ASPIRE MINING LIMITED

ACN 122 417 243

NOTICE OF ANNUAL GENERAL MEETING

TIME:	2.30 pm (WST)
DATE:	Friday, 29 November 2019
PLACE:	London Room, Ground Floor, London House, 216 St Georges Terrace, Perth WA 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9287 4555.

IMPORTANT NOTICES

This booklet has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 2.30 pm (WST) on Friday, 29 November 2019 at London Room, Ground Floor, London House, 21 St Georges Terrace, Perth WA 6000.

The purpose of this booklet is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting. The Transaction the subject of Resolution 6 requires the approval of Shareholders for the purposes of item 7 of section 611 of the Corporations Act. To assist Shareholders in assessing the merits of the Transaction and determining how to vote in relation to Resolution 6, an Independent Expert's Report is included in this booklet as Annexure A.

You should read this booklet (including the Independent Expert's Report included as Annexure A) in its entirety before deciding whether or not to vote in favour of the Resolutions and, if necessary, consult an independent legal, investment, taxation or other professional adviser.

A draft of this booklet (including the Independent Expert's Report) has been provided to ASIC. A copy of this booklet has also been lodged with ASX. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the contents of this booklet.

The information in this booklet remains subject to change without notice. Aspire reserves the right to withdraw or vary the timetable for the Transaction without notice.

No investment advice

The information in this booklet should be read in conjunction with Aspire's periodic and continuous disclosure announcements and other announcements to ASX which are available at www.asx.com.au.

This booklet does not take into account the investment objectives, financial situation, tax position or particular needs of any Shareholder or any other person. Accordingly, the information contained in this booklet should not be relied upon as the sole basis for any investment decision. Independent advice should be sought before any such decision is made.

Responsibility for information

In making representations in this booklet, regard has been had to the fact that Aspire is a disclosing entity for the purposes of the Corporations Act, and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Except as outlined below, the information contained in this booklet has been provided by Aspire and is the responsibility of Aspire. Except as outlined below, Mr. Tserenpuntsag Tserendamba does not assume any responsibility for the accuracy or completeness of any information in this booklet.

Mr. Tserenpuntsag and his advisers have prepared, and Mr. Tserenpuntsag is solely responsible for, the information in this booklet relating to Mr. Tserenpuntsag (being Section 5.5). Aspire and its advisers do not assume any responsibility for the accuracy or completeness of that information.

BDO Corporate Finance (WA) Pty Ltd has prepared the Independent Expert's Report in relation to the Transaction and takes responsibility for that report.

Disclaimer as to forward looking statements

This booklet includes various statements about the future. Those forward looking statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Aspire and/or Mr. Tserenpuntsag. Actual results, values, performance or achievements may differ materially from the results, values, performance or achievements expressed or implied in any forward looking statement.

The forward looking statements contained within this booklet reflect the views held at the date of this booklet. Neither Aspire nor Mr. Tserenpuntsag, nor any person involved in the preparation of this booklet, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any results, values, performance or achievements express or implied in any forward looking statement, except to the extent required by law. Shareholders should not place undue reliance on any such statements.

Privacy

Personal information may be collected by Aspire in connection with the Annual General Meeting. This information may include the name, contact details, security holding details of Shareholders, and the names of individuals appointed to act as proxy, attorney or corporate representative by a Shareholder at the Annual General Meeting. The primary purpose for collecting this personal information is to assist Aspire to conduct the Annual General Meeting.

Any personal information collected may be disclosed to Aspire's share registry, advisers, print and mail service providers and related bodies to the extent necessary to conduct the Annual General Meeting.

Shareholders are entitled under section 173 of the Corporations Act to inspect and obtain copies of Aspire's register of members. Shareholders should contact the Aspire's share registry in the first instance if they wish to access such information.

Maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this booklet are illustrative only and may not be drawn to scale. Unless expressly stated otherwise, all data contained in such diagrams, charts, maps, graphs or tables is based on information available at the date of this booklet.

References to time

Unless expressly stated otherwise, all references in this booklet to time relate to the time in Perth, Western Australia, Australia.

References to currency

Unless expressly stated otherwise, all references in this booklet to "$", "A$" or "AUD" are references to Australian currency.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this booklet are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this booklet.

Defined terms

A number of defined terms are used in this booklet, the meanings of which are set out in the Glossary or elsewhere in this booklet. Annexure A to this booklet has its own defined terms which are sometimes different from those in the rest of this booklet.

Date of this booklet

This booklet is dated 24 October 2019.

Enquiries

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9287 4555 if they have any questions in respect of the matters set out in this booklet.

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Perth, WA 6000

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F: (08) 9321 4914
W: www.aspiremininglimited.com
E: info@aspiremininglimited.com

Dear Aspire Shareholders,

On behalf of the Aspire Board, I am pleased to formally present to you the recently announced significant investment proposal by Aspire's major shareholder, Mr. Tserenpuntsag Tserendamba.

If completed, the transaction will reposition Aspire as a Mongolian-led development company which is expected to better position the Company to deliver early production via the Ovoot Early Development Plan (OEDP).

Transaction Summary

On 6 September 2019, Aspire announced that it had entered into a share subscription deed with Mr. Tserenpuntsag (Subscription Deed) to raise A$33.5 million (before costs).

Under the Subscription Deed, Aspire has agreed to issue 1,595.9 million fully paid ordinary shares (on a pre-share consolidation basis) to Mr. Tserenpuntsag which, on completion, will result in Mr. Tserenpuntsag holding 51.0% of the enlarged share capital of the Company on an undiluted basis (Transaction). As implementation of the Transaction will result in Mr. Tserenpuntsag acquiring a controlling interest in Aspire, it is subject to the approval of Aspire Shareholders (being the subject of the enclosed shareholder meeting documentation).[1]

Significant Board and executive changes are proposed in connection with the Transaction to strategically re-position Aspire as a majority Mongolian owned, and a true Mongolian/Australian coal development company.

The Board has commissioned BDO Corporate Finance (WA) Pty Ltd (Independent Expert) to opine on the merits of the Transaction. The Independent Expert has concluded that the proposed issue of Shares to Mr. Tserenpuntsag is not fair but reasonable to Shareholders. The Independent Expert's Report is set out in Annexure A of the accompanying Explanatory Statement.

The Transaction is considered important to maximise the prospects of the Company delivering early production via the OEDP and I encourage all shareholders to give it careful consideration.

Current Situation & Key Benefits

As many long-term shareholders will attest, the Company has experienced a range of challenges since discovery of the world class Ovoot Coking Coal Project (Ovoot). These challenges include dealing with a cyclical low in the coking coal market and a shift away from the risks associated with financing high capital cost mining projects, requiring the Company to rework the development plan for Ovoot. As shareholders will be aware, the Company is now progressing with the OEDP which is based on trucking coking coal 560kms from Ovoot to Erdenet, and then distributing the coal by rail to customers in China and Russia.

1 Aspire shareholder approval is also being sought to provide Mr. Tserenpuntsag with the flexibility to exercise the 153,330,119 ASX listed 1.8 cent options to acquire Aspire shares prior to their expiry on 11 December 2019, should he wish to do so. Depending upon the number of listed options that are exercised prior to their expiry on 11 December 2019, Mr. Tserenpuntsag may potentially acquire voting power of up to 52.5% in the enlarged share capital of the Company on an undiluted basis as a result of exercise of these listed options.

However, as Shareholders will be aware, the Company has experienced delays in completing the OEDP Definitive Feasibility Study (DFS) due to local community delays in receiving the approvals required to undertake the ground activities to complete data collection requirements for the DFS and the road engineering study.

Whilst the Company continues to make progress in negotiations with both the soum (local government) and airmag (provincial government) administrations to obtain the necessary ground access approvals, there will still be further significant approvals required before the Company is able to commence mining at the Ovoot project.

The Directors of Aspire (other than Mr. Boldbaatar Bat-Amgalan and Mr. Achit-Erdene Darambazar, being Directors nominated by Mr. Tserenpuntsag) (the Non-Affiliated Directors) believe that the Transaction, together with the proposed Board and management restructure, will assist in addressing any concerns regarding foreign investor control of a significant asset in this northern region of Mongolia by strategically repositioning the Company as a "Mongolian" company.

In turn, this is expected to assist the Company to receive the requisite Mongolian permits and approvals to complete the DFS, and to proceed to mining at the Ovoot project, in a timely manner.

The Non-Affiliated Directors also consider that the Transaction will deliver Aspire shareholders the following additional benefits:

- Material investment at a significant premium

  The proposed placement to Mr. Tserenpuntsag is at a premium to the Company's recent share price. The proposed issue price of A$0.021 per share represents a 40% premium to the last traded Aspire share price prior to the announcement of the Transaction on 6 September 2019 and a 27.7% premium to the 30 day volume weighted average price of Aspire shares for the 30 trading days up to 6 September 2019.

  Importantly, Aspire will emerge in its strongest ever financial position with an estimated cash backing of A$42.2 million and no debt (based on Aspire's cash on hand as at 30 September 2019 of A$9.8 million and excluding any cash which the Company may receive from the issue of any Top Up Shares or the exercise of Listed Options).

- Enhanced access to project financing alternatives

  The Company has estimated that the capital investment required to commence mining via the OEDP is approximately US$275 million. Completion of the Transaction will provide the Company with a material portion of the estimated equity capital component and represents a material endorsement of the Company.

  Further, the Company has conducted a number of discussions with debt funding providers in Mongolia and elsewhere in relation to sourcing the debt funding component of the OEDP. The Non-Affiliated Directors believe that the Company will have a significant advantage in securing domestic debt facilities if the Company is able to demonstrate that it is majority-owned by Mongolian investors (which it will be if the Transaction is completed). To assist in this process, Mr. Tserenpuntsag has confirmed his intention to arrange a corporate guarantee to be provided for up to A$100 million on arm's length commercial terms to support future debt and/or project financing in connection with the OEDP.

- Strengthened financial position supportive of planned early production start date

  Completion of the Transaction will maintain momentum for other pre-existing debt fundraising discussions whilst providing funding capacity for early construction activities for the OEDP prior to completion of the DFS. The funding flexibility for early works will, subject to receipt of the necessary permits and approvals, allow the Company to target its mid-2021 production start date.

If completed, the transaction will leave your Company in the best cash position that it has ever been in. Further, with the continued funding support from Mr Tserenpuntsag, the Company is in an excellent position to raise the necessary financing to build the OEDP and transition into a coking coal producer.

There are also a number of potential disadvantages and risks associated with the Transaction, including the equity interests of existing Aspire shareholders being diluted, the level of control Mr. Tserenpuntsag will acquire in the Company, and the effect that this is likely to have on future control proposals and the liquidity in the Company's shares. Further details of the perceived advantages and disadvantages of the Transaction are set out in Section 5.3 of the accompanying Explanatory Statement.

Board and executive restructuring

As mentioned above, significant Board and executive changes are proposed in connection with the Transaction.

Upon completion of the Transaction, Mr. Achit-Erdene Darambazar (an existing Director of the Company who was nominated by Mr. Tserenpuntsag), will assume the role of Managing Director of the Company. I look forward to working with Achit to deliver the balance of funding required to commence mining via the OEDP.

I will continue in my existing role as Executive Chairman for a four month transition period, focusing on funding and market related activities and working with Achit and the Board to execute the agreed development strategy in respect of the OEDP. Following this period, I look forward to continuing to guide the Company into the future in the capacity of Non-Executive Chairman.

It is also proposed that the Company's Board size be reduced from seven to five members. To facilitate this restructure, Mr Gan-Ochir Zunduisuren (Executive Director) and Mr Alex Passmore (Non-Executive Director) have agreed to resign from the Board upon completion of the Transaction. I would like to express my appreciation to each of Gan-Ochir and Alex for their advice, input and support at the Board level. Mr. Zunduisuren will be continuing with the Company in a senior management technical role.

Further Information & Next Steps

The accompanying Explanatory Statement contains further details of the proposed Transaction, which you should read in its entirety. This is a very significant transaction with significant implications for your Company, and I would encourage you to consider this Explanatory Statement carefully.

After considering the advantages and disadvantages of the Transaction (including the opinion of the Independent Expert) and in the absence of any change to the conclusions of the Independent Expert or a superior proposal emerging, the Non-Affiliated Directors unanimously recommend that you vote in favour of the resolution to approve the Transaction at the upcoming meeting of Shareholders.

The Directors encourage you to cast your vote on the Transaction. You can do this in person at the Annual General Meeting on Friday, 29 November 2019 or, if you cannot attend the Annual General Meeting in person, you can vote by proxy (using the proxy form enclosed with the Explanatory Statement) or through an assigned power of attorney or corporate representative.

In addition to considering the Transaction and the ordinary business to be conducted at an AGM, the Company is also seeking shareholder approval to undertake a 10 for 1 share consolidation to reduce the Company's issued share capital post completion of the

Transaction to approximately 492.2 million shares (excluding any Top Up Shares or Shares issued upon the exercise of Listed Options). The Company is also seeking shareholder approval to amend certain vesting conditions that attach to the Company's issued performance rights to take into account the effect of the proposed share consolidation.

If you have any questions about the proposed Transaction or the other resolutions proposed in the accompanying Notice of Meeting, you should consult your independent financial, legal and/or tax adviser.

Thank you for your continued support.

Yours sincerely

David Paull
Executive Chairman

CONTENTS

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.30 pm (WST) on Friday, 29 November 2019 at:

London Room, Ground Floor, London House, 216 St Georges Terrace, Perth WA 6000

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 2.30 pm (WST) on Friday, 29 November 2019 at London Room, Ground Floor, London House, 216 St Georges Terrace, Perth WA 6000.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4.00 (WST) on Wednesday, 27 November 2019.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

A. ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

> *"That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2019."*

Note: Section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

(a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or

(b) by a person who is a member of the Key Management Personnel at the date of the Annual General Meeting, or their Closely Related Parties, as a proxy.

However, votes will not be disregarded if they are cast as a proxy for a person entitled to vote on Resolution 1:

(c) in accordance with a direction as to how to vote on the Proxy Form; or

(d) by the Chairman pursuant to an express authorisation to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.

RESOLUTION 2 – ELECTION OF DIRECTOR – ACHIT-ERDENE DARAMBAZAR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

> *"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Achit-Erdene Darambazar retires as a Director and, being eligible, is elected as a Director."*

RESOLUTION 3 – ELECTION OF DIRECTOR – BOLDBAATAR BAT-AMGALAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

> *"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Boldbaatar Bat-Amgalan retires as a Director and, being eligible, is elected as a Director."*

RESOLUTION 4 – RE-ELECTION OF DIRECTOR – NEIL LITHGOW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

> *"That for the purpose of clause 13.2 of the Constitution and for all other purposes, Neil Lithgow, retires by rotation and, being eligible, is re-elected as a Director."*

RESOLUTION 5 – RE-ELECTION OF DIRECTOR – HANNAH BADENACH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

> *"That for the purpose of clause 13.2 of the Constitution and for all other purposes, Hannah Badenach, retires by rotation and, being eligible, is re-elected as a Director."*

B. SPECIAL BUSINESS

RESOLUTION 6 – ISSUE OF SHARES TO MR. TSERENPUNTSAG TSERENDAMBA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That approval is given for the purposes of item 7 of section 611 of the Corporations Act, ASX Listing Rule 10.11, and all other purposes for the Company to issue:

(a) 1,595,900,000 Shares under the proposed share placement to Mr. Tserenpuntsag Tserendamba;

(b) up to an additional 153,330,119 Shares to Mr. Tserenpuntsag as a result of the exercise by Mr. Tserenpuntsag of Listed Options held by Mr. Tserenpuntsag prior to their expiry; and

(c) up to an additional 416,425,705 Shares to Mr. Tserenpuntsag as a result of the exercise of Listed Options by persons other than Mr. Tserenpuntsag prior to their expiry,

in each case on the terms and conditions set out in the Explanatory Statement, and, as a result, for Mr. Tserenpuntsag and his associates to acquire voting power in the Company of up to 52.5%."

Voting Prohibition: In accordance with item 7 of section 611 of the Corporations Act, Mr. Tserenpuntsag and his associates are excluded from voting on Resolution 6 and the Company will disregard any votes cast on Resolution 6 by Mr. Tserenpuntsag or any of his associates.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

(a) Mr. Tserenpuntsag; or

(b) an associate of Mr. Tserenpuntsag.

However, the Company need not disregard a vote if:

(c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 7 – CONSOLIDATION OF SHARE CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

> *"That, subject always to Resolution 6 and Resolution 8 being approved, and for the purposes of section 254H(1) of the Corporations Act, rule 10.1 of the Company's Constitution, and for all other purposes, the Shares of the Company be consolidated through the conversion of every ten (10) Shares held by a Shareholder into one (1) Share with any resulting fractions of a Share rounded up to the next whole number of Shares, with consolidation to take effect in accordance with the timetable set out in the Explanatory Statement accompanying this Notice of Meeting."*

RESOLUTION 8 – AMENDMENT OF PERFORMANCE RIGHTS ON ISSUE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

> *"That, subject always to Resolution 6 and Resolution 7 being approved, for the purposes of ASX Listing Rule 6.23.4, and for all other purposes, approval is given for the Company to amend the vesting conditions of the Performance Rights on issue, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

Voting Prohibition: In accordance with the Corporations Act, a vote must not be cast on Resolution 8 by a person appointed as a proxy if the proxy is either a member of the Key Management Personnel for the Company or any of their Closely Related Parties and the appointment does not specify the way the proxy is to vote on Resolution 8.

However, a person described above may cast a vote on Resolution 8 if:

(a) the person is the Chairman; and

(b) the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

(a) a person who holds a Performance Right that is the subject of the approval; or

(b) an associate of that person.

However, the Company need not disregard a vote if:

(c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

C. MAJORITY REQUIRED FOR RESOLUTIONS TO BE PASSED

Each of Resolutions 1 – 8 will be passed if at least 50% of the votes cast on the relevant Resolution (either in person, proxy, attorney or by corporate representative) are in favour of that Resolution.

D. PROXIES AND CORPORATE REPRESENTATIVES

Voting by proxy

Each Shareholder that is entitled to attend and vote is entitled to appoint a proxy. A proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint not more than two proxies to attend and vote on their behalf. Where two proxies are appointed, each proxy should be appointed to represent a specified portion or number of the Shareholder's voting rights (failing which each appointee will be entitled to cast half the Shareholder's votes).

A Proxy Form together with instructions on how to complete the Proxy Form is enclosed.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

(a) post to Aspire Mining Limited, PO Box 1918, Subiaco WA 6904;

(b) facsimile to the Company on facsimile number +61 8 9321 4914; or

(c) email to the Company at info@aspireminingllimited.com.

To be valid, a properly completed Proxy Form must be received by the Company no later than 48 hours before the Annual General Meeting, being 2.30 pm (WST), Wednesday, 27 November 2019.

If you return your Proxy Form but do not nominate a representative, the Chairman will be your proxy and will vote on your behalf as you direct on the Proxy Form. If your nominated representative does not attend the meeting, then your proxy will revert to the Chairman of the Annual General Meeting and he will vote on your behalf as you direct on the Proxy Form.

The Chairman will vote undirected proxies in favour of the Resolutions. In respect of Resolutions 1 and 8, Shareholders should refer to the important information below under the heading "Important information concerning proxy votes on remuneration related resolutions".

Corporate Representatives

A body corporate Shareholder may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the meeting.

E. IMPORTANT INFORMATION CONCERNING PROXY VOTES ON REMUNERATION RELATED RESOLUTIONS

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on resolutions connected directly or indirectly with the remuneration of the Key Management Personnel. Key Management Personnel are the Company's Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Their Closely Related Parties are defined in the Corporations Act and include certain of their family members, dependents and companies they control.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than a member of the Key Management Personnel, as such persons may not be able to vote undirected proxies. Shareholders are also encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on all Resolutions.

If you appoint the Chairman as your proxy, you should direct the Chairman how to vote on Resolutions 1 and 8. If the Chairman is to act as your proxy (whether by appointment or by default) and you have not given directions on how to vote in respect of Resolutions 1 and/or 8 (as applicable), then the Proxy Form expressly directs and authorises the Chairman to vote your proxy in favour of Resolutions and 8. This express authorisation acknowledges that the Chairman may vote your proxy even though Resolutions 1 and 8 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

This express authorisation is included because without it the Chairman would be precluded from casting your votes on Resolutions 1 and 8 as those Resolutions are connected with the remuneration of Key Management Personnel.

DATED: 24 OCTOBER 2019

BY ORDER OF THE BOARD

PHILIP RUNDELL
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 2.30 pm (WST) on Friday, 29 November 2019 at London Room, Ground Floor, London House, 216 St Georges Terrace, Perth WA 6000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1 FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company's Annual Financial Report is available on its website at www.aspiremininglimited.com.

In accordance with the Corporations Act, Shareholders who have elected to receive a hard copy of the Annual Financial Report will receive it prior to the AGM. Shareholders who did not elect to receive a hard copy of the Company's Annual Financial Report and now wish to receive it, should contact the Company Secretary on (+61 8) 9287 4555.

2 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for the financial year ending 30 June 2019.

By way of summary, the Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Section 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to shareholders. The vote on this resolution is advisory only and does not bind the Directors or the Company.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of a company's remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (a "**spill resolution**") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were in office at the date of the approval of the applicable directors' report must stand for re-election.

As less than 25% of the votes cast on the resolution to adopt the remuneration report at the Company's 2018 annual general meeting were against the resolution, a spill resolution is not required to be considered at the 2019 Annual General Meeting even if 25% or more of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report.

In respect of Resolution 1, Shareholders should refer to the important information in section E of the Notice under the heading "Important information concerning proxy votes on remuneration related resolutions".

3 RESOLUTIONS 2 AND 3 – ELECTION OF DIRECTORS – ACHIT-ERDENE DARAMBAZAR AND BOLDBAATAR BAT-AMGALAN

3.1 Background

Clause 13.4 of the Company's Constitution provides the Directors with the power to appoint a person to be a Director to fill a casual vacancy. Any Director so appointed holds office only until the next following annual general meeting, at which time they must retire, and, if they wish to continue to be a Director of the Company, must submit themselves to election by the Shareholders.

Resolutions 2 and 3 seek the approval of Shareholders to the election of Mr. Achit-Erdene Darambazar and Mr. Boldbaatar Bat-Amgalan, respectively, as Directors of the Company. Both were appointed by the Board as Directors after the 2018 AGM. Accordingly, both Mr. Achit-Erdene Darambazar and Mr. Boldbaatar Bat-Amgalan retire in accordance with clause 13.4 of the Constitution and, being eligible, seek election as Directors of the Company.

Brief profiles of Mr. Achit-Erdene Darambazar and Mr. Boldbaatar Bat-Amgalan are set out below. Both Mr. Achit-Erdene Darambazar and Mr. Boldbaatar Bat-Amgalan have been nominated as directors by the Company's major shareholder, Mr. Tserenpuntsag Tserendamba.

3.2 Mr. Achit-Erdene Darambazar

Mr. Achit-Erdene Darambazar is the founder of Mongolian International Capital Corporation LLC (MICC) and has significant relevant experience in financing and starting large mining projects in Mongolia. In the past, he has acted as an advisor to Energy Resources, Hunnu Coal and Altain Khuder, where he worked closely with the management and owners in developing large coal and iron ore mines in Mongolia, as well as acquisition of new mining projects. He also acted as an adviser to the Mongolian Mining Corporation IPO, Hunnu Coal on its Australian Stock Exchange IPO and Erdenes Tavan Tolgoi on the privatisation of a 10% stake on the Mongolian Stock Exchange. Following completion of the proposed Placement, MICC will resign its position as a financial adviser to Aspire.

3.3 Mr. Boldbaatar Bat-Amgalan

Mr. Boldbaatar Bat-Amgalan has had senior roles in public relations and publishing and was previously a director of Erdenet Mining Company. He also previously held senior roles in the Government of Mongolia, including the State Secretary for the Ministry of Foreign Affairs, and Chairman of the Communication Regulatory Commission.

3.4 **Directors' recommendation**

The Directors (other than Mr. Achit-Erdene Darambazar in respect of Resolution 2 and Mr. Boldbaatar Bat-Amgalan in respect of Resolution 3) recommend Shareholders vote in favour of Resolutions 2 and 3.

4 RESOLUTIONS 4 AND 5 – RE-ELECTION OF DIRECTORS – NEIL LITHGOW AND HANNAH BADENACH

4.1 Background

Clause 13.2 of the Company's Constitution requires that at each annual general meeting of the Company, one third of the Directors for the time being or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. A Director appointed as an additional Director during the year is not taken into account in determining the Directors who are to retire by rotation.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who become Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

In accordance with clause 13.2 of the Constitution, Mr Neil Lithgow and Ms Hannah Badenach retire by rotation at the Annual General Meeting and, being eligible, seek re-election as directors of the Company.

4.2 Mr. Neil Lithgow

Mr Lithgow is a geologist by profession with over 25 years' experience in mineral exploration, economics and mining feasibility studies covering base metals, coal, iron ore and gold. Mr Lithgow previously worked for Aquila Resources Limited and Eagle Mining Corporation NL and is currently a Non-Executive Director of Bauxite Resources Limited (appointed 15 May 2006). Mr Lithgow is a member of the Australian Institute of Mining and Metallurgy and the Financial Services Institute of Australia.

