



ASX RELEASE

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Ovoot Early Development Plan (OEDP) Definitive Feasibility Study Update

- **Aspire continues to engage with the local community to provide ground access to complete the technical drilling and associated studies required to complete the Definitive Feasibility Study (DFS).**
- **As previously noted, DFS progress is subject to securing approvals for the Ovoot Mine and the Ovoot-to-Erdenet Road. Given the continued delays in receiving these approvals and the onset of winter, it will be impossible to complete hydrological and geotechnical drilling before the end of 2019.**
- **While other components of the DFS are progressing, it is now likely the DFS will not be completed until May 2020.**
- **Assuming finance is secured and the above permits are received by Q1 2020, pre-stripping of waste can occur from Q2 2020.**
- **Based on the PFS outcomes for the Extended Case¹, the OEDP will generate an internal rate of return of 44.5% on a before tax basis and will provide total direct and indirect employment for 1200 workers and deliver \$US850 million in royalties and taxes to Mongolia.**
- **Management has recently visited a number of steel mills in North East China. The response was very encouraging with a number using or having used Mongolian sourced coals previously.**
- **Fenwei Energy Information Services has confirmed that “Mongolia will surpass Australia as China’s top coking coal supplier” in the mid to long term.**
- **Documentation is well advanced for the upcoming shareholders’ meeting to consider the \$33.5m placement at 2.1 cents a share (a 60% premium to the current share price) which would see major shareholder Mr Tserenpuntsag increase his shareholding from 27.5% to a controlling 51% interest.**

¹Refer ASX announcements dated 28 February and 1 March 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements, and that all material assumptions underpinning the estimates continue to apply and have not materially changed. On completion, the OEDP Definitive Feasibility Study will identify any new information, data or change to material assumptions used in the OEDP Pre-Feasibility Study.

Leading pure-play metallurgical coal project developer, Aspire Mining Limited (ASX: AKM, the **Company** or **Aspire**), provides an update on progress towards completion of a Definitive Feasibility Study for the early development of the world-class Ovoot Coking Coal Project in Mongolia.

As announced on 28 February 2019, the Company received the results of a Pre-Feasibility Study (PFS) for the first-stage Ovoot Early Development Plan (OEDP) by first constructing a haul road able to deliver up to 4 million tonnes per annum (Mtpa) of coking coal to the nearest rail head at Erdenet. From there, the coal can be railed north or south to export markets.

Delays in Approvals for Road Alignment and Ovoot Drilling for the DFS

Aspire has been actively engaged with the Khuvsgul airmag in terms of an acceptable alignment for the Ovoot-to-Erdenet special purpose coal haul road. There is currently no road connecting the local Tsetserleg soum with the Khuvsgul capital of Murun and this is a key benefit of the OEDP development.

The Khuvsgul airmag administration is currently considering the Ovoot-to-Erdenet Road as it passes within the airmag as part of a 2030 road development plan. The administration also needs to negotiate with the various soums, villages and herder groups impacted by the road alignment. Until the road alignment in Khuvsgul is approved it is not possible to complete the definitive road engineering studies.

The Company has continued with its positive engagement with the local community. Local community leaders are awaiting confirmation of the road alignment before providing their support for further ground activities at Ovoot.

As noted in the Company's 23 May 2019 update and in the June 2019 Quarterly Activities Report, progress on the DFS is subject to securing approvals for the Ovoot Mine and the Ovoot-to-Erdenet Road. Given the continued delays in receiving these approvals, combined with the onset of winter, it is now clear that Aspire will not be able to complete critical hydrological and geotechnical drilling to a required DFS standard prior to the onset of winter. The low temperatures experienced on site would impact on the results if drilling was attempted. Temperatures are not expected to be suitable for hydrological and geotechnical drilling until March/April 2020.

The Company will be completing other components of the DFS in the interim, with final inputs subject to the completion of this work. Infill drilling for detailed mine planning and customer samples can continue through winter.

