

ASX RELEASE



For Immediate Release – 28 January 2022

QUARTERLY ACTIVITIES REPORT

Quarter Ended 31 December 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, 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 31 December 2021 (the **Quarter**).

Quarter Highlights

- **Detailed Environmental Impact Assessment (DEIA) for the Ovoot Coal Mine was presented to the local community during the Quarter where it was received and supported by a significant majority of the community. The minutes of the community meetings were included with the DEIA report subsequently lodged with Ministry of Nature, Environment and Tourism for assessment and approval anticipated in the March 2022 Quarter.**
- **Stage 2 of the Front End Engineering Design study on the Coal Handling and Preparation Plant advanced with bespoke designs prepared to facilitate control of dust at locations including raw coal delivery and washed coal storage and collection. Local companies have been engaged to input into specialist areas including electrical and HVAC design. Completion including finalisation of CAPEX and OPEX estimates is expected within the March 2022 Quarter.**
- **Phase 2 of the FEED study on the Erdenet Rail Terminal Infrastructure progressed and is due to be completed within the March 2022 Quarter. Design drawings have been prepared for materials handling (coal truck unloading, coal storage and train loading) and supporting commercial and residential facilities. Work continues to refine CAPEX and OPEX estimates.**
- **Road studies progressed during the Quarter with completion of topographic, geological, hydrological, and archaeological surveys along the planned route and finalisation of the tractor-trailer simulation works for refinement of equipment selection and operating cost estimation. Feasibility study and detailed design are being prepared based on this information and which are expected to be completed**

¹ See JORC (2012) Coal Resources and Coal Reserves detailed on page 6 of this Report.

and lodged with the Ministry of Roads and Transportation early in the June 2022 Quarter.

- Prices for coking coal remained at historically high levels through the Quarter. Post COVID-19 economic stimulus is expected to keep steel demand high over the short to medium term supporting coking coal prices.
- During the Quarter, the Company's financial adviser, Argonaut PCF, worked on developing a banking financial model incorporating the detailed first principles definitive feasibility study quality operating models recently completed by the Company.
- End of Quarter cash balance of A\$32.8 million (US\$23.8 million).

OCCP DFS Progress

During the Quarter, the Company was able to present and discuss its Detailed Environmental Impact Assessment (DEIA) and Environmental Management Plan (EMP) with the local community. This was achieved through inclusion on the agenda for six separate bagh meetings (a "bagh" being the third level administrative subdivision of Mongolia).

The DEIA and the benefits that the Ovoot Coking Coal Project (**OCCP**) will provide to the local community were well received and supported by a significant majority of the community. The DEIA has now been lodged with the Ministry of Nature, Environment and Tourism (MNET) for approval which will allow for early development works to commence and a definitive feasibility study to be completed.

During the Quarter, the Company progressed with the FEED studies required for the coal wash plant and infrastructure. The Company has spent \$0.6 million on the Project over the Quarter and includes the FEED and road engineering consultants' costs.

CHPP FEED Study

As announced to the market on 1 June 2021, Sedgman Pty Ltd (**Sedgman**) was engaged by the Company to conduct a Front End Engineering Design (**FEED**) study on the OCCP Coal Handling and Preparation Plant (**CHPP**) infrastructure.

During the Quarter, Sedgman progressed working on Stage 2 of the FEED Study, which has resulted in preparation of bespoke designs and engineering drawings for the complete infrastructure including raw coal receipt, raw coal crushing, coal processing, coal storage, reject handling and truck loadout.

