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ASX RELEASE



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Northern Rail Corridor Confirmed as a Competitive Rail Connection between NE China and Europe.

- European logistics specialists TransCare GmbH have confirmed that the Northern Rail Corridor, once complete, will be potentially the quickest and lowest cost rail path for European\North East China trade.
- The Erdenet to Ovoot Railway was recently included in the New Northern Rail Economic Corridor connecting China and Russia through Mongolia as part of China's One Belt One Road Policy.
- Confirmation also that extending the Rail network to the Russian city of Kyzyl and the Elegest Coal Basin will provide competitive access to trade with China.

Mongolian metallurgical coal explorer and infrastructure company, Aspire Mining Limited (ASX: AKM, the **Company** or **Aspire**), has, through its rail subsidiary Northern Railways LLC ("**NR**") recently received a high level study from global rail logistics consultant, TransCare GmbH ("**TransCare**"), looking at potential comparative travel times, distances, costs and existing bottlenecks along alternative rail paths identified by China's One Belt One Road Policy.

Currently:

1. around 60% of European-Russian rail transit freight to and from China moves along the route from Western China through Kazakhstan to Europe;
2. around 35% travels around Mongolia via the Manchurian route; and
3. only a small proportion travels through Mongolia along the single track Trans-Mongolian Railway.

Rail Freight Volumes between China and Europe Set to Explode

TransCare confirmed that as of June 2016 there are 1,881 China to Europe cargo trains annually in service which transport imports and exports worth US\$17 bn. This should be seen in the context of existing bilateral trade between China and the European Union of US\$3.5 trillion per annum.

According to a development plan issued by China's National Development and Reform Commission, it is estimated that by 2020 there will be around 5,000 cargo trains running between China and Europe annually, connecting a growing number of cities in China and Europe.

*"Demand for rail cargo service between China and Europe has exploded in recent years because it offers an alternative to slower and riskier sea freight and much costlier air cargo."*¹

