

ASX RELEASE



For Immediate Release – 11 November 2019

Additional Undertakings from Mr Tserenpuntsag

Highlights:

- **Commitment by Mr Tserenpuntsag to exercise all his 153.3 million 1.8¢ options to raise an additional \$2.75 million for Aspire, subject to Shareholder approval at the AGM.**
- **Commitment by Mr Tserenpuntsag to maintain at least two Independent Directors on the Aspire Board to represent the interests of minority Shareholders, in the event the \$33.5 million placement to Mr Tserenpuntsag is approved at the AGM.**

Leading pure-play metallurgical coal project developer, Aspire Mining Limited (**ASX: AKM, Aspire or the Company**), is pleased to advise that it has received additional commitments from major shareholder Mr Tserenpuntsag in connection with his proposed \$33.5 million equity investment in the Company.

Commitment to Exercise Options

Mr Tserenpuntsag has provided a commitment to the Company to exercise his holding of 153.3 million 1.8¢ listed options, which are due to expire on 11 December 2019, subject to shareholders approving the exercise of these options at the upcoming AGM on 29 November 2019. The 1.8¢ exercise price is approximately 50% above the current share price of 1.2¢ and represents further evidence of Mr Tserenpuntsag's ongoing financial support to the Company.

Exercise of these options will raise an additional \$2.75 million which, when combined with the proposed \$33.5 million placement of 1,595.9 million shares at 2.1c per share, will result in a total investment by Mr Tserenpuntsag in Aspire of \$36.25 million. In the event that the proposed placement to Mr Tserenpuntsag is approved and no other options are exercised, Mr Tserenpuntsag's shareholding in Aspire will be 52.5% post-placement and options exercise.

Commitment to Maintain Independent Directors

Since the announcement of the proposed placement with Mr Tserenpuntsag on 6 September 2019, the Company has engaged with shareholders regarding the extent of minority Shareholder representation on the Company's Board.

The Subscription Agreement with Mr Tserenpuntsag noted that if the proposed placement to Mr Tserenpuntsag completed, the Board of Aspire would be reduced to five Directors including two

Directors nominated by Mr Tserenpuntsag. Mr Tserenpuntsag provided a commitment to maintain this Board structure for at least six months post completion of the placement. However, no assurances were provided regarding the structure of the Company's board after the expiry of this six-month period.

In order to ensure ongoing fair representation for minority Shareholders, Aspire has engaged further with Mr Tserenpuntsag, culminating in Mr Tserenpuntsag agreeing to provide additional commitments with regards to the Company's Board as follows:

- In the event that one or more of existing Directors Mr David Paull, Mr Neil Lithgow and/or Ms Hannah Badennach resign or are otherwise removed from the Board, the Company will promptly appoint a replacement Independent Director (in accordance with the *ASX Corporate Governance Principles and Recommendations*) to represent the interest of minority Shareholders so as to ensure there is at all times a minimum of at least two Directors who are not aligned with Mr Tserenpuntsag. For these purposes, any Director nominated by Noble Group is to be counted towards meeting this minimum number of Directors appointed to represent the interests of minority Shareholders.
- If additional Directors are required to be appointed to represent the interests of minority Shareholders, Aspire is to appoint a reputable Australian executive recruitment firm to provide a shortlist of potential candidates. Any Director aligned with or nominated by Mr Tserenpuntsag will not participate in any decisions to select and appoint the relevant candidate(s).

Mr Tserenpuntsag has confirmed that Noble will maintain a right to nominate a Director to the Company's Board for so long as it holds more than 9.9% of the issued capital of Aspire.

Aspire's Executive Chairman David Paull commented: *"These two additional clarifications of intent from Mr Tserenpuntsag demonstrate the extent of his commitment to support Aspire to realise the substantial value present in the Company's Ovoot coking coal project for all of the Company's shareholders. Having an invested Mongolian partner to help achieve our ambition of delivering substantial value for all shareholders is paramount and we are delighted with the ongoing support provided by our largest shareholder, Mr Tserenpuntsag."*

No change to Conclusions of the Independent Expert's Report

These additional commitments from Mr Tserenpuntsag, together with the Updated OEDP Pre-Feasibility Study results released to ASX earlier today, have been provided to the Independent Expert, BDO Corporate Finance (WA) Pty Ltd (**BDO**), to determine whether these developments would have any impact upon their opinion of the merits of the proposed share placement to Mr Tserenpuntsag that is to be considered by Aspire shareholders at the upcoming 2019 AGM.

BDO have confirmed that notwithstanding this new information, their opinion remains unchanged and that the proposed share placement to Mr Tserenpuntsag is "not fair but reasonable" to Aspire shareholders in the absence of a superior offer.

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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 in Mongolia.

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 (OEDP). The OEDP is focused on a truck and rail operation to deliver up to 4Mtpa to end markets. Operational expansion can occur following the construction of the Erdenet-to-Ovoot Railway, which is being progressed by Aspire's subsidiary, Northern Railways LLC.

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

About Northern Railways LLC

Northern Railways LLC is a Mongolian-registered rail infrastructure company, mandated to pursue the development of the Erdenet-to-Ovoot Railway, and supported by a consortium comprising Aspire Mining, China Gezhouba Group (CGGC) 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.

In August 2015, Northern Railways was granted an exclusive 30-year concession by the Mongolian Government to build and operate the Erdenet-to-Ovoot Railway. CGGC has completed a Bankable Feasibility Study for the Erdenet-to-Ovoot Railway. A capacity guarantee from the operators of the Mongolian railway network is required by CGGC to progress further funding.