Community Benefits

Aspire has completed detailed modelling of the community benefits of the OEDP. While the OEDP workforce will grow to 450, adding additional indirect employment opportunities, the OEDP Project will generate more than 1200 new jobs with a total investment of US\$275 million¹. Taxes and fees payable by the project over its first 10 years of operations are expected to be more than US\$850 million including US\$33 million going directly to the local community.

Marketing Visits to Steel Mills in North East China

Aspire has recently visited a number of steel mills identified as potential cornerstone customers in north-eastern China. More marketing visits are being arranged for later in the year. The steel mills confirmed they had previously acquired Mongolian coking coal, largely from traders, and that there were logistics solutions available to transport coal from the Gashuun Sukhait border into North East China. The Ovoot Coking Coal will be exported from the border port at Erenhot, which is 350km closer than the Gashuun Sukhait border and directly accessible via Chinese rail solutions. Planning of internal Chinese logistics solutions will be necessary to demonstrate the capacity of the Company to directly engage with these customers.

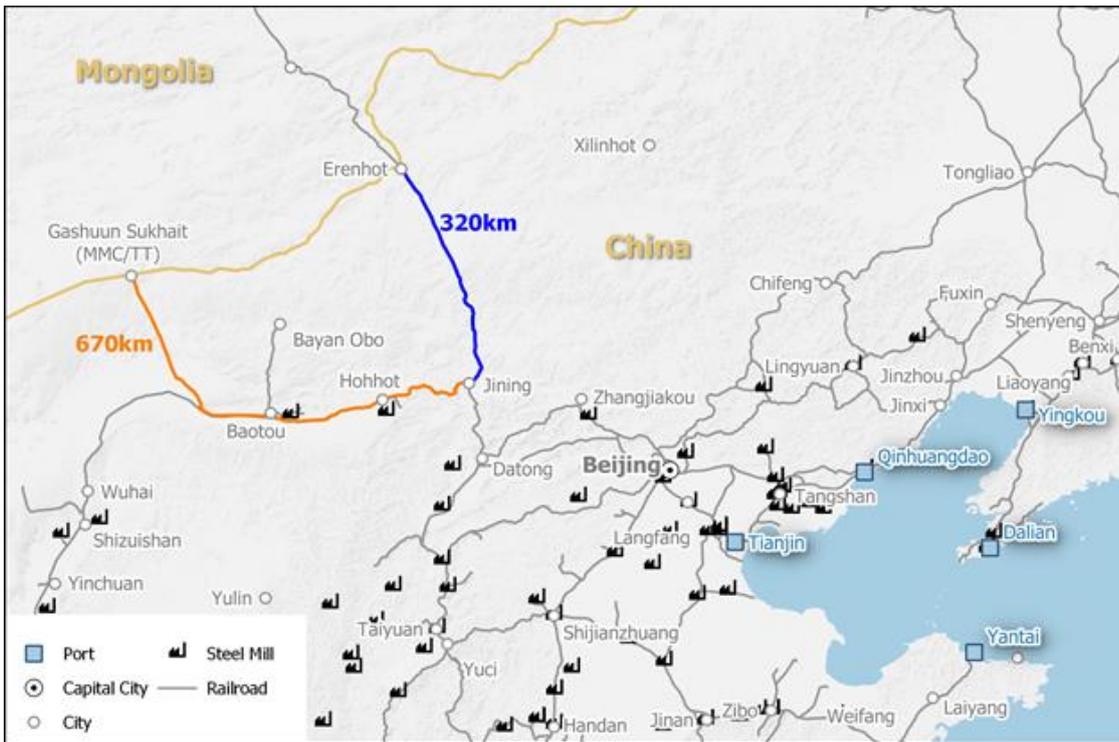


Figure 2: Map of Mongolian Coking Coal Export Paths

Mongolia to Overtake Australia as China’s Top Coking Coal Supplier

During a presentation at the recently held Discover Mongolia Conference, the President of Fenwei Energy Information Services, Mr Chang Yijun, noted that in the mid to long term Mongolia was expected to surpass Australia to become the largest coking coal supplier to China’s steel industry. This would largely be driven by improved transport infrastructure within both Mongolia and China. In particular, the recently completed 1,800km Haoji Railway, now China’s largest bulk commodity railway capable of carrying 200Mtpa and linking Inner Mongolia with southern provinces, will make Mongolian coal more cost competitive against seaborne imports.