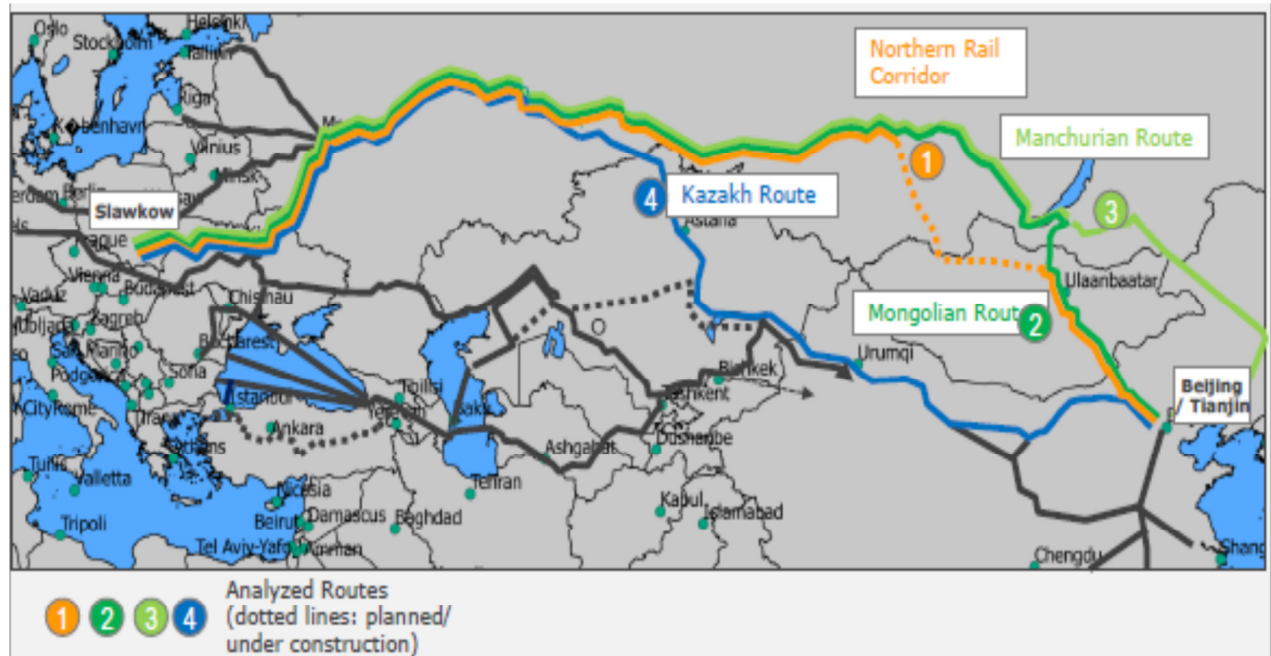


Figure 1: One Belt One Road Rail Routes

As a current example of the commercial benefits of rail, Samsung Electronics recently signed a transport agreement with Russian Rail to rail freight containers from Russia's eastern seaports to Slovakia, Hungary and Poland. This reduces delivery lead times from 35 days (seaborne transport) to 18 days providing Samsung with greater inventory control and immediate and efficient adjustment when product models change.

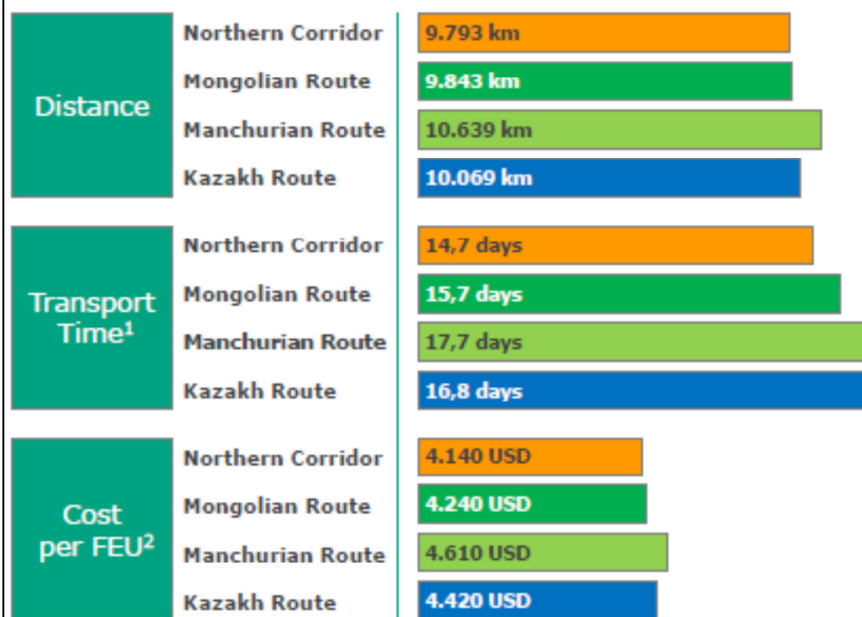
Northern Rail Line Competitive with other Available Rail Routes for Container Transport

Using a common entry point at Tianjin and exit point at Slawkow in Poland, the Northern Rail Corridor is shorter than the existing routes and a highly competitive service in terms of lead times and costs is feasible.

¹ Evaluation Northern Rail Corridor China-Europe - TransCare GmbH October 2016

For rail transport between Eastern China and Europe, the Northern Corridor is one of several alternatives

Container Transport Tianjin – Slawkow (B)



¹ assuming an average travel speed of 25 km/h or 40 km/h (see previous slides) ² including loading/reloading/unloading

Figure 2: Container Freight Comparisons from Tianjin to Slawkow.

The study clearly shows that the Northern Rail Corridor, which includes dual tracking the Trans-Mongolian Railway and building new rail lines from Erdenet to Ovoot to Kyzyl, will provide a more competitive rail service for container freight than existing routes. Building the Northern Rail Corridor adds significant additional freight capacity for Eurasian east west trade.

The Northern Rail Corridor follows the Trans-Mongolian Railway to Salkhit and then turns west towards Erdenet and Ovoot, avoiding significant bottlenecks along the Trans-Siberian Railway directly to the north of Mongolia.