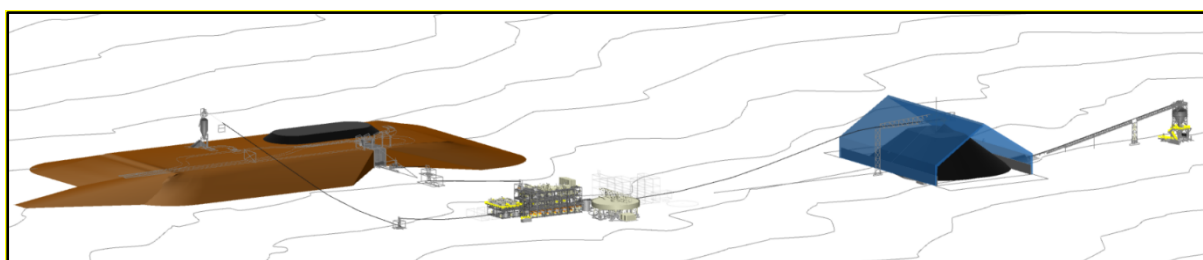


Figure 1: Schematic of Mine Infrastructure from mine to truck loadout

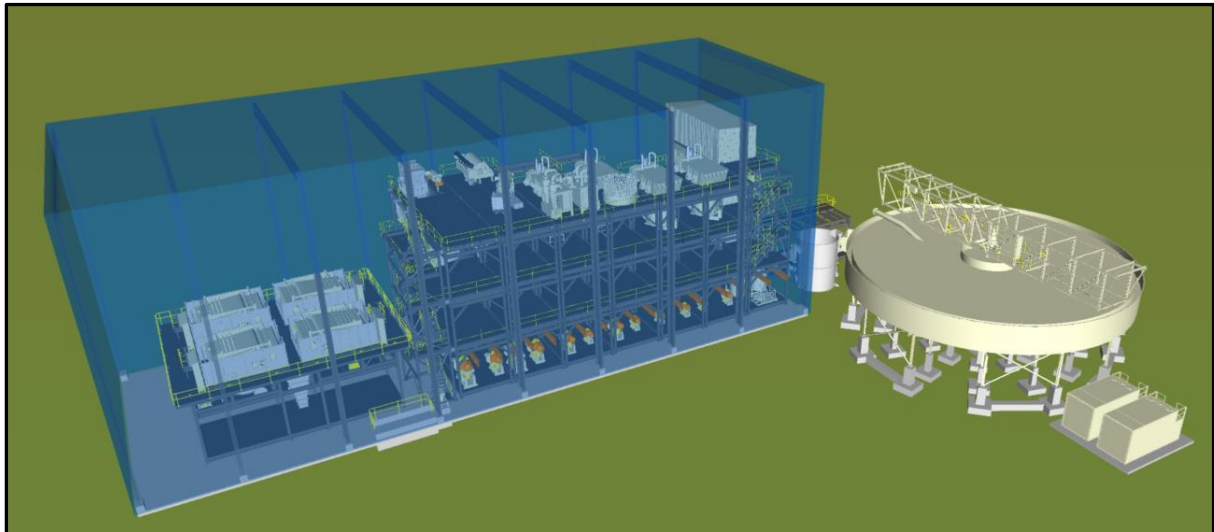


Figure 2: Schematic of Coal Wash Plant

The resultant bill of materials that has been generated from these drawings is now being used as basis for preparation of updated CAPEX estimates, with requests for pricing provided to vendors to obtain accurate costs. Stage 2 of the FEED Study is now nearing completion and is expected to be finalised within the March 2022 quarter.

Erdenet Terminal FEED Study

As announced to the market on 30 July 2020, O2 Mining Limited (**O2 Mining**) was engaged by the Company to conduct a FEED study on the Erdenet Rail Terminal (ERT) Infrastructure, including for truck unloading, coal storage and train loadout out infrastructure.

Throughout the Quarter, O2 Mining have been working on completion of Phase 2 of the study, which has involved the preparation of engineering drawings in support of the optimised processes and site layout determined in Phase 1. With the engineering drawings nearly complete, the resultant bill of materials from these drawings is being used to refine CAPEX estimates. Additional detail has been incorporated over and above that originally anticipated, with Phase 2 now expected to be completed within the March 2022 quarter. This additional detail will be useful to support a competitive tendering process for construction.

The ERT will be capable of loading both traditional open top rail wagons and the now increasingly favoured shipping containers atop flat top wagons for more efficient transport in the Chinese marketplace.

Road Design and Planning

During the Quarter, the Company's engineering consultants, Gobi Infrastructure Partners LLC (GIP) and ICT Sain LLC (**ICT**), worked to progress the Feasibility Study and detailed design for the road to be used hauling coal from the OCCP to the ERT.

This work included conducting topographical, geological, hydrological and archaeological studies along the planned route, which necessitated engaging with and receiving support from local government administrations with regard to the planned route. Laboratory analysis of geological samples collected remains in process.

Based upon the information collected, the OCCP Feasibility Study is expected to be submitted to the Ministry of Roads and Transportation (MRT) within the March 2022 quarter. Detailed

design work is also in process, with submission to the MRT pending approval of the Feasibility Study and any refinement required as result of this. It is anticipated that the detailed design would thus be able to be submitted early in the June 2022 quarter.

