

ASX RELEASE



For Immediate Release – 30 July 2021

QUARTERLY ACTIVITIES REPORT

Quarter Ended 30 June 2021

Aspire Mining Limited (ASX: **AKM**, **Aspire**, or the **Company**) is focused on the development of metallurgical coal assets in Mongolia, principally the wholly owned Ovoot Coking Coal Project (**OCCP**), which contains a JORC 2012 compliant total Coal Reserve of 255 Mt¹ of high-quality (fat) coking coal.

The Company presents its Quarterly Activities Report for the quarter ending 30 June 2021 (the **Quarter**).

Quarter Highlights

- Progress continued in relation to inputs for completion of a Definitive Feasibility Study (DFS) for the OCCP. During the Quarter:
 - The Company issued a contract to Sedgman Pty Limited (Sedgman) for Front End Engineering and Design (FEED) studies for the Coal Handling and Preparation Plant (“CHPP”) at the Ovoot mine site. It is expected that this study will be completed in the September 2021 quarter this year.
 - FEED studies commenced in relation to the proposed Erdenet rail terminal.
 - Australian based automotive consulting experts Smedley’s Engineers Pty Ltd (Smedley’s) continued with tractor performance assessment and simulation studies which are to be finalised in July 2021. This work will aid in identifying optimum tractor-trailer combinations for use across the intended road route and will also provide input into detailed road engineering and design work.
- During the Quarter, Mongolia suffered a significant second wave of the COVID 19 virus, one of the worst outbreaks globally on a per capita basis. This impacted on the Company’s ability to secure necessary permits given the inability to hold the necessary community meetings. Recent daily case rates have reduced in July 2021 and it is hoped that further permitting progress can be made in the September 2021 quarter.
- The Company continued to proactively engage with the local community and execute our Sustainable Development Strategy.
- Prices for coking coal continued to strengthen with Australian FOB premium low volatile coking coal quoted at US\$194/t and Mongolian Hard Coking Coal in the main Tangshan steel making district in Northern China going for Rmb 1,966 ex VAT or US\$ 305 per tonne.
- End of Quarter cash balance of A\$34.2 million (US\$25.6 million).

¹ See JORC (2012) Coal Resources and Coal Reserves detailed on page 7 of this Report.

OCCP Development Progress

While the Company awaits additional permitting to enable onsite drilling, the Company continues to complete engineering studies in relation to mine site infrastructure and logistics solutions in support of OCCP development.

The Company has spent \$0.38 million on the Project over the Quarter.

CHPP FEED Study

During the Quarter, the Company signed a contract with Sedgman to prepare detailed Front End Engineering and Design for the Ovoot coal handling and processing plant.

Phase 1 of the study assessed plausible coal handling infrastructure solutions and appropriate processing technologies in line with simulated separation efficiencies. This phase is now complete following delivery of this trade-off study in July.

Work continues in the September 2021 quarter to refine the accuracy of the conceptual designs and cost estimates selected from the trade-off study as most appropriate for implementation. Output from this is expected to support EPC/M contract tendering for construction.

Erdenet Terminal FEED Study

During the Quarter, the company awarded a contract to O2 Mining Limited (O2 Mining) to complete a FEED study on Erdenet Rail Terminal infrastructure for purpose of transloading coal from road trucks to rail wagons. The directors of O2 Mining have over 15 years' combined experience across numerous mining and infrastructure projects in Mongolia, including involvement with the Company's OCCP Pre-Feasibility Study completed in 2019².

An initial trade-off study was complete within the Quarter evaluating various plausible coal handling and storage options at conceptual level, with output from this now guiding subsequent more detailed design and cost estimation. The FEED study is expected to be completed within the September 2021 quarter, with output to support EPC/M contract tendering for construction.

Road Design and Planning

During the Quarter, Smedley's conducted analyses on several tractors from reputable European manufacturers across a range of plausible gross combination masses, including in relation to start ability, gradeability, and ability to maintain speed up and down gradients expected along the intended road route from Ovoot to Erdenet. Generic recommendations were also prepared in relation to road design criteria, referencing Australian based standards and guidelines.

Work has continued into July 2021 simulating tractor performance across the intended route with focus on cycle times, fuel consumption and vehicle speeds. A final draft report is expected within July 2021, which will be provided to the relevant tractor manufacturers for comment, prior to finalization in the September 2021 quarter.

Output from this report will be used in conjunction with tractor-trailer capital and operating cost data and road construction capital estimates to determine the most economical vehicles for use.

² See ASX announcement 11 November 2019. The Company confirms that it is not aware of any new information or data that materially affects the Pre-Feasibility Study or the information included in the announcement.

Sustainable Development Activities

The Company continues to engage with the local communities in and around the Ovoot Mining License.