Northern Corridor would bypass main bottlenecks on Trans-Sib

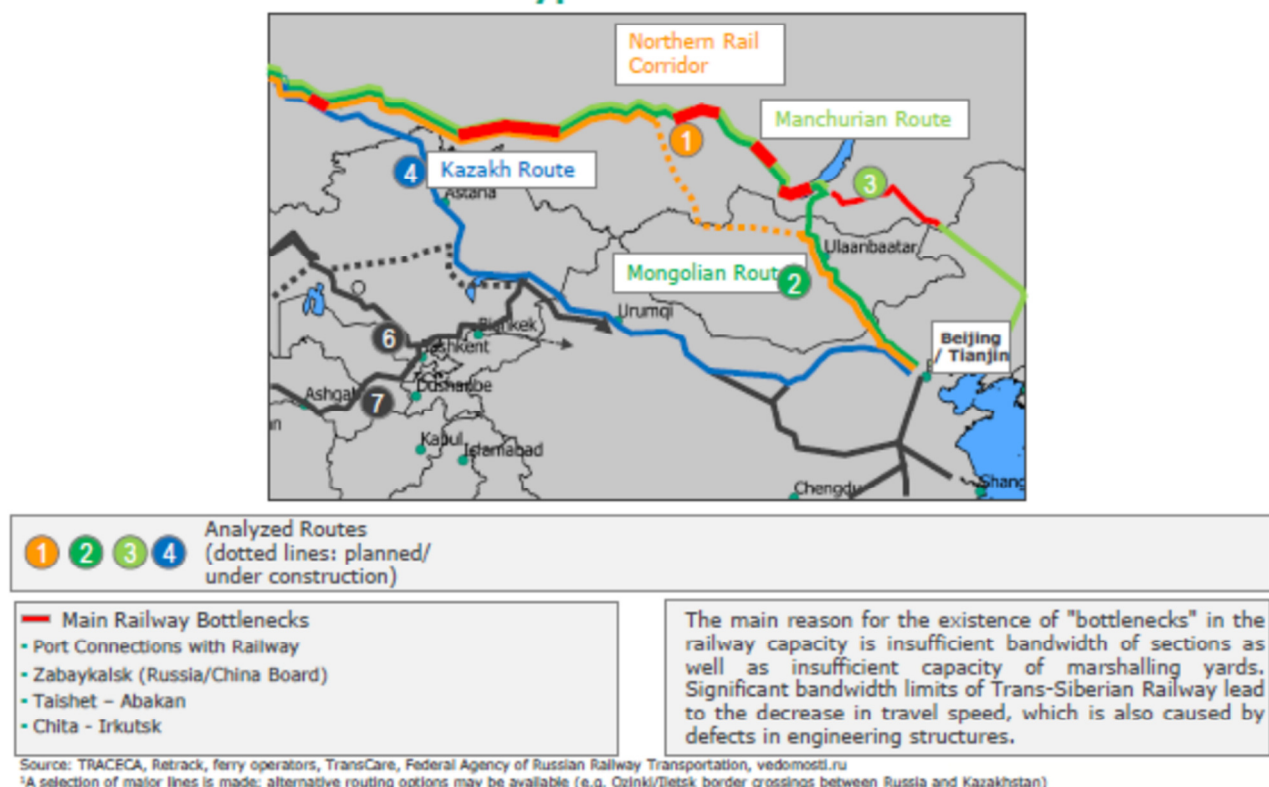


Figure 3 : Location of Bottlenecks in the Trans Siberian Railway

Northern Rail Route is the Best Path for Ovoot and Elegest Coking Coal Exports to Europe

The TransCare Study also confirms the distance, time and cost advantages for Elegest Coking Coal exports to China.