The Directors (other than Mr Neil Lithgow) recommend Shareholders vote in favour of Resolution 4.

4.3 Ms Hannah Badenach

Ms Badenach is currently Executive Director Mongolia & Base Metals at Noble Resources Limited and a Director of ASX listed and Mongolian focussed explorer, Xanadu Mines Limited.

Ms Badenach is a lawyer, having practiced law for several years in Asia, including two years in Mongolia, starting in 2004 with Lynch & Mahoney. Ms Badenach has experience in management and development within Mongolia. Ms Badenach was Managing Director of QGX Mongol LLC from 2006, where Ms Badenach was responsible for the general management of the company until it was sold in 2008.

Ms Badenach holds a Bachelor of Laws (Hons) and a Bachelor of Arts from the University of Tasmania.

The Directors (other than Ms Hannah Badenach) recommend Shareholders vote in favour of Resolution 5.

5 RESOLUTION 6 – ISSUE OF SHARES TO MR. TSERENPUNTSAG TSERENDAMBA

5.1 Background

On 28 February 2019, the Company announced the pre-feasibility results for the Ovoot Early Development Plan (OEDP), a development plan which seeks to unlock early production from the Company's 100% owned Ovoot Coking Coal Project in Mongolia (Ovoot).

The OEDP contemplates the mining of a low ash and high yielding coal from a starter pit that sits within the previously defined Ovoot orebody, with the construction of a new private haul road to take product to the existing rail head at Erdenet for final rail transportation to export markets.

However, in seeking to obtain the necessary approvals at both the soum (local government) and airmag (provincial government) level to obtain ground access to complete the OEDP definitive feasibility study (DFS), it is clear that being more of a "Mongolian" owned and operated company should have a significant advantage in terms of being able to negotiate permits and approvals at the local community level and in maintaining a strong social licence to operate.

Whilst the Company continues to make progress in negotiations with both the soum (local government) and airmag (provincial government) administrations to obtain the necessary ground access approvals, further significant approvals will be required to be obtained prior to the Company being able to commence and maintain OEDP mining operations.

The Company is cognisant of the impact that delays in obtaining the necessary regulatory approvals may have on the Company's ability to commence mining via the OEDP. As such, Aspire has been investigating available options to address the existing concerns regarding the level of Mongolian ownership and involvement in the Company, as well as securing the necessary ongoing funding required in order to progress the development of the OEDP in line with a mid-2021 production start date.

After canvassing a range of potential options, the Company announced on 6 September 2019 that it had entered into a share subscription deed (Subscription Deed) with the Company's largest shareholder, Mr. Tserenpuntsag Tserendamba.

(a) Transaction overview

Placement

Under the Subscription Deed, Mr. Tserenpuntsag, an existing 27.5% shareholder of the Company, has agreed to invest a further A$33.5 million in the Company by subscribing for 1,595.9 million additional new Shares (before the proposed Share Consolidation takes effect) (Placement Shares) at an issue price of A$0.021 per Placement Share (the Transaction).

The placement price of A$0.021 per Placement Share is at a significant premium to the trading prices of the Company's shares before the Transaction was announced, representing:

- a 40% premium to the last traded Aspire share price prior to the announcement of the Transaction on 6 September 2019; and
- a 27.7% premium to the 30 day volume weighted average price of Aspire shares for the 30 trading days up to 6 September 2019.

On completion of the Transaction, Mr. Tserenpuntsag will hold 51.0% of Aspire's issued share capital on an undiluted basis.

However, in recognition that:

(i) the Company currently has Listed Options on issue (being Options that are listed on ASX under the code "AKMOA" and are exercisable at A$0.018 per Option on or before 11 December 2019);

(ii) the issue of additional Shares upon the exercise of any of those Listed Options has the potential to dilute Mr. Tserenpuntsag's ownership interest in the Company below 51.0%; and

(iii) the objectives of the Transaction strategically reposition the Company as a "Mongolian" company,

the Company has also agreed to issue (and Mr. Tserenpuntsag has agreed to subscribe for) up to 416,425,705 additional Shares at the placement price of A$0.021 per Share so as to ensure that Mr. Tserenpuntsag maintains voting power in the Company of 51.0% after the issue of any Shares resulting from the exercise of those Listed Options (Top Up Shares).

It is noted that Mr. Tserenpuntsag is incentivised to exercise the Listed Options that he holds to avoid being diluted given the exercise price of the Listed Options is 1.8 cents per Option compared to the issue price of Top Up Shares of 2.1 cents per Share. After the issue of any Top Up Shares (to the extent required), Mr. Tserenpuntsag has no ongoing rights to maintain a 51.0% shareholding in the Company.

Resolution 6 seeks the approval of the Company's Shareholders to permit the Company to issue the Placement Shares and any Top Up Shares (to the extent required) to Mr. Tserenpuntsag, and for Mr. Tserenpuntsag to increase his voting power in the Company as a result of those Share issues.

Subject to Shareholders approving Resolution 6, the Placement Shares are expected to be issued by Friday, 6 December 2019 (being 5 business days after the date of the AGM) with any Top Up Shares issued on the date that is 15 business days after the date of expiry of the Listed Options (or such other date as agreed between the Company and Mr. Tserenpuntsag).

Option Shares

Pursuant to the terms of the Subscription Deed, the Company has agreed to seek Shareholder approval for the issue to Mr. Tserenpuntsag of up to 153,330,119 additional Shares as a result of the exercise by Mr. Tserenpuntsag of any Listed Options held by Mr. Tserenpuntsag prior to their expiry (Option Shares).

Shareholder approval to the issue of any Option Shares required to be issued to Mr. Tserenpuntsag upon exercise of any of his Listed Options is being sought because of the extent of Mr. Tserenpuntsag's voting power in the Company and his potential inability to rely on the "3% creep" right under item 9 of section 611 of the Corporations Act to facilitate the exercise of those Listed Options due to the timing of the proposed issue of the Placement Shares.

If the Placement Shares are issued and Mr. Tserenpuntsag exercises all of his Listed Options and no other Listed Options (other than those held by Mr. Tserenpuntsag) are exercised, Mr. Tserenpuntsag will acquire 52.5% of Aspire's issued share capital on an undiluted basis.

Resolution 6 therefore also seeks Shareholder approval to enable Mr. Tserenpuntsag to acquire voting power in the Company of up 52.5% as a result of the issue of the Placement Shares and any Option Shares that may be required to be issued upon the exercise by Mr. Tserenpuntsag of Listed Options.

(b) Board and executive changes

Significant Board and executive changes are proposed to occur in connection with completion of the Transaction. This includes the appointment of existing Mongolian resident Director Mr. Achit-Erdene Darambazar (being an existing Director nominated by Mr. Tserenpuntsag) to the role of Managing Director of the Company and the intended engagement of a suitably qualified Chief Operating Officer, both with effect from completion of the Transaction. Further the Board will be reduced from seven to five members, with Mr. Gan-Ochir Zunduisuren (Executive Director) and Mr. Alex Passmore (Non-Executive Director) to resign from the Board upon completion of the Transaction.

These proposed Board and executive changes are being undertaken in connection with the Transaction to strategically reposition the Company as a majority Mongolian owned, and a true Mongolian/Australian led, coal development company, which is in turn expected to better position the Company to deliver early production via the OEDP.

(c) Conditions precedent

Completion of the Transaction remains subject to the satisfaction or waiver of the following conditions:

- Aspire Shareholders approving the proposed issue of the Placement Shares and any Top Up Shares and Option Shares, being the subject of Resolution 6; and
- the Independent Expert not changing its conclusion outlined in Section 5.2 below or otherwise changing its conclusions or withdrawing its Independent Expert's Report prior to completion of the Transaction.

(d) Use of funds

The Company intends to use the funds raised from the Transaction towards funding early works associated with the mine and road components of the OEDP and progressing the project financing required to proceed to mining via the OEDP, as well as for general working capital purposes.

The funds raised from the Transaction, when combined with the Company's existing cash balance, provides a substantial proportion of the expected equity contribution required by Aspire to fund completion of the mine and road components of the OEDP and will support a planned project financing and decision to mine. It also provides the Company with the flexibility, should it wish to do so, to fund early works prior to completion of a definitive feasibility study in relation to the OEDP.

Further information regarding the Transaction itself, together with the perceived advantages, disadvantages and risks associated with the Transaction, are set out in Section 5.3. Further information in relation to Mr. Tserenpuntsag and his intentions for Aspire are set out in Section 5.5.

5.2 **Independent Expert's** Report

To assist Shareholders in considering the Transaction (including the proposed issue of Shares to Mr. Tserenpuntsag that will, if approved, result in Mr. Tserenpuntsag acquiring voting power from the current 27.5% to 51.0% of the Company (and potentially up to 52.5% of the Company if Mr. Tserenpuntsag exercises all of his Listed Options and no other Listed Options are exercised) on an undiluted basis and to satisfy the requirements of the Corporations Act in relation to Resolution 6, the Board has engaged BDO Corporate Finance (WA)

Pty Ltd (Independent Expert) to opine on whether or not the proposed issue of Shares to Mr. Tserenpuntsag is 'fair and reasonable' or 'not fair but reasonable' to Shareholders.

The report from the Independent Expert (**Independent Expert's Report**) is attached as Annexure A.

The Independent Expert's Report sets out a detailed independent examination of the proposed issue of Shares to Mr. Tserenpuntsag so as to enable Shareholders who are not associated with Mr. Tserenpuntsag (Non-associated Shareholders) to assess its merits and decide whether to approve Resolution 6.

The Independent Expert has concluded that the proposed issue of Shares to Mr. Tserenpuntsag is not fair but reasonable to Non-associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

5.3 Directors' Recommendations

For the reasons set out below and based on the information available as at the Last Practicable Date, the Directors (other than Mr. Boldbaatar Bat-Amgalan and Mr. Achit-Erdene Darambazar, being Directors who have been nominated by Mr. Tserenpuntsag and have declared that they have an interest in the outcome of the Transaction) (being the Non-Affiliated Directors) consider that on balance the advantages of the Transaction outweigh the disadvantages and that the approval of the Transaction is in the best interests of Shareholders.

Accordingly, in the absence of any change to the conclusions of the Independent Expert or a superior proposal emerging, the Non-Affiliated Directors unanimously recommend that you vote in favour of the resolution to approve the Transaction (including the issue of any Top Up Shares and Option Shares) at the upcoming meeting of Shareholders.

Mr. Achit-Erdene Darambazar and Mr. Boldbaatar Bat-Amgalan decline to make a recommendation to Shareholders in relation to how to vote on Resolution 6 on the basis that Mr. Tserenpuntsag has nominated them to be his representatives on the Board, with that representation to continue following completion of the Transaction (subject to approval of Resolutions 2 and 3, respectively).

Advantages of the Transaction

The Non-Affiliated Directors believe that the proposed issue of Shares to Mr. Tserenpuntsag (being the subject of Resolution 6) has the following advantages:

(a) **Strategically repositions Aspire as a "Mongolian" company**

Successful completion of the placement to Mr. Tserenpuntsag will significantly increase Mr. Tserenpuntsag's ownership of Aspire from 27.5% to 51.0% (and potentially up to 52.5% if Mr. Tserenpuntsag exercises all of his Listed Options and no other Listed Options are exercised) on an undiluted basis. Mr. Tserenpuntsag is himself a successful Mongolian entrepreneur across the food and beverage, information and communication technology, health and recreation, and construction sectors. Further information about Mr. Tserenpuntsag is set out in Section 5.5.

Further, the Board and management restructure proposed to be implemented upon completion of the Transaction will result in existing Aspire Director and Mongolian resident Mr. Achit-Erdene Darambazar being appointed as the Company's new Managing Director and a suitably qualified Chief Operating Officer being engaged.

The strategic repositioning of the Company as a majority Mongolian owned, and Mongolian led, coal development company is expected to have a significant advantage in terms of being able to negotiate permits and approvals at the local community level and in maintaining a strong social licence to operate. It is also expected to better position the Company to access Mongolian sources of debt financing which are currently not readily available to the Company.

(b) The Transaction is at a significant premium to recent trading prices

The proposed placement to Mr. Tserenpuntsag is at a significant premium to the trading price of the Company's shares prior to the announcement of the Transaction to ASX.

The proposed issue price of A$0.021 per share represents a 40% premium to the last traded Aspire share price prior to the announcement of the Transaction on 6 September 2019 and a 27.7% premium to the 30 day volume weighted average price of Aspire shares for the 30 trading days up to 6 September 2019.

(c) Provides leadership in sourcing the required capital to develop the OEDP

The Transaction significantly increases Mr. Tserenpuntsag's commitment to see the OEDP be successfully commissioned as a result of his increased equity investment in the Company

The strengthening of both the Company's capital structure and the "Mongolian" involvement in the Company is expected to have a materially positive effect on the Company's prospects for raising the required development capital associated with the proposed OEDP. In this regard and on the basis that the Transaction completes, Mr. Tserenpuntsag has confirmed his intention to arrange a corporate guarantee to be provided for up to A$100 million on arm's length commercial terms to support future debt and/or project financing in connection with the OEDP.

(d) **Significantly improves Aspire's financial position**

Post-completion of the Transaction, the Company will emerge in its strongest ever financial position with an estimated cash backing of A$42.2 million and no debt (based on Aspire's cash on hand as at 30 September 2019 of A$9.8 million and excluding any cash which the Company may receive from the issue of any Top Up Shares or the exercise of Listed Options).

The funds raised from the Transaction, when combined with the Company's existing cash balance, provides a substantial proportion of the expected equity contribution required by Aspire to fund completion of the mine and road components of the OEDP and will support a planned project financing and decision to mine. It also provides the Company with the flexibility, should it wish to do so, to fund early works prior to completion of the DFS.

(e) The Independent Expert considers the proposed placement to be not fair but reasonable to Shareholders

The Independent Expert has concluded that the proposed issue of Shares to Mr. Tserenpuntsag is nor fair but reasonable to Non-associated Shareholders.

The Independent Expert concluded that the Transaction is not fair because the value of a share in Aspire following the Transaction (on a minority basis) is lower than the assessed value of an Aspire share prior to the Transaction (on a control basis). However, the Independent Expert considered the Transaction to be reasonable because the advantages of the Transaction to Aspire Shareholders are greater than the disadvantages.

In forming its conclusions, the Independent Expert noted the following key advantages of the Transaction:

- Access to funds for the commencement of the development of the OEDP;
- Possibility of early cash flows via the OEDP;
- Better access to Mongolian Government and regulatory authorities and financial institutions; and
- Possibility of having improved capability to manage local communities and of public relations.

However, the Independent Expert also noted the following disadvantages:

- The Transaction will restrict the ability of Aspire Shareholders (other than Mr. Tserenpuntsag) to make decisions without the approval of Mr. Tserenpuntsag; and
- The issue of the Placement Shares is dilutive to existing Shareholders' interests.

The Independent Expert also considered the impact of the Transaction on other alternative proposals, the practical level of control that Mr. Tserenpuntsag will acquire over the Company and the consequences for Aspire of not approving the Transaction.

Disadvantages of the Transaction

The Non-Affiliated Directors believe that the proposed issue of Shares to Mr. Tserenpuntsag (being the subject of Resolution 6) also has the following disadvantages:

(a) Dilution in Shareholder interests

The proposed issue of the Placement Shares to Mr. Tserenpuntsag will dilute the equity interests of Non-associated Shareholders. If any Option Shares and/or Top Up Shares are issued, the equity interests of existing Non-associated Shareholders may be further diluted. The effect of the proposed issue of Shares the subject of the Transaction on Mr. Tserenpuntsag's voting power in the Company is shown in Section 5.6(c) below.

However, the Non-Affiliated Directors believe that the benefits outlined above of issuing Shares at a premium to recent Share prices to Mr. Tserenpuntsag outweigh the perceived disadvantages associated with the dilution of the equity interests of existing Non-associated Shareholders.

(b) Increase in Mr. **Tserenpuntsag's control over the** Company

The proposed issue of Shares to Mr. Tserenpuntsag will increase Mr. Tserenpuntsag's level of control over the Company from 27.5% of the Company's issued share capital to 51.0% (and potentially up to 52.5% if Mr. Tserenpuntsag exercises all of his Listed Options and no other Listed Options are exercised) on an undiluted basis. This level of control will provide Mr. Tserenpuntsag with the capacity to control the outcome of ordinary resolutions of the Company's shareholders.

The proposed executive management changes to be implemented upon completion of the Transaction will also result in Mr. Achit-Erdene Darambazar becoming the Company's Managing Director. Mr. Achit-Erdene Darambazar is currently one of Mr. Tserenpuntsag's nominees to the Board of Aspire. Mr. Boldbaatar Bat-Amgalan, also an existing Director, is the other nominee of Mr. Tserenpuntsag to the Board of Aspire.

The Company has sought to minimise the impact of the proposed changes in its ownership and management structure by:

- putting in place transitional arrangements to ensure stability in the Company's Board for a period of 6 months immediately following completion of the Transaction;
- obtaining commitments from Mr. Tserenpuntsag to continue to progress with the OEDP; and
- undertaking to provide the Company's minority shareholders with an opportunity to participate in future equity raisings conducted by the Company during the 12 months following completion of the Transaction, unless the Board (without Mr. Tserenpuntsag's nominees participating) decides otherwise. In this regard, Mr. Tserenpuntsag has separately confirmed his intention to maintain a 51% shareholding in the Company through to the OEDP entering production via pro rata participation in future equity raisings alongside other Aspire Shareholders.

However, it is noted that the standstill on Mr. Tserenpuntsag acquiring further Shares in the Company (that was previously put in place in connection with the strategic placement to Mr. Tserenpuntsag that completed in 2018) will be removed if the Transaction completes.

(c) Further funding will still be required to commence mining via the OEDP

The funds raised from the Transaction are expected to partly cover the completion of the mine and road construction of the OEDP. Further funding will however be required to develop any early stage starter operation pursuant to the OEDP, which may further dilute existing Shareholders' interests in the Company.

However, the strategic re-positioning of Aspire as a "Mongolian" company is expected to materially enhance the Company's ability to progress the DFS and raise the required development capital to commence and maintain OEDP mining activities.

As indicated above, unless the Board (without Mr. Tserenpuntsag's nominees participating) decides otherwise, the Company has also undertaken to provide all Shareholders with the opportunity to participate in future fundraisings conducted by the Company during the 12 month period following completion of the Transaction so as to allow the relevant Shareholders the opportunity to maintain their ownership percentage in the Company.

(d) **Liquidity in the Company's Shares may be ad**versely impacted

If the Transaction proceeds, the three largest Shareholders (being Mr. Tserenpuntsag, Noble and Neil Lithgow) will own 69.3% of the Company's issued share capital (and potentially up to 70.8% if all of the Option Shares are issued to Mr. Tserenpuntsag and no other Listed Options are exercised). Further, the top 20 Shareholders will hold approximately 80.6% of the Company's issued share capital (or up to approximately 81.2% if all of the Option Shares are issued to Mr. Tserenpuntsag and no other Listed Options are exercised). While the number of Shares on issue will increase from 3,326.5 million to up to 6,039.6 million after completion of the Transaction (on a pre-Share Consolidation basis and assuming the Top Up Shares and Option Shares are issued), after exercise of all Listed Options by Mr. Tserenpuntsag and after the issue of Top Up Shares, there is the prospect of liquidity in the Company's shares falling after completion of the Transaction.

The liquidity in the Company's shares in the year prior to the announcement of the Transaction was assessed as averaging 1% of the issued capital per month. The IER explains this low level of liquidity based on the top four shareholders in the Company owning 59% of the total shares on issue.

The Transaction involves issuing new shares to Mr. Tserenpuntsag which increases the concentration of the holdings in the Company with strategic / long term shareholders. The same number of shares remain in the hands of the minority shareholders. The IER also notes a number of announcements over the 12 months prior to the 6 September 2019 announcement, which generated higher than normal trading volumes in the Company's shares. If the Transaction assists the Company to make significant progress with the OEDP, it is expected that such progress would also assist in increasing the level of interest in the Company's shares.

(e) Impact on possible future change of control transactions

If the Transaction completes, the level of control which Mr. Tserenpuntsag will acquire over the Company reduces the likelihood of a takeover bid being made for the Company, either by Mr. Tserenpuntsag or another entity, and hence any control premium in the price of Shares. However, the Non-Affiliated Directors note that Mr. Tserenpuntsag's current shareholding of 27.5% already provides Mr. Tserenpuntsag with the ability to block any proposal seeking to acquire 100% of the Company that is not supported by Mr. Tserenpuntsag.

The control position that Mr. Tserenpuntsag would gain after completion of the Transaction may also have a negative impact on the Company's ability to attract new institutional investors to acquire the Company's shares, either on-market or through future capital raising activities. This in turn could result in a decrease in the Share price and/or the liquidity of Shares on the ASX.

5.4 Consequences if the Transaction is not approved or does not proceed

If Resolution 6 is not approved by the requisite majority of Shareholders, then the proposed issue of Shares to Mr. Tserenpuntsag will not proceed nor will the proposed Board and management restructure (which is also conditional upon completion of the Transaction occurring).

In such circumstances, the Company will not have raised the necessary funding to enable the Company to progress funding and early development activities for the OEDP, and alternative funding solutions will need to be sought.

Further, based on the Company's existing Share register, the majority of the Company's shareholders will not be Mongolian which may continue to have implications for the Company as it seeks to obtain the necessary regulatory approvals required not only in relation to the ground activities required to complete data collection requirements for the OEDP definitive feasibility study and the road engineering study, but also to be able to commence and maintain mining activities at the Ovoot project.

5.5 Overview of Mr. Tserenpuntsag

(a) Disclaimer

Mr. Tserenpuntsag has provided the Company with the information in this Section 5.5 to assist the Company to meet its obligations under ASIC Regulatory Guide 74. The Company takes no responsibility for any omission from, or any error or false or misleading statement, in this Section.

(b) Profile of Mr. Tserenpuntsag

Mr. Tserenpuntsag is a successful Mongolian entrepreneur across the food and beverage, information and communications technology, health and recreation and construction sectors.

Mr. Tserenpuntsag founded Gem International, a beverage producer, in 1999 and has since gone on to found other leading Mongolian companies. In the beverage sector, these businesses include Gem Khujirt and GN Beverages, the exclusive holder of the Pepsi bottling and distribution rights in Mongolia. In the ICT sector he has created market leaders Mongolia Gemnet, DDish-TV and Kewiko. Mr. Tserenpuntsag has previously been awarded the title of 'Executive of the Year' by the Mongolian Communications Regulatory Commission. He is also a Naadam Traditional Wrestling Tournament finalist (1994), an International Master of Judo, and the Founder of the Mongolian Rugby Association.

(c) **Mr. Tserenpuntsag's intentions for the Company**

If the issue of Shares to Mr. Tserenpuntsag occurs, Mr. Tserenpuntsag has confirmed that he is supportive of the Company completing the OEDP definitive feasibility study as well as undertaking early development activities where applicable.

In this regard, Mr. Tserenpuntsag has confirmed his support for the establishment of the "Chief Operating Officer" role within the Company's executive team for a minimum of 2 years post completion of the Transaction, with that role being primarily focused towards the development of the OEDP.

Assuming the Ovoot definitive feasibility study can be completed in the June quarter 2020 and the Company can secure the necessary funding by that time, Mr. Tserenpuntsag has confirmed that he is supportive of the Company progressing with the OEDP so as to seek to deliver the first washed coal production from Ovoot in the June quarter 2021.

Mr. Tserenpuntsag has also reaffirmed his commitment to the Company to use his best endeavours to:

- provide and/or assist in arranging material future finance for the advancement of the OEDP, including the sourcing of low cost debt funding from the Mongolian government and/or other in-country sources as required; and
- support the Company in all Mongolian governmental and regulatory matters and with all community and public relation matters in connection with the OEDP.

In this regard and on the basis that the Transaction completes, Mr. Tserenpuntsag has confirmed his intention to arrange a corporate guarantee to be provided for up to A$100 million on arm's length commercial terms to support future debt and/or project financing in connection with the OEDP.

Mr. Tserenpuntsag has also expressed an intention to participate in future raisings conducted by the Company over the 12 months following completion of the Transaction so as to ensure that he continues to hold no less than 51% of the Company's issued share capital. All shareholders will be offered an equal opportunity to participate in any new equity issues over the 12 months post the Placement on the same terms as all other participants, unless otherwise agreed by the Non-Affiliated Directors.

Other than as disclosed elsewhere in this Explanatory Statement, Mr. Tserenpuntsag has confirmed to Aspire that he has no intention to:

- make any changes to the business of the Company;
- make any changes to the existing employees of the Company but supports the Board in its efforts to properly resource the Company to deliver the OEDP;
- transfer any of the Company's assets between the Company and Mr. Tserenpuntsag or any of his associates;
- redeploy any of the Company's fixed assets; or
- change the Company's financial or dividend distribution policies.

The statements set out above are statements of the current intention of Mr. Tserenpuntsag only and may vary as new information becomes available or circumstances change.

