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ASX RELEASE

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QUARTERLY REPORT

Quarter Ended 31 December 2018

Ovoot Early Development Project (OEDP)

- **Ovoot Early Development Project Pre-feasibility Study of a road based delivery of coal from the Ovoot Coking Coal Project to the existing rail head at Erdenet commenced with the results expected to be available in February 2019.**
- **Scoping studies on comparisons of alternate road routes from Ovoot to Erdenet nearing completion.**
- **Received Coking Coal Marketing Study which confirms favourable medium term demand, supply and pricing fundamentals for Ovoot fat coking coal in the Chinese market.**

\$15m Financing Package to Support OEDP

- **Shareholders approved the \$15m equity raising, financing and debt for equity conversion package at the Company's Annual General Meeting held on 28 November 2018.**
- **All securities allotted in accordance with the resolutions on 6 December 2018.**
- **Board expanded 7th of December.**
- **At 31 December 2018, the Group had \$15.4m in cash and no borrowings following the debt for equity conversion.**

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

- **Rail subsidiary Northern Railways LLC received a positive Preliminary Economic Assessment to extend the construction of the Northern Rail line beyond Ovoot to Arts Suuri.**
- **Working Group established to study the modernisation and associated cost for the existing Erdenet to Salkhit spur line for UBTZ Railways.**

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 December 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.

During the Quarter the Company completed the \$15 million strategic financing which has enabled an immediate start to the Ovoot Early Development Project Pre-Feasibility Study and a scoping study on road routes, construction and logistics costs.

OEDP Pre-Feasibility Study

The Pre-Feasibility Study is being conducted by Ferrostaal Mining Services (FMS) based on the existing Ovoot resource model and focusing on a thick low ash part of the “Upper Seam” which commences approximately 40 m below surface. The operation is expected to be a low strip ratio open pit mine producing relatively low ash high yielding coking coal.

The purpose of the OEDP is to accelerate mining at Ovoot while the Company’s rail subsidiary, Northern Railways LLC, continues to pursue the required approvals and funding for the construction of a 547 km rail line from Erdenet to Ovoot.

The low strip ratio and high yielding nature of the OEDP targeted area is expected to offset the higher trucking transport costs to the existing rail head at Erdenet.

Ulaanbaatar Railways JSC (UBTZ), the operator of the Mongolian rail system, has confirmed that it has the capacity to transport between 3 and 4 Mtpa from the Erdenet railway station from 2020. The Company is therefore targeting annual production to take advantage of this available capacity.

The Company commissioned and received a marketing study from Fenwei Energy Information Services Co Ltd, a leading expert on the Chinese steel industry and the associated coking coal market. The results of this study were released on 16 January 2019 which concludes that the Chinese domestic market will have a structural shortage of between 16 and 22 Mtpa of low and medium sulphur “fat” coking coal of the type that will be produced by the OEDP.

Fundamental to the OEDP strategy is the construction of a road to enable the haulage of coal from Ovoot to Erdenet. Studies on alternate routes and discussions with local authorities and communities have commenced. To date, there is indicative support for a road that can connect and benefit a number of community soums.

The results of the OEDP Pre-Feasibility Study and other studies are expected to be available for announcement in February 2019.

Northern Railways LLC

During the quarter, the Company continued to progress the Erdenet to Ovoot Northern Rail Project.

As announced on 29 October 2018, rail subsidiary, Northern Railways LLC, received a Preliminary Economic Assessment (PEA) for a 238.6km rail extension from the Ovoot Coking Coal Project to the Mongolia-Russia border port of Arts Suuri.

The PEA confirms that a sequential development of the Ovoot to Arts Suuri rail extension, and connection to markets beyond, would yield material long term benefits in expansion and diversification of both rail and coal income, as well as delivering a generational dividend and benefit to Mongolia and its people.

In addition, Mongolia's national railway operator, UBTZ, China Gezhouba Group and Northern Railways have established a working group to identify a work plan and costs to modernise the existing 164 kilometre Erdenet to Salkhit spur line so that it will be able to take up to 15 Mtpa of rail freight from the proposed Erdenet to Ovoot Railway. This spur line connects onto the Trans Mongolian Railway and its current capacity limits the ability of UBTZ to provide comfort to Northern Railways investors around rail capacity availability in the event that the proposed Erdenet to Ovoot Railway is completed.

Corporate

Board

Following completion of the strategic financing to fund the feasibility and other studies and approvals for the Ovoot Early Development Project (OEDP), on 7 December 2018, the nominees of the resultant largest shareholder in Aspire, Mr Tserenpuntsag Tserendamba, Messrs Achit-Erdene Darambazar and Boldbaatar Bat-Amgalan were appointed a non-executive director and an executive director of Aspire Mining Limited, respectively. Both are successful Mongolian businessmen in their own right, and both will add to the Board and the implementation of the OEDP strategy.

