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ASX RELEASE

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Transformational Recapitalisation and Fast Track to Production

Aspire today announces:

- **A \$16.5m renounceable Rights Issue that in conjunction with a significant reduction in debt will transform its balance sheet and capital structure**
 - **New funding provides the Company with the capability and opportunity to fast track towards coking coal production at its Nuurstei Project in an 18 month time frame**
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- **Aspire to undertake a six (6) for five (5) renounceable Rights Issue to raise circa A\$16.5 million at 1.2c per share with one (1) attaching option for every four (4) shares issued, exercisable at 1.8 cents on or before 24 months from grant.**
 - **Funds raised are to be used to expedite development of Aspire's 90% owned Nuurstei Coking Coal project with the aim of taking that project into production within 18 months.**
 - **Patersons Securities Limited has been appointed lead manager to fully underwrite the Rights Issue subject to being satisfied with the Prospectus to be issued by the Company in relation to the Rights Issue.**
 - **Noble has committed to take up its entitlement in full, and to sub-underwrite the Rights Issue to take its interest in Aspire to 19.9%.**
 - **Aspire's Board members have agreed to take up entitlements to a combined total minimum of A\$500,000.**
 - **Through Noble's participation in the Rights Issue and other agreed to arrangements, the current outstanding debt facility is reduced from US\$6.65 million to US\$1.8 million.**

The proposed A\$16.5 million capital raising, when combined with the debt reduction, will transform the Company so that it can actively pursue a near term production opportunity at the 90% owned Nuurstei Coking Coal Project while continuing to pursue early development options for the Ovoot Coking Coal Project.

Mongolian metallurgical coal explorer and infrastructure company, Aspire Mining Limited (ASX: AKM, the **Company** or **Aspire**), is pleased to announce:

1. a proposed six (6) for five (5) renounceable rights issue at 1.2c per share (with one (1) attaching option for every four (4) shares issued under the rights issue) to raise approximately A\$16.5 million (before expenses) (**Rights Issue**); and
2. that Noble has agreed to a series of transactions (including Noble's commitment to take up its entitlement under the Rights Issue in full) that will reduce the US\$6.65 million owing under the Noble debt facility to US\$1.8 million, with the balance to be repaid in instalments so that the facility is fully repaid by August 2019.

6 for 5 Renounceable Rights Issue to Raise circa \$16.5 million

The Rights Issue provides shareholders with a pro-rata opportunity to participate in the recapitalisation of the Company at a 37% discount to the closing price of 1.9 cents per Aspire share on ASX on 27 October 2017 (the last trading day before announcement of the Rights Issue) and a discount of 22.6% to a Theoretical Ex Rights Price of 1.55 cents per share.

Each shareholder on the record date will have a right to acquire six (6) shares for every five (5) shares held at an issue price of 1.2 cents per share. For every four (4) shares subscribed for under the Rights Issue, subscribers will be entitled to be issued one (1) option to acquire a further share in the Company, with each option having an exercise price of 1.8 cents and exercisable at any time prior to 2 years after the date of issue.

The Rights Issue is to be fully underwritten by Patersons Securities Limited ("**PSL**") subject to PSL being satisfied with the prospectus to be issued in connection with the Rights Issue. Further details in relation to the PSL underwriting arrangements (including termination events) will be set out in that Prospectus. Noble has committed to take up its Rights Issue entitlement in full and has provided PSL with a sub-underwriting commitment to PSL so as to acquire a 19.9% equity interest in Aspire post completion of the Rights Issue.

In consideration for underwriting the Rights Issue, PSL is to be issued with "Underwriter Options" on the basis of one (1) option for every four (4) shares underwritten. The "Underwriter Options" will be issued on the same terms and conditions as those issued pursuant to the Rights Issue, with 163.8 million being issued upon completion of the Rights Issue with the balance being subject to shareholder approval under ASX listing rule 7.1 at a meeting of shareholders expected to be held in mid December 2017. Noble and Aspire's directors (who are expected to hold 32.5% of Aspire's issued share capital post completion of the Rights Issue), have separately confirmed that subject to the successful completion of the Rights Issue, they intend to support the issue of these Underwriter Options to PSL (to the extent that they are lawfully able to do so) at this meeting of Aspire shareholders.

