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**ASPIRE MINING LIMITED**

**ACN 122 417 243**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10am (WST)

**DATE:** 29 November 2016

**PLACE:** Level 4, 130 Stirling Street, Perth WA 6000

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9287 4555.***

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10am (WST) on 29 November 2016 at:

Level 4, 130 Stirling Street, Perth, Western Australia 6000

**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 10am (WST) on 29 November 2016 at Level 4, 130 Stirling Street, Perth WA 6000.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10am (WST) on 27 November 2016.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

### AGENDA

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#### A. ORDINARY BUSINESS

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##### FINANCIAL STATEMENTS AND REPORTS

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To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

##### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2016.”*

**Note:** Refer to applicable voting prohibitions outlined in Section C below.

##### RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GAN-OCHIR ZUNDUISUREN

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purpose of clause 13.4 of the Constitution and for all other purposes, Gan-Ochir Zunduisuren, a Director who was appointed since the last annual general meeting retires and, being eligible, is re-elected as a Director.”*

##### RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DAVID MCSWEENEY

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purpose of clause 13.2 of the Constitution and for all other purposes, David McSweeney, retires by rotation and, being eligible, is re-elected as a Director.”*

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## B. SPECIAL BUSINESS

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### RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS ISSUE TO DAVID MCSWEENEY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue 2,500,000 Performance Rights to David McSweeney (or his nominee(s)) under the Company’s Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”*

**Note:** Refer to applicable voting prohibitions outlined in Section C below.

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### RESOLUTION 5 - ISSUE OF PERFORMANCE RIGHTS ISSUE TO NEIL LITHGOW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue 2,000,000 Performance Rights to Neil Lithgow (or his nominee(s)) under the Company’s Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”*

**Note:** Refer to applicable voting prohibitions outlined in Section C below.

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### RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO HANNAH BADENACH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue 2,000,000 Performance Rights to Hannah Badenach (or her nominee(s)) under the Company’s Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”*

**Note:** Refer to applicable voting prohibitions outlined in Section C below.

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### RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO GAN-OCHIR ZUNDUISUREN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue 1,000,000 Performance Rights to Ga-Ochir Zunduisuren (or his nominee(s)) under the Company’s Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”*

**Note:** Refer to applicable voting prohibitions outlined in Section C below.

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### RESOLUTION 8 – ISSUE OF MANAGING DIRECTOR PERFORMANCE RIGHTS TO DAVID PAULL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue 8,000,000 Managing Director Performance Rights to David Paull (or his nominee(s)) under the Company’s*

*Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."*

**Note:** Refer to applicable voting prohibitions outlined in Section C below.

## **C. VOTING PROHIBITION AND VOTING EXCLUSION STATEMENTS**

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### **Voting Prohibitions**

In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of the following persons:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) above and the person:

- (c) does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (d) the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 4 to 8 if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the relevant Resolution.

However, the above prohibition does not apply if:

- (c) the person is the Chairman of the AGM; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy in respect of that Resolution even though that Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Shareholders who intend to appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the information under the heading "Important information concerning proxy votes on remuneration related resolutions" below.

## **Voting Exclusion Statements**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 4 to 8 by:

- (a) a Director (except a Director who is ineligible to participate in the Performance Rights Plan); and
- (b) an Associate of such a Director.

However, the Company need not disregard a vote on Resolutions 4 to 8 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **D. PROXIES AND CORPORATE REPRESENTATIVES**

### **Voting by proxy**

Each Shareholder that is entitled to attend and vote is entitled to appoint a proxy. A proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint not more than two proxies to attend and vote on their behalf. Where two proxies are appointed, each proxy should be appointed to represent a specified portion or number of the Shareholder's voting rights (failing which each appointee will be entitled to cast half the Shareholder's votes).

A Proxy Form together with instructions on how to complete the Proxy Form is attached.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Aspire Mining Limited, PO Box 1918, Subiaco WA 6904; or
- (b) facsimile to the Company on facsimile number +61 8 9353 6974; or
- (c) email to the Company at [info@aspiremininglimited.com](mailto:info@aspiremininglimited.com).

To be valid, properly completed proxy forms must be received by the Company no later than 48 hours before the AGM, being 10am (WST), 27 November 2016.

If you return your proxy form but do not nominate a representative, the Chairman of the AGM will be your proxy and will vote on your behalf as you direct on the proxy form. If your nominated representative does not attend the meeting then your proxy will revert to the Chairman of the AGM and he will vote on your behalf as you direct on the proxy form.

The Chairman will vote undirected proxies in favour of Resolutions 4 to 8. In respect of Resolution 1 and Resolutions 4 to 8, Shareholders should refer to the important information below under the heading "Important information concerning proxy votes on remuneration related resolutions".

### **Corporate Representatives**

A body corporate Shareholder may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the

representative's appointment to be lodged with or presented to the Company before the meeting.

## **E. IMPORTANT INFORMATION CONCERNING PROXY VOTES ON REMUNERATION RELATED RESOLUTIONS**

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The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the advisory resolution to adopt the Company's Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel. Key Management Personnel of the Company are the Company's Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2016. Their Closely Related Parties are defined in the Corporations Act and include certain of their family members, dependents and companies they control.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than a member of the Key Management Personnel, as such persons may not be able to vote undirected proxies. Shareholders are also encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on all Resolutions.

