

Aspire Mining Limited

ABN: 46 122 417 243

Level 5, 126-130 Phillip Street
Sydney NSW 2000

Tel: (02) 8072 1400

Fax: (02) 8072 1440

Web: www.aspiremininglimited.com

Email: info@aspiremininglimited.com

ASX RELEASE



For Immediate Release – 29 April 2024

Major Milestone Achieved with DEIA for Road Approved

HIGHLIGHTS

- **Final government approval has been received for the Detailed Environmental Impact Assessment (DEIA) relating to the planned road construction that will support product haulage from the Ovoot Coking Coal Project (OCCP).**
- **The approval represents the last of the major permits needed to progress development of the OCCP. It has been a key focus for Aspire and is a major milestone for the Company.**
- **Receipt of this DEIA approval enables Aspire to formally commence project financing endeavours.**
- **Construction of the road, which will also be for public use, will deliver tangible benefits to the host communities along the route, improving transportation whilst supporting the agricultural and tourism industries.**
- **Development of the road will protect and improve the environment in Khuvsgul aimag (province), preventing the environmental damage that is currently being caused by public traffic across unformed roads.**
- **Product haulage will be undertaken using ‘standard duty’ trucks, sourced from top tier manufacturers, equipped with modern, fuel efficient and low emission engines and fitted with advanced safety control systems.**

Aspire Mining Limited (ASX: **AKM**, the **Company**, or **Aspire**), is pleased to advise that the Detailed Environmental Impact Assessment (**DEIA**) for the construction of a public road from Aspire’s 100% owned Ovoot Coking Coal Project (**Ovoot** or the **OCCP**) has been approved by the Professional Council of the Ministry of Nature, Environment and Tourism (**MNET**).

Receipt of approval for the Road DEIA heralds the last of the major approvals that the Company forecast at its 2023 Annual General Meeting to be acquired by early 2024 and represents significant progress for the Company in developing the OCCP. With all major licenses, permits and approvals in place, enabling work to secure project financing to advance.

The DEIA was prepared by qualified and licensed local consultant Eco Buteemj LLC, based on the recently approved Detailed Design that was prepared by ICT Sain Consulting LLC. The road was designed in accordance with Mongolian requirements for public highways between provincial capital cities, as much of this road, once constructed, will form part of the national highway network.

Chief Executive Officer, Sam Bowles, commented, “With all major approvals in place, we can formally commence project financing works. Behind the scenes, we have been busy progressing updated JORC Resource & Reserve estimates, an Independent Technical Report with updated project economics, and undertaking target market analysis.

I look forward to updating the market on these developments in due course. I’m incredibly excited about the opportunity ahead and look forward keeping shareholders updated as we rapidly advance development of the Ovoot Project.”

During 2023, the Company actively and repeatedly engaged with the communities through which the road passes. Additional to the informal meetings held with individuals and small groups, the Company presented at sixteen official meetings across five soums (districts) and nine baghs (sub-districts) in Khuvsgul aimag.



Figure 1. Examples of the community engagement with communities along the road in Khuvsgul aimag

At these meetings, the proposed road development and related social and environmental controls received overwhelming majority support from community members. This support was primarily on account that the proposed road design was for public use which:

- Will provide tangible benefits for local communities;
- Will protect and allow recovery of existing damage to the natural environment; and
- Was designed in accordance with public road standards which does not support the use of ‘heavy duty’ trucks.

Advantages of public road standard and use of ‘standard duty’ trucks

Road constructed in accordance with public road standards will be less capital intensive and of lower operating cost in comparison to ‘special purpose’ (private, heavy duty) road designed to support ‘heavy duty’ trucks. The use of ‘standard duty’ trucks and prohibition of ‘heavy duty’ trucks will prevent the road from being damaged, ensuring that it remains in a safe condition for all road users and supportive of efficient and comfortable transportation.

In southern Mongolia, 'special purpose' roads have been constructed by mining companies who are using 'heavy duty' trucks to haul mineral exports to China. The 'heavy duty' trucks, which are restricted from operating on public roads, are:

- oversized in terms of length, width, and height;
- have much larger Gross Vehicle Mass and Gross Combination Mass tonnages; and
- impose extremely high axle loads of up to 22.5 tonnes per single axle.

The 'special purpose' roads must be constructed wider and with substantially thicker pavement, base, and subbase to support these 'heavy duty' vehicles, which significantly increases the capital cost of construction. Despite the robust design, the extreme axle loads from the 'heavy duty' trucks still causes rapid pavement degradation resulting in poor road conditions impacting safety and productivity, and necessitating continual repair and overhaul.

The practice of using 'special purpose' roads and 'heavy duty' trucks has a reputation for being inefficient, unsafe, and environmentally destructive. Recognising this, Aspire have revised its product haulage plans for the OCCP from those considered in the Ovoot Early Development Plan (**OEDP**) in 2019. Aspire now plans to use 'standard duty' trucks to haul its product from the OCCP along road designed in accordance with normal, Mongolian, public road standards.

The trucks that the Company plans to utilise to haul coal from the OCCP will be supplied by top tier original equipment manufacturers and be compliant with modern, international standards meeting or exceeding statutory requirements in Mongolia. These trucks will be equipped with modern technologies ensuring high fuel efficiency and stringent emissions control, and will be fitted with numerous, advanced safety control systems providing protection for drivers and other road users.