Sustainable Development Activities

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

During the Quarter, the Company completed a trial animal feed crop at the OCCP area over the summer growing season in the September 2021 quarter. This project may be substantially expanded in 2022 as part of an Asian Development Bank programme 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 herders.

Marketing Update

The Company intends to produce a washed low ash fat coking coal product.

The Ovoot “Fat” coking coal will be used in coke batches at between 5% and 10% of the batch because of the very strong G and Y indexes of Ovoot fat coking coal that give a very high value in use.

The FOB price for Australian Prime low vol coking coal was more than US\$420 per tonne at 25 January 2022 and at or around all time record highs. Chinese prices have been more volatile during the Quarter with Tianjin CFR prices falling when pollution controls looked to reduce steel production but have since recovered strongly. For the first time in a number of years, the Australian FOB price is currently higher than Chinese CFR domestic pricing for similar quality product although this is expected to adjust to long term price relativities over 2022.

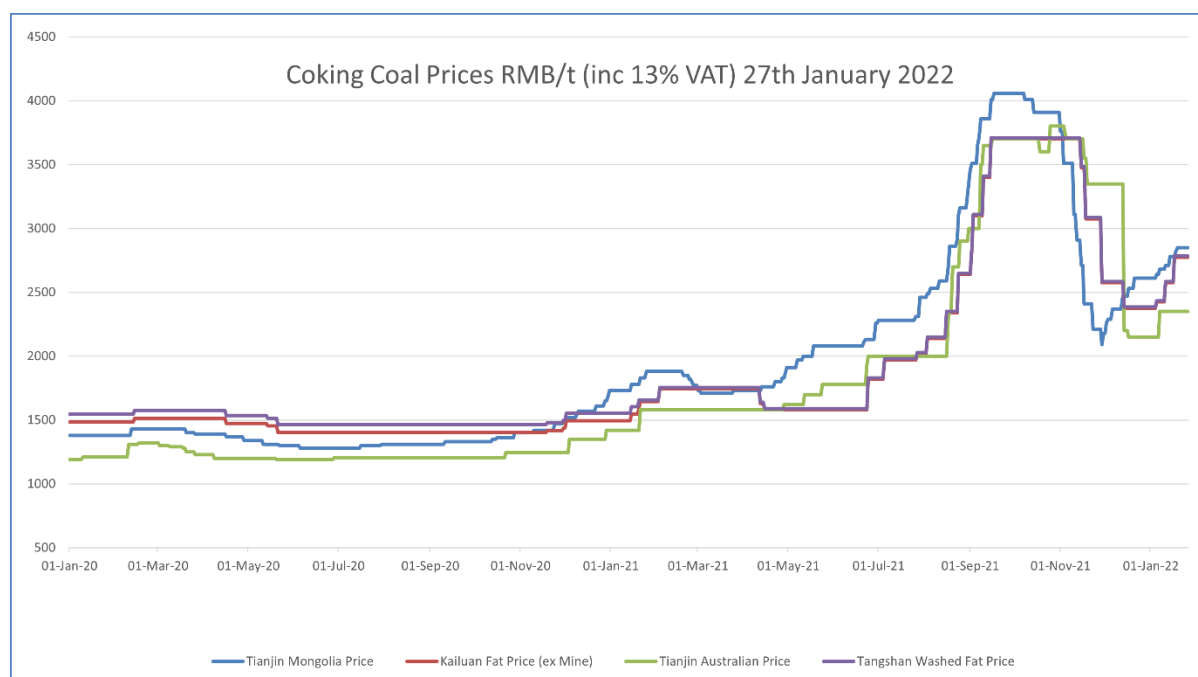


Figure 3: China Domestic Coking Coal Prices for selected brands in Rmb/t including VAT (Source: sxcoal.com)

Note that the Pre-Feasibility Study for the Ovoot Early Development² Project in November 2019 assumed a price of US\$150 per tonne at Erlian on the China\Mongolian border.

Corporate

The Appendix 5B Cash Flow Report for the Quarter follows.

As at 31 December 2021, the Company had \$32.85 million (US\$23.8 million) in cash and term deposits.

The Quarterly operating expenditure included payments to related parties of \$0.14 million which comprised executive and non-executive directors' remuneration.

The Quarterly investing expenditure included payments to the consultants engaged for the FEED, studies and design.

Argonaut PCF have developed a banking model using the detailed first principles mine physicals and cost model. This banking model has the flexibility to be updated with revised mine plans and new capital and operating cost assumptions as the work from the various engineering studies become available over the March 2022 quarter with the aim of presenting to the Board a funding plan in the June 2022 quarter.