The region around Kyzyl (Tuva) would obtain more direct access to Chinese ports through the Northern Rail Corridor

Coal Transport Kyzyl – Tianjin (A.c)

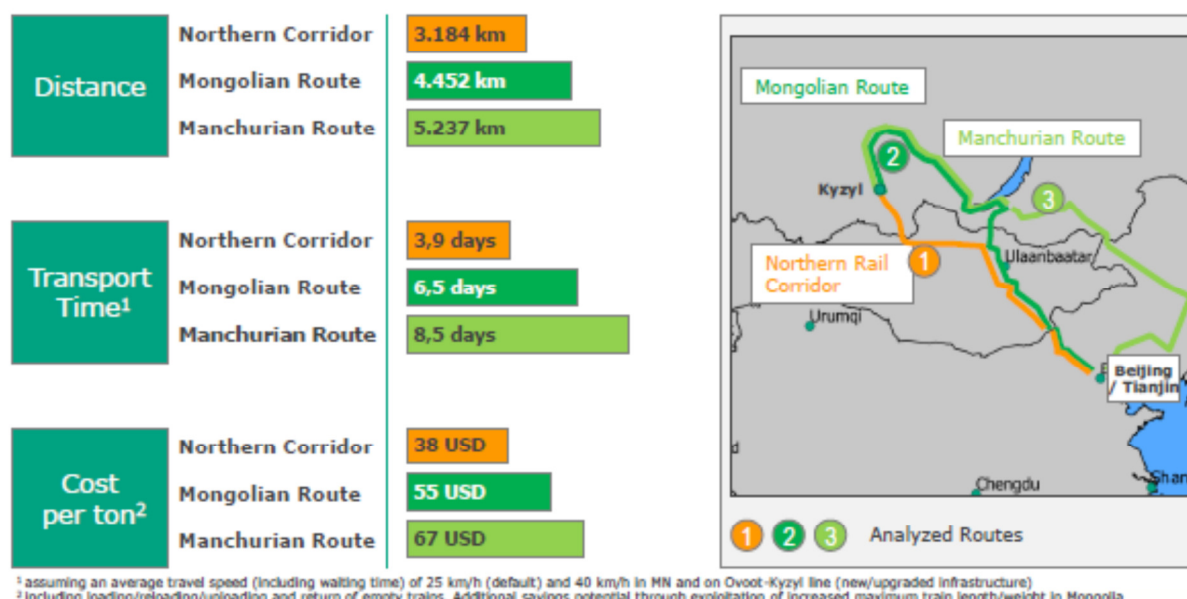


Figure 4: Significant savings for exporters from Russia's Tuva Region including the Elegest Coking Coal Field.

The Northern Rail Corridor is demonstrably a shorter, quicker and is expected to be a cheaper route to China for freight from Kyzyl, including the Elegest Coking Coal field, than other routes. These comparisons are all to the same termination point at the coal terminals at Tianjin. The confirmation of China, Russia and Mongolia to establish the Northern Rail Corridor as a trade route, means that the Chinese port of Tianjin becomes the closest seaborne port to introduce Elegest and Ovoot Coking Coal into the seaborne markets.

Over time, as exporters and importers continue to identify the merits of land based trade, and export and import opportunities are further explored, rail transport volumes are set to continue to increase. It is expected that the Northern Rail Corridor will see significant demand for its freight capacity of at least 15 Mtpa, growing to 30 Mtpa in the long term.

To complete the Northern Rail Corridor, a number of rail projects need to be constructed, including the Company's Erdenet to Ovoot section (547 kms from Ovoot to Arts Suuri to Kyzyl (approximately 500 kms) and from Kyzyl to Kuragino\Abakan (406 kms).

The logistics study also confirmed that the connection of the Northern Rail Line with the Trans-Siberian Railway will provide faster and cheaper delivery of coal into Eastern Europe than transiting Mongolia through the Trans-Mongolian at Naushki.

For trade between NW Mongolia and Europe, the Northern line is somewhat shorter than the existing Mongolian route

Coal Transport Ovoot – Slawkow (A.b)