During the Quarter, the Company secured local government agreement to receive an allocation of 200 ha of land near the Ovoot Project for the purposes of growing a summer crop of hay for local herders. Work commenced in June 2021 using 40 tonnes of seed and harvesting is expected in September 2021. This project may be substantially expanded in 2022 as part of a World Bank Livestock Commercialisation project to grow more feed to ensure livestock feed security over the winter.

Having sufficient feed through the year also promotes the possibilities of developing a local dairy and meat industry, value adding for local herds and highly beneficial to the community.



Figure 1: Seeding preparation in the Ovoot Basin for the 200ha hay crop to support local livestock over winter.

As part of supporting UN Sustainable Development goals relating to Good Health and Wellbeing, the Company sponsored a mobile cardiac clinic founded by Dr Boldsaikhan Bundan, a leading Mongolian cardiac surgeon, who conducted a heart health clinic that benefited children on soums adjacent to the Ovoot Project.



Figure 2: Dr. Bundan and his team with the local community adjacent to Ovoot project

In other Community activities undertaken during the Quarter:

- The Company completed a scoping study of traffic accidents in Mongolia, as a preparation work for the Traffic Road and Safety Campaign to ensure future traffic safety at Ovoot-Erdenet Road and take risk mitigation action.
- The Company, together with the Embassy of Australia in Mongolia and the Mongolia Education Foundation, donated over 160 books in English language to the local school within the scope of the Tsetserleg soum school English language program to support the soum school English language delivery and training.
- The Company partnered with Khuvsgul Chingun Boxing Club to promote sports education to local youths and provided essential boxing training gear to support the activities of the Boxing Club within the scope of the Sustainable Development Strategy Health and Sports program.

Marketing Update

During the Quarter, the Company announced the results of coal quality results from an indicative bulk sample of Ovoot fat coking coal³. The results are similar to previous results from Ovoot that reconfirmed the best in class caking and plastic properties of the coal, essential in its role as being a blending coal for optimizing the performance of coke ovens. This coke is then used in blast furnaces to produce steel. Caking properties are reflected in the “G” caking index and plastic properties in the form of the Y – Sapozhnikov test.

The Ovoot “Fat” Coal is rare in terms of what is available in the Chinese market. The following are the G and Y results for a number of “Fat” Coking coals available in China based on data available on the SXCoal.com web site. The higher the number the better and it is noted that Ovoot has the highest G Index and second highest Y number available.

³ See ASX announcement 4 June 2021

Coal Brand	Ad/%	G	Y/mm
Kailuan Washed Fat	11	95	24
Tangshan Washed Fat	10	85	26
Handan Washed Fat	10	93	30
Bailong Washed Fat	10	95	26
Jintang Inner Mongolian Fat	10	94	26
Huaibei Washed Fat	11	90	26
Pingmei Washed Fat	10	95	26
Longmei Jixi Washed Fat	9.5	95	26
Shuangliu Washed Fat	11	85	25
Zhenchengdi Washed Fat	10	85	23
Angang Washed Fat	10	90	26
Ovoot Washed Fat	10	98	28

Table 1: Fat Coal brands in China. Source : sxcoal.com

The Ovoot “Fat” Coking Coal will be used in coke batches at between 5% and 10% of the batch due to the very strong G and Y indexes giving Ovoot Fat Coking Coal a very high value in use.

In terms of greenhouse gases, it would be expected that using Ovoot “Fat” Coking Coal will improve coke oven efficiency and has previously shown its capability of enabling the recycling of coke oven residues thereby reducing overall emissions in the steel making process.

The index price for Tianjin washed Mongolia coking coal continued strengthening through the first half of Calendar 2021, although the “discount” for Australian coking coal appears to have reduced from all-time highs. Nevertheless, with the FOB price for Australian Prime Low Vol coking coal being US\$194 per tonne at 30 June 2021 and the equivalent price in Tianjin being US\$264 per tonne on a CIF basis, the FOB discount remains materially higher than what shipping and receival port charges would indicate.

The Pre-Feasibility Study for the Ovoot Early Development⁴ Project assumes a price of US\$150 per tonne at Erlian on the China\Mongolian border with an estimate of a further US\$30 per tonne to transport to customers in the Tianjin\Tangshan steel making districts.

⁴ See footnote 2.