5.6 Impact of the Transaction on the Company

(a) **Effect of the Transaction on Aspire's Board** and management

In connection with the Transaction, the Company has agreed to reduce the size of the Company's Board from seven to five members. To facilitate this restructure, existing Executive Director, Mr. Gan-Ochir Zunduisuren, and Non-Executive Director, Mr. Alex Passmore, have agreed to resign from the Board upon successful completion of the Transaction. Mr. Gan-Ochir Zunduisuren will remain with the Company in a senior management technical role.

Further, the Company has agreed to appoint existing non-executive Director (and nominee director of Mr. Tserenpuntsag) Mr. Achit-Erdene Darambazar as the Company's Managing Director elect, with Mr. Darambazar to assume that role with effect from completion of the Transaction. Mr. David Paull will remain as Executive Chairman for the 4 months following completion of the Transaction before transitioning to Non-Executive Chairman of the Company.

Accordingly, the effect of the Transaction on the Board of the Company is as follows:

Name	Pre-Transaction	Post-Transaction
David Paull	Executive Chairman	Transitioning to Non-Executive Chairman
Achit-Erdene Darambazar (Mr. Tserenpuntsag nominee)	Non-Executive Director	Managing Director
Boldbaatar Bat-Amgalan (Mr. Tserenpuntsag	Non-Executive Director	Non-Executive Director

nominee)		
Hannah Badenach (Noble nominee)	Non-Executive Director	Non-Executive Director
Neil Lithgow	Non-Executive Director	Non-Executive Director
Alex Passmore	Non-Executive Director	-
Gan-Ochir Zunduisuren	Executive Director	-

Mr. Tserenpuntsag has undertaken not to take any steps to influence or control the composition of the Board (including calling, requisitioning or seeking support for the calling or requisitioning of a general meeting of Shareholders to appoint or remove a director other than one of his nominated directors) during the 6 month period immediately following completion of the Transaction.

Mr. Tserenpuntsag has also undertaken to procure that the Directors that he has nominated onto the Board of the Company do not participate in any decision of the Board regarding the appointment of a person to replace any existing Director (other than one of Mr. Tserenpuntsag's nominated directors) during this 6 month period.

(b) Effect of **the Transaction on Aspire's financial position**

As at 30 September 2019, the Company had A$9.8 million in cash and no borrowings.

Completion of the Transaction would add net approximately A$32.4 million (after transaction costs) to the Company's balance sheet. Using the Company's cash balance as at 30 September 2019 of A$9.8 million, the Transaction will increase the Company's pro forma cash balance to A$42.2 million.

(c) Effect of the issue of Shares on Mr. **Tserenpuntsag's** voting power in the Company

The following table outlines the Company's capital structure as at the Last Practicable Date, and the voting power of Shareholders to the best of the Company's knowledge, both prior to (column 1) and after (columns 2 and 3) the completion of the Transaction.

Two post-Transaction scenarios are shown in the table. In the first scenario (column 2), it is assumed that only the Placement Shares are issued. In the second scenario (column 3), it is assumed that the Placement Shares and the Option Shares are issued.

	Pre-Transaction Capital Structure		Indicative Post-Transaction Capital Structure (Placement Shares issued)		Indicative Post-Transaction Capital Structure (Placement and Option Shares Issued)	
	Number of Shares	Voting Power %	Number of Shares	Voting Power %	Number of Shares	Voting Power %
Mr. Tserenpuntsag	914,534,573	27.49	2,510,434,573]	51.00	2,663,764,692	52.48
Noble	664,017,577	19.96	664,017,577	13.49	664,017,577	13.08
Neil Lithgow	237,278,501	7.13	237,278,501	4.82	237,278,501	4.67
Other Shareholders	1,510,710,424	45.42	1,510,710,424	30.69	1,510,710,424	29.77
Total undiluted Shares	3,326,541,075	100.00	4,922,441,075	100.00	5,075,771,194	100.00

Explanatory notes and assumptions:

1. The Share Consolidation has not taken place.
2. The Company does not issue any additional Shares after the Last Practicable Date, other than the Placement Shares (and the Option Shares for the scenario shown in column 3).
3. Mr. Tserenpuntsag does not acquire any relevant interest in Shares after the Last Practicable Date, other than the Placement Shares (and the Option Shares for the scenario shown in column 3).
4. No other Options (other than those exercised by Mr. Tserenpuntsag which result in him acquiring the Option Shares) or Performance Rights are converted into Shares after the Last Practicable Date.
5. No Top Up Shares are required to be issued. However, Shareholders should note that the maximum number of Top Up Shares that can be issued is 416,425,705 Shares.

Shareholders are referred to section 4 of the Independent Expert's Report attached as Annexure A for further information regarding the potential effect of the issue of the Placement Shares, the Top Up Shares and the Option Shares on the voting power of Mr. Tserenpuntsag.

5.7 Additional information

(a) Why is Shareholder approval required for the issue of the Shares to Mr. Tserenpuntsag?

Section 611, item 7 of the CorporationsAct

Section 606 of the Corporations Act contains a prohibition on a person acquiring a relevant interest in issued voting shares in a listed company through a transaction which results in the person's voting power in the company increasing from below 20% to more than 20% or from a starting point of more than 20% to a higher percentage. An acquisition is not prohibited if it has been approved by a resolution of shareholders of the listed company in accordance with item 7 of section 611 of the Corporations Act.

A "relevant interest" arises if (among other things) the person has the ability to exercise, or control the exercise of, a right to vote attached to shares. A person's "voting power" for these purposes means the total number of votes that the person and its associates have a relevant interest in, expressed as a percentage of total votes attaching to all shares in the entity.

Accordingly, Resolution 6 seeks Shareholder approval under section 611 item 7 of the Corporations Act to ensure that the Company may issue the Placement Shares to Mr. Tserenpuntsag under the Transaction notwithstanding that the issue of those Shares will result in Mr. Tserenpuntsag and his associates increasing their voting power in the Company from 27.5% to 51% on an undiluted basis.

Approval is also being sought from Shareholders to provide Mr. Tserenpuntsag with the flexibility to exercise any Listed Options he holds to acquire further Shares (being the Option Shares) up to a maximum of 153,330,119 Shares (which would increase Mr. Tserenpuntsag's voting power in the Company to 52.5% on an undiluted basis following the issue of the Placement Shares if Mr. Tserenpuntsag exercises all of his Listed Options and no other Listed Options are exercised), as well as to approve the issue of up to 416,425,705 additional Shares (if required) to Mr. Tserenpuntsag at the same price as the Placement Shares (being the Top Up Shares) to retain a 51.0% interest (on an undiluted basis) in the event that his interest in the Company is diluted after completion of the Transaction as a result of the exercise of the Listed Options. Further details on the Option Shares and Top Up Shares are provided in Section 5.1 above.

For the exception in section 611 item 7 of the Corporations Act to apply, shareholders must be given all information known to the person proposing to make the acquisition or their associates, or known to the company, that is material to the decision of how to vote on the resolution. In ASIC Regulatory Guide 74, ASIC has indicated what additional information should be provided to shareholders in these circumstances.

Neither the Company nor the Directors are aware of any additional information not set out in this Explanatory Statement, or the Independent Expert's Report attached as Annexure A, that would be relevant to Shareholders in deciding how to vote on the Resolution.

ASX Listing Rule 7.1

If Shareholders approve an issue of securities under section 611 item 7 of the Corporations Act, ASX Listing Rule 7.2 provides that those securities will not be counted for the purpose of determining the Company's ability to issue new securities under ASX Listing Rule 7.1.

Accordingly, if Resolution 6 is approved by Shareholders, the issue of the Shares to Mr. Tserenpuntsag pursuant to Resolution 6 will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of equity securities by a company to a related party of the company or to a person whose relationship with the company or a related party is, in ASX's opinion, such that approval should be obtained.

Mr. Tserenpuntsag is an existing 27.5% shareholder of the Company and has nominated two Directors to the Company's Board. As such and recognising that Shareholder approval to the Transaction is required in any event, the Board considers it prudent to expressly obtain the approval of Shareholders to the proposed issue of Placement Shares and any Top Up Shares to Mr. Tserenpuntsag for the purposes of ASX Listing Rule 10.11.

It is noted that the Listed Options were issued pursuant to a renounceable rights issue undertaken in 2017, such that the exercise of those Listed Options (and any acquisition of Option Shares) by Mr. Tserenpuntsag is authorised under Exception 7 of ASX Listing Rule 10.12 even if Resolution 6 is not approved. If approval is obtained under ASX Listing Rule 10.11, further approval is not required for the issue of the Shares the subject of Resolution 6 for the purposes of ASX Listing Rule 7.1.

Pursuant to ASX Listing Rule 10.13, the Company provides the following information to Shareholders in respect of Resolution 6:

- the name of the person receiving the Shares is Mr. Tserenpuntsag Tserendamba, an existing 27.5% shareholder of the Company who has nominated two Directors to act as his representatives on the Board;
- the maximum number of Shares to be issued by the Company to Mr. Tserenpuntsag pursuant to Resolution 6 is 2,165,655,824 Shares;
- subject to receiving Shareholder approval:
  - the Placement Shares will be issued five business days after Shareholder approval is obtained or such other date as agreed between the Company and Mr. Tserenpuntsag; and
  - any Top Up Shares will be issued on the date that is 15 business days after the date of expiry of the Listed Options (the expiry date being 11 December 2019) or such other date as agreed between the Company and Mr. Tserenpuntsag,

  but in any event the Placement Shares, any Top Up Shares and any Options Shares will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). Any Option Shares will be issued 10 business days after Mr. Tserenpuntsag exercises any Listed Options (in accordance with their terms of issue) which in any event will be no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). As noted above, the issue of the Option Shares is permitted to occur under an exception to Listing Rule 10.12 and so is not dependent upon whether Resolution 6 is approved;
- the Shares will be issued at a price of:
  - A$0.021 per Placement Share and Top Up Share;
  - A$0.018 per Option Share,

  and each Share, from the date of issue, will rank equally with the Company's current issued fully paid ordinary shares;
- the Company intends to use the funds raised from the issue of the Shares to fund early works associated with the mine and road components of the OEDP and progressing the project financing required to proceed to mining via the OEDP, as well as for general working capital purposes; and
- a voting exclusion statement in respect of Resolution 6 is included in the Notice.

(b) Additional Information required by the Corporations Act and ASIC Regulatory Guide 74

The following information is provided for the purposes of section 611 item 7 of the Corporations Act and ASIC Regulatory Guide 74:

(i) All Shares issued in connection with the Transaction will be issued to Mr. Tserenpuntsag. Further information about Mr. Tserenpuntsag is set out in Section 5.5 above.

(ii) Any issue of Shares to Mr. Tserenpuntsag will be made in accordance with the terms of the Subscription Deed. Further information about the Subscription Deed is set out in Section 5.1 above.

(iii) The number of Shares that are to be issued to Mr. Tserenpuntsag is outlined in Section 5.1 above. For the purposes of seeking approval to an increase in Mr. Tserenpuntsag's voting power, approval is being sought to authorise Mr. Tserenpuntsag to increase his voting power in the Company from 27.5% to up to 51.0% (and potentially up to 52.5% if Mr. Tserenpuntsag exercises all of his Listed Options and no other Listed Options are exercised) on an undiluted basis, being an increase in voting power of 23.3% (and up to 25.0% if all of the Option Shares are issued).

(iv) An explanation of the reasons for the issue of the Shares to Mr. Tserenpuntsag, as well as the perceived advantages and disadvantages of the issue of Shares to Mr. Tserenpuntsag, is set out in Section 5.3. As set out in Section 5.3 above, all Directors (other than Mr. Achit-Erdene Darambazar and Mr. Boldbaatar Bat-Amgalan) have recommended that in the absence of any change to the conclusions of the Independent Expert or a superior proposal emerging, the Non-Affiliated Directors unanimously recommend that Shareholders vote in favour of the resolution to approve the Transaction (including the issue of any Top Up Shares and Option Shares). Mr. Achit-Erdene Darambazar and Mr. Boldbaatar Bat-Amgalan decline to make a recommendation to Shareholders in relation to how to vote on Resolution 6 on the basis that Mr. Tserenpuntsag has nominated them to be his representatives on the Board, with that representation to continue following completion of the Transaction (subject to approval of Resolutions 2 and 3, respectively).

(v) If Shareholders approve Resolution 6, the proposed issue of the Placement Shares the subject of Resolution 6 is expected to occur five business days after such Shareholder approval. Any Top Up Shares will be issued on the date that is 15 business days after the date of expiry of the Listed Options (the expiry date being 11 December 2019) or such other date as agreed between the Company and Mr. Tserenpuntsag. In any event, the Placement Shares and any Top Up Shares will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

(vi) Any Option Shares will be issued 10 business days after Mr. Tserenpuntsag exercises any Listed Options, but in any event will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). The Listed Options must be exercised before they expire (the expiry date being 11 December 2019).

(vii) The material terms of the Transaction are set out in this Section 5 of this Explanatory Statement, and in particular in Section 5.1 above.

(viii) Other than as set out in this Explanatory Statement, there are no contracts or proposed contracts between Mr. Tserenpuntsag and the Company or any of their associates that are conditional on, or directly or indirectly dependent on, Shareholder approval of Resolution 6.

(ix) A statement of Mr. Tserenpuntsag's intentions regarding the future of the Company if Shareholders approve the acquisition is set out in Section 5.5 above, including his intentions in relation to the Company's financial and dividend distribution policies.

(c) Interests of the Directors

Interests in Shares and Listed Options

As at the Last Practicable Date, the Directors had the following direct and indirect interests in the Company's Shares and Listed Options:

Director	Shares	Listed Options
David Paull	26,052,791	1,145,833
Achit-Erdene Darambazar	Nil	Nil
Boldbaatar Bat-Amgalan	Nil	Nil
Hannah Badenach	13,890,476	2,083,334
Neil Lithgow	237,278,501	6,354,167
Gan-Ochir Zunduisuren	47,392,203	Nil
Alex Passmore	Nil	12,000,000

Interests in Performance Rights

As at the Last Practicable Date, the Directors had the following direct and indirect interests in Performance Rights:

Director	Performance Rights
David Paull	45,833,333
Neil Lithgow	36,250,000
Gan-Ochir Zunduisuren	30,500,000
Hannah Badenach	18,083,333

The terms of the Performance Rights provide that if the Company is subject to certain "change of control" events (such as a takeover bid), then the Board may (in its absolute discretion) determine that all or a specified number of a holder's unvested Performance Rights vest. If no determination is made, or if the Board determines that some or all of a holder's Performance Rights do not vest, those Performance Rights will automatically lapse.

The Board considers that the Transaction does not amount to a "change of control" event for the purposes of the terms of the Performance Rights. Accordingly, no unvested Performance Rights will vest and no unvested Performance Rights will automatically lapse solely as a result of the Transaction occurring.

Payments to Directors conditional on the Transaction completing

Mongolian International Capital Corporation LLC, a company associated with Director Mr. Achit-Erdene Darambazar (a representative of Mr. Tserenpuntsag on the Board), will receive an equity raising fee of A$418,924 from the Company on completion of the Transaction.

5.8 No other material information

Other than as set out in this document, there is no other information that is known to the Directors which may reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of Resolution 6.

6 RESOLUTION 7 – CONSOLIDATION OF SHARE CAPITAL

6.1 Background

Resolution 7 seeks Shareholder approval for the Company to consolidate its issued share capital through the conversion of every ten (10) fully paid ordinary shares into one (1) fully paid ordinary share (Share Consolidation).

Pursuant to section 254H(1) of the Corporations Act and rule 10.1 of the Company's Constitution, the Company may convert all or any of its Shares into a larger or smaller number of Shares by ordinary resolution passed at a general meeting and subject always to compliance with the Listing Rules.

The Directors have proposed the Share Consolidation because:

(a) the Company currently has 3,326,541,075 Shares on issue and, if Resolution 6 is approved and the Shares the subject of that Resolution are issued to Mr. Tserenpuntsag, the Company will have up to 6,039,589,015 Shares on issue. In either case, this represents a large number of Shares when compared to the Company's peer group listed on the ASX; and

(b) the Share Consolidation will result in a more appropriate and effective capital structure for the Company and is expected to provide a share price that is more appealing to a wider range of investors, particularly institutional, globally.

This Section 6 provides the information required by ASX Listing Rule 7.20 to be provided to Shareholders in relation to the Share Consolidation.

6.2 Effect of the Share Consolidation

(a) Shares

If Resolution 7 is approved, then, conditional upon Resolutions 6 and 8 also being approved, every ten (10) Shares on issue will be consolidated into one (1) Share (subject to rounding).

Assuming Resolutions 6 and 8 are approved and the Placement Shares the subject of that Resolution are issued (but that no Top Up Shares or Option Shares are required to be issued), the Share Consolidation will result in the number of Shares on issue reducing from 4,922,441,075 to 492,244,108 (subject to rounding).

If Resolution 7 is approved but Resolutions 6 and 8 are not approved, then the Share Consolidation will not proceed.

As the Share Consolidation applies equally to all Shareholders, individual Shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding).

Accordingly, assuming no other Share issues or market movements or impacts occur, the Share Consolidation will have no effect on the percentage interest in the Company of each Shareholder. The Share Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

(b) Options and Performance Rights

As at the Last Practicable Date, the Company has Options (being the Listed Options) and unlisted Performance Rights on issue.

If the Share Consolidation proceeds, the Options and Performance Rights will also be reorganised in accordance with the terms and conditions of the Options and Performance Rights, respectively, and ASX Listing Rule 7.22.1 on the basis that the number of Options and Performance Rights will be consolidated in the same ratio as the Share Consolidation and, in the case of the Options, the exercise price will be amended in inverse proportion to that ratio.

For example, a holding of one hundred thousand (100,000) Options with an exercise price of A$0.018 (1.8 cents) each prior to the Share Consolidation would result in a holding of ten thousand (10,000) Options with an exercise price of A$0.18 (18 cents) each after the Share Consolidation.

After the Share Consolidation, there will be:

- 70,072,224 Options on issue (subject to rounding), with each Option exercisable at A$0.18 each on or before 11 December 2019; and
- 15,275,000 Performance Rights on issue (subject to rounding).

The Share Consolidation will not result in any change to the substantive rights and obligations of existing holders of Options or Performance Rights. However, Shareholders should refer to Section 7 for details on how the Company is proposing to amend certain vesting conditions attaching to the Performance Rights in the event the Share Consolidation is approved and proceeds.

Fractional entitlements

Where the Share Consolidation (and associated consolidation of the Company's Options and Performance Rights) results in an entitlement to a fraction of a Share, Option or Performance Right (as applicable), that fraction will be rounded up to the nearest whole number of Shares, Options or Performance Rights (as applicable).

However, if the Company is of the opinion that a security holder has, before the record date for the Share Consolidation, been party to share splitting or division in an attempt to obtain unfair advantage by reference to such rounding, the Company may aggregate the holdings of that security holder before applying any rounding of entitlements.

(c) Holding statements

Taking effect from the date of the Share Consolidation, all existing holding statements will cease to have any effect, except as evidence of entitlement to a certain number of securities on a post-Share Consolidation basis. New holding statements will be issued to security holders, who are encouraged to check their holdings after the Share Consolidation.

(d) Taxation

The Share Consolidation should not result in a capital gains tax event for Australian tax residents. The cost base of the Shares held after the Share Consolidation will be the sum of the cost bases of the original Shares pre-Share Consolidation. The acquisition date of Shares held after the Share Consolidation will be the same as the date on which the original Shares were acquired.

This Explanatory Statement does not however consider the tax implications in respect of Shares or other securities held on revenue account, as trading stock or by non-resident Shareholders. Shareholders should consider their own circumstances and seek their own professional advice in relation to their tax position. Neither the Company nor any of its officers or employees assumes any liability or responsibility for advising Shareholders or other security holders about the tax consequences of the proposed Share Consolidation.

(e) Indicative timetable

If approved by Shareholders, the proposed Share Consolidation will take effect in accordance with the following indicative timetable of key events (subject to change):

Key Event	Indicative Date
Annual General Meeting	Friday, 29 November 2019
Notification to ASX that Share Consolidation is approved	Friday, 29 November 2019
Last day for trading in pre-consolidated securities	Monday, 2 December 2019
Trading in the consolidated securities on a deferred settlement basis commences	Tuesday, 3 December 2019
Last day to register transfers on a pre-consolidation basis	Wednesday, 4 December 2019
First day for registration of securities on a post-consolidation basis	Thursday, 5 December 2019
Deferred settlement trading ends	Wednesday, 11 December 2019
Normal trading starts	Thursday, 12 December 2019

(f) **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7 for the reasons outlined in this Section 6.

7 RESOLUTION 8 – AMENDMENT OF PERFORMANCE RIGHTS ON ISSUE

7.1 Background

The Company currently has 152,749,997 Performance Rights on issue, held as follows:

Holder	Performance Rights
David Paull	45,833,333
Neil Lithgow	36,250,000
Gan-Ochir Zunduisuren	30,500,000
Hannah Badenach	18,083,333
Employees and qualifying contractors	22,083,331

These Performance Rights provide the holder with a right to receive a Share at a future date, subject to any applicable vesting conditions being satisfied. If the relevant vesting conditions are satisfied, the holder can exercise the Performance Right and in return receive one Share for no further consideration.

The Performance Rights were issued pursuant to the Company's Performance Rights Plan, a summary of which is contained in Annexure D to the Company's 2018 notice of annual general meeting released to ASX on 25 October 2018.

26,133,332 of the above Performance Rights are subject to a vesting condition which will be satisfied if the 30-day VWAP of the Company's Shares (as traded on ASX) is equal to or greater than A$0.03 by 30 June 2020, whilst a further 26,133,332 of the above Performance Rights are subject to a vesting condition which will be satisfied if the 30-day VWAP of the Company's Shares (as traded on ASX) is equal to or greater than A$0.04 by 30 June 2021 (Share Price Vesting Conditions).

If the Share Consolidation the subject of Resolution 7 is implemented, the Share Consolidation will result in every ten (10) Shares on issue being consolidated into one (1) Share (subject to rounding). As such, it is considered likely that the price at which the Company's Shares trade on ASX may increase as a result of there being a substantially smaller number of Shares on issue following implementation of the Share Consolidation. This could result in one or both of the Share Price Vesting Conditions being satisfied inadvertently solely by virtue of the Share Consolidation taking place, thereby entitling the holder to one Share for each Performance Right that vests.

Accordingly, to avoid the inadvertent vesting of the Performance Rights that are subject to Share Price Vesting Conditions, it is proposed that the Share Price Vesting Conditions be amended in the inverse proportion to the ratio of the Share Consolidation as follows:

Current Share Price Vesting Condition	Proposed Share Price Vesting Condition
If the 30-day VWAP of the Company's Shares as traded on ASX is equal to or greater than A$0.03 by 30 June 2020.	If the 30-day VWAP of the Company's Shares as traded on ASX is equal to or greater than A$0.30 by 30 June 2020.
If the 30-day VWAP of the Company's Shares as traded on ASX is equal to or greater than A$0.04 by 30 June 2021.	If the 30-day VWAP of the Company's Shares as traded on ASX is equal to or greater than A$0.40 by 30 June 2021.

This is consistent with how the exercise price of the Company's Options will change if the Share Consolidation is approved in accordance with Listing Rule 7.20 (see Section 6 for further details). Apart from these proposed amendments to the Share Price Vesting Conditions, the terms of the Performance Rights will remain unchanged.

For completeness, it is noted that Resolution 8 is conditional on Resolutions 6 and 7 being approved by Shareholders. If Resolutions 6 and 7 are not approved, then Resolution 8 will not be put to Shareholders for consideration at the AGM.

7.2 ASX Listing Rule 6.23

The Company understands that ASX treats the Performance Rights as options for the purposes of the ASX Listing Rules.

ASX Listing Rule 6.23.4 provides that a company must obtain shareholder approval to make a change to the terms of options on issue which is not prohibited under ASX Listing Rule 6.23.3. ASX Listing Rule 6.23.3 prohibits a change to the terms of options which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities on exercise.

Accordingly, the Company is seeking Shareholder approval to amend the Share Price Vesting Conditions attaching to the Performance Rights on issue in the manner set out in Section 7.1 above.

7.3 **Directors' recommendation**

As a majority of the Directors have an interest in Resolution 8 (by virtue of them holding Performance Rights), the Directors decline to give a recommendation to Shareholders as to how to vote on Resolution 8.

In respect of Resolution 8, Shareholders should refer to the important information in section E of the Notice under the heading "Important information concerning proxy votes on remuneration related resolutions".

8 ENQUIRIES

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9287 4555 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of Directors.

Chairman means the chair of the Meeting from time to time.

Closely Related Party of a member of the Key Management Personnel means:

a) a spouse or child of the member; or

b) a child of the member's spouse; or

c) a dependent of the member or the member's spouse; or

d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or

e) a company the member controls; or

f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Aspire Mining Limited (ACN 122 417 243).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means this explanatory statement accompanying the Notice.

Independent Expert means, BDO Corporate Finance (WA) Pty Ltd, the person engaged by the Board to opine on whether the Transaction is fair and/or reasonable to Shareholders.