Substantial beneficial shareholders as at 31 December 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 31 December 2021 were:

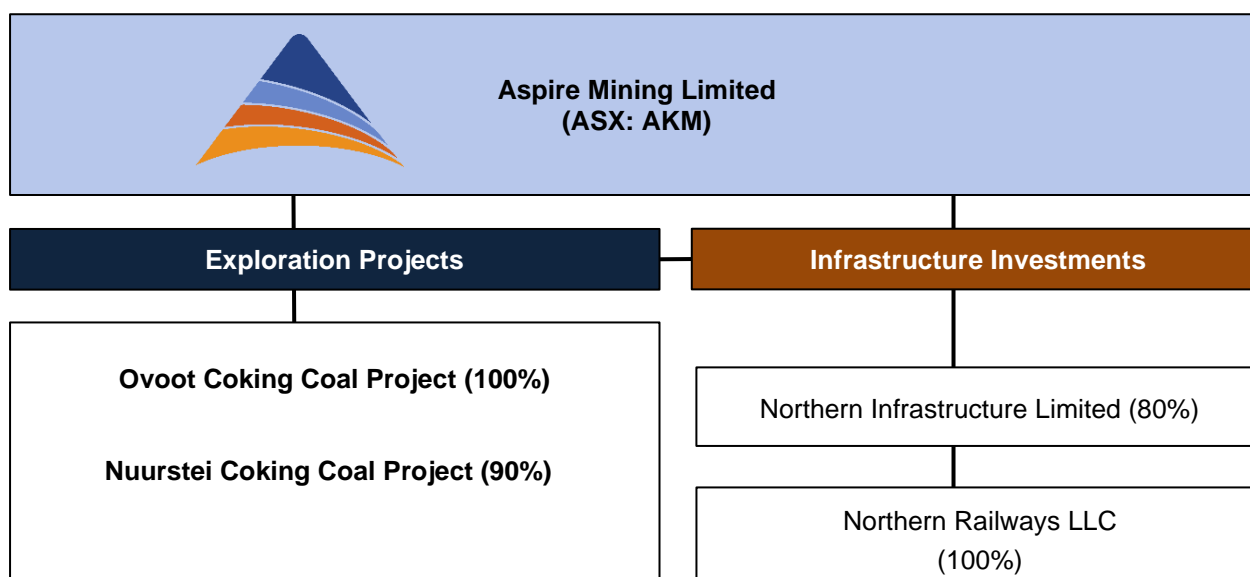
Security	No. on issue
Quoted Ordinary Shares	507,636,985

Interests in mining and exploration tenements at 31 December 2021

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

² See ASX announcement 11 November 2019. The Company confirms that at this time it is not aware of any new information or data that materially affects the Pre-Feasibility Study or the information included in the announcement. The Pre-Feasibility Study will be updated with a definitive feasibility study.

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. At this time, 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. However, the results of the Feasibility Study will likely require a Reserve and Resource update.

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. At this time, 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. However, the results of the Feasibility Study will likely require a Reserve and Resource update.

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 engineering, permitting and financing the Ovoot Coking Coal Project with intention to mine coking coal by open pit, wash it on site for trucking the washed coking coal to a Company owned terminal facility in Erdenet for delivery to customers in China and Russia via the existing Mongolian rail network.

For more information contact:

Corporate

David Paull Chairman	Aspire Mining Ltd	+61 8 9287 4555
Achit – Erdene Darambazar Managing Director	Aspire Mining Ltd	+976 7011 6828

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")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(338)	(561)
(e) administration and corporate costs	(317)	(613)
1.3 Dividends received (see note 3)		
1.4 Interest received	35	42
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	(15)	(25)
1.9 Net cash from / (used in) operating activities	(635)	(1,157)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(55)	(127)
(d) exploration & evaluation (if capitalised)	(565)	(1,145)
(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 (6 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	(620)	(1,272)

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)	(5)	(10)
3.10	Net cash from / (used in) financing activities	(5)	(10)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	34,360	34,174
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(635)	(1,157)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(620)	(1,272)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(10)

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(250)	1,115
4.6	Cash and cash equivalents at end of period	32,850	32,850

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	28,378	4,923
5.2	Call deposits	4,472	29,437
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)	32,850	34,360

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**

139

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)	(635)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(565)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,200)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	32,850
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	32,850
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	27
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: 28 January 2022

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.