If you appoint the Chairman as your proxy, you should direct the Chairman how to vote on Resolution 1 and Resolutions 4 to 8. If the Chairman is to act as your proxy (whether by appointment or by default) and you have not given directions on how to vote in respect of Resolution 1 and Resolutions 4 to 8, then the proxy form expressly directs and authorises the Chairman to vote your proxy in favour of Resolution 1 and Resolutions 4 to 8. This express authorisation acknowledges that the Chairman may vote your proxy even though Resolution 1 and Resolutions 4 to 8 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

This express authorisation is included because without it the Chairman would be precluded from casting your votes as these resolutions are connected with the remuneration of Key Management Personnel.

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**DATED: 20 OCTOBER 2016**

**BY ORDER OF THE BOARD**



**PHILIP RUNDELL  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10am (WST) on 29 November 2016 at Level 4, 130 Stirling Street, Perth WA 6000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1 FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2016 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company's Annual Financial Report is available on its website at [www.aspiremininglimited.com](http://www.aspiremininglimited.com).

In accordance with the Corporations Act, Shareholders who have elected to receive a hard copy of the Annual Financial Report will receive it prior to the AGM. Shareholders who did not elect to receive a hard copy of the Company's Annual Financial Report and now wish to receive it, should contact the Company Secretary on (+61 8) 9381 1995.

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### 2 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for the financial year ending 30 June 2016.

By way of summary, the Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Section 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to shareholders. The vote on this resolution is advisory only and does not bind the Directors or the Company.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of a company's remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (a "**spill resolution**") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were in office at the date of the approval of the applicable directors' report must stand for re-election.

As not more than 25% of the votes cast on the resolution to adopt the remuneration report at the Company's 2015 annual general meeting were against the resolution, a spill resolution is not required to be considered at the 2016 Annual General Meeting even if 25% or more of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report.



In respect of Resolution 1, Shareholders should refer to the important information in section E of the Notice under the heading “Important information concerning proxy votes on remuneration related resolutions”.

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### **3 RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS (GAN-OCHIR ZUNDERSUIREN AND DAVID MCSWEENEY)**

#### **3.1 Resolution 2 – Re-election of Gan-Ochir Zunduisuren**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Gan-Ochir Zunduisuren was appointed on 21 March 2016. Accordingly, Mr Zunduisuren retires in accordance with clause 13.4 of the Constitution and, being eligible, seeks re-election as a Director.

Mr Zunduisuren has over 15 years of experience in the resource sector including underground zinc mining, gold mining and mining business development in Mongolia and Canada. Mr Zunduisuren is a Managing Executive Director and co-founder of Altai Gold LLC, a mineral resource focused investment company, and was a key member of the syndicate that made the Ovoot Coking Coal project discovery.

Mr Zunduisuren has a degree in Mining Engineering from the Mongolian University of Science and Technology and an MSc in Global Finance from NYU Stern School of Business and HKUST.

The Directors, other than Mr Zunduisuren who has an interest in Resolution 2, recommend that Shareholders vote in favour of Resolution 2.

#### **3.2 Resolutions 3 – Re-election of David McSweeney**

Clause 13.2 of the Constitution requires that at each annual general meeting of the Company, one third of the Directors for the time being or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. A Director appointed as an additional Director during the year is not taken into account in determining the Directors who are to retire by rotation.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who become Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

In accordance with clause 13.2 of the Constitution, David McSweeney retires by rotation at the Annual General Meeting and being eligible, will seek re-election.

Mr McSweeney is an experienced mining company executive who has worked in the resources sector for over 25 years. Over this period, Mr McSweeney has overseen the discovery of a number of gold, copper and iron ore deposits in Western Australia and Europe. As the founder and CEO of ASX listed Gindalbie Metals Ltd from 1994 to 2006, Mr McSweeney oversaw the discovery and development of two gold mining production centres and the discovery and outline of the development of the Karara iron ore mining centre in the midwest region of Western Australia. Mr McSweeney is the founding Director of Exco Resources Ltd and the founding Chairman of Avalon Minerals Ltd.

The Directors, other than Mr McSweeney who has an interest in Resolution 3, recommend Shareholders vote in favour of Resolution 3.

## **4 RESOLUTIONS 4 TO 7 – ISSUE OF PERFORMANCE RIGHTS TO NON-EXECUTIVE DIRECTORS**

### **4.1 General**

At a general meeting held by the Company on 19 August 2011, Shareholders approved the Company's Performance Rights Plan. The Plan was re-approved by Shareholders at a general meeting on 2 June 2015.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of directors, employees and qualifying contractors in achieving specified performance milestones within a specified performance period. The Board will continue to ensure that the performance milestones attached to the securities issued pursuant to the Performance Rights Plan are aligned with the successful growth of the Company's business activities.

Resolutions 4 to 7 seek the approval of Shareholders to grant to the Company's Non-executive Directors the following Performance Rights:

<b>Non-executive Director</b>	<b>Number of Performance Rights</b>
Mr McSweeney	2,500,000
Mr Lithgow	2,000,000
Ms Badenach	2,000,000
Mr Zunduisuren	1,000,000

The purpose of the issue of Performance Rights to the Company's Non-Executive Directors is to assist in their reward and retention. The grant of the Performance Rights forms part of the Company's remuneration strategy for Non-Executive Directors, in lieu of additional cash remuneration.