Independent Expert's Report means the report prepared by the Independent Expert.

Key Management Personnel has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any directors of the Company.

Last Practicable Date means 22 October 2019, being the last practicable date before finalisation of this Explanatory Statement.

Listed Options means the Options that are listed on ASX under the code "AKMOA" having an exercise price of A$0.018 and expiring on 11 December 2019.

Noble means Noble International Resources Pte Ltd.

Non-Affiliated Directors has the meaning given to that term in Section 5.3.

Non-associated Shareholders has the meaning given to that term in Section 5.2.

Notice or Notice of Meeting means the notice of Annual General Meeting, accompanying this Explanatory Statement.

OEDP means the Ovoot Early Development Plan.

Option means an option to subscribe for a Share issued by the Company.

Option Shares has the meaning given to that term in Section 5.1.

Ovoot means the Company's 100% owned Ovoot Coking Coal Project in Mongolia.

Performance Right means a right to receive a share at a future date, subject to a vesting condition being satisfied.

Placement Shares has the meaning given to that term in Section 5.1.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution set out in the Notice of Meeting.

Section means a section of this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Consolidation has the meaning given to that term in Section 6.1.

Subscription Deed has the meaning given to that term in Section 5.1.

Top Up Shares has the meaning given to that term in Section 5.1.

Transaction has the meaning given to that term in Section 5.1.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

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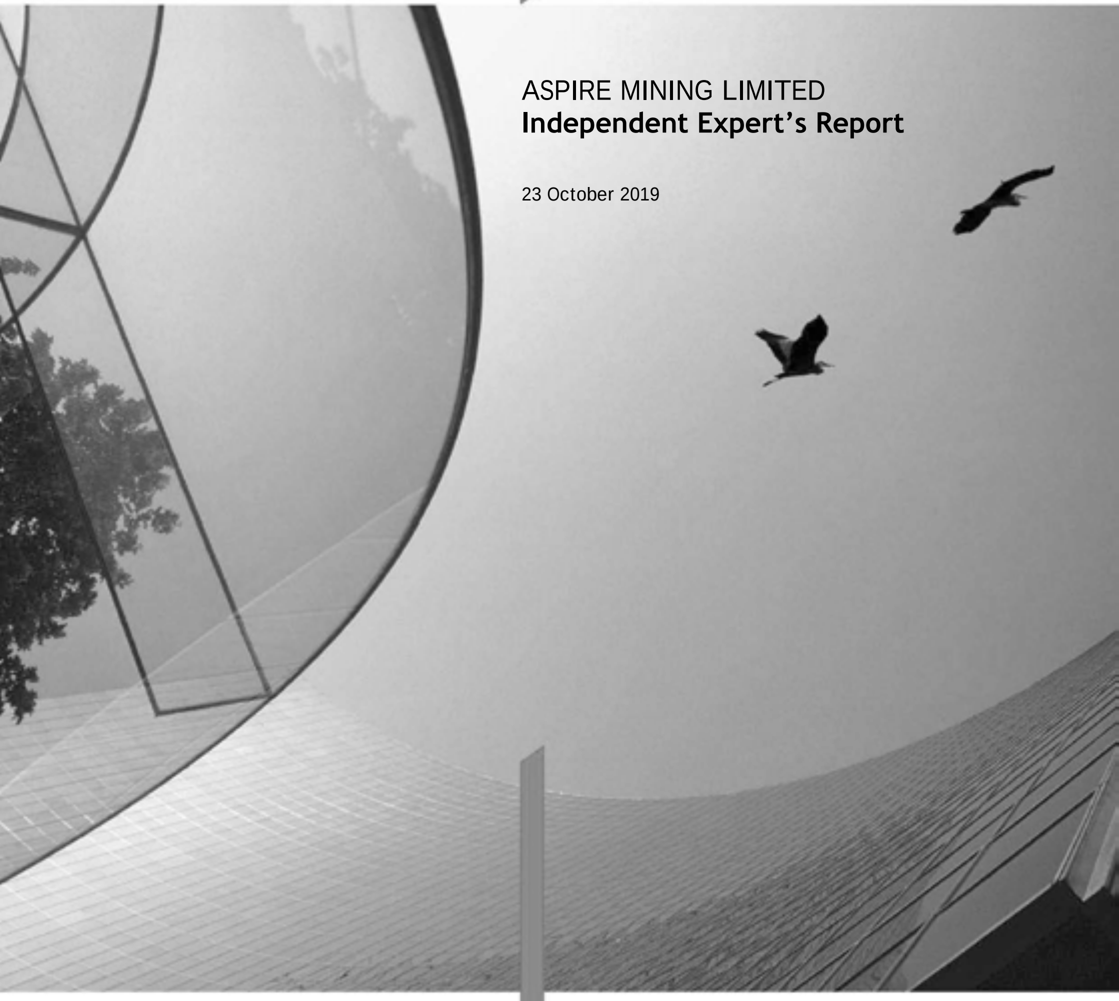

ASPIRE MINING LIMITED

Independent Expert's Report

23 October 2019

![BDO]

Financial Services Guide

23 October 2019

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Aspire Mining Limited ('Aspire' or the 'Company') to provide an independent expert's report on the proposal to issue 1,595.9 million new shares on a pre-share consolidation basis to an existing substantial shareholder, Mr. Tserenpuntsag Tserendamba ('Mr. Tserenpuntsag' or the 'Subscriber') for a consideration of $33.5 million in cash, which on completion will increase his current shareholding of 27.5% to approximately 51.0% on an undiluted basis (the 'Proposed Transaction'). This Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Aspire to assist you in deciding on whether or not to approve the Proposed Transaction.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $25,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Other Assignments
We prepared an Independent Expert's Report for Aspire in relation to a previous placement of shares to Mr Tserenpuntsag which was dated 24 October 2018 and for which our fee was $30,000 (excluding GST).

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Aspire for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au

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Australia

23 October 2019

The Directors
Aspire Mining Limited
Level 9, 182
St. Georges Terrace,
Perth, WA 6000, Australia

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 6 September 2019, Aspire Mining Limited ('Aspire' or 'the Company') announced that it had entered into a definitive, binding, conditional subscription agreement (the **'Agreement'**) with one of Aspire's major shareholders, Mr. Tserenpuntsag Tserendamba (**'Mr. Tserenpuntsag'** or the **'Subscriber'**).

Under the Agreement, the Subscriber has agreed to subscribe for 1,595.9 million ordinary shares in Aspire on a pre-share consolidation basis ('Placement Shares') for a cash consideration of $33.5 million ('Investment'). The Investment by Mr. Tserenpuntsag is part of a strategic repositioning for the Ovoot Early Development Plan (**'OEDP'**) which was announced on 29 August 2018. The issue of Placement Shares to the Subscriber will increase his shareholding in Aspire from the current level of 27.5% to approximately 51.0% on an undiluted basis.

As at the date of this Report, the Company has approximately 700.7 million listed options ('Options') on issue expiring on 11 December 2019 and having an exercise price of $0.018. Each Option entitles the holder to subscribe for one ordinary share of Aspire ('Option Share') upon exercise of the Option.

The Subscriber holds approximately 153.3 million Options. He may be issued Option Shares subject to requisite approvals, and if the conditions precedents mentioned in clause 2.1(b) of the Agreement are met.

Furthermore, the issue of Option Shares pursuant to the exercise of the Options by holders other than the Subscriber has the potential to dilute the Subscriber's voting power in the Company below the voting power that the Subscriber will acquire through the issue and allotment of the Placement Shares in accordance with the Agreement. If the voting power of the Subscriber falls below 51.0% as a result of the issue of Shares upon exercise of the Options, then:

1. as soon as reasonably practicable after the expiry of the Options, the Company must notify the Subscriber of that dilution and:
    a. the number of shares required to be issued by the Company to the Subscriber so as to result in the Subscriber increasing his voting power in the Company back to 51.0% ('Top Up Shares'); and

b. the Top Up consideration payable by the Subscriber to the Company for the issue of those Top Up Shares at the placement price of $0.021 per share; and

2. the Company will issue to the Subscriber the Top Up Shares 15 Business Days after the date of the expiry of the Options or such other date as agreed between the Subscriber and the Company (**'Top Up Completion Date'**).

The issue of Placement Shares, Option Shares to the Subscriber, and the Top Up Shares is collectively referred to as the Proposed Transaction.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Aspire have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Proposed Transaction, is fair and reasonable to the non-associated shareholders of Aspire ('Shareholders').

Our Report is prepared pursuant to item 7 of section 611 of the Corporations Act 2001 Cth ('Corporations Act' or 'the Act') and is to be included in the Notice of Meeting ('NoM') to be provided to the Shareholders of Aspire in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this Report. We have considered:

- how the value of a share in Aspire prior to the Proposed Transaction on a control basis compares to the value of a share in Aspire following the Proposed Transaction on a minority interest basis;
- other factors which we consider to be relevant to Shareholders in their assessment of the Proposed Transaction; and
- the position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that in the absence of an alternative offer, the Proposed Transaction is not fair but reasonable to Shareholders.

In our opinion, the Proposed Transaction is not fair because the value of a share of Aspire following the Proposed Transaction on a minority basis is lower than the value of a share of Aspire prior to the Proposed Transaction on a control basis. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to Shareholders are greater than the disadvantages.

In particular, we note from the signed conditional letter of intent (**'Letter of Intent'**) by Mr. Tserenpuntsag dated 16 September 2019, that Mr. Tserenpuntsag has confirmed his strong commitment to provide future financial support to Aspire for the delivery of the OEDP. In addition, as discussed in section 13.4, funds raised from the Placement Shares will support the liquidity requirements of the Company.

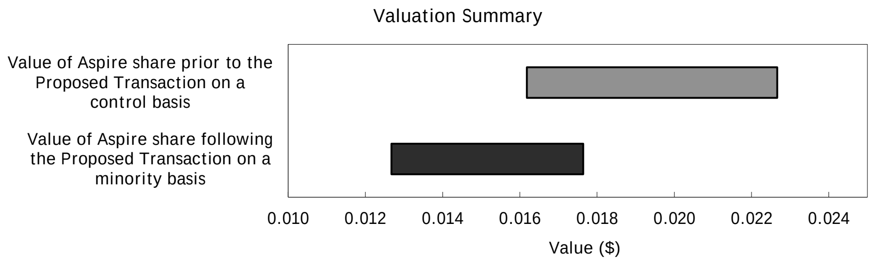
2.4 Fairness

In section 12, we determine that the value of a share of Aspire prior to the Proposed Transaction compares to the value of a share of Aspire following the Proposed Transaction, as detailed below.

	Ref	Low $	Preferred $	High $
Value of Aspire share prior to the Proposed Transaction on a control basis	10	0.0162	0.0195	0.0227
Value of Aspire share following the Proposed Transaction on a minority basis	11	0.0127	0.0151	0.0176

Source: BDO analysis

The above valuation ranges are presented in the chart below:



The above pricing indicates that, in the absence of any other relevant information, the Proposed Transaction is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this Report, in terms of both:

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternative proposal we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.6	Access to funds for the commencement of the development of OEDP	13.7	Restriction on ordinary and special resolutions
13.6	Possibility of early cash flows and access to benefits highlighted in the PFS as a result of successful funding of OEDP into production.	13.7	Dilution of existing Shareholders' interests
13.6	Better access to Mongolian Government and regulatory authorities and financial institutions.		
13.6	Possibility of having improved capability to manage local communities and of public relations.		

Other key matters we have considered include:

Section	Description
13.1	Alternative Proposal
13.2	Practical Level of Control
13.3	Consequences of not approving the Proposed Transaction
13.4	Liquidity requirements of the Company
13.5	Minority interest value prior to the transaction compared to the value post transaction

3. Scope of the Report

3.1 Purpose of the Report

Mr. Tserenpuntsag currently owns 27.5% of the issued shares in Aspire. Section 606 of the Corporations Act expressly prohibits the acquisition of further shares by a party who already holds (with associates) more than 20% of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

Section 611 of the Corporations Act ('Section 611') permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of the entity, by either:

- undertaking a detailed examination of the Proposed Transaction themselves, if they consider that they have sufficient expertise, experience and resources; or
- by commissioning an Independent Expert's Report.

Therefore, the directors of Aspire have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act define the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 suggests that where the Proposed Transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. It further suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Proposed Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- a comparison between value of a share in Aspire prior to the Proposed Transaction on a control basis and the value of a share in Aspire following the Proposed Transaction on a minority basis (fairness – see section 12 'Is the Proposed Transaction Fair?'); and
- an investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution relating to the Proposed Transaction, after reference to the value derived above (reasonableness – see section 13 'Is the Proposed Transaction Reasonable?').

3.4 APES 225 'Valuation Services' compliance

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Transaction

Overview

On 6 September 2019, Aspire announced that it had entered into an Agreement with major shareholder, Mr. Tserenpuntsag for him to subscribe for 1,595.9 million Placement Shares at $0.021 per share on a pre-consolidation basis for a cash consideration of $33.5 million.

The issue of Placement Shares to Mr. Tserenpuntsag will increase his shareholding from the current level of 27.5% to approximately 51.0% on an undiluted basis.

The details of the Proposed Transaction are set out in the Agreement between Aspire and Mr. Tserenpuntsag dated 5 September 2019. Completion of the issue and allotment of the Placement Shares to Mr. Tserenpuntsag in accordance with the Agreement is conditional on the satisfaction of the following conditions precedent (**'CPs'**):

- The Independent Expert opining that the Proposed Transaction is fair and reasonable, or not fair but reasonable, to Shareholders, and the Independent Expert not changing its conclusions or withdrawing its report prior to the completion of the issue and allotment of the Placement Shares in accordance with the Agreement; and
- The Shareholders of Aspire in general meeting approving the issue of the Placement Shares to Mr. Tserenpuntsag for all purposes, including for the purposes of item 7 of section 611 of the Corporations Act.

According to Aspire, the purpose of the $33.5 million Investment by Mr. Tserenpuntsag is to strengthen the Company's financial and strategic position for the continued development of the OEDP which was announced on 29 August 2018. This includes the progression of the OEDP Definitive Feasibility Study (**'DFS'**), the associated road engineering study, early mine development work and for general working capital purposes. Furthermore, the strategic repositioning of Aspire as a majority Mongolian-owned company is expected to further assist the Company in receiving Mongolian permits, approvals and a continuing social license to operate, and enhance the Company's ability to attract local debt funding.

As at the date of our Report, Mr. Tserenpuntsag holds a relevant interest in 914,534,573 shares in the Company representing a 27.5% shareholding on an undiluted basis. The issue of the Placement Shares to Mr. Tserenpuntsag will increase his holding in Aspire to 2,510,434,573 shares representing a maximum holding of 51.0% on an undiluted basis.

The table below shows the change in holding in Aspire by Mr. Tserenpuntsag on an undiluted basis before and after the issue of Placement Shares:

	Number
Issued shares of Aspire at the date of our Report	3,326,541,075
Placement Shares to be issued to Mr. Tserenpuntsag	1,595,900,000
Total number of Aspire shares following the issue of Placement Shares	4,922,441,075
Shares held by Mr. Tserenpuntsag at the date of our Report	914,534,573
% holding at the date of our Report	27.5%
Shares held by Mr. Tserenpuntsag following the issue of Placement Shares	2,510,434,573
% holding following the issue of Placement Shares	51.0%

Source: Management and BDO analysis

Dilutive impact - Options

As at the date of this Report, the Company has 700,722,235 Options on issue exercisable at $0.018 on or before 11 December 2019, of which 153,330,119 are held by Mr. Tserenpuntsag.

Mr. Tserenpuntsag may be issued Option Shares subject to shareholder approval.

The table below shows the breakdown of the total number of shares in Aspire based on the exercise of the Options by Mr. Tserenpuntsag only:

Number of shares	Mr. Tserenpuntsag	Other shareholders	Total
Issued shares at the date of our Report	914,534,573	2,412,006,502	3,326,541,075
New shares to be issued following the Transaction	1,595,900,000	-	1,595,900,000
Option conversion	153,330,119	-	153,330,119
Issued shares post Transaction and exercise of options	2,663,764,692	2,412,006,502	5,075,771,194
% holding at the date of our Report	27.5%	72.5%	100.0%
% holding post Transaction	52.5%	47.5%	100.0%

Source: Management and BDO analysis

As shown in the table above, in the case that only Mr. Tserenpuntsag exercises his Options and none of the other option holders exercise any of their Options, Mr. Tserenpuntsag would have the capacity to increase his shareholding interest to 52.5%.

The table below shows the breakdown of the total number of shares in Aspire based on the exercise of the Options by all Option holders following the Proposed Transaction:

Number of shares	Mr. Tserenpuntsag	Other shareholders	Total
Issued shares at the date of our Report	914,534,573	2,412,006,502	3,326,541,075
New shares to be issued following the Transaction	1,595,900,000	-	1,595,900,000
Option conversion	153,330,119	547,392,116	700,722,235
Issued shares post Transaction and exercise of options	2,663,764,692	2,959,398,618	5,623,163,310
% holding at the date of our Report	27.5%	72.5%	100.0%
% holding post Transaction	47.4%	52.6%	100.0%

Source: Management and BDO analysis

As shown in the table above, in the case that all Options are exercised, Mr. Tserenpuntsag's interest in Aspire's issued share capital will be 47.4%.

According to the Agreement, if the voting power of the Subscriber falls below 51.0% as a result of the issue of Option Shares, then:

1. as soon as reasonably practicable after the expiry of the Options, the Company must notify the Subscriber of that dilution and:
    a. the number of Top Up Shares required to be issued by the Company so as to result in the Subscriber increasing his voting power in the Company back to 51.0%; and
    b. the Top Up consideration payable by the Subscriber to the Company in respect to the issue of those Top Up Shares at the placement price of $0.021 per share; and
2. the Company agrees to issue to the Subscriber, and the Subscriber agrees to subscribe for and pay for, the Top Up Shares on the Top Up Completion Date, in accordance with the terms of clause 4 of the Agreement.

The table below shows the number of Top Up Shares that Mr Tserenpuntsag will be eligible to subscribe for based on the exercise of all Options on issue:

Number of shares	Mr. Tserenpuntsag	Other shareholders	Total
Issued shares at the date of our Report	914,534,573	2,412,006,502	3,326,541,075
New shares to be issued following the Transaction	1,595,900,000	-	1,595,900,000
Option conversion	153,330,119	547,392,116	700,722,235
Top-up Shares to be issued	416,425,705	-	416,425,705
Issued shares post Transaction and exercise of options	3,080,190,397	2,959,398,618	6,039,589,015
% holding at the date of our Report	27.5%	72.5%	100.0%
% holding post Transaction	51.0%	49.0%	100.0%

Source: Management and BDO analysis

As shown in the table above, Mr. Tserenpuntsag will be eligible to subscribe for approximately 416,425,705 Top Up Shares in the Company to increase his voting power back to 51.0%. Given that the Top Up Shares will be subscribed for at the placement price of $0.021 per share, this represents an additional investment of approximately $8.74 million.

In addition to the Options, Aspire also has 152,749,997 performance rights (**'Rights'**) on issue. The table below shows the breakdown of the Rights issued as at the date of this Report:

	Number
Performance rights issued to Directors on 9 May 2018	130,666,666
Performance rights issued to employees and qualifying contractors on 9 May 2018	22,083,331
	152,749,997

Source: Management

The table below outlines the relevant vesting conditions of the Rights:

Performance Rights	Vesting Condition
Tranche 1 Rights	If 80% or more of the options issued in connection with the rights issue that closed on 4 December 2017 are exercised.
Tranche 2 Rights	If the 30-day Volume Weighted Average Price (**'VWAP'**) of the Company's shares as traded on ASX is equal to or greater than A$0.02 by 30 June 2019.
Tranche 3 Rights	Following a decision by the Company to mine the Nuurstei Coking Coal Project, or a Board approved equivalent project, and the Company achieves production of a combined 500,000 tonnes per annum of washed hard coking coal by 31 December 2019. Such decision shall be subject to receipt by the Board of an independent economic analysis confirming the viability of commencing such operations.
Tranche 4 Rights	If the Company achieves net profit after tax of at least $10 million by no later than 31 December 2019.

Performance Rights	Vesting Condition
Tranche 5 Rights	If the 30-day VWAP of the Company's Shares as traded on ASX is equal to or greater than A$0.03 by 30 June 2020.
Tranche 6 Rights	If the 30-day VWAP of the Company's Shares as traded on ASX is equal to or greater than A$0.04 by 30 June 2021.

Source: Management

We note from the Company's Appendix 3B dated 13 July 2018 that the Tranche 2 Rights have already vested, therefore, the current breakdown of Rights held by directors, employees and consultants as at the date of this Report are detailed below:

Name	Tranche 1 Rights	Tranche 3 Rights	Tranche 4 Rights	Tranche 5 Rights	Tranche 6 Rights	Total
Directors	26,133,334	26,133,334	26,133,334	26,133,332	26,133,332	130,666,666
Employees and Consultants	4,416,667	4,416,667	4,416,667	4,416,664	4,416,666	22,083,331
Total number of Rights on issue	30,550,001	30,550,001	30,550,001	30,549,996	30,549,998	152,749,997

Source: Management

Each Right will vest and, upon exercise of the vested Right, entitle the holder to one fully paid ordinary share in Aspire provided the relevant vesting condition is met. No monetary consideration is payable upon grant of the Rights, nor payable on exercise of the Rights.

The table below shows the breakdown of the total number of shares in Aspire based on the exercise of the Options by all Option holders, the subsequent issue of Top Up Shares and the vesting of all Rights following the Proposed Transaction:

Number of shares	Mr. Tserenpuntsag	Other shareholders	Total
Issued shares at the date of our Report	914,534,573	2,412,006,502	3,326,541,075
New shares to be issued following the Transaction	1,595,900,000	-	1,595,900,000
Option conversion	153,330,119	547,392,116	700,722,235
Top Up Shares to be issued	416,425,705	-	416,425,705
Performance Rights vesting	-	152,749,997	152,749,997
Issued shares post Transaction and exercise of options	3,080,190,397	3,112,148,615	6,192,339,012
% holding at the date of our Report	27.5%	72.5%	100.0%
% holding post Transaction	49.7%	50.3%	100.0%

Source: Management

As shown in the table above, in the case that all Options are exercised and all Rights vest, Mr. Tserenpuntsag's interest in Aspire's issued share capital will be 49.7%. We have not considered the likelihood of the Rights vesting in the analysis above, but note that the Tranche 3 and tranche 4 Rights are unlikely to vest as the Company has not commenced mining operations.

We have also not considered the issue of additional Top Up Shares resulting from the dilution in the Subscriber's holding as this is not stated explicitly in any of the documents related to the Proposed Transaction.

Share Consolidation

In conjunction with the Proposed Transaction, the Company intends to execute a 10 for 1 share consolidation (**'Share Consolidation'**) subject to shareholder approval at the annual general meeting (**'AGM'**). The Share Consolidation also applies to the Options and Rights on issue.

If the Share Consolidation occurs before the Proposed Transaction, Mr. Tserenpuntsag will be issued 159.59 million new ordinary shares of Aspire at $0.21 per share, in return for the $33.5 million investment.

The effect of the Proposed Transaction whereby Mr. Tserenpuntsag's shareholding increases from 27.5% to approximately 51.0% remains unchanged as a result of the Share Consolidation. Therefore, for simplicity purposes, our Report assumes that the issue of Placement Shares occurs on a pre-Share Consolidation basis.

Board and Management Changes

In addition, the Company will also reduce the size of the board of directors from seven members to five. The table below outlines the changes to the board of Aspire:

Board composition as at date of our Report	
Name	Position
David Paull	Chairman and Managing Director
Gan-Ochir Zunduisuren	Executive Director
Boldbaatar Bat-Amgalan	Executive Director (Nominated Director)
Neil Lithgow	Non-Executive Director
Hannah Badenach	Non-Executive Director
Achit-Erdene Darambazar	Non-Executive Director (Nominated Director)
Alex Passmore	Non-Executive Director

Source: Aspire's ASX announcement on 6 September 2019

Board composition post Transaction	
Name	Position
David Paull	Non-Executive Chairman (Minority Director)
Achit-Erdene Darambazar	Managing Director (Nominated Director)
Boldbaatar Bat-Amgalan	Executive Director (Nominated Director)
Neil Lithgow	Non-Executive Director (Minority Director)
Hannah Badenach	Non-Executive Director (Minority Director)
Alex Passmore	to resign
Gan-Ochir Zunduisuren	to resign

Source: Aspire's ASX announcement on 6 September 2019

According to Aspire, the purpose of the changes in the board composition is to strengthen on-the-ground Mongolian focus to ensure the OEDP approvals and development occurs in a timely manner. Mr. Darambazar's new role as managing director will also be supported by a to-be-appointed Chief Operations Officer.