Cash Position

At 31 December 2018, Aspire had A\$15.4 million cash at bank with no borrowings.

Capital Structure

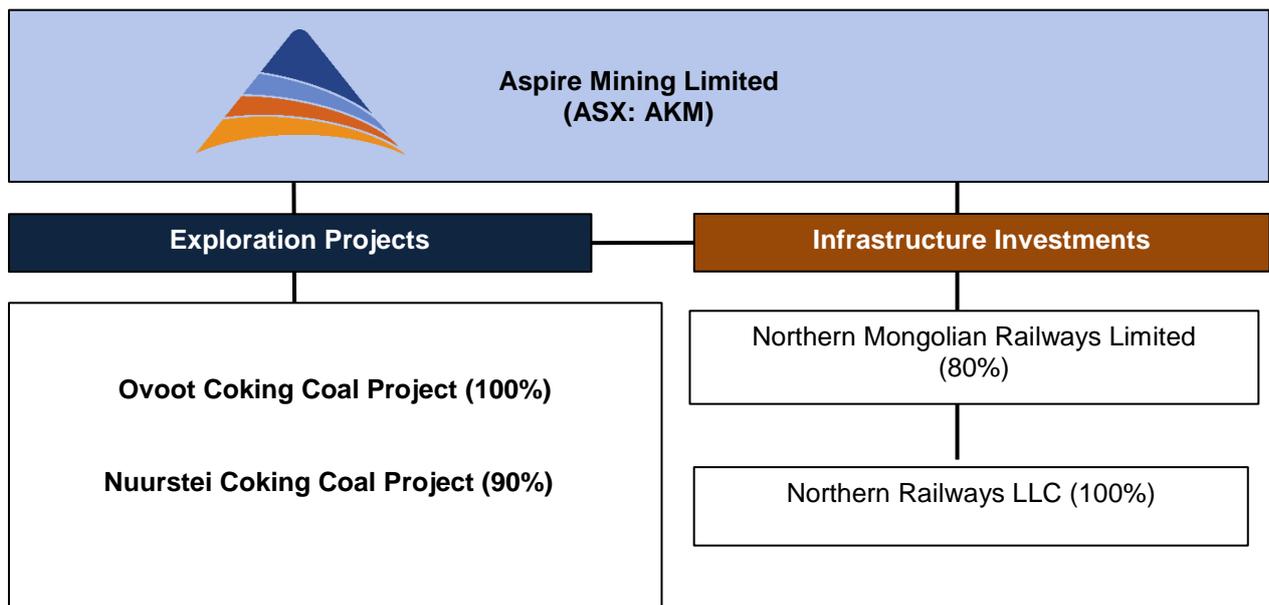
The securities on issue at 31 December 2018 are:

Security	No. on issue
Quoted Ordinary Shares	3,326,530,658
Unlisted Performance Rights	211,383,329
Listed Options (1.8c expiring 11 December 2019)	700,732,652

Interests in mining and exploration tenements at 31 December 2018

Tenement	Location	Attributable Equity
Ovoot MV017098	Mongolia	100%
Hurimt 14510X	Mongolia	100%
Myngan 17922X	Mongolia	100%
Nuurstei MV-020941	Mongolia	90%

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).

Aspire is targeting early production of washed coking coal from the Ovoot Project via a truck and rail operation to end markets within 12 to 15 months of final operational and Board approvals (the Ovoot Early Development Project or OEDP). Operational expansion can occur following the construction of the Erdenet to Ovoot Railway being progressed by Aspire’s subsidiary, 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 proximity of the Nuurstei Project to existing infrastructure (town, road, rail and services) also provides an excellent opportunity to assess the economics of a road-based operation prior to the construction of the Erdenet to Ovoot Railway. However, that assessment is currently on hold with the focus on the Ovoot Early Development Plan.

Dependent on that further analysis of the results of an additional 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 later have access to the new Erdenet to Ovoot Railway following 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, China Gezhouba Group Construction International Ltd 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 awaiting the required funding to complete all remaining conditions precedent for the Rail Concession including secured access to construction funding.

In October 2017 Northern Railways entered into a binding contract with China Gezhouba Group Corporation (CGGC) to complete the Bankable Feasibility Study for the Erdenet to Ovoot Railway and provide CGGC with an opportunity to fund Northern Railways LLC to complete the rail concession and funding conditions precedent for additional equity in Northern Railways LLC.

For more information contact:

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