The Non-Executive Directors have taken voluntary reductions in their remuneration to a position where they resolved to not be remunerated by fees from September 2015 until if and when the Company has the continuing financial capacity to meet fees.

The Board acknowledges that the grant of Performance Rights to non-executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Performance Rights to each of Mr McSweeney, Mr Lithgow, Ms Badenach and Mr Zunduisuren to be reasonable in order to further align non-executive Directors'

interests with Shareholders and provide cost-effective consideration to non-executive Directors for their ongoing commitment and contribution to the Company.

A summary of the terms and conditions on which the Performance Rights will be granted to the Non-Executive Directors is set out in **Schedule 1** to this Notice.

#### **4.2 Summary of the material terms of the Performance Rights**

The Company proposes to grant to each of Mr McSweeney, Mr Lithgow, Ms Badenach and Mr Zunduisuren one class of Performance Right. A Performance Right may ultimately vest into Shares and does not have an exercise price. Accordingly, the grant of Performance Rights will provide Non-Executive Directors with the flexibility and incentive to benefit by exercising their Performance Rights upon satisfaction of their vesting conditions without needing to provide any cash consideration.

If a Non-Executive Director remains a Director up to and including 30 June 2017 (**Vesting Requirement**), that Director's Performance Rights will vest on 30 June 2017 (**Vesting Date**).

However, the Board may, in its absolute discretion, determine that all or a specified number of any unvested Performance Rights vest upon the happening of any of the following events:

- (a) the holder dies;
- (b) a takeover bid is made for the Company;
- (c) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (d) any person becomes bound or entitled to acquire shares in the Company under:
  - (i) section 414 of the Corporations Act; or
  - (ii) Chapter 6A of the Corporations Act;
- (e) the Company passes a resolution for voluntary winding up;
- (f) an order is made for the compulsory winding up of the Company;
- (g) the holder ceases to be a director of the Company by reason of retirement, redundancy, or total and permanent disability; or
- (h) the holder resigns or is removed as a director for reasons other than performance or misconduct.

#### **4.3 Regulatory Requirements**

ASX Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As the grant of the Performance Rights to Mr McSweeney, Mr Lithgow, Ms Badenach and Mr Zunduisuren involves the issue of securities under an employee incentive scheme to Directors, Shareholder approval pursuant to ASX Listing Rule 10.14 is required.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Performance Rights as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Performance Rights to the non-executive Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Further, Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either the giving of the financial benefit falls within one of the nominated exceptions or shareholder approval is obtained prior to the giving of the financial benefit. As Directors, each of Mr McSweeney, Mr Lithgow, Ms Badenach and Mr Zunduisuren are related parties of the Company.

One of the exceptions to the requirement to obtain Shareholder approval in accordance with Chapter 2E of the Corporations Act applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Board considers that the issue of the Performance Rights constitutes part of the non-executive Directors' remuneration as officers of the Company and to give this remuneration is reasonable given the circumstances of both the Company and the non-executive Directors' (including the responsibilities involved in the office of non-executive Director of the Company). Accordingly, the Board has decided that Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not required.

#### **4.4 Information provided for the purpose of obtaining Shareholder approval**

The following information is provided to satisfy the requirements of ASX Listing Rule 10.15 (being the information required to be disclosed for the purposes of ASX Listing Rules 10.14):

- (a) the Performance Rights will be granted to each of the non-executive Directors of the Company, being Mr McSweeney, Mr Lithgow, Ms Badenach and Mr Zunduisuren (or their nominee(s));
- (b) the maximum number of Performance Rights to be granted to each non-executive Director is as follows (subject to the terms and conditions as set out in Schedule 1 of this Explanatory Statement):

<b>Non-executive Director</b>	<b>Number of Performance Rights</b>
Mr McSweeney	2,500,000
Mr Lithgow	2,000,000
Ms Badenach	2,000,000
Mr Zunduisuren	1,000,000

- (c) the Performance Rights will be granted for nil consideration and no consideration will be payable upon the vesting of the Performance Rights on achievement of the Vesting Requirement. Accordingly, no loans will be

made in relation to, and no funds will be raised from, the issue or vesting of the Performance Rights;

- (d) no persons have received securities under the Plan since the Company last sought Shareholder approval under ASX Listing Rule 10.14;
- (e) all executive and non-executive Directors, currently being Mr David McSweeney, Mr David Paull, Mr Neil Lithgow, Ms Hannah Badenach and Mr Gan-Ochir Zunduisuren, are eligible to participate in the Performance Rights Plan;
- (f) the Performance Rights will be granted to each non-executive Director no later than 12 months after the date of the Annual General Meeting (or at such later dates as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be granted on one date;
- (g) the Performance Rights shall vest and become exercisable on attainment of the Vesting Requirement detailed in Schedule 1 of this Explanatory Statement. The shares to be issued upon the exercise of the Performance Rights shall rank pari passu with existing Shares on issue; and
- (h) voting exclusion statements for Resolutions 4 to 7 are set out in section C of the Notice.