Safeguards for Minority Shareholders

The Agreement also outlines the following safeguards for minority shareholders during the transition period following completion of the Proposed Transaction:

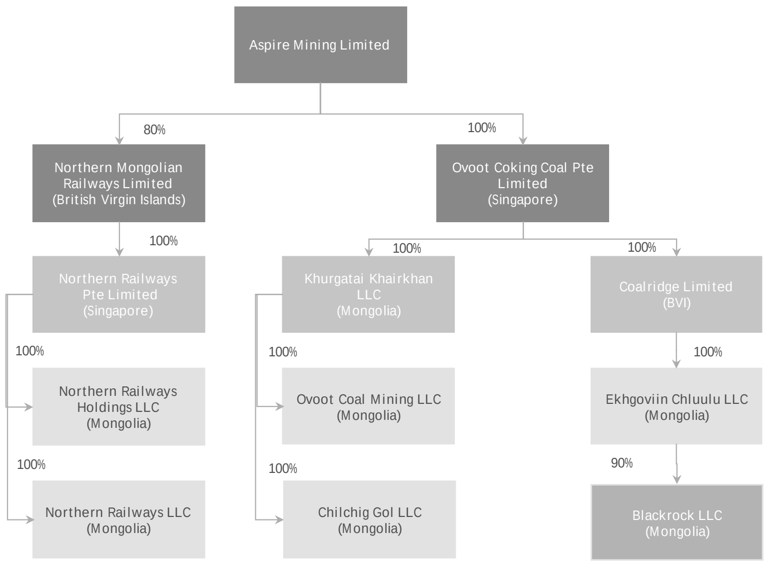
- Mr. Tserenpuntsag is to make no changes to the agreed board composition and to do all things reasonably requested by the Company to support the achievement of OEDP for the first 6 months following completion of the Proposed Transaction; and
- Minority shareholders at the date of completion of the Proposed Transaction are given equal opportunity to participate in any new equity issue (other than issues on exercise of Listed Options or Performance Rights) offered over the 12 months following completion of the Proposed Transaction, on the same terms as all other participants unless otherwise agreed by the directors of the Company (other than the directors nominated by Mr. Tserenpuntsag).

5. Profile of Aspire

5.1 Background

This section provides background on Aspire, its projects, material corporate events, and historical financial information. In preparing our opinion we have relied upon this information and certain information included within the independent specialist valuation attached to this report.

Aspire is an exploration and development company, with metallurgical coal and infrastructure assets in Mongolia as well as mining and exploration licenses in Mongolia's Northern provinces. The Company is headquartered in Perth, Western Australia. Aspire is primarily focused on developing the Ovoot Coking Coal Project (**'Ovoot Project'**), and the Nuurstei Coking Coal Project ('Nuurstei Project') in which it holds a 90% interest. The Company also has an 80% interest Northern Railways LLC ('Northern Railways'), a Mongolian registered rail and infrastructure company, which has been established to develop the Erdenet-Ovoot Rail Project ('Erdenet-Ovoot Project'). The chart below shows the group structure of Aspire:



Source: Management

The Company's current board members and senior management are:

- Mr David Paull – Managing Director and Chairman;
- Mr Gan-Ochir Zunduisuren – Executive Director;
- Mr Boldbaatar Bat-Amgalan – Executive Director;
- Mr Neil Lithgow – Non-Executive Director;
- Ms Hannah Badenach – Non-Executive Director;
- Mr Alex Passmore – Non-Executive Director;

- Mr Achit-Erdene Darambazar – Non-Executive Director; and
- Mr Phil Rundell – Company Secretary.

The Erdenet-Ovoot Project is located within the 'Northern Rail Corridor', between the Chinese port of Tianjin and the Trans-Siberian Railway. Once developed, the Erdenet-Ovoot Project will transport coal from Ovoot and Nuurstei to export markets. On 29 August 2018, the Company announced the OEDP, a plan to bring forward production from the Ovoot Project, by establishing a starter open-pit mine within the previously defined orebody, and a private haul road to run alongside the planned Erdenet-Ovoot rail path. Under the OEDP, the Company intends to truck washed coal to the existing Erdenet railhead, while it continues to progress the Erdenet-Ovoot rail connection. The chart below indicates the location of the Ovoot and Nuurstei Project and the transport infrastructure (planned and current):

Source: Aspire's ASX announcements

5.2 Ovoot Project

The Ovoot Project is a coking coal project located in the Khuvsgul province in North West Mongolia. The project is located over 134 square kilometres, and is covered by Exploration License 13636X and Mining Lease MV 017098. Aspire acquired the Ovoot Project in 2010.

During 2011 and 2012, Aspire undertook a drilling program which included exploration, infill, geotechnical and hydrological drilling. During 2012, the Company released the results of a Pre-Feasibility Study ('PFS') undertaken by Xstract Mining Consultants Pty Limited ('Xstract'). The PFS was undertaken based on a two stage production profile over an initial life of mine of 19 years. The first stage involved production of saleable coal delivered by road to a new railhead, before being transported to end markets, while stage two involved ramped up production of coal, deliverable by rail from Ovoot to Erdenet before being transported to end markets. The PFS proposed to use mining contractors operating an open pit, and using standard truck and excavator technology. During December 2012, the Company released a PFS revision ('PFS Revision'), incorporating the Company's updated reserves and resources based on coal delivered by rail from Ovoot to Erdenet, which were announced subsequent to the release of the initial PFS findings. The PFS Revision also included revised mine plans and a study to support an underground mine. Further coal resource upgrades were announced in mid-2013. During 2015 the Company undertook a Modular Plant Study, which reassessed up-to-date capital costs for the wash plant and materials handling components of the project.

During 2016 and 2017, only minimal care and maintenance activities were undertaken on the project, as the Company focused on progressing the necessary rail connectivity. During 2017, several exploration areas within the Ovoot Project were relinquished due to high holding costs.

The Erdenet-Ovoot Project sits within the 'Northern Rail Corridor' which is an economic corridor between China and Russia (through Mongolia). The 'Northern Rail Corridor' has been identified by Mongolian, Chinese and Russian Governments, as a passage which may support and facilitate trade between the three nations. The Erdenet to Ovoot railway has been specifically identified within the 'Northern Rail Corridor', which may see the project benefit from government initiatives and policies.

Ovoot Early Development Plan ("OEDP")

Announced on 29 August 2018, the OEDP involves the early works construction of a new private haul road initially to follow the existing planned rail path from Ovoot to the existing railhead at Erdenet for final rail transportation to its customers. The road alignment has subsequently been altered to meet local community support and requirements.

The Company has identified a low ash, high yielding open pit section of the Ovoot orebody which is expected to be suited to form the basis of the starter pit for the OEDP. According to management, the OEDP will be designed around achieving early production from Ovoot while the Company's rail infrastructure subsidiary continues to work towards establishing the Erdenet to Ovoot rail connection. Management believes that the cash flows expected from successful execution of OEDP will de-risk the project.

The announcement of OEDP on 29 August 2018 also detailed a $15 million strategic financing for OEDP, which was completed on 6 December 2018. The key purpose of the funds was to commence the relevant feasibility studies, attain regulatory approvals, and to eventually commence the development of OEDP.

The source of funds comprised of the following:

a) $10.0 million through the issue of placement shares to Mr. Tserenpuntsag;

b) $1.7 million through private placements; and
c) US$2.4 million through the conversion of debt plus accrued interest owed to the Noble Group (**'Noble'**) into shares.

The funds raised through the transactions above gave the Company a cash position at 6 December 2018 of approximately $15.6 million net of financing costs with no borrowings, allowing Aspire to expedite the PFS for OEDP.

On 28 February 2019, Aspire released the results of the OEDP PFS conducted by lead consultants, FMS LLC (**'FMS'**). The PFS results estimated an initial mine life of 9.2 years for OEDP, with a base case net present value of US$586 million and an incremental rate of return of 43.7% (inclusive of mine, logistics, waste pre-stripping and haul road capex). The results also highlighted a steady state production rate of 4.0 Mt per annum of washed, saleable "fat" coking coal, and an average annual EBITDA of US$172 million over the life of mine. Aspire also announced the commencement of the DFS for OEDP, which management has advised that the Company is in progress of completing.

5.3 Northern Railways LLC

Northern Railways is a Mongolian registered company established by Aspire. Northern Railways is responsible for the oversight of all aspects of pre-development, construction, and operation of the Erdenet to Ovoot Railway, a 547 kilometre railway between Erdenet and Ovoot. Aspire effectively owns 80.0% of Northern Railways, while Noble is the effective owner of the remaining 20%.

A 30-year concession was granted to Northern Railways in August 2015 by the Government of Mongolia to progress the development of the Erdenet to Ovoot Railway. Party to the Concessional Agreement was a consortium which was established by Northern Railways on 5 May 2015, comprising Aspire (then a 100.0% shareholder of Northern Railways), China Railways 20 Bureau Group Corporation ('CR20G') and China Railway First Survey and Design Institute ('FSDI') (the **'Consortium'**). The objectives of the Consortium according to the agreement are to work exclusively and collaboratively on the Erdenet to Ovoot mine railway.

During October 2017, Northern Railways and Aspire entered into a binding Memorandum of Understanding ('MoU') with China Gezhouba Group Corporation ('CGGC'), a large Chinese state owned enterprise. In the MOU, CGGC agreed to complete a DFS for the Erdenet to Ovoot Railway by 31 March 2018. On 4 June 2018, Aspire released initial findings from the DFS. Aspire stated that the engineers would continue to address a number of matters and opportunities presented from the initial finding of the DFS, and that the DFS would be provided to the Mongolian Ministry of Roads and Transportation for its review and approval. During February 2018 the Consortium was expanded to include CGGC and CGGC was also officially added to the Concession Agreement as a joint engineering procurement and construction contractor with CR20G.

On 30 April 2019, Aspire announced that Northern Railways had signed an Engineering, Procurement and Construction Agreement (**'EPC Contract'**) with CGGC and CR20G for the Erdenet to Ovoot Railway. The EPC Contract was signed on 25 April 2019 and is a lump sum turnkey contract with a maximum price of US$1.58 billion, which is subject to reductions based on additional field surveys and engineering. The EPC contract is also conditional on the approval of funding, permitting, environmental impact assessment and land use agreements.

On the same date, CGGC also provided a letter of interest for the EPC contractor work of the private Erdenet to Ovoot Haul road as part of OEDP. CGGC intends to support this by sourcing funding from Chinese commercial banks for up to 75% of the estimated US$165 million cost to build.

5.4 Nuurstei Project

The Nuurstei Project is a coking coal project located 10 kilometres from the Khuvsgul provincial capital of Moron in northern Mongolia. During 2014 Aspire acquired a 50.0% interest in the corporate structure that operated the Ekhgoviin Chuluu Joint Venture ('ECJV'). The other 50.0% was owned by Noble. At the time Aspire held a 60.0% interest in the Nuurstei Project, with the ability to increase its interest to 90.0%. During May 2015, ECJV increased its interest in the Nuurstei Project from 60.0% to 90.0%, following a payment of US$201,500 to the Mongolian vendor. During 2015, Noble granted Aspire an option to acquire its 50.0% interest in the ECJV for US$1.0 million and a royalty. During mid-2017, Aspire announced it had agreed to exercise the option to acquire Noble's 50.0% interest in the ECJV. Aspire agreed with Noble that the US$1.0 million payable on exercise, would be satisfied through the issue of US$1.0 million of Aspire shares to Noble.

During April 2017, Aspire announced that it had received an independent conceptual mining study (**'the Study'**) from Bluefield Advisory. The study was a desktop concept study to determine the potential for open cut mining of the Nuurstei Project. On the back of the study's findings, it was determined that a US$1.5 million drilling and sampling program should be undertaken to confirm the assumptions used in the conceptual mine plan produced by the Study.

During May 2017, Aspire announced that it had signed a MOU with a Mongolian government agency to mine and purchase raw coal from an existing mine adjacent to the Nuurstei Project. Aspire intended to wash the purchased coal for delivery to customers in China, with the processes allowing the Company to test logistics and cost assumptions. Following this announcement, Aspire announced it had also executed an offtake agreement with Noble, covering the first six months of production from the Nuurstei Project, noting pricing would be agreed closer to the commencement of production.

At the end of May 2017, the Company announced that the Mineral Resource Authority of Mongolia ('MRAM') had approved the registration of the Nuurstei Project. During October 2017, the Company announced that it had received mining license MV-020941 from MRAM, covering 860.91 hectares of the Nuurstei Project. The mining licence would provide tenure over the deposit for an initial period of 30 years with up to two additional 20 year extensions if needed.

During January 2018, the Company appointed Ferrostaal Mining Services ('Ferrostaal') to manage the drilling and sampling activities to be undertaken at the Nuurstei Project. The Company also appointed RPM Global ('RPM') to provide technical advisory services including JORC 2012 compliance oversight for the drilling and sampling program. During the same period, the Company received the results of pilot scale carbonisation test work on a washed bulk sample of 300 kilograms of coal indicative of coal expected to be produced from Nuurstei.

The Company also announced that Mongolian mining contractor, PSST LLC ('PSST') had been contracted to mine 100,000 tonnes of raw coal from the mine adjacent to the Nuurstei Project. The Company intended to purchase the coal from the adjacent mine with the intention to test logistics and cost assumptions to be used in the feasibility study. However, the Company suspended the drilling program and coal purchases while it engaged in additional local community consultation. Drilling at Nuurstei has remained suspended with the change in focus to the OEDP.

5.5 Recent Corporate Events

On 14 June 2017, the Company announced that it was seeking to raise up to $4.0 million (before costs) by issuing 200 million shares at 2.0 cents each, with free attaching options exercisable at 2.5 cents within 12 months of issue. On 14 August 2017, the Company announced that it had closed its Capital Raising after receiving applications for 54.9 million shares at 2.0 cents per share and 54.9 million free attaching options, to raise approximately $1.1 million before costs.

Combined with the Capital Raising, the Company also proposed to convert $2.60 million of debt and other obligation into equity (**'**Debt Conversion**'**) at the same terms proposed under the Capital Raising. At its General Meeting held on 26 July 2017, shareholders approved the Debt Conversion, specifically the issue of shares to Noble, to satisfy interest payable under the Noble Facility (**'**Noble Facility**'**) and US$1.0 million cash payable to Noble as a result of the Company's decision to exercise its option to acquire the remaining 50% of the ECJV.

On 3 November 2017 the Company announced a six for five renounceable rights issue (**'**Rights Issue**'**) to raise $16.5 million. Under the Rights Issue, applicants would receive one attaching option for every four new shares issued. The Rights Issue was fully underwritten. On 12 December 2017, the Company announced the completion of the Rights issue, with 1,377,754,105 new shares and 344,438,526 new two-year listed options exercisable at 1.8 cents being allocated. In addition, 344,438,526 options at no consideration were issued to the underwriter pursuant to the agreement with underwriter that underwrote the Rights Issue. The funds raised from the Rights Issue were used to complete a feasibility study for the Nuurstei Project and to repay up to $3.75 million of the Noble Facility.

On 6 December 2018, the Company announced the completion of its $15 million strategic funding for the OEDP through the issue of 476,190,476 placement shares to major shareholder, Mr. Tserenpuntsag, and 80,952,381 new shares through an additional offering managed by Patersons Securities Limited (**'Patersons'**). The Company also issued 161,366,954 shares to Noble, as part of a US$2.4 million debt conversion (**'Noble Debt Conversion'**). The aforementioned issue of shares received shareholder approval at the Company's AGM held on 28 November 2018.

5.6 Historical Statements of Financial Position

The table below shows the historical consolidated statements of financial position of Aspire as at 30 June 2019, 2018 and 2017:

Statement of Financial Position	Audited as at 30-Jun-19 $	Audited as at 30-Jun-18 $	Audited as at 30-Jun-17 $
CURRENT ASSETS			
Cash and cash equivalents	11,136,142	7,488,401	412,089
Trade and other receivables	504,291	1,386,423	180,685
TOTAL CURRENT ASSETS	11,640,433	8,874,824	592,774
NON-CURRENT ASSETS			
Deferred exploration and evaluation expenditure	37,461,876	35,609,772	35,875,408
Property, plant and equipment	477,056	269,408	189,145
Intangible assets	112,618	-	-
TOTAL NON-CURRENT ASSETS	38,051,550	35,879,180	36,064,553
TOTAL ASSETS	49,691,983	44,754,004	36,657,327
CURRENT LIABILITIES			
Trade and other payables	309,632	760,525	1,440,179
Borrowings	12,068	-	9,358,061

Statement of Financial Position	Audited as at 30-Jun-19 $	Audited as at 30-Jun-18 $	Audited as at 30-Jun-17 $
TOTAL CURRENT LIABILITIES	321,700	760,525	10,798,240
NON-CURRENT LIABILITIES			
Borrowings	73,411	3,246,630	-
TOTAL NON-CURRENT LIABILITIES	73,411	3,246,630	-
TOTAL LIABILITES	395,111	4,007,155	10,798,240
NET ASSETS	49,296,872	40,746,849	25,859,087
EQUITY			
Issued capital	114,897,715	99,087,130	80,200,207
Reserves	(5,191,712)	(4,217,742)	(6,881,040)
Accumulated losses	(59,963,072)	(53,920,814)	(47,460,080)
TOTAL EQUITY	49,742,931	40,948,574	25,859,087
Non-controlling interests	(446,059)	(201,725)	-
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS	49,296,872	40,746,849	25,859,087

Source: Audited financial statements for the years ended 30 June 2019, 2018 and 2017.

Commentary on Historical Consolidated Statement of Financial Position

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and on hand as well as short term deposits. According to the management accounts, all cash was available for use and no restrictions were placed on the use of it any time during the year ended 30 June 2019, other than a short term deposit of $10,000 which is on deposit as cash backed security against a business use credit card limit and office rental.

The table below shows the breakdown of cash as at 30 June 2019, 2018, and 2017:

Cash and cash equivalents	30-Jun-19 $	30-Jun-18 $	30-Jun-17 $
Cash at bank and in hand	4,546,272	1,665,587	357,089
Short term deposits	6,589,870	5,822,814	55,000
	11,136,142	7,488,401	412,089

Source: Audited financial statements for the years ended 30 June 2019, 2018 and 2017.

Cash and cash equivalents increased from $7.49 million as at 30 June 2018 to $11.14 million as at 30 June 2019 primarily due to proceeds from the issue of securities amounting to $12.68 million during the year ended 30 June 2019. This was partially offset by the payments to suppliers and employees of $6.18 million and mining tenement expenditure of $1.90 million during the year ended 30 June 2019.

The table below shows the summarised cash flow statement of Aspire for the years ended 30 June 2019, 2018, and 2017:

Summarised statement of cash flows	30-Jun-19 $	30-Jun-18 $	30-Jun-17 $
Cash flows from operations	(6,081,596)	(3,730,271)	(1,450,846)
Cash flows from investing activities	(2,265,273)	(1,284,481)	(1,737,239)

Summarised statement of cash flows	30-Jun-19 $	30-Jun-18 $	30-Jun-17 $
Cash flows from financing activities	11,981,796	12,094,127	3,187,360
Net increase/(decrease) during the year	3,634,927	7,079,375	(725)
Cash and cash equivalents at the beginning	7,488,401	412,089	418,529
Effect of foreign exchange rate fluctuation	12,814	(3,063)	(5,715)
Cash and cash equivalents at the end	11,136,142	7,488,401	412,089

Source: Audited financial statements for the years ended 30 June 2019, 2018 and 2017.

Trade and other receivables

Trade and other receivables comprise of GST recoverable, prepayments, accrued interest and other receivables. Trade and other receivables decreased from $1,386,423 as at 30 June 2018 to $504,291 as at 30 June 2019 mainly due to a decrease in prepayments. Prepayments comprised approximately 66.1% of total trade and other receivables as at 30 June 2019. The chart below shows the composition of trade and other receivables as at 30 June 2017, 2018, and 2019:

Trade and other receivables	30-Jun-19 $	30-Jun-18 $	30-Jun-17 $
GST recoverable	41,468	18,965	13,252
Prepayments	333,235	1,238,175	130,237
Accrued interest	24,983	1,530	281
Other receivables	104,605	127,753	36,915
Trade and other receivables	504,291	1,386,423	180,685

Source: Audited financial statements for the years ended 30 June 2019, 2018 and 2017.

Deferred exploration and evaluation expenses

The table below shows the breakdown of deferred exploration and evaluation expenditure at cost as at 30 June 2019, 2018, and 2017:

Deferred exploration and evaluation expense - at cost	30-Jun-19 $	30-Jun-18 $	30-Jun-17 $
Balance at beginning of the year	35,609,772	35,875,408	40,826,207
Expenditure incurred, net of cost recoveries	2,578,993	515,221	1,769,637
Acquisition costs	-	1,684,350	-
Impairment of exploration and evaluation expenditure	(7,924)	(2,627,205)	(2,140,501)
Recovery of mining expenditure	-	-	167,584
Foreign exchange loss	(718,965)	161,998	(4,747,519)
	37,461,876	35,609,772	35,875,408
Ovoot Coking Coal Project	36,235,803	34,484,418	34,309,364
Nuurstei Coking Coal Project	1,226,073	1,125,354	1,566,044
Northern Railways evaluation	-	-	-
	37,461,876	35,609,772	35,875,408

Source: Audited financial statements for the years ended 30 June 2019, 2018 and 2017.

Trade and other payables

Trade and other payables comprise of trade payables, accrued expenses, employee entitlements, corporate credit card and interest payable. Trade and other payables decreased from $760,525 as at 30 June 2018 to $309,632 as at 30 June 2019 mainly due to decrease in trade payables (from $575,955 as at 30 June 2018 to $241,282 as at 30 June 2019) and interest payable (from $125,343 as at 30 June 2018 to nil as at 30 June 2019) related to the Noble Facility Debt Conversion. Trade payables and accrued expenses are normally settled on 30 day terms.

The table below shows the breakdown of trade and other payables as at 30 June 2019, 2018, and 2017:

Trade and other payables	30-Jun-19 $	30-Jun-18 $	30-Jun-17 $
Trade payables	241,282	575,955	141,544
Accrued expenses	45,205	54,861	134,074
Employee entitlements	15,425	-	-
Borrowing fees payable	-	-	260,230
Corporate credit card	7,720	4,366	5,043
Interest payable	-	125,343	899,288
Trade and other payables	309,632	760,525	1,440,179

Source: Audited financial statements for the years ended 30 June 2019, 2018 and 2017.

Intangible assets

The addition of $112,618 of intangible assets in the year ended 30 June 2019 refers to exploration software acquired by the Company during the period.

Borrowings

Non-current borrowings decreased from $3,246,630 as at 30 June 2018 to $73,411 as at 30 June 2019 due to the conversion of debt plus accrued interest owed to Noble of US$2,403,481 ($3,246,630).

Non-current borrowings of $73,411 and current borrowings of $12,068 relate to a finance loan facility held by the Company's Mongolian subsidiary, Khurgatai Khairkhan LLC for two motor vehicles for use by the Ulaanbaatar office. The loan had a principal amount of $98,795 at August 2018 of which $13,316 has been repaid. The loan has monthly principal instalments of approximately $1,040 per month and interest at 15.6% per annum over the 96 month term.

Issued share capital

As at 30 June 2019, Aspire's fully paid issued share capital net of share issue costs amounted to $114,897,715. The number of shares on issue were 3,326,541,075.

Non-controlling interest

There is a 10% non-controlling interest in the corporate entity that holds the Nuurstei Project mining and exploration licenses and a 20% non-controlling interest in the corporate entity that holds Northern Railways.

Contingent liabilities

According to the audited financial statements, there are no contingent liabilities at 30 June 2019.

5.7 Historical Statements of Profit or Loss and Other Comprehensive Income

The table below shows the historical consolidated statements of comprehensive income of Aspire as at 30 June 2019, 2018 and 2017:

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-19 $	Audited for the year ended 30-Jun-18 $	Audited for the year ended 30-Jun-17 $
Other income	325,741	216,309	4,133
Employee benefits expense	(1,343,522)	(752,719)	(411,467)
Exploration and evaluation expenditure impaired	-	(2,627,205)	(2,140,501)
Exploration expenditure	(7,924)	-	-
Contract mining	(1,053,330)	(735,719)	-
Recovery of exploration expenditure	-	-	167,584
Exchange gain/(losses)	225,738	(37,139)	13,702
Interest expense	(164,841)	(581,916)	(771,818)
Borrowing cost	-	(3,487)	(304,921)
Share based payments	(344,088)	(767,554)	(420,151)
Other expenses	(3,818,472)	(1,675,758)	(1,014,854)
Loss before income tax expense	(6,180,698)	(6,965,188)	(4,878,293)
Income tax (expense)/benefit	(19,609)	(15,084)	(5,226)
Net loss for the year	(6,200,307)	(6,980,272)	(4,883,519)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference on translating foreign controlled entities	(977,576)	35,894	(4,580,154)
Other comprehensive (loss)/income for the year net of tax	(977,576)	35,894	(4,580,154)
Total comprehensive loss for the period	(7,177,883)	(6,944,378)	(9,463,673)

Source: Audited financial statements for the years ended 30 June 2019, 2018 and 2017.

Commentary on Historical Consolidated Statement of Comprehensive Income

Contract mining expense increased from $735,719 for the year ended 30 June 2018 to $1,053,330 for the year ended 30 June 2019. This relates to the engagement of PSST to mine raw coal from the mine adjacent to the Nuurstei Project for purchase with the intention to test logistics and cost assumptions to be used in the Nuurstei feasibility study.