In comparison to the 'heavy duty' trucks, the modern 'standard duty' trucks that the Company plans to use will have significantly more powerful engines, far superior retarder and braking capacities, and substantially higher payload efficiency. In conjunction with the supporting infrastructure planned to expedite loading, unloading, maintenance and servicing, these vehicles will operate safely, efficiently, productively, and ultimately cost competitively with the previously considered option of utilising 'heavy duty' trucks.



Figure 2. An example of a slow, unsafe, and dirty 'heavy duty' truck used in the South Gobi for coal transportation.



Figure 3. An example of a modern, safe, and clean 'standard duty' truck planned for productive and efficient use by Aspire.

Tangible benefits for local communities

Travel within Khuvsgul aimag, except between the townships of Murun and Erdenet, and Murun and Hatgal, is generally difficult due to underdeveloped transportation infrastructure. Snowfall in winter, flooding in summer, and boggy conditions (resulting from snowmelt and summer rains) hinder transportation of people and goods around the region.

Development of a paved, public road will enable safer, faster, more affordable, more comfortable, and all-season travel for residents of Burentogtokh, Tsagaan-Uul and Tsetersleg

soums. Additionally, the new road will provide improved connection from the western aimags of Mongolia with Erdenet, which is Mongolia’s second largest city.

More efficient transportation in the region will enable reduction in the cost of imported goods, increased competitiveness of exported goods, and improve access to health and education services. The economy in Khuvsgul is reliant upon the agricultural and tourism industries, and improved transportation infrastructure will be beneficial to the community and economy.



Figure 4. View of the steep ascent westward over the Khukh Khutul pass, often currently impassable in winter.

The approved design for the road also incorporates improvements to existing public road infrastructure, including the development of bypasses around the provincial administrative centres of Bulgan and Erdenet. The bypasses will enable faster travel, and reduce traffic congestion, noise and exhaust emissions, and dust generated by existing traffic.

During road construction, several thousand temporary direct and indirect employment opportunities will be created. Following construction, a significant number of permanent direct and indirect job opportunities will also remain. The creation of job opportunities in rural areas of Mongolia will have a significant positive impact on the economies of the local communities.

Protection and improvement of the natural environment

Road travel between the soums of Tsetserleg, Tsagaan-Uul and Burentoghtokh to Murun, the capital city of Khuvsgul aimag, is currently only possible across unformed roads. These unformed roads result from public traffic forging multiple tracks along the general route alignment, which evolve over time as vehicles adjust to boggy, eroded, and corrugated sections of the informal tracks.



Figure 5. Example of the current regional traffic situation, across unformed roads.

This results in multiple tracks being created along the general route. In broader valleys along the route between Tsetserleg soum (where the Ovoot mine site is located) and Murun, it is not

uncommon to find sections where 20 or more different tracks exist along the same general alignment. The result of this is significant pasture degradation, which impacts upon the carrying capacity of the land, to the detriment of local herders.



Figure 6. Example of environmental damage currently being incurred in the region from general traffic across unformed roads.

As the region is arid for much of the year, the unformed and unsealed roads generate large amounts of dust, which impacts upon the health of people, their animals, and waterways. Erosion from the land disturbed by multiple tracks results in increased sedimentation, and the erosion of existing tracks encourages the forging of new ones. The underdeveloped bridge infrastructure also results in many vehicles having to ford through the water, eroding riverbanks and unnecessarily introducing contaminants to the community’s waterways.

The road to be constructed will carry much of the traffic in the region and reduce the volume of traffic using unformed roads. This will enable the pastures currently afflicted by multiple unformed roads to regenerate, reduce the current, significant dust generation from existing public traffic along the route, and reduce the impact from existing public traffic on water quality.



Figure 7. Example of current underdeveloped infrastructure in region impacting on safety and reliability of transportation.

This announcement was authorised for release by the Company Secretary, Emily Austin.

- Ends -

About Aspire Mining Limited

Aspire Mining Limited (ASX: AKM) is a coking coal development company. Aspire 100% owns the Ovoot Coking Coal Project, and 90% owns the Nuurstei Coking Coal Project, both located in Khuvsgul aimag of north-western Mongolia.

The Company is primarily focused upon developing the world-class Ovoot Coking Coal Project to mine 'fat' coking coal via open pit methods, beneficiate it onsite, transport it by truck to a Company owned coal unloading and loading facility near Erdenet, and deliver it onward via rail to customers in China, Russia and beyond utilising the existing trans-Mongolian rail network.

Aspire Mining is deeply committed to operating in a responsible manner supportive of our host communities and safeguarding the environment. Through our operations, Aspire aims to deliver tangible benefits to our host communities, by building infrastructure that supports existing agricultural and tourism industries, whilst also providing employment opportunities to support the broader economy.

For more information, please contact:

Sam Bowles, Chief Executive Officer: +97 6 7011 6828

Dannika Warburton, Investor & Media Relations: +61 2 8072 1400

Email: info@aspiremininglimited.com

Website: <https://aspiremininglimited.com>

Forward Looking Statements

This report may contain 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.