#### **4.5 Directors' recommendation**

- (a) Mr David Paull, the Managing Director who will not be granted Performance Rights the subject of Resolutions 4 – 7, considers that the grant of these Performance Rights to each of Mr McSweeney, Mr Lithgow, Ms Badenach and Mr Zunduisuren is an appropriate mechanism to assist in the reward and retention of these non-executive Directors and the preservation of cash. Mr Paull recommends that Shareholders vote in favour of Resolutions 4 – 7.
- (b) Mr McSweeney has a material personal interest in the outcome of Resolution 4 because it relates to the grant of Performance Rights to him. Mr McSweeney voted on the Board resolution to approve the grant of Performance Rights to him, as well as the grant of Performance Rights to Mr Lithgow, Ms Badenach and Mr Zunduisuren, subject to Shareholders approving that proposed grant (being the subject of Resolutions 4 – 7). Mr McSweeney declines to make a recommendation to Shareholders in relation to Resolution 4 given his interest in the outcome of Resolution 4, but otherwise recommends that Shareholders vote in favour of Resolutions 5 – 7.
- (c) Mr Lithgow has a material personal interest in the outcome of Resolution 5 because it relates to the grant of Performance Rights to him. Mr Lithgow voted on the Board resolution to approve the grant of Performance Rights to him, as well as the grant of Performance Rights to Mr McSweeney, Ms Badenach and Mr Zunduisuren, subject to Shareholders approving that proposed grant (being the subject of Resolutions 4 – 7). Mr Lithgow declines to make a recommendation to Shareholders in relation to Resolution 5 given his interest in the outcome of Resolution 5, but otherwise recommends that Shareholders vote in favour of Resolutions 4, 6 and 7.
- (d) Ms Badenach has a material personal interest in the outcome of Resolution 7 because it relates to the grant of Performance Rights to her. Ms

Badenach voted on the Board resolution to approve the grant of Performance Rights to her, as well as the grant of Performance Rights to Mr McSweeney, Mr Lithgow and Mr Zunduisuren, subject to Shareholders approving that proposed grant (being the subject of Resolutions 4 – 7). Ms Badenach declines to make a recommendation to Shareholders in relation to Resolution 6 given her interest in the outcome of Resolution 6, but otherwise recommends that Shareholders vote in favour of Resolutions 4, 5 and 7.

- (e) Mr Zunduisuren has a material personal interest in the outcome of Resolution 7 because it relates to the grant of Performance Rights to him. Mr Zunduisuren voted on the Board resolution to approve the grant of Performance Rights to him, as well as the grant of Performance Rights to Mr McSweeney, Mr Lithgow and Ms Badenach, subject to Shareholders approving that proposed grant (being the subject of Resolutions 4 – 7). Mr Zunduisuren declines to make a recommendation to Shareholders in relation to Resolution 7 given his interest in the outcome of Resolution 7, but otherwise recommends that Shareholders vote in favour of Resolutions 4 – 6.

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## **5 RESOLUTION 8 – ISSUE OF MANAGING DIRECTOR PERFORMANCE RIGHTS TO DAVID PAULL**

### **5.1 General**

Under the terms of the Plan, the Board has the discretion to grant performance rights to any director, employee or qualifying consultant it determines to be eligible to participate in the Plan upon such terms and conditions as the Board determines.

Subject to Resolution 8 being approved, the Board proposes to grant 8,000,000 Managing Director Performance Rights to Mr David Paull, the Company's Managing Director (or his nominee(s)), subject to the Retention & Performance Milestones and other terms set out below and in **Schedule 2**.

The proposed grant of the Managing Director Performance Rights to Mr Paull seeks to further align his interests with those of Shareholders by linking Mr Paull's rewards to long term performance for Shareholders through the imposition of conditions on vesting, which are to be achieved within a specified period.

### **5.2 Previous issue of performance rights to Mr Paull**

The Board notes that Shareholders approved the grant of 1,000,000 performance rights to Mr Paull under the terms of the Plan at the annual general meeting held by the Company on 26 November 2012 and 6,500,000 performance rights to Mr Paull under the terms of the Plan at the general meeting held by the Company on 2 June 2015.

The 1,000,000 performance rights granted in 2012 expired without vesting in 2015. One third was to vest as and when each of the following performance milestones were achieved:

- (a) the Company's wholly owned subsidiary, Northern Rail LLC, entering into a 'Rail Concession Agreement' with the Mongolian Government to build and operate a rail line that allows for the transportation of product produced from the Company's Ovoot Coking Coal Project to market;
- (b) the introduction of a suitable third party (as determined by the Board) to provide financial, strategic, infrastructure, or product sales assistance to

the Company which, in the Board's opinion, has or is likely to have a materially favourable impact upon the development of the Company's Ovoot Coking Coal Project; and

- (c) the total shareholder return of the Company increasing in a twelve month period commencing on the date of the issue of the performance rights and it being in the range within that twelve month period of a group consisting of at least four peer comparable ASX listed companies as determined by the Board. The total shareholder return is the change in the Company's share price as a percentage of the beginning share price.

The performance milestones for the 6,500,000 performance rights granted in 2015 are:

- (a) 500,000 performance rights to vest upon the receipt by the Company within 12 months of grant of the Performance Rights, of an independently validated competent person's report establishing that a 20 million tonne 2012 JORC coal compliant resource lies within the Nuurstei coal project, or any other equivalent project in which the Company has an interest.
- (b) 1,000,000 performance rights to vest if, within 12 months of the date of grant of the performance rights, the volume weighted average price of the Company's Shares as traded on ASX over five consecutive trading days is equal to or greater than AUD\$0.05.
- (c) 1,000,000 performance rights to vest following a decision by the Company to mine the Nuurstei project, or a Board approved equivalent project, within 12 months of the date of grant of the performance rights. Such decision shall be subject to receipt by the Board of an independent economic analysis confirming the viability of commencing such operations.
- (d) 2,000,000 performance rights shall vest if, within 24 months of the date of grant of the performance rights, Northern Railways LLC enters into binding terms for both debt and equity funding concerning the construction of the northern rail line in Mongolia, following the execution of a rail concession agreement between Northern Railways LLC and the Mongolian government.
- (e) 2,000,000 performance rights shall vest if, within 24 months of the date of grant of the performance rights, the volume weighted average price of the Company's Shares as traded on ASX over five consecutive trading days is equal to or greater than AUD\$0.15.