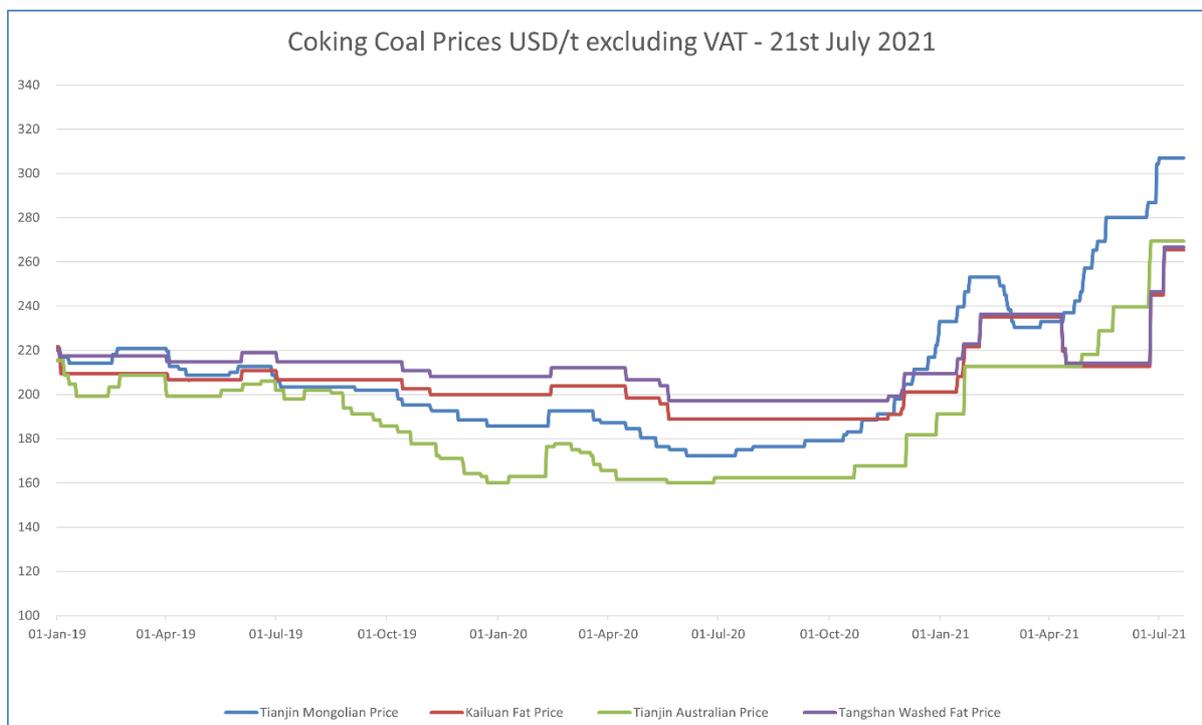


Figure 3: Tianjin Coking Coal Prices for selected brands in USD/t excluding VAT and using 30 June 21 exchange rate of 6.46Rmb:US\$ (Source sxcoal.com)

Corporate

As at 30 June 2021, the Company had \$34.2 million (US\$25.7 million) in cash and term deposits.

The quarterly expenditure included payments to related parties of \$0.105 million which comprised executive and non-executive directors' remuneration.

Substantial beneficial shareholders as at 30 June 2021 are:

Beneficial Shareholder	Number of Shares	% Interest
Mr Tserenpuntsag Tserendamba	266,376,470	52.47%
Noble Group	66,401,758	13.08%

Capital Structure

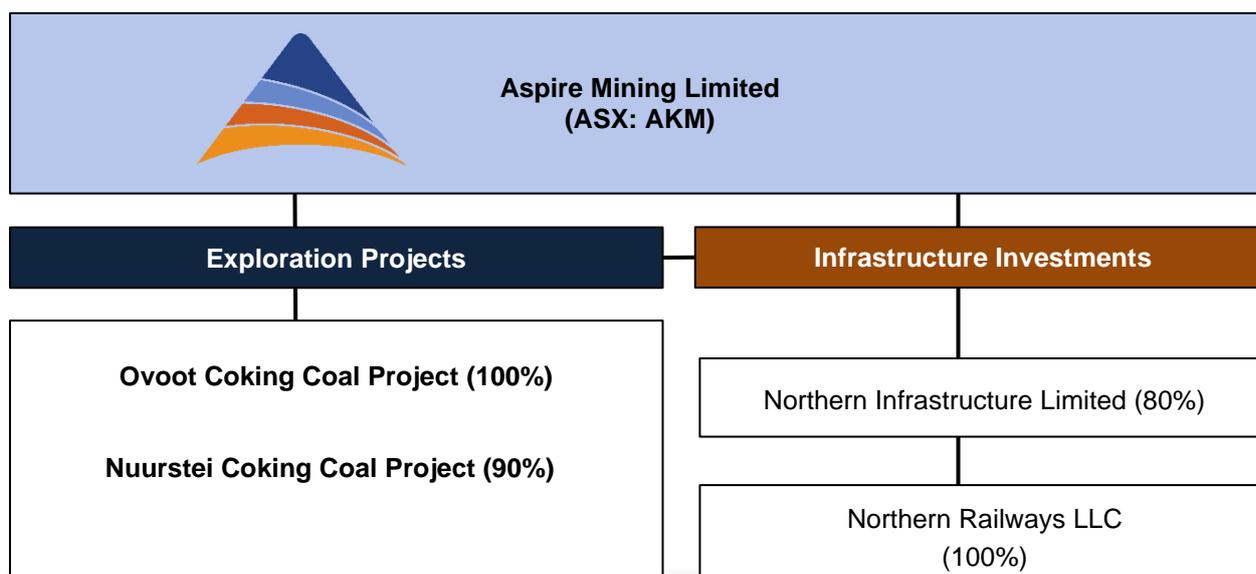
The securities on issue at 30 June 2021 were:

Security	No. on issue
Quoted Ordinary Shares	507,636,985

Interests in mining and exploration tenements at 30 June 2021

Tenement	Location	Attributable Equity
Ovoot MV-017098	Mongolia	100%
Nuurstei MV-020941	Mongolia	90%

Group Investment Structure



JORC (2012) Coal Resources and Coal Reserves

Ovoot Coal Resources

JORC Code Resource	Ovoot Open Pit	Ovoot Underground	Total (Mt)
Measured	197.0	0.0	197.0
Indicated	46.9	25.4	72.3
Inferred	9.2	2.6	11.8
Total	253.1	27.9	281.0

Ovoot Coal Reserves

JORC Code Reserves	Probable (Mt) (M _{ar} = 2.0%)	Total (Mt)	Marketable (Mt) (M _{ar} = 9.5%)
Open Pit	247	247	182
Underground	8	8	6
Total	255	255	188

The technical information and competent persons statements for the Ovoot Coal Reserves and Resources are reported in the Company's ASX announcements dated 2 November 2012, 31 July 2013 and 30 January 2013 (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.

Ovoot OEDP Reserves

The OEDP Coal Reserves have been confirmed as:

Category	ROM Reserve (Mt) (M _{ad})	ROM Reserve (Mt) (M _{ar} = 2.0%)	ROM Ash A _{ad} (%)	ROM CSN (#)
Probable Ore Reserve Open Pit OEDP Plus OEDP Extension	53.8	54.9	18.0	8.5

Category	Marketable Reserve (Mt) Mar = 10.0%	Product Ash A _{ad} (%)	Product CSN (#)
Probable Product Reserve Open Pit OEDP Plus OEDP Extension	46.2	10.5	8.5

The 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.

Nuurstei Coal Resources

JORC Code Resources	Mt
Indicated	4.75
Inferred	8.1
Total (Mt)	12.85

The technical information and competent persons statements for the Nuurstei Coal Resources is taken from the Company's ASX announcement dated 13 April 2016 which is 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 announcement, and that all material assumptions underpinning the estimates continue to apply and have not materially changed.

This announcement is authorised for release by the Managing Director.

- Ends -

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.

About Aspire Mining Limited

Aspire Mining Limited (ASX: AKM) is 100% owner of the world-class Ovoot Coking Coal Project, and 90% owner of the Nuurstei Coking Coal Project, both located in Khuvsgul aimag (province) of north western Mongolia. The company is focused upon permitting, engineering and financing the Ovoot Coking Coal Project based on trucking washed coking coal from Ovoot, accessing an initial open pit Reserve of 53.8 Mt of coking coal.

The Company intends to truck washed coking coal 560 kilometres to a Company owned terminal at Erdenet then deliver to customers in China and Russia via the existing Mongolian rail network.

For more information contact:

Corporate

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ASPIRE MINING LIMITED

ABN

46 122 417 243

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production		
(d) staff costs	(218)	(884)
(e) administration and corporate costs	(419)	(1,240)
1.3 Dividends received (see note 3)		
1.4 Interest received	44	189
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other – GST and other taxes	(3)	(11)
1.9 Net cash from / (used in) operating activities	(596)	(1,946)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(94)	(312)
(d) exploration & evaluation (if capitalised)	(284)	(905)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(378)	(1,217)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(4)	(29)
3.10	Net cash from / (used in) financing activities	(4)	(29)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	34,716	40,713
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(596)	(1,946)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(378)	(1,217)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	(29)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	436	(3,347)
4.6	Cash and cash equivalents at end of period	34,174	34,174

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,898	6,849
5.2	Call deposits	28,276	27,867
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	34,174	34,716

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

105

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(596)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(284)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(880)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	34,174
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	34,174
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	38
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Print name: Phil Rundell
Company Secretary

Date: 30 July 2021

Authorised by: Audit and Risk Committee
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.