For Immediate Release – 29 April 2016

QUARTERLY REPORT
Quarter Ended 31 March 2016

Northern Railways Investment Update

• Negotiations between Mongolia, Russia and China continue to identify key projects to be included in the “Economic Corridor” between China and Russia through Mongolia. Northern Railways’ Erdenet to Ovoot Railway remains a potential inclusion in this Economic Corridor.

• Northern Railways LLC and its advisers continue discussions with potential funders of the feasibility study for the Erdenet to Ovoot Railway.

Initial Resource for Nuurstei Coking Coal Project

• ECJV receives an initial Nuurstei Coking Coal Project resource report with total JORC 2012 Compliant Resources of 12.85 Mt (4.75 Mt Indicated, 8.1 Mt inferred).

• Mining Licence application commenced.

Corporate

• Seaborne metallurgical coal prices have enjoyed a significant 20% increase over the March 2016 quarter. Most analysts predict modest price rises in 2017 and 2018.

• Aspire has formed a consortium to investigate other existing and near term coking coal production opportunities for acquisition or joint venture. The consortium has been active in a number of sales processes that are currently ongoing for the sale of metallurgical coal assets in both Australia and Mongolia.
Aspire Mining Limited (ASX: AKM, Aspire, or the Company), focussed on the exploration and development of metallurgical coal assets in Mongolia, is pleased to present its Quarterly Activities Report to Shareholders for the quarter ending 31 March 2016.

The Company is the largest coal tenement holder in the Orkhon-Selenge Coal Basin in northern Mongolia. Aspire currently wholly owns the large scale, world class Ovoot Coking Coal Project (Ovoot). Through its 50% ownership in the Ekhgoviin Chuluu Joint Venture (ECJV), Aspire also holds an interest in the Nuurstei Coking Coal Project (Nuurstei) and the Erdenebulag Coal Project (Erdenebulag).

Northern Railways LLC (Northern Railways), Aspire’s Mongolian rail infrastructure subsidiary is responsible for activities associated with the commercialisation and future development of the 547 km Erdenet to Ovoot railway in northern Mongolia (Rail Project). The Erdenet to Ovoot railway is a part of the Mongolian Rail Policy and plays an important role in the development of an international Economic Corridor supported by the Governments of Russia and China to facilitate increased trade between the three nations and the wider Asian and European economies.

![Figure 1: Location of Projects and New Projects](image-url)
INITIAL RESOURCE FOR NUURSTEI

Ekhgoviin Chuluu Joint Venture (50% with option to increase to 100%) (ECJV)

The ECJV is a 50/50 joint venture between Aspire and Singapore listed Noble Group (SGX: N21, Noble) which is mandated to explore and develop coal assets in Mongolia. Aspire acquired its 50% interest in the ECJV in mid-2014 with a one year option to acquire Noble’s 50% interest. The period within which Aspire can exercise its option has recently been extended by a further year to March 2017. In the event that the Company exercises its option, Aspire’s interest in the ECJV will move to 100%.

The ECJV currently holds interests in the Nuurstei (90%) and Erdenebulag (100%) coal projects.

On 13 April 2016, the ECJV announced an initial JORC 2012 resource estimate for the Nuurstei Coking Coal Project.

Nuurstei is:
1. located in northern Mongolia and is 10 kilometres south from the Khuvsgul provincial capital of Moron;
2. in close proximity to a sealed road connecting to the east to Erdenet city and connection to the Trans Mongolian Railway;
3. well placed to be an early user of the proposed Northern Railway Project which extends rail from Erdenet to Aspire’s Ovoot Coking Coal Project and then further northwest to the Russian city of Kyzyl; and
4. viewed as a low capital cost starter project to operate in conjunction with the much larger Ovoot Coking Coal Project which is 160 kilometres further to the west and assist with developing logistical capabilities and market development for coking coals from northern Mongolia.