Of the 6,500,000 performance rights granted in June 2015, 2,500,000 performance rights for milestones (a), (b) and (c) expired without vesting in June 2016.

Despite the expiry of performance rights granted to Mr Paull, under his managing directorship and by his efforts, significant milestones for the benefit of the Company and its shareholders have been achieved. Those milestones are set out in the Review of Operations sections in the Company's 2016 Annual Financial Report. The milestones achieved generally align with the milestones set by the Board for Mr Paull. In some circumstances the performance rights milestones have been achieved but after the vesting dates of the relevant performance rights (such as, for example, the execution of a 'Rail Concession Agreement').

Market and economic conditions have also not assisted in achievement of performance milestones. Given the Company's financial circumstances, Mr Paull voluntarily reduced his remuneration from \$330,000 to \$216,000 per annum from February 2015.

### 5.3 Summary of the material terms of the Managing Director Performance Rights

It is proposed that Mr Paull be issued the Managing Director Performance Rights for nil cash consideration.

Each Managing Director Performance Right will vest as one Share subject to the satisfaction of the Retention & Performance Milestones and other terms set out below and in **Schedule 2**. In the event that the Retention & Performance Milestones detailed in Schedule 2 are not met and the Board does not otherwise waive any or all of the relevant Retention & Performance Milestones, the Managing Director Performance Rights will not vest and as a result, no new Shares will be issued. There is nil consideration payable upon the vesting or exercise of a Managing Director Performance Right.

In accordance with the Retention & Performance Milestones, of the 8,000,000 Managing Director Performance Rights:

- (a) 6,000,000 shall vest on 30 September 2017; and
- (a) 2,000,000 shall vest if production has commenced on or before 30 June 2018 from a project in which the Company or one of its subsidiaries has at least a 50% direct or indirect ownership interest,

(the **Retention & Performance Milestones**).

Mr Paull must be Managing Director of the Company at the time of satisfaction of the relevant Retention & Performance Milestone for the relevant Managing Director Performance Rights to vest and if any or all of these Retention & Performance Milestones are not achieved, the unvested Performance Rights will immediately lapse.

The Board may, in its absolute discretion, determine that all or a specified number of the unvested Managing Director Performance Rights vest upon the happening of any of the following events:

- (a) Mr Paull dies;
- (b) a takeover bid is made for the Company;
- (c) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (d) any person becomes bound or entitled to acquire shares in the Company under:
  - (iii) section 414 of the Corporations Act; or
  - (iv) Chapter 6A of the Corporations Act;
- (e) the Company passes a resolution for voluntary winding up;



- (f) an order is made for the compulsory winding up of the Company;
- (g) Mr Paull resigns or is removed as a director for reasons other than performance or misconduct.

#### **5.4 Regulatory requirements**

Under ASX Listing Rule 10.14, a public company is required to obtain shareholder approval to grant securities to a director of that company under an employee incentive scheme. Accordingly, Resolution 8 seeks Shareholder approval pursuant to ASX Listing Rule 10.14.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Managing Director Performance Rights as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of the Managing Director Performance Rights to Mr Paull will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Further, Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either the giving of the financial benefit falls within one of the nominated exceptions or shareholder approval is obtained prior to the giving of the financial benefit. Mr Paull is a related party of the Company by virtue of being a Director of the Company. One of the exceptions to the requirement to obtain Shareholder approval in accordance with Chapter 2E of the Corporations Act applies where the financial benefit constitutes part of the related party's "reasonable remuneration".

The Board (other than Mr Paull who has a personal interest in the Resolution) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Managing Director Performance Rights because the agreement to grant the Managing Director Performance Rights constitutes part of Mr Paull's reasonable remuneration as an officer of the Company and to give this remuneration is reasonable given the circumstances of both the Company and Mr Paull (including the responsibilities involved in the office that Mr Paull holds as the Managing Director of the Company). Accordingly, the Board (excluding Mr Paull) has decided that Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not required.

#### **5.5 Information provided for the purpose of obtaining Shareholder approval**

The following information is provided to satisfy the requirements of ASX Listing Rule 10.15 (being the information required to be disclosed for the purposes of ASX Listing Rules 10.14):

- (a) the Managing Director Performance Rights will be granted to Mr David Paull (or his nominee(s));
- (b) the maximum number of Managing Director Performance Rights to be granted to Mr Paull is 8,000,000 (subject to the terms and conditions as set out in Schedule 2;
- (c) the Managing Director Performance Rights will be granted for nil consideration and no consideration will be payable upon the vesting of the Managing Director Performance Rights on achievement of the Retention & Performance Milestones set by the Board. Accordingly, no loans will be made in relation to, and no funds will be raised from, the issue or vesting of the Managing Director Performance Rights;

