suuri section. This rail connection from Ovoot to Kyzyl would link Russia through Mongolia to China as part of the Northern Rail Corridor.

The Russian media also carried a story on 14 April 2018 confirming that the construction will start on the Kyzyl to Kuragino section of the Northern Rail Corridor in autumn 2018. It is planned to be completed in 2022. (Source : Russia Today). With this 410 km section now committed, and assuming the Erdenet to Ovoot Project is completed, this would leave just 500 kms of rail to complete the entire 3,157 km Northern Rail Corridor and open up a substantial new One Belt One Road rail trade corridor.



Figure 2: Northern Railways Rail Project forms part of a planned international trade corridor between Russia, Mongolia and China

Corporate

Board Changes

During the Quarter the Company saw the retirement of Mr David McSweeney as Chairman and Director of the Company. David joined the Board and took on the role as Chairman when the Company was recapitalised in February 2010 and the strategy was refocused towards coking coal in Mongolia. We wish David well and thank him for his long service.

Aspire's Managing Director Mr David Paull has assumed the role of Executive Chairman.

During the Quarter the Company also welcomed Mr Alex Passmore to the Board as an independent Non Executive Director. A geologist by training, Alex brings a wealth of knowledge from the equity capital markets and in particular, in relation to resources.

Cash Position

At 31 March 2018, Aspire had A\$9.585 million cash at bank.

Debt Position

At 31 March 2018, the Company had a fully drawn US\$2.4m debt facility with Noble Group expiring on 19 August 2019. An Agreement is in place that should China Gezhouba Group provide additional funding for Northern Railways LLC, Noble Group will convert an additional US\$1m of the current debt facility into a further equity interest in Northern Railways LLC. Should China Gezhouba Group not take up its option to invest in Northern Railways, Aspire has the right to convert the US\$1m in debt into equity in Aspire anytime before 19 August 2019.

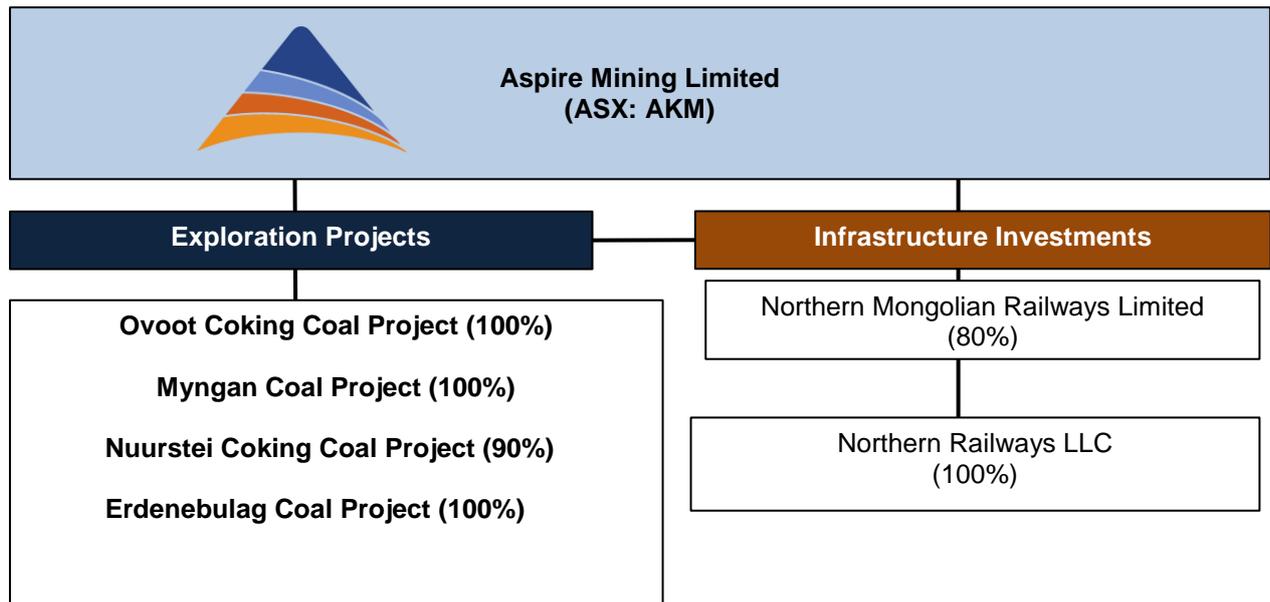
Capital Structure at 31 March 2018

Security	No. on issue
Quoted Ordinary Shares	2,525,924,526
Unlisted Performance Rights	48,500,000
Unlisted Options (2.5c expiring August 2018)	192,093,450
Listed Options (1.8c expiring 11 December 2019)	688,877,052

Interests in mining and exploration tenements at 31 March 2018

Tenement	Location	Attributable Equity
Ovoot MV017098 017003X	Mongolia	100% 100%
Hurimt 14510X 14637X	Mongolia	100% 100%
Jilchigbulag 12816X	Mongolia	100%
Myngan 17922X	Mongolia	100%
Nuurstei MV-020941 13580X	Mongolia	90% 90%
Erdenebulag 18294X	Mongolia	100%

Group Investment Structure



-Ends-

Forward-looking statements: This announcement contains certain “forward-looking statements”. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan”, “consider”, “foresee”, “aim”, “will” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on capital expenditure, operating expenditure and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Aspire and Northern Railways.

About Aspire Mining Limited

Aspire Mining Limited is listed on the ASX (ASX: AKM) with mining and exploration licences in Mongolia’s Northern provinces and is focused on identifying, exploring and developing quality coking coal assets.

Ovoot Coking Coal Project (100%)

Aspire is also the owner of the world class Ovoot Coking Coal Project (Ovoot Project). The full realisation of the Ovoot Project is dependent on the construction of the Erdenet to Ovoot Railway which is being progressed by Northern Railways LLC (Northern Railways).

Nuurstei Coking Coal Project (90%)

Aspire has a 90% interest in Nuurstei Coking Coal Project (Nuurstei Project) located in northern Mongolia.

The close proximity of the Nuurstei Project to existing infrastructure (town, road, rail and services) provides an excellent opportunity to assess the economics of a road-based operation prior to the construction completion of the Erdenet to Ovoot Railway.

Depending on the further analysis of the results of the intended 2018 drilling program, future positive economic studies, funding and the grant of necessary approvals and licenses, the Nuurstei Project could commence a road based production operation and then access the new Erdenet to Ovoot Railway after its construction.

About Northern Railways LLC

Northern Railways LLC (Northern Railways) is a Mongolian registered rail infrastructure company mandated to pursue the development of the Erdenet to Ovoot Railway, and 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 to Ovoot Railway extends 549 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 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 a new Northern Rail Economic Corridor through Mongolia, the subject of a trilateral programme agreed by the governments of China, Russia and Mongolia. 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 negotiations for the required funding for the completion of a bankable feasibility study and other studies necessary to support applications for licences, permits and approvals, and negotiations for the EPC contract.

Northern Railways has entered into Memoranda of Understanding with China Gezhouba Group Corporation (CGGC) to complete the Bankable Feasibility Study for the Erdenet to Ovoot Railway. Following rail capacity guarantees, CGGC will also decide whether it wishes to commit to funding all of the rail concession and funding conditions precedent for the rail project which would then earn CGGC a 51% interest in Northern Railways LLC.

For more information contact:

Corporate, Media and Investor Relations

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