Impairment of exploration and evaluation expenditure decreased from $2,627,205 for the year ended 30 June 2018 to $7,924 for the year ended 30 June 2019. Exploration expenditure incurred on projects other than the Ovoot Project and Nuurstei Project have been impaired, written-off or expensed as that expenditure is not expected to be recouped through successful development and exploration of the areas of interest, or alternatively, by sale. The $7,924 impairment for the year ended 30 June 2019 refers to the evaluation expenditure incurred by Northern Railways as the project is yet to secure funding to build and operate the railway.

5.8 Capital Structure

The share structure of Aspire as at the date of this Report is outlined below:

	Number
Total ordinary shares on issue	3,326,541,075
Top 20 shareholders	2,387,889,714
Top 20 shareholders - % of shares on issue	71.78%

Source: Management

The ordinary shares held by the most significant shareholders as at the date of this Report are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Noble Resources International Pte Ltd	664,017,577	19.96%
Tserenpuntsag Tserendamba	476,190,476	14.31%
Tserenpuntsag Tserendamba via MICC LLC*	438,344,097	13.18%
Neil Lithgow via Spectral Investments Pty Ltd	237,278,501	7.13%
HSBC	147,695,296	4.44%
Subtotal	1,963,525,947	59.03%
Others	1,363,015,128	40.97%
Total ordinary shares on Issue	3,326,541,075	100.00%

Source: Management

**MICC LLC stands for Mongolian International Capital Corporation LLC, which is a Mongolian investment bank founded by Mr. Darambazar and the entity that holds shares and options for Mr. Tserenpuntsag.*

The Options held by the most significant holders as at the date of this Report are detailed below:

Name	Number of Options Held	Percentage of Issued Options (%)
Tserenpuntsag Tserendamba via MICC LLC	153,330,119	21.88%
Noble Resources International Pte Ltd	74,158,176	10.58%
Mentok PL	53,696,472	7.66%
HSBC	45,813,970	6.54%
Subtotal	326,998,737	46.67%
Others	373,723,498	53.33%
Total ordinary shares on Issue	700,722,235	100.00%

Source: Management

6. Profile of Mr. Tserenpuntsag Tserendamba

Mr. Tserenpuntsag is Aspire's current largest shareholder and a Mongolian entrepreneur with a history of building large-scale Mongolian businesses.

Mr. Tserenpuntsag started doing business in the food and beverage sector in 1999, and has since become the founder of multiple leading companies in the industry, including Gem International, Gem Khujirt LLC and GN Beverages LLC, which hold the exclusive rights to Mongolian distributorship of the soft drink, Pepsi®. He is also the owner of the largest internet service provider in Mongolia, GemNet, and holds a significant shareholding in Mongolia's largest satellite television business, DDish TV LLC.

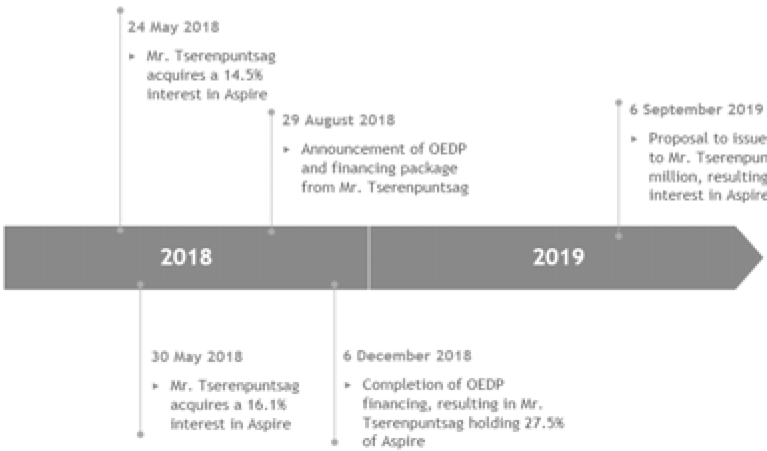
Mr. Tserenpuntsag became a substantial shareholder of Aspire on 24 May 2018 after acquiring 367,664,380 ordinary shares, representing a holding of 14.5% of the Company.

Subsequently on 30 May 2018, Mr. Tserenpuntsag acquired another 33,718,198 ordinary shares to increase his shareholding of Aspire from 14.5% to 16.1%.

As part of the strategic financing package for OEDP announced on 29 August 2018, Mr. Tserenpuntsag was issued 476,190,476 new shares in Aspire which increased his shareholding in Aspire from 16.1% to 27.5%.

After acquiring voting power of more than 25% of the Company, Mr. Tserenpuntsag exercised his right to appoint Mr. Achit-Erdene Darambazar and Mr. Boldbaatar Bat-Amgalan as non-executive and executive directors of the Company respectively. Mr. Achit-Erdene Darambazar is a financial advisor to Mr. Tserenpuntsag and the Chief Executive Officer of a leading Mongolian investment banking firm, MICC LLC.

A timeline of Mr. Tserenpuntsag's shareholding in Aspire is outlined below:



Source: Aspire's ASX announcements.

Under the terms of the Agreement following the Proposed Transaction, Mr. Achit-Erdene Darambazar will be appointed the managing director of the Company.

7. Economic analysis

Economic performance of Mongolia

According to the Asian Development Bank (**'ADB'**), the following are the highlights of the economic performance of Mongolia during 2018:

- Gross domestic product ('GDP') growth in Mongolia accelerated to 6.9% during 2018 from 5.3% in 2017, primarily from the expansion in manufacturing and services as well as strong investment into mining. Services contributed 3.2 percentage points to growth, benefiting from a 55.8% rise in credit and rising demand for mineral transport services. Industry added 2.8 percentage points, boosted by 15.7% growth in manufacturing despite a slump in residential construction;
- Growth in mining was driven by stronger gold and coal production while agriculture recovered from drought in 2017 as crop harvests improved sharply;
- Foreign Direct Investment (**'FDI'**) increased by 29.2% mainly from investment in mining, resulting in an overall increase in investment by 27.2%, which contributed 10.0 percentage points to growth;
- Exports rose by 15.3% primarily driven by coal shipments, while imports rose by 21.4% driven by FDI-financed mining inputs and car imports, resulting in net exports subtracting 5.4 percentage points from growth;
- Average Consumer Price Index (**'CPI'**) rose from 4.3% in 2017 to 6.8% in 2018, driven by supply factors in food and coal. Food prices rose due to the decrease in production from drought in 2017, and coal prices rose in anticipation of a ban on the sale of raw coal in May 2019;
- Public debt including the foreign liabilities of the Bank of Mongolia, the central bank, fell from 99.2% of GDP in 2017 to 86.2% of GDP in 2018 as the government tightened fiscal policy that included a freeze on the issuance of government bonds; and
- Household credit surged by 52.6% due to the low interest rate environment and in anticipation of tighter credit controls in 2019. In November 2018, the Bank of Mongolia increased the base rate by 1.0 point to reduce the pressure on the Mongolian Togrog (**'MNT'**).

Economic prospects of Mongolia

According to ADB, the following are the highlights of the economic prospects of Mongolia:

- GDP growth is forecast to slow slightly to 6.7% in 2019 and 6.3% in 2020, as FDI into mining remains high but less than the previous years. Strong growth is expected to be supported by the increase in domestic demand as the fiscal policy becomes more accommodative;
- Exports are expected to grow as China moves away from the more expensive processed coal from Australia to Mongolia;
- Mineral transport services will be a key driver of growth as mineral exports increase, while construction growth will be boosted by a large public investments;
- Government expenditure is expected to increase by 19.0% under the 2019 budget; and
- Average CPI is expected to reach 8.5% in 2019 on rising domestic demand, supported by higher government expenditure, as well as the effects of the depreciation of the MNT and higher fuel prices in the second half of 2019. These factors are expected to be less pronounced in 2020, and hence stabilise inflation at 7.5%.

The ADB has also highlighted Mongolia's vulnerability to exogenous shocks from low official international reserves and funds, changes in commodity prices, as well as the slower growth in China stemming from trade tensions with the US. Furthermore, continuing logistical challenges at the Mongolian-Chinese border may slow mineral exports.

Source: Asian Development Outlook 2019 (published in April 2019)

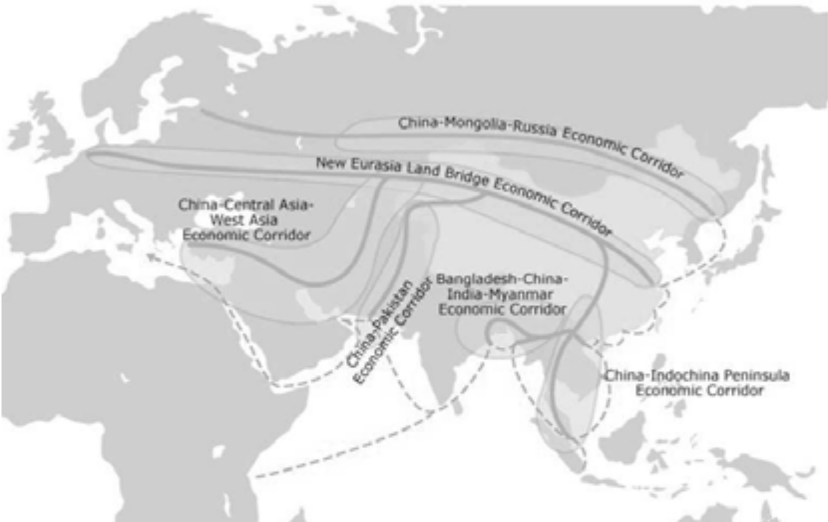
China's "One Belt, One Road" initiative

The 'One Belt, One Road' ('OBOR') initiative is a Chinese economic and strategic agenda by which the two ends of Eurasia, as well as Africa and Oceania, are being more closely tied along two routes-one overland and one maritime. The OBOR initiative has five aspects:

- Policy coordination
- Connecting infrastructure
- Unimpeded trade
- Financial integration
- People to people bonds

The OBOR runs through the continents of Asia, Europe and Africa, connecting the East Asia economic circle at one end with the developed European economic circle at the other, and mobilising the economic potential of the inland countries. China is working with countries along the routes to plan six economic corridors, encompassing the central cities along the international routes and the economic industrial parks (as cooperation platforms).

The six corridors identified under OBOR initiative are shown in the chart below:



Source: HKTDC Research

One of the corridors of this initiative linking China to Russia passes though Mongolia. The OBOR initiative aims to improve transport and communication infrastructure between China and Mongolia and also includes other sectors. China is now a key investor and trading partner of Mongolia and since 2014 the two countries are bound by a strategic partnership.

According to the Mongolian government, the development of the new silk roads could also enable the development of projects in agricultural industry and ecotourism. In early September 2017, the Industrial and Commercial Bank of China ('ICBC'), the world's largest bank, opened an office in Ulaanbaatar, the capital of Mongolia. On 26 September 2017, an association of financial cooperation between China and Mongolia was inaugurated in Hohhot, Inner Mongolia. The association, sponsored by China's Baoshang Bank and the Mongolian Bank for Trade and Development, gathers more than 30 financial institutions from both countries. The aim of this association is to promote Sino-Mongolian exchanges and to better coordinate the financing of projects related to the China Mongolia Russia economic corridor, by sharing investment risks and facilitating cross-border operations.

As a result of OBOR initiative, Mongolia hopes to diversify its economy and reduce dependence on extraction, develop its industrial sector, increase exports through better integrated regional transport networks, and may also attract European investors and diversify the economic partner of Mongolia.

8. Industry analysis

Coal deposits are found below the earth's surface with the quality of a coal deposit determined by the length of time in formation, commonly known as its 'organic maturity', in addition to the temperature and pressure at which the deposit is formed. The rank of coal refers to the physical and chemical properties that coals of different maturities possess. Lower rank coals such as Lignite generally possess a much lower organic maturity, have a soft texture, a dull earthly appearance and are characterized by high moisture levels and low energy (carbon) content. Higher ranked coals such as Anthracite, which is the highest ranking coal, are harder, stronger, contain less moisture, and produce more energy.

There are two methods generally used to mine coal, being opencast mining and underground mining, with the choice of extraction largely determined by the geology of the coal deposit.

The two major coal types are coking coal and thermal coal. Coking coal is used for the production of metallurgical coke, which is used as a reductant in the production of both iron and steel. It is primarily used because of its high carbon content and coking characteristics, however it is also used for the smelting and casting of base metals. Of the different types of coking coal, hard coal is the most valuable as it produces the highest quality coke. Semi soft coking coal and Pulverised Coal Injection are used more in blending with hard coking coal to be used as an auxiliary fuel source to increase the effectiveness of blast furnaces.

Thermal coal, also referred to as steaming coal generally contains less carbon than coking coal and consequently cannot be used in the production of steel. It is therefore primarily used as an energy source for coal fired power plants. The major producers of thermal coal are China, USA and India, with the largest importers being China, Japan and South Korea.

Aspire's primary asset is the Ovoot Project in northern Mongolia. Ovoot contains a high-quality coking coal, featuring amongst others, very high energy vitrinite content, fluidity and low ash. Aspire have announced a total coal resource of 281 million tonnes and total coal reserves of 255 million tonnes for Ovoot with the majority amenable to open cut.

8.1 Metallurgical Coal Demand

Globally, metallurgical coal demand increased from 797.1 million tonnes in 2008 to 1,060.2 million tonnes in 2018 (indicating a CAGR of 2.9%). During the same period, global crude steel production increased from 1,343 million tons to 1,808 million tons (a CAGR of 3.0%). Growth has however slowed down over the past few years with global coal demand growing at a CAGR of 1.2% from 1,009.5 million tonnes in 2014 to 1,060.2 million tonnes in 2018 while crude steel production grew at a CAGR of 2.0% from 1,669 million tonnes in 2014 to 1,808 million tonnes in 2018. The global demand of steel is forecast to fall in the range of 1.9 billion tonnes to 2.0 billion tonnes by 2035 which should also derive the global demand for metallurgical coal (The Organisation for Economic Co-operation and Development ('OECD') and analyst forecast).

The table below shows the top five countries by demand for metallurgical coal from 2014 to 2018:

000 tonnes	2014	2015	2016	2017	2018	CAGR%
China	607,196	592,842	597,852	615,270	657,770	2.0%
Japan	72,128	69,013	68,960	67,364	66,502	-2.0%
India	46,265	48,886	54,234	56,740	61,487	7.4%
Russia	44,273	45,054	44,706	44,356	44,032	-0.1%

000 tonnes	2014	2015	2016	2017	2018	CAGR%
South Korea	40,332	39,885	39,774	40,200	40,527	0.1%
Others	199,315	197,354	187,092	190,428	189,913	-1.2%
Global	1,009,509	993,034	992,618	1,014,358	1,060,231	1.2%

Source: Bloomberg intelligence, World steel in figures 2019 (World Steel Association)

Global metallurgical coal exports increased from 235.0 million tonnes in 2008 to 328.1 million tonnes in 2018 (CAGR of 3.4%). Growth in exports slowed down over the past few years with global coal exports growing at a CAGR of 0.6% from 319.8 million tonnes in 2014 to 328.1 million tonnes in 2018. The largest increase in metallurgical coal exports was witnessed by Mongolia's exports to China (CAGR of 16.8%) from 19.2 million tonnes in 2014 to 35.7 million tonnes in 2018.

The table below shows the breakdown of global metallurgical coal exports by country:

000 tonnes	2014	2015	2016	2017	2018	CAGR%
Australian	186,471	185,679	188,072	170,734	178,864	-1.0%
Canada	34,210	30,370	30,230	32,373	33,476	-0.5%
US	57,194	41,737	37,131	50,126	61,513	1.8%
Other exports to Japan	21,888	20,856	22,276	21,553	17,428	-5.5%
Mongolia exports to China	19,226	14,344	26,316	33,578	35,738	16.8%
China	797	969	1,203	2,297	1,078	7.8%
Total Exports	319,786	293,955	305,228	310,661	328,097	0.6%

Source: Bloomberg intelligence, EIA Coal Report 2018

Global metallurgical coal imports increased from 154.6 million tonnes in 2008 to 303.1 million tonnes in 2018 (CAGR of 7.0%). Growth in imports slowed over the past few years with global coal imports growing at a CAGR of 1.2% from 289.4 million tonnes in 2014 to 303.1 million tonnes in 2018. The largest increase in metallurgical coal imports was witnessed by Africa and the Middle East (imports from US) which increased at a CAGR of 27.2% from 1.8 million tonnes in 2014 to 2.8 million tonnes in 2018. Imports of metallurgical coal by India increased at a CAGR of 8.9% from 42.8 million tonnes in 2014 to 60.3 million tonnes in 2018.

The table below shows the breakdown of global metallurgical coal imports by country:

000 tonnes	2014	2015	2016	2017	2018	CAGR%
China	62,440	47,999	59,307	69,901	64,920	1.0%
Japan	74,250	70,663	73,975	71,880	69,531	-1.6%
South Korea	29,463	29,420	28,056	26,049	26,250	-2.8%
Taiwan	6,870	6,405	6,581	6,599	7,069	0.7%
India	42,829	47,028	42,808	52,731	60,304	8.9%
Europe (from U.S.)	31,197	21,099	16,244	17,863	27,290	-3.3%
North America (from U.S.)	5,587	4,290	3,903	4,545	5,534	-0.2%
South America (from U.S.)	7,524	5,860	6,118	7,160	9,098	4.9%
Africa & Middle East (from U.S.)	1,074	572	786	1,845	2,811	27.2%
Others	28,179	35,038	35,288	27,714	30,273	1.8%
Total Imports	289,413	268,374	273,066	286,287	303,080	1.2%

Source: Bloomberg intelligence, EIA Coal Report 2018

Forecast Prices

- The price of coking coal is expected to remain elevated in the second half of 2019 with strong demand from China's steel sector as US-China relations deteriorate and the probability of further economic support from the government to the slowing Chinese economy rises.
- However, prices are expected to ease from 2020 onwards as the Chinese steel sector resumes its slowdown and the demand for coking coal softens.
- The forecast nominal prices for coking coal by Consensus Economics are detailed below:

Consensus (US$ per metric tonnes)	2019	2020	2021	2022	2023
High	205	205	200	180	180
Low	140	140	140	136	136
Consensus (Mean)	189	170	164	157	155

Source: Consensus Economics, September 2019 Forecasts

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of Aspire shares we have chosen to employ the following methodologies:

9.1 Valuation of an Aspire Share prior to the Proposed Transaction

In our assessment of the value of an Aspire share prior to the Proposed Transaction, we have chosen to employ the following methodologies:

- NAV on a going concern basis as our primary valuation methodology; and
- QMP as our secondary methodology as this represents the value that a shareholder can receive for a share if sold on market.

We have chosen these methodologies for the following reasons:

- Aspire's mineral assets do not currently generate any income nor are there any historical profits that could be used to represent future earnings, so the FME approach is not appropriate;
- Aspire currently has no foreseeable future net cash inflows, so the application of the DCF valuation approach is not appropriate;
- Consequently, we have adopted the NAV approach as our primary valuation method. Aspire's mineral assets are currently not producing assets and no revenue or cash flows are currently generated by these assets. Therefore, we consider that the NAV approach is best suited for the valuation; and
- We have adopted QMP as our secondary approach. The QMP basis is a relevant methodology to consider because Aspire's shares are listed on the ASX. This means there is a regulated and observable market where Aspire's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the company's activities.

Independent specialist valuation

In valuing Aspire's mineral assets as part of our NAV valuation, we have relied on the independent specialist valuation performed by Agricola Mining Consultants Pty ('Agricola') in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 (**'the Valmin Code'**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 ('the **JORC Code'**). We are satisfied with the valuation methodologies adopted by

Agricola which we believe are in accordance with industry practice and compliant with the requirements of the Valmin Code. A copy of Agricola's valuation report is attached in Appendix 3.

9.2 Valuation of Aspire Shares following the Proposed Transaction

In our assessment of the value of Aspire's share following the Proposed Transaction, we have chosen to employ the NAV (sum-of-parts) as our primary valuation methodology, having consideration for:

- the value of Aspire's mineral assets in Mongolia (placing reliance on Agricola's independent specialist valuation opinion);
- the effect of the new shares issued as part of the Proposed Transaction; and
- the effect of cash inflow resulting from the issue of new shares.

10. Valuation of Aspire prior to the Proposed Transaction

10.1 Net Asset Valuation of Aspire

The value of Aspire's assets on a going concern basis is reflected in our valuation below:

Statement of Financial Position	Notes	Audited as at 30-Jun-19 $	Low valuation $	Preferred valuation $	High valuation $
CURRENT ASSETS					
Cash and cash equivalents		11,136,142	11,136,142	11,136,142	11,136,142
Trade and other receivables		504,291	504,291	504,291	504,291
TOTAL CURRENT ASSETS		11,640,433	11,640,433	11,640,433	11,640,433
NON-CURRENT ASSETS					
Deferred exploration and evaluation expense	1	37,461,876	41,996,000	54,769,000	67,533,000
Property, plant and equipment		477,056	477,056	477,056	477,056
Intangible assets		112,618	112,618	112,618	112,618
TOTAL NON-CURRENT ASSETS		38,051,550	42,585,674	55,358,674	68,122,674
TOTAL ASSETS		49,691,983	54,226,107	66,999,107	79,763,107
CURRENT LIABILITIES					
Trade and other payables		309,632	309,632	309,632	309,632
Borrowings		12,068	12,068	12,068	12,068
TOTAL CURRENT LIABILITIES		321,700	321,700	321,700	321,700
NON-CURRENT LIABILITIES					
Borrowings		73,411	73,411	73,411	73,411
TOTAL NON-CURRENT LIABILITIES		73,411	73,411	73,411	73,411
TOTAL LIABILITES		395,111	395,111	395,111	395,111
NET ASSETS		49,296,872	53,830,996	66,603,996	79,367,996
Number of shares			3,326,541,075	3,326,541,075	3,326,541,075
Value per share ($)			0.0162	0.0200	0.0239

Source: BDO analysis and Audited financial statements for the year ended 30 June 2019.

The table above indicates the NAV of a share of Aspire prior to the Proposed Transaction is between $0.0162 and $0.0239 with a preferred value of $0.0200.

The management of Aspire has advised that there have been no material changes in the Company's assets and liabilities since 30 June 2019. Therefore, we note the following in relation to the valuation in the table above and the adjustments which were made to the net assets of Aspire as at 30 June 2019 in arriving at our valuation.

Note 1: Deferred exploration and evaluation expenditure

We instructed Agricola to provide an independent market valuation of the exploration assets held by Aspire. Agricola has chosen to value the coal resource on the basis of comparable transactions as the primary method and to use the Geo Rating method as a cross check by assessing the base acquisition cost of the tenement and applying multiples to account for four key technical aspects of the project, which forms the basis of the technical value. A market factor is then applied to the technical value to arrive at a market value of the project, however, in the case of Aspire, no market premium or discount was applied.

We consider these methods to be appropriate for valuing Aspire's exploration assets.

Full details of Agricola's valuation are provided in Appendix 3 to our Report.

The range of values of each of Aspire's exploration assets as assessed by Agricola is set out below:

Mineral Assets Valuation	Low value A$	Preferred value A$	High value A$
Mineral Resources			
OVOOT (100%)	40,810,000	53,330,000	65,840,000
NUURSTEI (90.0%)	1,140,000	1,380,000	1,620,000
TOTAL	41,950,000	54,710,000	67,460,000
Exploration Areas			
Hurimt: XV-014510	46,000	59,000	73,000
TOTAL	46,000	59,000	73,000
GRAND TOTAL	41,996,000	54,769,000	67,533,000

Source: Agricola Valuation, 2019.

The table above indicates a range of values between $42.0 million and $67.5 million, with a preferred value of $54.8 million.

Diluted basis

We have also considered the valuation on a diluted basis by assessing the likelihood of the exercise of Options and the vesting of Rights.

All Options currently on issue have an exercise price of $0.018 and an expiry date of 11 December 2019. Based on our valuation assessment on an undiluted basis, all Options will be 'in the money' in the preferred and high value cases only. Therefore, we have assumed that all Options are exercised in the preferred and high value cases.

Consequently, the exercise of all Options results in the satisfaction of the vesting condition for the Tranche 1 Rights. According to the vesting schedule outlined in section 4 of this Report, Tranche 1 Rights will vest upon the exercise of 80% or more of the Options issued in connection with the rights issue that closed on 4 December 2017. Therefore, we have considered the vesting of Tranche 1 Rights in our valuation assessment in the preferred and high value cases.

The Rights have an exercise price of nil and hence there is no cash raised from the vesting of Rights.

We have not considered the likelihood of the vesting of the other Rights on issue given the non-market based nature of their vesting conditions, however, we note that Tranche 3 and Tranche 4 Rights are unlikely to vest given that the Company has not commenced mining operations.