- (d) no persons have received securities under the Plan since the Company last sought Shareholder approval under Listing Rule 10.14;
- (e) all executive and non-executive Directors, currently being Mr David McSweeney, Mr David Paull, Mr Neil Lithgow, Ms Hannah Badenach and Mr Gan-Ochir Zunduisuren, are eligible to participate in the Plan;
- (f) the Managing Director Performance Rights will be granted to Mr Paull no later than 12 months after the date of the General Meeting (or at such later dates as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Managing Director Performance Rights will be granted on one date; and
- (g) the Managing Director Performance Rights shall vest and become exercisable on attainment of the Performance Milestones. The relevant Retention & Performance Milestones and vesting requirements as set by the Board are detailed in Schedule 2. The shares to be issued upon the exercise of the Managing Director Performance Rights shall rank pari passu with existing Shares on issue; and
- (h) a voting exclusion statement for Resolution 8 is set out in section C of the Notice.

#### **5.6 Directors' recommendation**

Mr Paull declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. Mr Paull did not vote on the Board resolution to approve the grant of Managing Director Performance Rights to him.

The Directors (other than Mr Paull), who do not have a material personal interest in the outcome of Resolution 8, recommend that Shareholders vote in favour of Resolution 8.

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## **6 ENQUIRIES**

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9287 4555 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**AGM** or **Annual General Meeting** or **Meeting** means the annual general meeting convened by the Notice.

**Associate** has the meaning given to that term in the ASX Listing Rules.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Chairman** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- a) a spouse or child of the member; or
- b) a child of the member's spouse; or
- c) a dependent of the member or the member's spouse; or
- d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or
- e) a company the member controls; or
- f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means Aspire Mining Limited (ACN 122 417 243).

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company.

**Explanatory Statement** means this explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any directors of the Company.

**Managing Director Performance Rights** means the performance rights proposed to be granted to Mr David Paull under the Plan on the terms and conditions set out in section 5 of the Explanatory Statement and Schedule 2.

**Notice** or **Notice of Meeting** means the notice of Annual General Meeting, accompanying this Explanatory Statement.

**Performance Right** means the performance rights proposed to be granted to non-executive Directors under the Plan on the terms and conditions set out in section 4 of the Explanatory Statement and the relevant Schedule.

**Plan** or **Performance Rights Plan** means the Company's performance rights plan, as detailed in the Company's 2015 notice of general meeting released to ASX on 1 May 2015.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report contained in the Directors' Report, forming part of the Company's Annual Financial Report for the Company and its controlled entities for the financial year ended 30 June 2016.

**Resolution** means a resolution set out in the Notice of Meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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- 1) Each Performance Right will vest as an entitlement to one fully paid ordinary share in the capital of the Company provided that certain vesting conditions are met. If the vesting conditions are not met, the Performance Rights will lapse and the holder will have no entitlement to any Shares.
- 2) There is nil consideration payable upon the grant of a Performance Right and no amount will be payable on the vesting of a Performance Right.
- 3) Subject to clause 16 and any waiver of the Board, the Performance Rights will vest on 30 June 2017 (**Vesting Date**), subject to the holder remaining as a Director of the Company up to and including the Vesting Date (**Vesting Requirement**).
- 4) Subject to clause 16, if the holder of the Performance Rights ceases being a Director prior to the Vesting Date, all Performance Rights will lapse.
- 5) The Company shall notify the holder when the Vesting Requirements have been satisfied and the holder may then exercise their right to accept the vesting of the Performance Rights and be issued the Shares, following which the Company shall issue or procure to transfer the Shares within 30 days after a Performance Right is exercised, and deliver notification of the Shareholding to the holder.
- 6) The Company shall, within 7 days of the date of the Shares being issued, make application to ASX for quotation of the Shares.
- 7) Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank pari passu with all other Shares on issue.
- 8) Performance Rights shall not be quoted on ASX.
- 9) Performance Rights shall not be transferred or assigned by a holder except with the prior written consent of the Directors of the Company, or by operation of the law upon death or bankruptcy of the holder.
- 10) The Board may determine that Shares allocated on the exercise of Performance Rights are to be subject to restrictions on sale, transfer or other dealing by the holder,
- 11) Subject to any right a holder may have as a holder of shares, holders of Performance Rights may only participate in new issues of securities to holders of shares if the Vesting Requirements have been satisfied and the relevant Shares have been issued prior to the record date for determining entitlements to the issue. The Company shall give notice to holders of Performance Rights (as required under the ASX Listing Rules) of any new issues of securities prior to the record date for determining entitlements to the issue.
- 12) If Shares are issued pro rata to the Company's Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the number of Shares over which each Performance Right is exercisable may be increased by the number of Shares which the holder would have received if the Performance Right had been exercised before the record date for the bonus issue.
- 13) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- 14) Where, in the opinion of the Board, a holder:
- (a) acts fraudulently or dishonestly; or
  - (b) is in breach of his or her obligations to the Company or any of its subsidiaries,
- then the Board may:
- (c) deem any unexercised Performance Rights of the holder to have lapsed; and/or
  - (d) deem all or any Shares allotted and held by the holder to be forfeited – in which event the holder is deemed to have agreed to sell his shares to the Company for no consideration or be deemed to have appointed any officer of the Company as his or her agent to sell the Shares on market; and/or
  - (e) where any Shares allotted have been sold by the holder, require the holder to pay all or part of the net proceeds of that sale to the Company.
- 15) Where, in the opinion of the Board, a holder's Performance Rights vest as a result of the fraud, dishonesty, or breach of obligations of another person and, in the opinion of the Board, the Performance Rights would not otherwise have vested, the Board may determine that the Performance Rights have not vested and, subject to applicable laws:
- (a) where Shares have not been issued or transferred upon the exercise of a vested Performance Right, that the Performance Rights have not vested and reset the Vesting Requirements applicable to the Performance Rights; or
  - (b) where Performance Rights have vested and have been exercised by the holder, that the Shares are forfeited by the holder and may, at the discretion of the Board, reissue any number of Performance Rights to the holder, subject to new Vesting Requirements in place of the forfeited Shares; or
  - (c) any other treatment in relation to Performance Rights or Shares to ensure no unfair benefit is obtained by a holder as a result of such actions of another person.
- 16) The Board may, in its absolute discretion, determine that all or a specified number of a holder's unvested Performance Rights vest where:
- (a) the holder dies;
  - (b) a takeover bid is made for the Company;
  - (c) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
  - (d) any person becomes bound or entitled to acquire shares in the Company under:
    - (i) section 414 of the Corporations Act; or
    - (ii) Chapter 6A of the Corporations Act;
  - (e) the Company passes a resolution for voluntary winding up; or
  - (f) an order is made for the compulsory winding up of the Company.
  - (g) the holder ceases to be a director of the Company by reason of retirement, redundancy, or total and permanent disability; or
  - (h) the holder resigns or is removed as a director for reasons other than performance or misconduct.