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About Aspire Mining Limited

Leading pure-play metallurgical coal project developer, Aspire Mining Limited (ASX: AKM), is the 100% owner of the world-class Ovoot Coking Coal Project.

Aspire is targeting early production of washed coking coal from a first-stage development of the Ovoot Project, known as the Ovoot Early Development Plan (OEPD). The OEPD is focused on a truck and rail operation to deliver 4Mtpa to end markets within 12 to 15 months of final operational and Board approvals. Operational expansion can occur following the construction of the Erdenet-to-Ovoot Railway being progressed by Aspire's subsidiary, Northern Railways LLC.

Aspire also has a 90% interest in Nuurstei Coking Coal Project located in northern Mongolia.

The proximity of the Nuurstei Project to existing infrastructure (town, road, rail and services) also provides an excellent opportunity to assess the economics of a road-based operation prior to the construction of the Erdenet to Ovoot Railway. However, that assessment is currently on hold with the focus on the Ovoot Early Development Plan.

Dependent on that further analysis of the results of an additional 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 then later have access to the new Erdenet to Ovoot Railway two years from commencement of the rail 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, China Gezhouba Group and subsidiaries of Fortune 500 listed China Railway Construction Corporation Limited – China Railway 20 Bureau Group Corporation and China Railway First Survey & Design Institute Group Co Ltd.

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 to be a multi-user rail line and 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 improving road and rail infrastructure to meet this increased demand for transport services. The Northern Rail 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 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 the concession conditions precedent, other studies to support applications for licenses, permits and approvals, the EPC contract and railway construction.

In October 2017, Northern Railways entered into a binding contract with China Gezhouba Group (CGGC) to complete the Bankable Feasibility Study for the Erdenet to Ovoot Railway and provide CGGC with an opportunity to fund Northern Railways LLC to complete the rail concession and funding conditions precedent for additional equity in Northern Railways LLC. The Feasibility Study has been completed (refer ASX announcements 22 March 2018 and 4 June 2018). A capacity guarantee from the operators of the Mongolian railway network is required by CGGC to progress further funding.

Ovoot Project Coal Reserves and Resources

The technical information and competent persons statements for the Ovoot Project Coal Reserves and Resources are reported in the Company's ASX announcements dated 2 November 2012, 31 July 2013 and 30 January 2014 (December 2013 Quarterly Activities Report) which are available to view on the Company's website and the ASX announcements platform. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements, and that all material assumptions underpinning the estimates continue to apply and have not materially changed.

OEDP Pre-Feasibility Coal Reserves

The OEDP Pre-Feasibility Report and technical information and competent persons statements for the OEDP Reserves are reported in the Company's ASX announcements dated 28 February and 1 March 2019 which are available to view on the Company's website and the ASX Announcements platform. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements, and that all material assumptions underpinning the estimates continue to apply and have not materially changed. On completion, the OEDP Definitive Feasibility Study will identify any new information, data or change to material assumptions used in the OEDP Pre-Feasibility Study.

Forward Looking Statements

This report contains forward-looking information which is based on the assumptions, estimates, analysis and opinions of management and engaged consultants made in light of experience and perception of trends, current conditions and expected developments, as well as other factors believed to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Assumptions have been made by the Company regarding, among other things: the price of coking coal, the timely receipt of required governmental approvals, the accuracy of capital and operating cost estimates, the completion of a feasibility studies on its exploration and development activities, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used by the Company.

Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate.

Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of coking coal, the actual results of current exploration, the actual results of future exploration, changes in project

parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information.