

ASX\MEDIA RELEASE



For Immediate Release – 16 September 2019

Letter of Intent to Provide Future Financial Support

Highlights

- **Conditional Letter of Intent confirming Mr. Tserenpuntsag’s intention to support Aspire in delivering the Ovoot Early Development Plan (OEDP) by way of:**
 - **Provision of a corporate guarantee for up to \$100 million to support future project financing for the OEDP; and**
 - **Pro-rata equity contributions to maintain a 51% shareholding in Aspire alongside all shareholders to fund Ovoot into production.**

Mongolian metallurgical coal and infrastructure company, Aspire Mining Limited (ASX:AKM, the **Company** or **Aspire**), is pleased to announce that it has received a Conditional Letter of Intent from Aspire’s major substantial shareholder, Mr. Tserenpuntsag Tserendamba, confirming his strong commitment to provide future financial support to Aspire to deliver the Ovoot Early Development Plan (**OEDP**).

The Letter of Intent has been received following the announcement of a proposed \$33.5 million placement of Aspire ordinary shares to Mr. Tserenpuntsag (**Placement**), which on completion will result in Mr. Tserenpuntsag’s ownership of Aspire increasing from 27.5% to 51.0% (on an undiluted basis).

Letter of Intent Overview

The Letter of Intent further demonstrates the expected benefits associated with the proposed Placement.

Firstly, subject to successful completion of the Placement and finalisation of an agreed Definitive Feasibility Study (**DFS**), Mr. Tserenpuntsag has confirmed his intention to arrange a corporate guarantee to be provided for up to \$100 million on arm’s length commercial terms to support future debt and / or project financing in connection with the OEDP.

Secondly, upon successful completion of the Placement, Mr. Tserenpuntsag has confirmed his intention to maintain a 51% shareholding in Aspire through to the OEDP entering production via pro rata participation in future equity raisings alongside other shareholders. In this regard, Mr. Tserenpuntsag has confirmed his intention that his participation in future equity raisings is to be on the same basis as that offered to all other Aspire shareholders.

Aspire’s Executive Chairman Mr. David Paull commented: “*Aspire appreciates this added level of clarity regarding Mr Tserenpuntsag’s intentions for Aspire and level of his support. We are both aligned with the view that the best way to realise material increased value for all shareholders is to get into profitable production and this Letter of Intent from Mr. Tserenpuntsag reinforces his commitment to work with the Company and its shareholders to achieve this aim*”.

Proposed Placement Overview

As announced on 6 September 2019, the Company has entered into a Share Subscription Deed with Mr. Tserenpuntsag to raise \$33.5 million (before costs) to seek to reposition Aspire as a Mongolian led company as it progresses with delivery of the OEDP.

Following Placement completion, Mr. Tserenpuntsag's ownership of Aspire will increase from 27.5% to 51.0% of Aspire on an undiluted basis.

The funds raised from the Placement will be used to meet the costs associated with early mine construction activities (some of which can be undertaken prior to completion of the DFS) and for general working capital purposes.

The Placement reinforces the commitment of the Aspire Board and Mr. Tserenpuntsag to transform Aspire into a significant pure play coking coal producer positioned in the second quartile of the global cost curve.

Importantly, Aspire will emerge post Placement in its strongest ever financial position with an estimated cash backing in excess of \$40.0 million¹ and nil borrowings. Mr. Tserenpuntsag has confirmed to Aspire his intention to support Aspire in completing future debt financing on favorable terms to fund the OEDP.

The Placement is subject to an independent expert opining that the terms of the Placement are reasonable and in the best interests of shareholders and to shareholders subsequently approving the proposed Placement.

The Aspire Directors (other than Directors nominated by Mr. Tserenpuntsag) unanimously recommend that shareholders vote in favour of the Placement, and intend to vote the shares they own in favour of the Placement, in the absence of a superior alternative proposal and subject to an independent expert opining that the terms of the Placement are reasonable and in the best interests of shareholders.

A notice of meeting (including an Independent Expert's Report opining on the merits of the Placement) will be sent to all Aspire shareholders in due course advising the date and location of the meeting.

END

For more information:

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¹ Based on cash on hand of \$10.2 million as at 30 August 2019 and the Placement consideration but excluding any amounts received as a result of the issue of additional top up shares to Mr. Tserenpuntsag in the event his shareholding is diluted due to the exercise of Aspire listed options on issue.

About Aspire Mining Limited

Aspire Mining Limited is listed on the ASX (ASX: AKM) 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 JORC Ore Reserves in Mongolia.

Aspire is targeting early production of washed coking coal from the Ovoot Project via a truck and rail operation to end markets within 15 months of final operational and Board approvals. A Preliminary Feasibility Study has been completed on the Ovoot Early Development Plan (“OEDP”) in March Quarter 2019 and a Definitive Feasibility Study is currently underway.

Aspire has a 90% interest in the Nuurstei Coking Coal Project located in northern Mongolia. This project is a relatively small but potentially attractive addition to the Company’s product mix. Further work on this project has been deferred while the Company focusses on delivering the OEDP.

About Mr Tserenpunstag

Mr. Tserenpuntsag, Aspire’s largest shareholder with a current 27.5% shareholding, is a highly successful Mongolian entrepreneur across the food & beverage, information and communication technology (ICT), health & recreation and construction sectors. He founded Gem International, a beverage producer, in 1999 and has since gone on to found other leading Mongolian companies. In the beverage sector, these businesses include Gem Khujirt and GN Beverages whilst in the ICT sector he has created market leaders Mongolia Gemnet, DDish-TV and Kewiko. Mr. Tserenpuntsag was a cornerstone investor in Aspire’s \$15m financing package completed in December 2018.