If no determination is made or if the Board determines that some or all of a holder's Performance Rights do not vest, those Performance Rights will automatically lapse.

- 17) During the currency of any Performance Rights and prior to vesting, holders are not entitled to participate in any new issue of securities of the company as a result of their holding Performance Rights. In addition, holders are not entitled to vote or to receive dividends as a result of holding Performance Rights.
- 18) The Board may at any time by resolution amend all or any the terms or conditions of any Performance Right granted.
- 19) No amendment may be made to the terms of any granted Performance Right which reduces the rights of the holder in respect of that Performance Right without the consent of the holder, other than an amendment:
  - (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation, the Listing Rules or relevant instruments of relief granted by the ASIC governing or regulating the issue of performance rights;
  - (b) to correct any manifest error or mistake; or
  - (c) to take into consideration possible adverse tax implications in respect of the issue of the Performance Rights arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or change in the interpretation of tax legislation by a court of competent jurisdiction.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF MANAGING DIRECTOR PERFORMANCE RIGHTS

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- 1) Each Managing Director Performance Right will vest as an entitlement to one fully paid ordinary share in the capital of the Company provided that certain performance milestones are met. If the performance milestones are not met on the relevant vesting dates, the Managing Director Performance Rights will lapse and the holder will have no entitlement to any Shares.
- 2) There is nil consideration payable upon the grant of a Managing Director Performance Right and no amount will be payable on the vesting of a Managing Director Performance Right.
- 3) Subject to clauses 4 and 14 and any waiver of the Board:
  - (a) 6,000,000 Managing Director Performance Rights shall vest on 30 September 2017; and
  - (b) 2,000,000 Managing Director Performance Rights shall vest on 30 June 2018 if production has commenced on or before 30 June 2018 from a project in which the Company or one of its subsidiaries has at least a 50% direct or indirect ownership interest,  
  
(each a **Retention & Performance Milestone**).
- 4) Subject to clause 15 and any waiver of the Board:
  - (a) if Mr David Paull ceases to be Managing Director of the Company prior to the vesting of the Managing Director Performance Rights; or
  - (b) a Retention & Performance Milestone is not satisfied on or before the vesting date,  
  
all unvested Managing Director Performance Rights will lapse.
- 5) The Company shall notify the holder when the Vesting Requirements have been satisfied and the holder may then exercise their right to accept the vesting of the Managing Director Performance Rights and be issued the Shares, following which the Company shall issue or procure to transfer the Shares within 30 days after a Managing Director Performance Right is exercised, and deliver notification of the Shareholding to the holder.
- 6) The Company shall, within 7 days of the date of the Shares being issued, make application to ASX for quotation of the Shares. Shares resulting from the vesting of the Managing Director Performance Rights shall, from the date of issue, rank pari passu with all other Shares on issue.
- 7) Managing Director Performance Rights shall not be quoted on ASX.
- 8) Managing Director Performance Rights shall not be transferred or assigned by a holder except with the prior written consent of the Directors of the Company, or by operation of the law upon death or bankruptcy of the holder.
- 9) Subject to any right a holder may have as a holder of shares, holders of Managing Director Performance Rights may only participate in new issues of securities to holders of shares if the Vesting Requirements have been satisfied and the relevant Shares have been issued prior to the record date for determining entitlements to the issue. The Company shall give notice to holder of Managing Director Performance Rights (as required under the ASX Listing Rules) of any new issues of securities prior to the record date for determining entitlements to the issue.
- 10) If Shares are issued pro rata to the Company's Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the number of Shares over which each Managing Director Performance Right is exercisable may be increased by the number of Shares which the holder would have received if the