Our assessment of value is set out in the table below:

NAV prior to the Proposed Transaction	Preferred value A$	High value A$
Value of Aspire prior to the Proposed Transaction	66,603,996	79,367,996
Cash raised from exercise of Options	12,613,000	12,613,000
Value of Aspire post the Proposed Transaction (including cash raised)	79,216,996	91,980,996
Number of shares on issue prior to the Proposed Transaction	3,326,541,075	3,326,541,075
Shares issued on exercise of Options	700,722,235	700,722,235
Shares issued on vesting of Tranche 1 Rights	30,550,001	30,550,001
Total shares on issue on diluted basis	4,057,813,311	4,057,813,311
Value per share ($)	$0.0195	$0.0227

For value of Aspire share prior to the Proposed Transaction on a control basis we have used the diluted preferred and high values throughout our analysis since under the undiluted preferred and high value scenarios, the Options having an exercise price of $0.018 are 'in the money' and are more likely than not, to be exercised.

10.2 Quoted Market Prices for **Aspire's** shares prior to the Proposed Transaction

To provide a comparison to the valuation of Aspire in Section 10.1, we have also assessed the quoted market price for a share of Aspire.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Whilst Mr. Tserenpuntsag will not be obtaining 100% of Aspire, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in section 13.

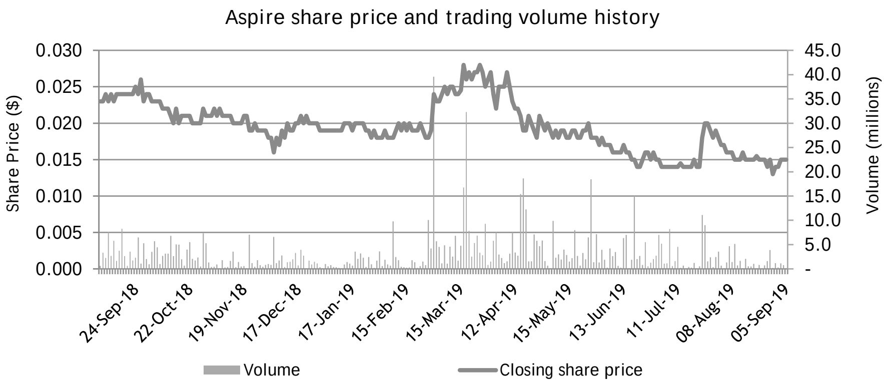
Therefore, our calculation of the quoted market price of a share of Aspire share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of an Aspire share is based on the pricing prior to the announcement of the Proposed Transaction. This is because the value of an Aspire share after the announcement may include the effects of any change in value as a result of the Proposed Transaction.

However, we have considered the value of an Aspire share following the announcement when we have considered reasonableness in Section 13.

Information on the Proposed Transaction was announced to the market on 6 September 2019. Therefore, the following chart provides a summary of the share price movement over the 12 months to 5 September 2019 which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of Aspire shares from 5 Sep 2018 to 5 Sep 2019 has ranged from a low of $0.013 on 29 August 2019 to a high of $0.028 on 26 March 2019. The share price generally trended downwards from September 2018, to reach $0.018 on 27 February 2019, before increasing sharply to $0.024 on 1 March 2019. The sharp increase on 1 March 2019 coincided with the highest single day of trading when 39,567,137 shares were traded. The share price continued to increase in March 2019 to reach a peak of $0.028 on 26 March 2019. Subsequently, the price has generally trended downwards to $0.015 on 5 September 2019.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		$ (movement)			$ (movement)		
31/07/2019	Quarterly Cashflow Report	0.019	▲	5.6%	0.017	▼	10.5%
31/07/2019	Quarterly Activities Report	0.019	▲	5.6%	0.017	▼	10.5%
27/05/2019	Ovoot Early Development Project DFS Update	0.018	▼	10.0%	0.017	▼	5.6%
30/04/2019	Quarterly Cashflow Report	0.021	▲	16.7%	0.020	▼	4.8%
30/04/2019	Quarterly Activities Report	0.021	▲	16.7%	0.020	▼	4.8%
30/04/2019	Road and Rail Update	0.021	▲	16.7%	0.020	▼	4.8%
18/03/2019	Investor Presentation	0.028	▲	14.3%	0.026	▼	7.1%
13/03/2019	Half Yearly Report and Accounts	0.024	▼	4.0%	0.028	▲	16.7%
01/03/2019	Correction Pre-Feasibility Results for OEDP	0.024	▲	26%	0.024	▶	0%
28/02/2019	Pre-Feasibility Study Results for Ovoot Early Development	0.019	▲	6%	0.023	▲	21%
31/01/2019	Quarterly Cashflow Report	0.018	▼	5%	0.019	▲	6%
31/01/2019	Quarterly Activities Report	0.018	▼	5%	0.019	▲	6%
16/01/2019	Results of Chinese Coking Coal Market Assessment	0.020	▶	0%	0.020	▶	0%
07/12/2018	Appointments to the Board	0.019	▲	12%	0.019	▶	0%
06/12/2018	Aspire Completes $15m Strategic Financing for OEDP	0.017	▼	6%	0.020	▲	18%
28/11/2018	Chairman's AGM Presentation	0.019	▶	0%	0.018	▼	5%
30/10/2018	Quarterly Cashflow Report	0.021	▼	5%	0.022	▲	5%
30/10/2018	Quarterly Activities Report	0.021	▼	5%	0.022	▲	5%
25/10/2018	Notice of Annual General Meeting/Proxy Form	0.020	▶	0%	0.021	▲	5%

Source: Bloomberg

On 31 July 2019, the Company released its quarterly cash flow and activities reports, in which it highlighted key developments made during the quarter, including the Company's focus on the completion of the DFS for OEDP. On the date of the announcement, the share price increased by 5.6% to close at $0.019, before declining by 10.5% over the subsequent three-day trading period to close at $0.017.

On 27 May 2019, the Company released an update on the DFS for OEDP, stating that it expects the DFS to be completed by the end of the 2019 calendar year. On the date of the announcement, the Company's share price declined by 10.0%, to close at $0.018, before declining by a further 5.6% over the subsequent three-day trading period to close at $0.017.

On 30 April 2019, the Company released its quarterly cash flow and activities reports, in which it highlighted key developments made during the quarter, including the results of the OEDP PFS. The Company also released an update on the Erdenet-Ovoot Project in which it announced the signing of an EPC contract with CGGC and CR20G. On the date of the announcement, the Company's share price increased by 16.7%, to close at $0.021, before declining by 4.8% over the subsequent three-day trading period to close at $0.020.

On 18 March 2019, the Company released an investor presentation on OEDP. The presentation provided an overview of OEDP and the relevant results from the PFS. On the date of the announcement, the Company's share price increased by 14.3%, to close at $0.028, before declining by 7.1% over the subsequent three-day trading period to close at $0.026.

On 13 March 2019, the Company released its Half Yearly Report and accounts for the half year ended 31 December 2018. The report showed the increase in the Company's cash balance from $8.87 million to $15.9 million. On the date of the announcement, the Company's share price declined by 4.0%, to close at $0.024, before increasing by 16.7% over the subsequent three-day trading period to close at $0.028.

On 1 March 2019, the Company released a correction to the results of the OEDP PFS, which related to a typographical error on certain pages of the prior announcement released on 28 February 2019. On the date of the announcement, the Company's share price increased by 26.3% to close at $0.024, and remain unchanged over the subsequent three-day trading period.

On 28 February 2019, the Company released the results of the OEDP PFS, detailing a base case net present value of US$586 million and an incremental rate of return of 43.7% based on a 9.2 year mine life. On the date of the announcement, the Company's share price increased by 5.6% to close at $0.019, before increasing a further 21.1% over the subsequent three-day trading period to close at $0.023.

On 7 December 2018, the Company announced the appointments of Mr. Achit-Erdene Darambazar as non-executive director and Mr. Boldbaatar Bat-Amgalan as executive director. Both directors were nominated by Mr. Tserenpuntsag. On the date of the announcement, the share price increased by 11.8% to close at $0.019, and remained unchanged over the subsequent three-day trading period.

On 6 December 2018, the Company announced the completion of the $15 million strategic financing for OEDP. The announcement detailed the completion of conditions precedent for the financing, and also announced the expediting of the OEDP PFS and other feasibility studies in relation to the Erdenet-Ovoot Project. On the date of the announcement, the share price declined by 5.6% to close at $0.017, before increasing by 17.6% over the subsequent three-day trading period to close at $0.020.

On 25 October 2018, the Company released its Notice of AGM to be held on 28 November 2018. The key resolutions that required shareholder approval related to the issue of securities to Mr. Tserenpuntsag and eligible investors, as part of the OEDP financing package. On the date of the announcement, the share price remained unchanged at $0.020, before increasing by 5.0% over the subsequent three-day trading period to close at $0.021.

To provide further analysis of the market prices for an Aspire share, we have also considered the Volume-Weighted Average Price (**'VWAP'**) for 10, 30, 60 and 90 day periods to 5 September 2019.

Share Price per unit	05-Sep-19	10 Days	30 Days	60 Days	90 Days
Closing price	$0.015				
Volume weighted average price (VWAP)		$0.014	$0.016	$0.016	$0.017

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Proposed Transaction to avoid the influence of any increase in price of Aspire shares that has occurred since the Proposed Transaction was announced.

An analysis of the volume of trading in Aspire shares for the twelve months to 5 September 2019 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	$0.015	$0.015	-	0.00%
10 Days	$0.013	$0.016	9,734,039	0.29%
30 Days	$0.013	$0.020	40,853,577	1.23%
60 Days	$0.013	$0.020	135,161,753	4.06%
90 Days	$0.013	$0.021	240,093,817	7.22%
180 Days	$0.013	$0.030	597,675,695	17.97%
1 Year	$0.013	$0.030	784,423,803	23.58%

Source: Bloomberg, BDO analysis

This table indicates that Aspire's shares display a low level of liquidity, with 23.58% of the Company's current issued capital being traded in a twelve-month period.

RG 111.69 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Aspire, we note that there was a low level of trading during the year prior to the announcement, with 23.58% of the total shares on issue traded during the period. One of the factors that contributed to the low level of trading may be the tightly-held nature of Aspire's issued capital, with the top four shareholders holding 59.03% of the total shares on issue (see section 5.8).

Our assessment is that a range of values for Aspire shares based on market pricing, after disregarding post announcement pricing, is between $0.0140 and $0.0160 with a mid-point of $0.0150.

Control Premium

The quoted market price per share reflects the value to minority interest shareholders. In order to value an Aspire share on a control basis, we have added a control premium that is based on our analysis set out below.

We have reviewed control premiums on completed transactions, paid by acquirers of both general mining companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium). We have summarised our findings below.

General mining companies

Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium (%)
2019	7	62.03	46.46
2018	11	88.58	53.97
2017	5	10.37	35.21
2016	13	43.32	74.92
2015	11	219.67	48.40
2014	16	102.56	47.28
2013	21	113.45	58.21
2012	20	562.43	49.20
2011	23	964.66	36.41
2010	6	1,567.88	52.79

Source: Bloomberg, BDO analysis

All ASX listed companies

Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium (%)
2019	27	3,577.24	36.89
2018	44	846.54	41.66
2017	29	739.17	43.33
2016	42	534.87	49.58
2015	34	659.01	34.10
2014	46	473.04	39.97
2013	41	128.39	50.99
2012	52	486.45	51.68
2011	68	910.98	44.43
2010	21	934.20	46.73

Source: Bloomberg, BDO analysis

The mean and median of the entire data sets comprising control transactions from 2010 onwards for general mining companies and all ASX listed companies, respectively, is set out below.

	General Mining Companies		All ASX listed companies	
Entire Data Set Metrics	Average Deal Value (AU$m)	Average Control Premium (%)	Average Deal Value (AU$m)	Average Control Premium (%)
Mean	390.71	50.51	828.70	44.42
Median	37.63	39.66	107.50	34.60

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;

- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre transaction or proceeded to hold a controlling interest post transaction in the target company.

The table above indicates that the long term average control premium paid by acquirers of general mining companies and all ASX listed companies is approximately 50.51% and 44.42%, respectively. In assessing the transactions included in the table, we have removed the transactions with control premiums in excess of 100%. This is because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas, the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the last ten years was approximately 39.66% for general mining companies and 34.60% for all ASX listed companies. Based on the above analysis, we consider an appropriate premium for control to be applied is between 30% and 40%, with a midpoint of 35%.

Quoted market price including control premium

Applying a control premium to Aspire's quoted market share price results in the following quoted market price value including a premium for control:

Pre Transaction QMP	Low $	Midpoint $	High $
Quoted market price value	0.0140	0.0150	0.0160
Control premium	30%	35%	40%
Quoted market price valuation including a premium for control	0.0182	0.0203	0.0224

Therefore, our valuation of an Aspire share based on the quoted market price method and including a premium for control is between $0.0182 and $0.0224, with a midpoint value of $0.0203.

10.3 Assessment of Aspire value prior to the Proposed Transaction

The results of the valuations performed are summarised in the table below:

Valuation Summary	Low $	Preferred value $	High $
NAV methodology	0.0162	0.0195	0.0227
Value based on ASX market prices	0.0182	0.0203	0.0224

** For value of Aspire share prior to the Proposed Transaction on a control basis we have used the diluted preferred and high values throughout our analysis since under the undiluted preferred and high value scenarios, the options having an exercise price of $0.018 are 'in the money' and are more likely than not, to be exercised.*

In our opinion, the value of an Aspire share prior to the Proposed Transaction on a control basis is between $0.0162 and $0.0227 with a preferred value of $0.0195.

Our secondary valuation approach supports the value range derived from our primary NAV methodology. We consider the NAV to be the most appropriate methodology, given that the core value of the Company lies in the mineral assets that it holds. We instructed an independent specialist (Agricola) to value

Aspire’s mineral assets in accordance with the VALMIN code, which we have included in our NAV. The NAV also best represents the value that is attributable to shareholders as a whole.

We note that at the lower end of the value range our NAV value is lower than the value obtained using the QMP methodology. We attribute this difference in value derived under the two methods to the following:

- Low level of trading activity in Aspire shares over the one year prior to the announcement of the Proposed Transaction. Companies with tightly held shares are often seen to have less price fluctuations and movements when substantial investors choose not to trade their shares on the market. As a result, the price effect from the release of publicly available information is often subdued and not reflective of the market value of the company;
- the nature of the Proposed Transaction is such that the same assets are involved pre and post the Proposed Transaction. Consequently, it is advantageous to consider the pre and post values on a consistent basis and this is more readily achieved with a NAV value because the QMP value on a post Proposed Transaction basis still contains an element of doubt about whether the Proposed Transaction will be approved; and
- our net asset value includes the assessment of value in an independent technical report on the market value of Aspire’s mineral assets performed by Agricola which utilises a combination of valuation methods reflecting the market value of Aspire’s mineral assets.

11. Valuation of Aspire following the Proposed Transaction

11.1 Transactional adjustments based on the effect of the Proposed Transaction

The adjusted statement of financial position as at the date of this report based on the CPs is presented below:

Statement of Financial Position	Notes	Audited as at 30-Jun-19 $	Transactional adjustments based on CPs	Adjusted post transaction position*
CURRENT ASSETS				
Cash and cash equivalents	1	11,136,142	33,513,900	44,650,042
Trade and other receivables		504,291	-	504,291
TOTAL CURRENT ASSETS		11,640,433	33,513,900	45,154,333
NON-CURRENT ASSETS				
Deferred exploration and evaluation expense		37,461,876	-	37,461,876
Property, plant and equipment		477,056	-	477,056
Intangible assets		112,618	-	112,618
TOTAL NON-CURRENT ASSETS		38,051,550	-	38,051,550
TOTAL ASSETS		49,691,983	33,513,900	83,205,883
CURRENT LIABILITIES				
Trade and other payables		309,632	-	309,632
Borrowings		12,068	-	12,068
TOTAL CURRENT LIABILITIES		321,700	-	321,700
NON-CURRENT LIABILITIES				
Borrowings		73,411		73,411
TOTAL NON-CURRENT LIABILITIES		73,411	-	73,411
TOTAL LIABILITES		395,111	-	395,111
NET ASSETS		49,296,872	33,513,900	82,810,772
EQUITY				
Issued capital	2	114,897,715	33,513,900	148,411,615
Reserves		(5,191,712)	-	(5,191,712)
Accumulated losses		(59,963,072)	-	(59,963,072)
TOTAL EQUITY		49,742,931	33,513,900	83,256,831
Non-controlling interests		(446,059)	-	(446,059)
EQUITY ATTRIBUTABLE TO THE OWNERS		49,296,872	33,513,900	82,810,772

Source: BDO analysis; Management; Audited financial statements for the year ended 30 June 2019.

**Fair value adjustments to the mineral assets of the Company have been accounted for in the next section.*

Note 1: Adjustment to cash and cash equivalents

Cash and cash equivalents have been adjusted for the $33,513,900 cash raised against the shares to be issued to Mr. Tserenpuntsag.

Note 2: Adjustment to issued capital

Issued capital has been adjusted for the $33,513,900 cash raised against the 1,595.9 million shares to be issued to Mr. Tserenpuntsag.

11.2 Net Asset Valuation of Aspire

As discussed in section 9, we have relied on the NAV methodology in determining the value of a share of Aspire following approval of the Proposed Transaction. Our valuation of Aspire following the Proposed Transaction is summarised below:

Statement of Financial Position	Low valuation $	Preferred valuation $	High valuation $
CURRENT ASSETS			
Cash and cash equivalents	44,650,042	44,650,042	44,650,042
Trade and other receivables	504,291	504,291	504,291
TOTAL CURRENT ASSETS	45,154,333	45,154,333	45,154,333
NON-CURRENT ASSETS			
Deferred exploration and evaluation expense	41,996,000	54,769,000	67,533,000
Property, plant and equipment	477,056	477,056	477,056
Intangible assets	112,618	112,618	112,618
TOTAL NON-CURRENT ASSETS	42,585,674	55,358,674	68,122,674
TOTAL ASSETS	87,740,007	100,513,007	113,277,007
CURRENT LIABILITIES			
Trade and other payables	309,632	309,632	309,632
Borrowings	12,068	12,068	12,068
TOTAL CURRENT LIABILITIES	321,700	321,700	321,700
NON-CURRENT LIABILITIES			
Borrowings	73,411	73,411	73,411
TOTAL NON-CURRENT LIABILITIES	73,411	73,411	73,411
TOTAL LIABILITES	395,111	395,111	395,111
NET ASSETS	87,344,896	100,117,896	112,881,896
Number of shares	4,922,441,075	4,922,441,075	4,922,441,075
Value per share ($)	0.0177	0.0203	0.0229
Minority discount (%)	28.6%	25.9%	23.1%
Value per share ($) - minority basis	0.0127	0.0151	0.0176

The table above indicates the net assets value of a share of Aspire following the Proposed Transaction and on a minority basis is between $0.0127 and $0.0176 with a preferred value of $0.0151. The following adjustments additional to the transactional adjustments were made to the net assets of Aspire as at the date of the report in arriving at our valuation of the Company following the Proposed Transaction:

Deferred exploration and evaluation expenditure

As stated in section 10.1 of our Report, we instructed Agricola to provide an independent market valuation of the mineral assets of Aspire.

The range of values for 100% of each of Aspire's exploration assets as assessed by Agricola is set out below:

Mineral Assets Valuation	Low value A$	Preferred value A$	High value A$
Mineral Resources			
OVOOT (100%)	40,810,000	53,330,000	65,840,000
NUURSTEI (90.0%)	1,140,000	1,380,000	1,620,000
TOTAL	41,950,000	54,710,000	67,460,000
Exploration Areas			
Hurimt: XV-014510	46,000	59,000	73,000
TOTAL	46,000	59,000	73,000
GRAND TOTAL	41,996,000	54,769,000	67,533,000

Source: Agricola Valuation, 2019.

Number of shares

In determining a valuation per share for Aspire following the Proposed Transaction, we adjusted the number of shares on issue to reflect the issue of new shares to Mr. Tserenpuntsag. The number of shares that will be on issue following the Proposed Transaction will be 4,922,441,075. The table below shows the breakdown of the number of shares on issued post the Proposed Transaction:

	Number
Issued shares of Aspire at the date of our Report	3,326,541,075
Shares to be issued to Mr. Tserenpuntsag	1,595,900,000
Total number of Aspire shares following the Transaction	4,922,441,075

Source: Management

Minority discount

As outlined in section 3.3 of our Report, in assessing fairness we have compared the value of a share of Aspire prior to the Proposed Transaction on a control basis to the value of a share of Aspire following the Proposed Transaction on a minority interest basis.

A minority interest discount is the inverse of a premium for control and is calculated using the formula 1-(1÷ (1 + control premium)). As discussed in section 10.2, we consider an appropriate control premium for Aspire to be in the range of 30% to 40%, giving a minority interest discount in the range of 23.1% to 28.6%.

Options and Performance Rights

We have not diluted the valuation for the exercise of Options or the vesting of Rights.

All Options currently on issue have an exercise price of $0.018 and an expiry date of 11 December 2019. Based on our valuation assessment on an undiluted basis, all the Options will be 'out of the money' and therefore no Options will be exercised.

According to the vesting schedule outlined in Section 4 of this Report, Tranche 1 Rights will vest upon the exercise of 80% or more of the Options issued in connection with the rights issue that closed on 4 December 2017. As no Options will be exercised, none of the Tranche 1 Rights will vest.

We have not considered the likelihood of the vesting of the other Rights on issue given the non-market based nature of their vesting conditions, however, we note that Tranche 3 and Tranche 4 Rights are unlikely to vest given that the Company has not commenced mining operations.

12. Is the Proposed Transaction fair?

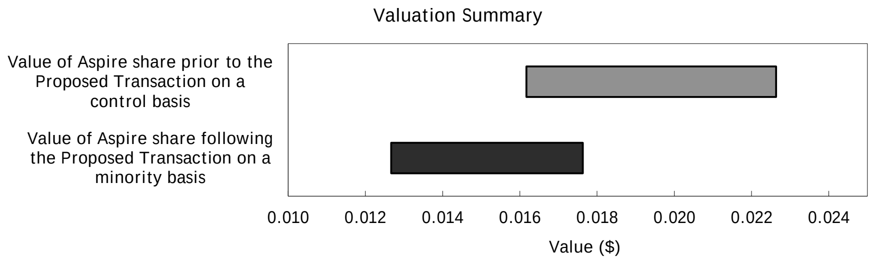
The value of Aspire share prior to the Proposed Transaction on a control basis compares to the value of a share of Aspire following the Proposed Transaction on a minority interest basis, as detailed below:

	Ref	Low $	Preferred $	High $
Value of Aspire share prior to the Proposed Transaction on a control basis	10	0.0162	0.0195*	0.0227*
Value of Aspire share following the Proposed Transaction on a minority basis	11	0.0127	0.0151	0.0176

**For the value of an Aspire share prior to the Proposed Transaction on a control basis we have used the diluted preferred and high values throughout our analysis since under the undiluted preferred and high value scenarios, the Options having an exercise price of $0.018 are 'in the money' and are more likely than not, to be exercised.*

We note from the table above that the value prior to the Proposed Transaction on a control basis is greater than the value following the Proposed Transaction on a minority basis. Therefore, we consider that the Proposed Transaction is not fair.

The above value ranges are graphically presented below:



13. Is the Proposed Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Aspire a premium over the value resulting from the Proposed Transaction. However, if the Proposed Transaction is successful it may reduce the likelihood of the Shareholders receiving any control premium in the future through a takeover offer.

13.2 Practical Level of Control

If the Proposed Transaction is approved, Mr. Tserenpuntsag will hold approximately 51.0% in Aspire on an undiluted basis.

In addition, if the voting power of Mr. Tserenpuntsag falls below 51.0% as a result of the issue of Option Shares, Mr. Tserenpuntsag will be eligible to subscribe for additional Top Up Shares to maintain his shareholding of 51.0% in Aspire.

We note that the previous share subscription agreement dated 24 August 2018 (relating to the issue of shares to Mr. Tserenpuntsag to increase his shareholding to 27.0%) restricted Mr. Tserenpuntsag from increasing his interest in the Company greater than 28.0% (including soliciting any proxies) for the period ending 24 months after acquiring a 27.0% shareholding in Aspire. However, this restriction will not be in place if the Proposed Transaction is approved.

We also note from the ASX announcement dated 16 September 2019, that Mr. Tserenpuntsag has signed a conditional letter of intent (**'Letter of Intent'**) which states his intention to participate in future equity contributions to maintain a 51.0% shareholding in Aspire through to the OEDP entering production.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are ordinary resolutions and special resolutions. An ordinary resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Proposed Transaction is approved, then the remaining shareholders will not have sufficient shares to block both ordinary and special resolutions.