Figure 2: Nuurstei project proximity to existing rail infrastructure and Moron, capital of the Khuvsgul province in Mongolia’s north
In October 2015, the ECJV completed its Nuurstei 2015 exploration drilling program of 24 non-core drill holes and 31 PQ diamond core holes (refer ASX Announcements dated 21 August 2015 and 7 October 2015). On 18 December 2015, a further announcement was made in relation to the results of Nuurstei coal quality analytical work.

Figure 3: Nuurstei overall Resource Areas

The coal deposit is represented by a large number of moderate to steeply dipping coal seams identified over a strike length of 1.6 kilometres. The deposit is structurally complex to very complex with variable coal seam dip orientations. Coal-bearing strata have a generally west northwest strike and dip 40 to 80° south southwest. Isoclinal folds have been interpreted but could also be interpreted to be faults. Additional drilling would be required to confirm this.

Figure 3 above shows the areal limit of the Nuurstei Resource and the following Table 1 shows the make-up of the Resource.
### Total Coal Resources
31 December 2015

<table>
<thead>
<tr>
<th>Potential Mining Method</th>
<th>Depth Interval (m)</th>
<th>Measured (A)</th>
<th>Indicated (B)</th>
<th>(A+B)</th>
<th>Inferred</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes (Mt)</td>
<td>Quality CV (kcal/kg) Ash (%)</td>
<td>Tonnes (Mt) CV (kcal/kg) Ash (%)</td>
<td>Tonnes (Mt) CV (kcal/kg) Ash (%)</td>
<td>Tonnes (Mt) CV (kcal/kg) Ash (%)</td>
</tr>
<tr>
<td>OC BOC-BOW</td>
<td>-</td>
<td>0.41</td>
<td>0.41</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>OC BOW-50</td>
<td>-</td>
<td>1.18</td>
<td>1.18</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>OC 50-100</td>
<td>-</td>
<td>1.72</td>
<td>1.72</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>- 100-150</td>
<td>-</td>
<td>1.10</td>
<td>1.10</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>- 150-200</td>
<td>-</td>
<td>0.34</td>
<td>0.34</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>4.75</td>
<td>-</td>
<td>36%</td>
<td>4.75</td>
</tr>
</tbody>
</table>

**Total Resources (Rounded)**: 4.8 (36%) 8

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**Table 1: JORC 2012 Resource at Nuurstei Project as at 31 December 2015**

**Notes:**

1. **For further information refer to Appendix A JORC Code 2012 Edition Table 1 included in the ASX Announcement made on 13 April 2016.**

2. **Resources and coal quality reported at in situ moisture basis.**

3. **The depth interval BOC-BOW is the base of the colluvium (or topography surface where colluvium does not exist) to the base of weathering.**

4. **Raw quality grids are extrapolated 100 m past the last drill hole data point and are used for resource estimation. Defaults of 40% ash and 1.5 g/cc in situ density were used where quality grids do not exist. A raw ash cut off of 55% was used.**

5. **Resources above Base of Weathering (0.41 Indicated and 0.5 Inferred Mt) may not meet a coking coal specification as the qualities have possibly deteriorated in the weathering process. Any development of this resource must define BOW in more detail to understand where the coking coal quality limit is present in the coal resource.**

Coal resources may extend to the west and northwest where closer spaced drilling may confirm an interpreted synclinal structure. There are also a number of additional smaller deposits in the region that the ECJV will assess for incorporation in a Nuurstei based coal processing operation.
Coal Quality Observations

Coal sampling and analysis was of a preliminary nature consistent with the early stage of development of the Project. However washed coal quality results clearly indicate the widespread presence of a good hard coking coal with excellent plastic properties.

<table>
<thead>
<tr>
<th>Indicative Washed Coal Quality (Air Dried)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Samples</strong></td>
</tr>
<tr>
<td><strong>Moisture %</strong></td>
</tr>
<tr>
<td><strong>Ash %</strong></td>
</tr>
<tr>
<td><strong>Volatile Matter %</strong></td>
</tr>
<tr>
<td><strong>Total Sulphur %</strong></td>
</tr>
<tr>
<td><strong>Phosphorus %</strong></td>
</tr>
<tr>
<td><strong>Free Swelling Index (FSI)</strong></td>
</tr>
<tr>
<td><strong>Caking Index (“G”)</strong></td>
</tr>
<tr>
<td><strong>Gieseler Fluidity (ddm)</strong></td>
</tr>
<tr>
<td><strong>Max Dilatation %</strong></td>
</tr>
<tr>
<td><strong>Sapozhnikov Index - X mm</strong></td>
</tr>
<tr>
<td><strong>Sapozhnikov Index - Y mm</strong></td>
</tr>
<tr>
<td><strong>Base/Acid ratio</strong></td>
</tr>
</tbody>
</table>