- Managing Director Performance Right had been exercised before the record date for the bonus issue.
- 11) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
  - 12) Where, in the opinion of the Board, a holder:
    - (a) acts fraudulently or dishonestly; or
    - (b) is in breach of his or her obligations to the Company or any of its subsidiaries,then the Board may:
    - (c) deem any unexercised Managing Director Performance Rights of the holder to have lapsed; and/or
    - (d) deem all or any Shares allotted and held by the holder to be forfeited – in which event the holder is deemed to have agreed to sell his shares to the Company for no consideration or be deemed to have appointed any officer of the Company as his or her agent to sell the Shares on market; and/or
    - (e) where any Shares allotted have been sold by the holder, require the holder to pay all or part of the net proceeds of that sale to the Company.
  - 13) Where, in the opinion of the Board, a holder's Managing Director Performance Rights vest as a result of the fraud, dishonesty, or breach of obligations of another person and, in the opinion of the Board, the Managing Director Performance Rights would not otherwise have vested, the Board may determine that the Managing Director Performance Rights have not vested and, subject to applicable laws:
    - (a) where Shares have not been issued or transferred upon the exercise of a vested Managing Director Performance Right, that the Managing Director Performance Rights have not vested and reset the Vesting Requirements applicable to the Managing Director Performance Rights; or
    - (b) where Managing Director Performance Rights have vested and have been exercised by the holder, that the Shares are forfeited by the holder and may, at the discretion of the Board, reissue any number of Managing Director Performance Rights to the holder, subject to new Vesting Requirements in place of the forfeited Shares; or
    - (c) any other treatment in relation to Managing Director Performance Rights or Shares to ensure no unfair benefit is obtained by a holder as a result of such actions of another person.
  - 14) The Board may, in its absolute discretion, determine that all or a specified number of a holder's unvested Managing Director Performance Rights vest where:
    - (a) the holder dies;
    - (b) a takeover bid is made for the Company;
    - (c) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
    - (d) any person becomes bound or entitled to acquire shares in the Company under:
      - (i) section 414 of the Corporations Act; or
      - (ii) Chapter 6A of the Corporations Act;
    - (e) the Company passes a resolution for voluntary winding up;
    - (f) an order is made for the compulsory winding up of the Company;

- (g) the holder resigns or is removed as Managing Director for reasons other than performance or misconduct.

If no determination is made or if the Board determines that some or all of a holder's Managing Director Performance Rights do not vest, those Managing Director Performance Rights will automatically lapse.

- 15) During the currency of any Managing Director Performance Right and prior to vesting, the holder is not entitled to participate in any new issue of securities of the company as a result of holding Managing Director Performance Rights. In addition, the holder is not entitled to vote or to receive dividends as a result of holding Managing Director Performance Rights.
- 16) The Board may at any time by resolution amend all or any the terms or conditions of any Managing Director Performance Right granted.
- 17) No amendment may be made to the terms of any granted Managing Director Performance Right which reduces the rights of the holder in respect of that Managing Director Performance Right without the consent of the holder, other than an amendment:
  - (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation, the Listing Rules or relevant instruments of relief granted by the ASIC governing or regulating the issue of performance rights;
  - (b) to correct any manifest error or mistake; or
  - (c) to take into consideration possible adverse tax implications in respect of the issue of the Managing Director Performance Rights arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or change in the interpretation of tax legislation by a court of competent jurisdiction.

**PROXY FORM**

**APPOINTMENT OF PROXY  
ASPIRE MINING LIMITED  
ACN 122 417 243  
ANNUAL GENERAL MEETING**

I/We

of

being a member of Aspire Mining Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

the Chairman of the Annual General Meeting as my/our proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting, or the Chairman's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at Level 4, 130 Stirling Street, Perth, Western Australia 6000 at 10am (WST) on 29 November 2016, and at any adjournment thereof.

Where I/we have appointed the Chairman as my/our proxy (whether by direction or by default), I/we acknowledge that Resolutions 1, 4, 5, 6, 7, and 8 relate to the remuneration of Key Management Personnel, and that the Chairman intends to vote any undirected proxies in favour of those Resolutions. I/ we expressly authorise the Chairman of the Meeting to exercise my/our proxy even though such Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and even if the Chairman has an interest in the outcome of these Resolutions and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

**Voting on Business of the Annual General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Gan-Ochir Zunduisuren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Director – David McSweeney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Performance Rights to David McSweeney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Issue of Performance Rights to Neil Lithgow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Performance Rights to Hannah Badenach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7– Issue of Performance Rights to Mr Gan-Ochir Zunduisuren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Issue of Managing Director Performance Rights to David Paull	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**The Chairman intends to vote all available proxies in favour of each item of business.**

**Please note:** If you mark the abstain box for the Resolution, you are directing your proxy not to vote on the Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is.....%.

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

### Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. In deciding whether to direct the proxy how to vote, members should read carefully the sections headed "Proxies and Corporate Representatives" and "Important information concerning proxy votes on remuneration related resolutions" in the Notice of Meeting. Where a box is not marked, then subject to the restrictions imposed on voting on Resolution 1 and Resolutions 4 - 8, the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members must sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Aspire Mining Limited, PO Box 1918, Subiaco WA 6904; or
  - (b) facsimile to the Company on facsimile number +61 8 9353 6974; or
  - (c) email to the Company at [info@aspiremininglimited.com](mailto:info@aspiremininglimited.com),

so that it is received not later than 10am (WST) on 27 November 2016.

**Proxy forms received later than this time will be invalid.**