Aspire will apply for both the shares and options to be issued in connection with the Rights Issue (including the Underwriter Options) to be listed on the ASX.

The proposed use of funds raised by the Rights Issue is as follows:

Use of Funds	Amount
Post-Offer Cash	~\$16.5m
Noble Rights Issue Participation and Debt Repayment Transaction	(\$3.75m)
Working Capital and Costs of Offer	(\$2.7m)
Nuurstei Development Capital	~(\$10.0m)

This Rights Issue offer will be made under a prospectus which is currently being finalised and will be distributed to all shareholders at the earliest opportunity. An indicative timetable for the process of the Rights Issue is as follows:

Event	2017
Prospectus lodged with ASIC and ASX	Friday 10 November
Trading of Rights Commences	Tuesday 14 November
Record Date	Wednesday 15 November
Despatch of Notice of Meeting to Shareholders	Friday 17 November
Opening Date	Monday 20 November
Trading of Rights Ends	Monday 27 November
Offer Closing Date	Monday 4 December
Allotment of Offer Shares (including shortfall)	Monday 11 December

In addition to considering the issue of the Underwriter Options at the upcoming shareholders meeting, shareholders will also be asked to approve the proposed issue of 229 million new performance rights for the benefit of Directors and management, reflecting a 9% undiluted interest in Aspire post completion of the Rights Issue. These performance rights are proposed to be spread across six performance hurdles, both operational and share price related in accordance with shareholder objectives to see the Company commence production in the near term and share price growth targets spread out over the next three and a half years. Further details of the proposed terms of these performance rights will be set out in the relevant meeting documentation. The Notice of Meeting of Shareholders is expected to be despatched on or about 17 November 2017.

The Rights Issue is not in any way linked to shareholders approving the proposed issue of these performance rights.

Noble Debt Repayment and Restructure

The Company currently has US\$6.65 million owing under a loan facility with its major shareholder, Noble Group, that is due to be repaid on or before 17 August 2019, with a requirement that 50% of the free cashflow from the Nuurstei Coking Coal Project be applied to repay amounts outstanding under this facility. This is a significant amount of borrowings and is seen as an impediment to attract equity market interest in the Company.

In order to support Aspire's recapitalisation and growth path, Noble has entered into a binding Terms Sheet with the Company, whereby the existing US\$6.65 million owing under that debt facility is to be reduced to US\$1.8 million by a series of transactions involving:

- Noble's agreed participation and sub-underwriting of the Rights Issue;

- Noble agreeing to acquire an additional 10% equity interest in Northern Mongolian Railways Limited (“NMRL”) from Aspire – NMRL is its subsidiary, Northern Railways LLC, the holder of the Concession Agreement with the Government of Mongolia to build and operate the Ovoot to Erdenet Railway in Mongolia; and
- Noble agreeing to acquire further equity in NMRL so as to maintain a 15% equity interest in that company (in the event that China Gezhouba Group International Company Limited (“Gezhouba”) was to acquire a 51% interest in NMRL) or otherwise accept a prepayment of up to US\$1 million in the form of Aspire shares (to be issued at a 5% discount to the 30 day VWAP).

The balance of US\$1.8 million owing under that facility is to be repaid in instalments, with the first instalment of US\$600,000 to be paid 6 months after the commencement of commercial production from the Nuurstei Project but on the basis that all outstanding amounts will be repaid by no later than 17 August 2019.

Further details regarding the Noble debt reduction arrangements will be set out in the prospectus.

Capital Raised to further Development of the Nuurstei Project.

On 26 July 2017, the shareholders approved the increase in Aspire’s ownership interest in the Nuurstei Coking Coal Project located in Northern Mongolia from 45% to 90%.

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 of the Erdenet to Ovoot Railway.