Table 2: Indicative Washed Coal Quality (air dried basis)

A clean coal product from eighteen of the sections subjected to washability (average target ash 9.5%) was analysed for Proximate, Total Sulphur, Ash Chemistry and FSI. Five of the clean coal samples received analysis for Sapozhnikov X and Y Dilatation, Gieseler Fluidity, G Index and Petrography and the results are summarised as follows:

- Ash content averaged 9.2% ad.
- Volatile content averaged 25.9% (dry ash free basis).
- Total Sulphur was moderate (averaging 0.69% ad).
- FSI averaged 8.5 (all samples) and G Index averaged 98 on five samples. These results are indicative of high reactive content in the coal.
- Sapozhnikov X mm and Y mm averaged 16mm and 29mm, respectively, on five samples. These results are indicative of excellent plastic properties relevant to coking coal.
- Gieseler Fluidity averaged 3,755 maximum ddm and maximum dilatation was 190%. These results are also indicative of excellent plastic properties.
- Phosphorus in coal averaged 0.09% which is moderately high.
- Vitrinite maximum reflectance (five samples) averaged 1.35. Vitrinite content in the petrographic samples averaged 90%. Together with the average volatile content the maximum vitrinite reflectance result is mid-range within a hard coking coal classification while the vitrinite content would place the average quality as a mid-rank high plasticity blend component in a coke blend.
- Iron and calcium oxides together averaged 7.4% which is moderate while potassium oxide in ash averaged 3.3% which is relatively high.
A coal such as this would ideally be blended with other materials which have high inerts, low base element in ash content and moderately low phosphorus. Such a blend would be expected to realise a premium grade coke with high coke strength.

Further quality work would need to consider drop shatter and wet tumble of large diameter core samples to provide better accuracy on yield and product ash assessment. An evaluation is required to determine the qualities of intermediary plies within the seams of interest that were not analysed in this program as this will impact on overall product yield and to some extent on product quality.

**Nuurstei Near Term Development Potential**

The ECJV will further assess the results of its Nuurstei 2015 exploration programme to consider undertaking a scoping study to evaluate the economics of a mining operation based on initial road based (truck) transport to the existing rail head at Erdenet. The process to convert the Nuurstei exploration licence to a mining licence has commenced.

Due to its proximity to existing road and rail infrastructure, Nuurstei provides an opportunity for the ECJV to commence short term production once coal prices improve. A sealed road extends from the nearby town of Moron, approximately 10 kilometres from Nuurstei and from which product can be trucked to Erdenet for loading onto rail to transport to customers. Once the Erdenet to Ovoot railway is constructed, coal produced at Nuurstei can be loaded onto rail closer to the mine site.

Nuurstei is well positioned to become the first user of the to be constructed Erdenet to Ovoot railway as the line is expected to pass near Nuurstei approximately two years after rail construction begins.

**CORPORATE**

**Coking Coal Market**

There has been a steady uplift in seaborne metallurgical prices in the March 2016 quarter which appears to have escaped the market’s attention. Spot trading around the time of writing were quoted at being US$99/t FOB Australia for Premium Hard Coking Coal which is a 12 month high and a 25% increase over calendar 2016 year to date. As always, the market dynamics in China are the primary determinants of the global supply and demand balance and the rise in metallurgical coal prices in the March 2016 Quarter mirror rises in the iron ore price over the same period notwithstanding the fundamentals between the two commodities are very different.
Figure 4: Australian FOB Dalrymple Bay Coking Coal Prices (Source Steel First 18 April 2016)

Before the recent increases in coking coal pricing, most production was loss making. There continues to be rationalisation inside China, by far the world’s largest coking coal producing country, by closure of small and unsafe mines. Chinese domestic coal miners are also burdened by debt obligations that limit further investment in mine extensions.