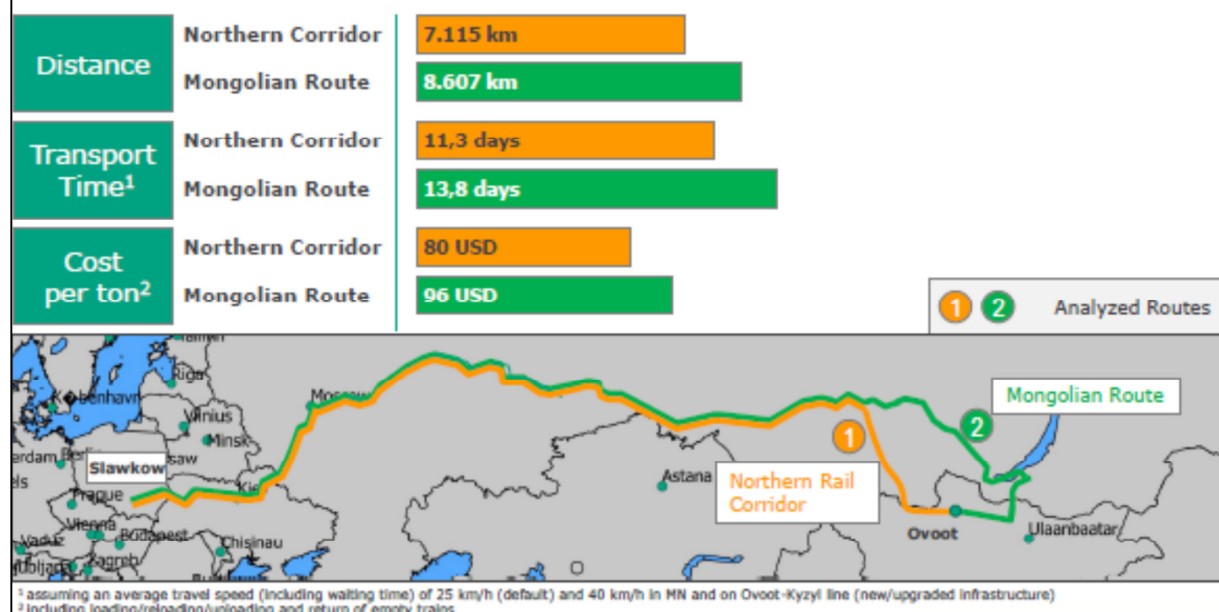


Figure 5: Northern Rail Corridor will enable more competitive path for Ovoot Coking Coal and other exports from Northern Mongolia to Western Russia and Eastern Europe.

Conclusion

The study from TransCare confirmed that the Northern Railway will provide an efficient and competitive service to support:

- Growing trade between Russia, China and Mongolia as well as transit freight for Sino European Trade
- A material improvement in competitiveness for eastbound Elegest Coking Coal exports
- Ovoot Coking Coal and other export products from Northern Mongolia to China and other markets through Chinese ports.

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About Aspire Mining Limited

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

Aspire is the 100% owner of the world class Ovoot Coking Coal Project (Ovoot Project) which is the second largest coking coal project by reserves in Mongolia. The Ovoot Project development is dependent on the construction of the Erdenet to Ovoot railway which is being progressed by Aspire's subsidiary, Northern Railways LLC (Northern Railways). Northern Railways has been granted a rail concession in August 2015 and is progressing the negotiations and completion of a bankable feasibility study, funding, EPC contract, applications for licenses, permits and approvals to commence railway construction.

Production from the Ovoot Project can coincide with the commissioning of the Erdenet to Ovoot Railway.

Aspire also currently owns a 50% interest in, and is the operator of, the Ekhgoviin Chuluu Joint Venture (ECJV) and has an option to increase its ownership to 100% of the ECJV. The ECJV owns a 90% interest in the Nuurstei Coking Coal Project (Nuurstei Project) which announced an initial JORC Compliant Resources on 13 April 2016.

About Northern Railways LLC

Northern Railways LLC (Northern Railways) is a Mongolian registered rail infrastructure company, and mandated to pursue the development of the Erdenet to Ovoot Railway, 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 547km 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 the Northern Rail Corridor through Mongolia, the subject of a trilateral program agreed by the Presidents of China, Russia and Mongolia. The Northern Rail Corridor through Mongolia is primarily aimed at improving trade by reducing regulation, improving capacity at borders and to improve road and rail infrastructure to meet this increased demand for transport services. The Northern Rail Corridor 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 years concession by the Mongolian Government to build and operate the Erdenet to Ovoot Railway. Northern Railways is now progressing funding negotiations for the completion of a bankable feasibility study and other studies to support applications for licences, permits and approvals, as well as progressing negotiations for the EPC contract and financing of the railway construction.

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