Subject to the successful completion of the Rights Issue, a proposed A\$2 million drilling and exploration program is to be undertaken at the Nuurstei Coking Coal Project targeted to increase resources and to establish a reserve, including the conversion of Inferred Resources to Indicated Resources categories. A new resource model for Nuurstei is planned to be completed in the first quarter of 2018, subject to completion of the capital raising and completion of drilling.

Capital costs for the development of Nuurstei have been further refined, with the current estimate of US\$13 to US\$14 million to be confirmed in the feasibility study process.

The end objective of these studies is to confirm an economically viable mining operation commencing within an estimated 18 month period. This is dependent on the analysis of the results of the drilling program, future positive economic studies, the grant of necessary approvals and licenses, and any further required funding in addition to but not limited to that provided by other possible sources such as coal pre-sales, contractor funding and exercise of options.

Whilst the Nuurstei Project can commence as a road based production operation, access to the proposed Erdenet to Ovoot Railway provides the potential for further reduced transport costs for the Nuurstei Project.

Erdenet to Ovoot Railway

As announced on 12 October 2017, Aspire and its subsidiary, Northern Railways LLC (**Northern Railways**), entered into a binding Memorandum of Understanding (**MOU**) with Gezhouba to advance the Erdenet to Ovoot Railway Project as part of the Northern Rail Corridor.

Under the MOU, Gezhouba has agreed to complete the second and final stage of the Rail Bankable Feasibility Study by 31 March 2018. In return, Northern Railways has agreed to explore with China

Railways Construction Bureau 20 Group, the potential for Gezhouba to jointly work on the design, procurement and construction of the project.

Gezhouba has now commenced the work required to progress completion of the Erdenet to Ovoot Railway Feasibility Study.

The MOU also sets out a pathway for the development of the Erdenet to Ovoot Railway Project as well as the potential extension of that project from Ovoot through to the Mongolian/Russian border. To this end, Gezhouba has expressed a willingness, on a best efforts basis, to:

1. assist Northern Railways to seek investors to fund the Northern Rail Corridor, as well as support Northern Railways efforts to extend the Northern Rail Corridor to eventually connect to Russia at the Arts Suuri border; and
2. assist Aspire source investment to fund the development of the Ovoot Coking Coal Project.

The MOU also provides the framework by which Gezhouba can acquire a 51% equity interest in Northern Railways in return for funding to complete the outstanding conditions precedent for the Erdenet to Ovoot Rail Concession and for EPC funding, with such additional equity investment proposed to be made on or before 15 February 2018.

Securing a Holistic Solution to Move Forward

The combination of the MOU with Gezhouba for its commitment to complete the feasibility study for the Erdenet to Ovoot Railway Project, the Rights Issue of \$16.5 million and the arrangements with Noble to reduce and ultimately eliminate amounts owing under the Noble debt facility, provide Aspire with the capability and opportunity to transition towards becoming a near term coking coal producer.

Aspire's Managing Director, Mr David Paull, said that "through this transformational transaction we will look to become a new quality hard coking coal producer with a market capitalisation to reflect this. Combined with continuing progress on the Erdenet to Ovoot Railway, Aspire should then be in an improved position to facilitate the development of the world class Ovoot Coking Coal Project, thereby opening the prospect of creating a company with a material market value."

Refer to the Investor Presentation to be released separately to ASX for further information on this Transformational Fund Raising and Debt Restructure.

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About Aspire Mining Limited

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

Ovoot Coking Coal Project (100%)

Aspire is the owner of the world class Ovoot Coking Coal Project (Ovoot Project) which is the second largest coking coal project by reserves in Mongolia. 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.

Nuurstei Coking Coal Project (90%)

On 26 July 2017, the Company's shareholders approved the increase in the ownership interest from 50% to 100% in the corporate entity that 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 of the Erdenet to Ovoot Railway.

Depending on the further analysis of the results of an intended 2017 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 access the new Erdenet to Ovoot Railway two years from commencement of 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 licenses, permits and approvals, and negotiations for the EPC contract.

For more information contact:

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