The Company believes that the market found its bottom around the end of 2015.

**Acquisition Possibilities in the Coking Coal Market**

There are major structural shifts occurring in the metallurgical coal industry at present with the larger companies that participated in the consolidation of the industry by using cheap access to debt are now significantly weakened. Given this consolidation was occurring through 2008 to 2012, a lot of this debt is maturing so even companies with quality assets are weighed down by these financial burdens.

All the largest players in the US coal industry are now in bankruptcy protection administration. The major diversified miners with exposure to coking coal (other than BHP Billiton) are actively seeking to exit the industry.

In this environment and given the Company's view that metallurgical coal prices have formed a base, the Company has been reviewing acquisition opportunities for existing and near production coking coal projects both in Australia and Mongolia. The company has formed a consortium with Asian based funders to access these opportunities.
Cash Position

Aspire had A$0.758 million cash as at 31 March 2016.

Significant reductions in staff at the Company’s Perth and Ulaanbaatar offices have been made in January 2016 with the completion of Nuurstei exploration activity and while awaiting the Company’s rail subsidiary, Northern Railways, securing additional funding to complete the rail feasibility study and other pre-development activities.

US$5m Loan Facility

Aspire currently has a US$5 million loan facility with Noble Group which was provided in 2013 to assist with the completion of rail pre-development activities in relation to the Erdenet to Ovoot railway and the negotiation of a Concession with the Government of Mongolia. The loan was due in March 2015 but was extended for a year and again for a further two years to March 2018. The loan is secured against Aspire’s 50% interest in the ECJVs.

Capital Structure at 31 March 2016:

<table>
<thead>
<tr>
<th>Security</th>
<th>No. on issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted Ordinary Shares</td>
<td>928,288,306</td>
</tr>
<tr>
<td>Quoted Options</td>
<td>188,912,500</td>
</tr>
<tr>
<td>Unlisted Performance Rights</td>
<td>46,500,000</td>
</tr>
</tbody>
</table>

Interests in mining and exploration tenements at 31 March 2016:

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Location</th>
<th>Attributable Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ovoot</strong></td>
<td>Mongolia</td>
<td></td>
</tr>
<tr>
<td>MV017098</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>017003X</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td><strong>Hurimt</strong></td>
<td>Mongolia</td>
<td></td>
</tr>
<tr>
<td>14510X</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>14637X</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td><strong>Jilchigbulag</strong></td>
<td>Mongolia</td>
<td></td>
</tr>
<tr>
<td>12816X</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td><strong>Myngan</strong></td>
<td>Mongolia</td>
<td></td>
</tr>
<tr>
<td>17922X</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td><strong>Nuurstei (ECJV)</strong></td>
<td>Mongolia</td>
<td></td>
</tr>
<tr>
<td>13958X</td>
<td></td>
<td>45%</td>
</tr>
<tr>
<td>13580X</td>
<td></td>
<td>45%</td>
</tr>
<tr>
<td><strong>Erdenebulag (ECJV)</strong></td>
<td>Mongolia</td>
<td></td>
</tr>
<tr>
<td>18294X</td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>18304X</td>
<td></td>
<td>50%</td>
</tr>
</tbody>
</table>
Group Investment Structure

Aspire Mining Limited (ASX: AKM)

Infrastructure Investments

Northern Railways Holdings LLC (100%)

Northern Railways LLC (90%*)

Exploration Projects

Ovoot Coking Coal Project (100%)
Jilchigbulag Coal Project (100%)
Myngan Coal Project (100%)

ECJV (50%, option to earn 100%)
- Nuurstei Coking Coal Project (90%)#
- Erdenebulag Coal Project (100%)#

*Ekhgoviin Chuulu Joint Venture assets
*An issue of shares will be made to Noble Group following exercise of its option to acquire 10% of Northern Railways following the grant of the Erdenet to Ovoot railway concession.
Mongolian registered Northern Railways is the responsible entity progressing the development of the 547 kilometre Erdenet to Ovoot railway project in northern Mongolia (refer Figure 4). The Rail Project is proposed to be implemented under a private-public-partnership with the Government of Mongolia which has granted Northern Railways the exclusive right to build and operate the Rail Project under the terms agreed within the Concession Agreement executed in September 2015.

![Figure 4: Erdenet to Ovoot Railway Project](image)

**Figure 5: Northern Railways Rail Project forms part of a planned international trade corridor between Russia, Mongolia and China**

**Rail Pre-Development Update**

The Company understands that negotiations are ongoing at a government to government level to include the planned railway from Erdenet through to the Russian city of Kyzyl into what is termed the new “Economic Corridor” between Russia and China through Mongolia. The Erdenet to Ovoot Railway is the first stage of this planned new railway.

Northern Railways has completed all the necessary steps required in order to provide definition for the commencement of the Rail Feasibility Study. The funding for this study and the additional work required to support this study is currently being sought by Northern Railways and discussions with potential financiers are continuing.

---Ends---
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 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). Depending on the further analysis of the results of the 2015 program, future positive economic studies, funding and the grant of necessary approvals and licenses, Nuurstei could commence a road based production operation and access the new Erdenet to Ovoot railway as early as two years from commencement of its construction.

Aspire is also the owner of the world class Ovoot Coking Coal Project (Ovoot) 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 Northern Railways LLC (Northern Railways).

Production from the Ovoot project can coincide with the commissioning of the Erdenet to Ovoot railway.

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 547 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 an Economic Corridor through Mongolia, the subject of a trilateral agreement signed by the Presidents of China, Russia and Mongolia. The Economic 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. This Economic Corridor through Mongolia links closely with Chinese policies to establish a New Silk Road to improve Euro-Asian trade, and Russia’s policy of establishing a Euro-Asian economic zone.

In August 2015 Northern Railways was granted an exclusive 30 year concession by the Mongolian Government to build and operate the Erdenet to Ovoot Railway. Northern Railways is now progressing negotiations for the required funding for the completion of a bankable feasibility study and other studies necessary to support applications for licences, permits and approvals, and negotiations for the EPC contract.

About Ekhgoviin Chuluu Joint Venture
The Ekhgoviin Chuluu Joint Venture (ECJV) is currently a 50/50 joint venture arrangement between Aspire and Singapore listed Noble Group (SGX: N21, Noble). Aspire is the operator of the ECJV and has an option to purchase Noble’s 50% interest, exercisable by March 2016. The ECJV owns a 90% interest in the Nuurstei Coking Coal Project (Nuurstei) located in northern Mongolia and a 100% interest in the Erdenebulag Coal Project located in the South Gobi region of Mongolia.

The ECJV is assessing Nuurstei’s development potential with the view to making a development decision. Nuurstei’s close proximity to existing infrastructure (town, road, rail and services) provides an
excellent opportunity to assess the economics of a road-based operation, prior to the completion of the Erdenet to Ovoot railway construction. The construction of a paved road from Moron to Erdenet was completed in 2015 and land available to Aspire at Erdenet could be used as a coal stockpile and train load-out area.

**Competent Persons Statement – Nuurstei Coking Coal Project**

The information in this quarterly report that relates to Reporting of Exploration Results and Coal Resources at Nuurstei Project, is based on information compiled under the supervision of, and reviewed by, the Competent Person, Mr Charles Parbury, who is a full time employee of McElroy Bryan Geological Services, is a Member of the Australasian Institute of Mining and Metallurgy (101430) and who has no conflict of interest with Aspire Mining Limited. The Coal Resources at Nuurstei were first reported in the Aspire Mining Limited ASX Announcement dated 13 April 2016.

The Company confirms in this announcement that it is not aware of any new information or data that materially affects the information included in this market announcement. In the case of these Coal Resources the company confirms that all material assumptions and technical parameters underpinning the estimates in this announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified.

**For more information contact:**

**Corporate, Media and Investor Relations**

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