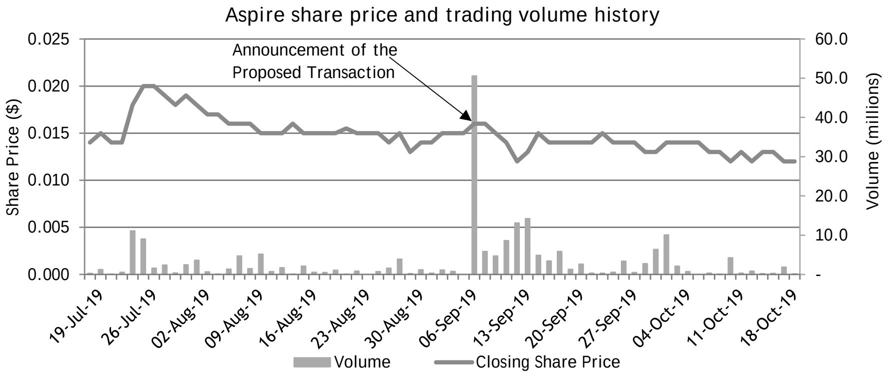
We note that the Agreement outlines the following safeguards for minority shareholders during the transition period following completion of the Proposed Transaction:

- Mr. Tserenpuntsag is to make no changes to the agreed board composition and to do all things reasonably requested by the Company to support the achievement of OEDP for the first 6 months following completion of the Proposed Transaction; and
- Minority shareholders are given equal opportunity to participate in any new equity issue offered over the 12 months following completion of the Proposed Transaction, on the same terms as all other participants unless otherwise agreed by the directors of the Company (other than the directors nominated by Mr. Tserenpuntsag).

However, we do not consider the safeguards above to limit Mr. Tserenpuntsag's significant influence on the Company as Mr. Tserenpuntsag intends to participate in future equity issues to maintain his 51.0% shareholding.

13.3 Consequences of not Approving the Proposed Transaction

We have analysed movements in Aspire's share price since the Proposed Transaction was announced on 6 September 2019. A graph of the Company's share price and trade volume leading up to and following the announcement of the Proposed Transaction is set out below:



Source: Bloomberg

The daily closing price of Aspire's shares from the period 18 July 2019 to 18 October 2019 ranged from a low of $0.012 on 12 September 2019 and several dates in October 2019, to a high of $0.020 on 25 July 2019 and 26 July 2019. On the day of the announcement, the share price closed higher from the previous trading day i.e. 5 September 2019, at $0.015. A total of 50,584,758 shares were traded on the day of the announcement, which represents approximately 1.52% of the Company's total issued capital. On 9 September 2019, the first full day of trading following the announcement the share price closed at the same price as the date of the announcement, at $0.016 with a traded volume of 5,846,120 shares.

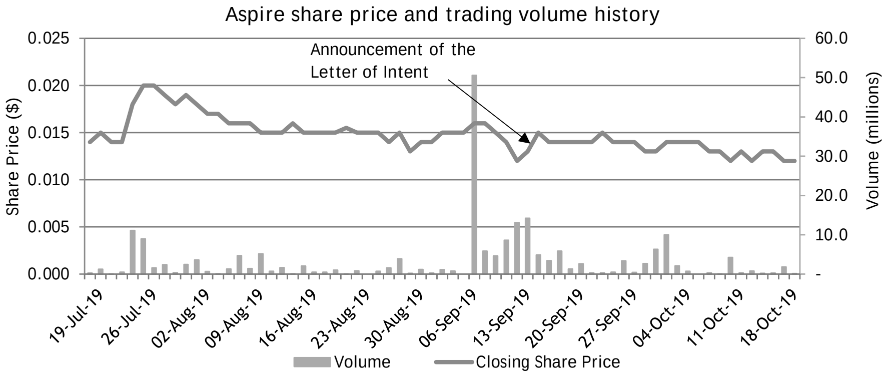
The table below details the VWAP of Aspire shares for the 10-day period prior to the announcement of the Proposed Transaction and the 5-day period subsequent to the announcement of the Proposed Transaction on 6 September 2019.

Share Price per unit	6-Sep-19	10 days pre announcement	5 days post announcement
Closing price	$0.0160		
Volume weighted average price (VWAP)		$0.0176	$0.0141

Source: Bloomberg

Following the announcement of the Proposed Transaction, Aspire's share price has decreased from a VWAP of $0.0176 over the ten days prior to the announcement to $0.0141 over the five days subsequent to the announcement, suggesting that the announcement has not been well received by the market.

We note that the Company subsequently announced the Letter of Intent signed by Mr. Tserenpuntsag to provide future financial support on 16 September 2019. A graph of the Company's share price and trade volume leading up to and following the announcement of the Letter of Intent is set out below:



Source: Bloomberg

The closing price of Aspire's shares one trading day prior to the announcement of the Letter of Intent (13 September 2019) was $0.013. The subsequent closing price following the announcement increased to $0.015 at 16 September 2019, however, this has trended downwards since to close at $0.012 on 18 October 2019.

We also note from Section 10.2 that Aspire shares have experienced a low level of trading during the year prior to the announcement.

Given the above analysis, the Proposed Transaction not receiving approval may not have a significant impact on Aspire's share price.

13.4 Liquidity requirements of the Company

As at 30 June 2019, the Company had approximately $11.1 million in cash and cash equivalents. As shown in the table below, the average monthly operating and investing cash required by the Company is approximately $696,000. The cash balance as at 30 June 2019 is enough to support the Company for approximately 16 months if the cash spend continues at this rate. However, the DFS expenses and any unplanned expenses may significantly reduce the cash balance of the Company and negatively impact its ability to fund working capital requirements and the Company's ability to meet its short term milestones. The injection of $33.5 million as a result of the Placement is expected to support the tight liquidity requirements of the Company and support any unforeseen delays till the DFS is complete.

Aspire Mining Ltd	$'000
Operating and investing cash flows for the year ended 30 June 2019	(8,347)
Average monthly operating and investing cash flows	(696)

In addition, the PFS carried out by the Company indicates capital required of approximately US$275 million for OEDP (Mine and logistics capital of US$63 million, US$47 million for pre-stripping through to commercial production, and US$165 million before contingencies to construct a 560 kilometre surface stabilised haul road between Ovoot and the rail terminal at Erdenet). Interest from financiers (equity and debt) of the capital requirements of the OEDP is more likely to be received if the Company has a healthy cash position which may be possible as a result of the issue of Placement Shares. To further increase the likelihood of receiving financing, Mr. Tserenpuntsag, has agreed, on a conditional basis, to provide a corporate guarantee of up to $100 million through entities controlled by him in Mongolia and pro-rata equity contribution to maintain his proposed 51% shareholding in Aspire alongside all shareholders to fund OEDP into production.

13.5 Minority interest value prior to the transaction compared to the value post transaction

We have analysed the position of the non-associated shareholders of Aspire prior to the Proposed Transaction on a minority basis, compared to their position post the Proposed Transaction.

The table below summarises our analysis:

	Low $	Preferred value $	High $
Value of a share of Aspire prior to the Transaction on a control basis	0.0162	0.0195	0.0227
Minority discount	28.6%	25.9%	23.1%
Value of an share of Aspire prior to the Transaction on a minority basis	0.0116	0.0145	0.0174
Value of an share of Aspire post Transaction on a minority basis	0.0127	0.0151	0.0176
Premium/(discount)	9.5%	4.1%	1.1%

This indicates that whilst the pre and post-Transaction values are equivalent over a range of values, that Shareholders are not receiving an adequate premium for control.

13.6 Advantages of Approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable:

Advantage	Description
Access to funds for the commencement of the development of OEDP	According to Aspire, the $33.5 million investment by Mr. Tserenpuntsag will be used to progress the OEDP DFS, associated road engineering study, early mine development work and for general working capital purposes. Furthermore, we note from the signed Letter of Intent that Mr. Tserenpuntsag intends to provide a corporate guarantee for up to $100 million on an arm's length commercial basis to support future debt and/or project financing in connection with OEDP, subject to the completion of the DFS.
Possibility of early cash flows	Ovoot is the Company's prime asset. The OEDP provides a path to materialise cash flows from Ovoot earlier and paves the way for the full development of Ovoot with a future rail connection.

Advantage	Description
	Furthermore, if OEDP is successfully funded into production, the shareholders may have access to the benefits of the OEDP highlighted in the PFS.
Better access to Mongolian Government, regulatory authorities and financial institutions.	We understand from management that Mr. Tserenpuntsag and his board nominees are currently operating businesses in Mongolia and as a result may be able to guide Aspire's management to give them better access to relevant regulatory authorities and sources of future funding in Mongolia which may prove to be important in further progressing Aspire's projects in Mongolia.
Possibility of having improved capability to manage local communities and of public relations.	The scale of projects undertaken by Aspire in exploration sector on rail requires support of local communities. Mr. Tserenpuntsag through his Mongolian business experience and presence may prove as a facilitator and improve Aspire's ability to management local communities and public relations.

13.7 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Restriction on ordinary and special resolutions.	Since Mr. Tserenpuntsag will hold more than 50.0% shareholding of the Company (on an undiluted basis), this will restrict the remaining shareholders' ability to take decisions requiring Ordinary and Special Resolutions without the approval of Mr. Tserenpuntsag.
Dilution of existing Shareholders' interests.	Whilst the new issue of Aspire shares as part of the Proposed Transaction is dilutive to the current Shareholders, this provides necessary financing to realise the cash flows from the Ovoot Project earlier and move a step closer to actual production.

14. Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that in the absence of an alternative offer, the Proposed Transaction is not fair but reasonable to Shareholders.

In our opinion, the Proposed Transaction is not fair because the value of a share of Aspire following the Proposed Transaction on a minority basis is lower than the value of a share of Aspire prior to the Proposed

Transaction on a control basis. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to Shareholders are greater than the disadvantages.

In particular, we note from the signed Letter of Intent that Mr. Tserenpuntsag has confirmed his strong commitment to provide future financial support to Aspire for the delivery of the OEDP. In addition, as discussed in section 13.4, funds raised from the Placement Shares will support the liquidity requirements of the Company.

15. Sources of information

This report has been based on the following information:

- audited financial statements of Aspire for the years ended 30 June 2017, 2018 and 2019;
- management information;
- independent Valuation Report on Aspire's mineral assets dated 1 October 2019 performed by Agricola;
- ASX releases by the Company;
- subscription Agreement dated 5 September 2019;
- signed Letter of Intent for future financial and infrastructural support from Mr. Tserenpuntsag dated 16 September 2019;
- information in the public domain; and
- discussions with Directors and Management of Aspire.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of $25,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Aspire in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Aspire, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Aspire and Mr. Tserenpuntsag and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Aspire and Mr. Tserenpuntsag and their respective associates.

A draft of this report was provided to Aspire and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Global Head of Natural Resources for BDO.

Adam Myers is a member of Chartered Accountants Australia & New Zealand. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Waqar Ali is a fellow member of the Association of Chartered Certified Accountants and a CFA Charterholder. He has 12 years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's report and valuations for various purposes in a range of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of the directors of Aspire for inclusion in the Notice of Meeting which will be sent to all Aspire's Shareholders. Aspire engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the Proposed Transaction.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum and Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum and Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Mr. Tserenpuntsag. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Aspire, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Aspire.

The valuer engaged for the mineral asset valuation, Agricola, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Sherif Andrawes	Adam Myers
Director	Director

Appendix 1 – Glossary of Terms

Reference	Definition
A$ or $	Australian Dollar
ADB	Asian Development Bank
AFCA	Australian Financial Complaints Authority
AGM	Annual General Meeting
Agreement	The definitive, binding conditional subscription agreement entered into by Aspire Mining Limited and Mr. Tserenpuntsag
Agricola	Agricola Mining Consultants Pty
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
Aspire	Aspire Mining Limited
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
CAGR	Compounded Annual Growth Rate
CGGC	China Gezhouba Group Corporation
the Company	Aspire Mining Limited
Concession Agreement	The Concession Agreement entered between Government of Mongolia and Northern Railways LLC signed on 20 August 2015
Consortium	The consortium comprising Aspire, China Railways 20 Bureau Group Corporation and China Railway First Survey and Design Institute
Corporations Act or the Act	The Corporations Act 2001 Cth
CPs	Conditions Precedent
CPI	Consumer Price Index
CR20G	China Railways 20 Bureau Group Corporation
DCF	Discounted Future Cash Flows
Debt Conversion	The proposal to convert $2.60 million of debt and other obligation into equity, approved by shareholders at its General Meeting held on 26 July 2017
DFS	Definitive Feasibility Study
EBIT	Earnings before interest and tax

Reference	Definition
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECJV	Ekhgoviin Chuluu Joint Venture
EPS Contract	Engineering, Procurement and Construction Agreement
Erdenet-Ovoot Project	the Erdenet-Ovoot Rail Project
FDI	Foreign Direct Investment
Ferrostaal	Ferrostaal Mining Services
FME	Future Maintainable Earnings
FMS	FMS LLC, mining consultants for the OEDP PFS dated February 2019
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FSDI	China Railway First Survey and Design Institute
GDP	Gross domestic product
ICBC	Industrial and Commercial Bank of China
Investment	$33.5 million investment by Mr. Tserenpuntsag
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Letter of Intent	Conditional letter of intent to provide future financial and infrastructure support, signed by Mr. Tserenpuntsag on 16 September 2019.
Listing Rules	The listing rules of the ASX
MNT	Mongolian Togrog
MoU	Memorandum of Understanding
Mr. Tserenpuntsag	Mr. Tserenpuntsag Tserendamba
MRAM	Mineral Resource Authority of Mongolia
NAV	Net Asset Value
Noble	Noble Resources International Pte Limited
Noble Debt Conversion	A US$2.4 million conversion of Noble Debt and related accrued interest into equity.
Noble Facility	Aspire's debt facility with Noble
Northern Railways	Northern Railways LLC

Reference	Definition
Northern Rail Line	The Erdenet to Ovoot Railway located within the 'Northern Rail Corridor', between the Chinese port of Tianjin and the Trans-Siberian Railway
Nuurstei Project	The Nuurstei Coking Coal Project, located 10.0 kilometres from the Khuvsgul provincial capital of Moron in northern Mongolia (Aspire hold a 90% interest in the project)
OBOR	The 'One Belt, One Road' initiative
OECD	Organisation for Economic Co-operation and Development
OEDP	Ovoot Early Development Plan
Option Share	An Aspire Share issued upon the exercise of an Option
Options	Listed options issued by Aspire with an exercise price of $0.018 and expiry date of 11 December 2019
our Report	This Independent Expert's Report prepared by BDO
Ovoot Project	Ovoot Coking Coal Project, located in the Khuvsgul province in North West Mongolia
Patersons	Patersons Securities Limited
PFS	Pre-Feasibility Study
PFS Revision	During December 2012, the Company released a PFS revision, incorporating the Company's updated reserves and resources, which were announced subsequent to the release of the initial PFS findings
Placement Shares	1,595.9 million new ordinary Aspire shares at $0.021 per share, that Mr. Tserenpuntsag has agreed to subscribe for
Proposed Transaction	The issue of the Placement Shares to Mr. Tserenpuntsag for an investment of $33.5 million.
PSST	Mongolian mining contractor, PSST LLC
QMP	Quoted market price
RG 111	Content of Expert's Reports (March 2011)
RG 112	Independence of Experts (March 2011)
Rights Issue	A fully underwritten, six for five renounceable rights issue, undertaken by Aspire, to raise $16.5 million
RPM	RPM Global
Section 611	Section 611 of the Corporations Act
Share Consolidation	10 for 1 share consolidation for Aspire shares
Shareholders	Shareholders of Aspire not associated with Mr. Tserenpuntsag Tserendamba
the Study	An independent conceptual mining study prepared by Bluefield Advisory
the Subscriber	Mr. Tserenpuntsag Tserendamba

Reference	Definition
Top Up Completion Date	the date that is 15 Business Days after the date of expiry of the Options or such other date as agreed between the Subscriber and the Company
Top Up Shares	Aspire shares issued to Mr. Tserenpuntsag as a result of the dilutive impact of Options exercised
USD or US$	United States Dollar
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
Xstract	Xstract Mining Consultants Pty Limited

The Directors
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO, WA 6008
Australia

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (‘EBIT’) or earnings before interest, tax, depreciation and amortisation (‘EBITDA’). The capitalisation rate or ‘earnings multiple’ is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows (‘DCF’)*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 – Independent Technical Specialist Valuation Report prepared by Agricola

AGRICOLA MINING CONSULTANTS PTY LTD - ABN: 84 274 218 871
P.O. Box 473, South Perth, WA 6951 - Mobile: 61 (4) 1234 7511
Email: mcastle@castleconsulting.com.au
Principal Consultant – MALCOLM CASTLE

1 October 2019

The Directors
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco, WA, 6008

Dear Sirs,

Re: INDEPENDENT VALUATION of the COAL ASSETS held by

ASPIRE MINING LIMITED in MONGOLIA

Effective Date 1 October 2019

BDO Corporate Finance (WA) Pty Ltd ('BDO' or the "Expert") has been engaged by the Directors of Aspire Mining Limited ("Aspire" or the "Company") to prepare an Independent Expert's Report ("IER") to accompany the Notice of Meeting and assist the shareholders of Aspire.

Agricola Mining Consultants Pty Ltd ("Agricola" or the "Specialist") has been commissioned by BDO to provide a Mineral Asset Valuation Report (the "Report") on Aspire's coal assets in Mongolia in accordance with the VALMIN Code, 2015. The principal of Agricola, Malcolm Castle, is a former non-executive director of East Energy Limited, a coal exploration company with a thermal coal project in the Adavale Basin in Queensland, and has compiled valuation reports for East Energy on that project and Fox Resources Pty Ltd and Kontrarian Resource Fund No 1 on the Bundaberg Coking Coal Project in Queensland, and reports on other coal exploration projects in Queensland. Agricola has prepared earlier Independent Valuation Reports on the Ovoot and Nuurstei Projects in Mongolia for BDO and Aspire in October 2015, June 2017 and October 2018.

This report serves to comment on the geological setting and exploration results on the properties and presents a technical and market value for the assets based on the information in this Report and from publicly available sources referred to in the Report.

Agricola is independent of interested parties including Aspire and its associates and Mr. Tserenpuntsag, his related parties, companies controlled by him, and their affiliates, associates, and subsidiaries. Agricola has a clear written agreement with the Expert concerning the purpose and scope of the Specialist's work. Agricola has prepared Independent Valuation Reports on the Ovoot and Nuurstei Project for the Expert and the Company and has had no other professional engagement or association previous or current with Aspire, and/or their subsidiaries and associates in the last five years except as disclosed above.

The current status of the tenements is based on information provided in the Company's June 2019 Quarterly Report released to the ASX and independently verified by Agricola by reference to an online database as described in the Tenement Schedule below. The Report has been prepared on the assumption that the tenements are accessible for exploration and development in accordance with the requirements of the Mineral Resources Authority of Mongolia.

The Mineral Assets

Aspire's primary asset is the 100% owned Ovoot coking coal project ("Ovoot") in northern Mongolia. Ovoot contains high-quality hard coking coal, featuring very high energy and vitrinite content and low ash. Aspire have announced a total coal resource of 281.1 million tonnes for Ovoot with the majority amenable to open cut mining operations. *(For details please refer to the Coal Resource Estimates section of the Report)*

Aspire also holds 90% of the Nuurstei coal project further to the east with a total coal resource of 12.8 million tonnes. The Company also holds 100% equity in an early stage coal exploration project at Hurimt in Mongolia.

ASPIRE MINING LTD			**Coal Resources**
	Ovoot	Nuurstei	Total
Measured	197.00	-	197.00
Indicated	72.30	4.75	77.05
Inferred	11.80	8.10	19.90
Total	281.10	12.85	293.95

Agricola is satisfied that the Coal Resource and Reserve estimates described later in this Report are reasonable and carried out to a high professional standard as required by the JORC Code.

ASPIRE MINING LTD			**Tenement Details**
Project	Status	Equity	Area (km^2)
Ovoot: MV-017098	Granted	100%	51.44
Nuurstei: MV-020941	Granted	90%	8.61
Hurimt: XV-014510	Granted	100%	5.69

Valuation Opinion

Summary of the Valuation Elements:

MARKET VALUE, A$M				
	Equity	**Low**	**High**	**Preferred**
Mineral Resources				
Ovoot Coal Project	100%	40.8	65.8	53.3
Nuurstei	90%	1.1	1.6	1.4
Exploration Ground				
Hurimt: XV-014510	100%	0.046	0.073	0.059
Total		**42.0**	**67.5**	**54.8**

- ***Based on an assessment of the factors involved, the estimate of the market value for the Company's equity in the Mongolian Coal Projects, is in the range of:***

A$42.0 million to A$67.5 million with a preferred value of A$54.8 million.

This valuation is effective on 1 October 2019.

This Mineral Asset valuation endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain, and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation (the Spencer Test). *It applies to the direct sale of existing equity in the Projects at the date of this Report.*

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Tenement Schedule

Mongolian Minerals Law

On 1 July 2014, the Mongolian Parliament passed the Law on the Amendments to the Minerals Law. Set out below is an overview of the changes to the Minerals Law (2006).

Exploration licences

The moratorium on the issuance of new exploration licences has been repealed and the maximum period for an exploration licence has been extended from nine to 12 years. Newly issued exploration licences will be immediately transferable, opening the door to a reactivated secondary market and, importantly for junior exploration companies, there is no restriction on the use of these licences as security for capital raising.

Mining licences

Mining licence holders are now obliged to supply products that have been mined, processed or semi- processed in preference to processing facilities operating in Mongolia at market price. Employ an employee to act as a liaison with the Mineral Resources Authority of Mongolia regarding environmental rehabilitation and mine closure.

The amendments specifically address the overlapping obligations of licence holders with obligations under the Petroleum Law with regard to coal bed methane. They are obliged to notify the Petroleum Authority of Mongolia if methane is discovered during coal mining and are permitted to produce coal bed methane in accordance with the Petroleum Law.

Ovoot, Nuurstei and Hurimt Projects

Through its wholly owned Mongolian subsidiary, Khurgatai Khairkhan LLC, Aspire has been granted a Mining License, MV 017098, covering 5,144.04 ha at the Ovoot coal project. This license extends over both the proposed surface and underground resource areas. MV017098 expires on 10 August 2042.

Aspire holds 90% equity in the Ekhgoviin Chuluu Joint Venture (ECJV) covering the Nuurstei Project, Mining License MV 020941, covering 860.91 ha. This license extends over the coal resource area and surrounding ground and expires on 6 October 2017.

Through its wholly owned Mongolian subsidiary, Khurgatai Khairkhan LLC, Aspire holds 100% equity in the Hurimt Project, Exploration License XV-014510, covering 569.23 ha. This license covers early stage exploration ground without estimated coal resources. The Licence was due to expire on 4 December 2017 and a renewal application has been lodged for the extension of the Hurimt Licence. The Exploration License status is noted as 'valid' on the Mineral Resources Authority of Mongolia data base.

The Ovoot Licence XV-17003 expired on 1 May 2017 and the Myngan Licence XV-017922 expired on 27 April 2018. Aspire did not apply for a renewal or extension for these tenements and the tenements are no longer valid.

Current tenement Schedule – 12 August 2019

Project	Company name	Licence number	Area name	Area size (ha)	Date issued	Expiration date
Ovoot	Xurgataixairxan	MV-017098	Ovoot	5,144.04	2012.08.10	2042.08.10
Nuurstei	Ekhgoviin Chuluu Joint Venture	MV-020941	To'murtiin am	860.91	2017.10.06	2047.10.06
Hurimt*	Khurgatai Khairkhan	XV-014510	Xurimt-1	569.23	2008.12.04	2017.12.04

**A renewal application has been lodged for the extension of the Hurimt Tenure*

Status of Tenure

The present status of the tenements is based on information made available by the Company and independently verified by Agricola. The Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation.

A determination of the Status of Tenure is necessary and must be based on a sufficiently recent inquiry to ensure that the information is accurate for the purposes of the Report. Tenure that is Material must be or recently have been verified independently of the Commissioning Entity. (*Adapted from VALMIN Code 2015, Clause 7.2)*

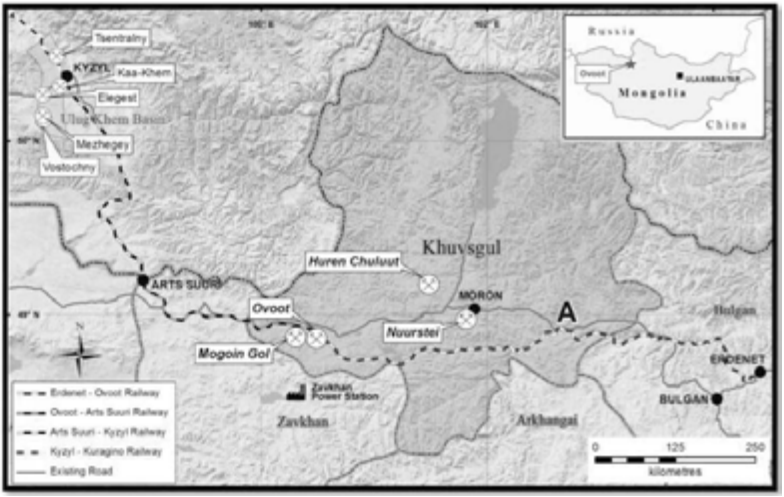
Tenement Status Verification

The status of the tenements has been independently verified by Agricola, pursuant to section 7.2 of the Valmin Code, 2015. This is based on an inquiry of the on-line databases for Mongolia (https://cmcs.mrpam.gov.mn/) – Mineral Resources Authority of Mongolia, Cadastre Division. All three tenements are marked as 'valid' on the database.

All tenement reporting obligations such as annual reports, expenditure commitments, rents and renewals have been lodged and are progressing in accordance with the relevant Mining Act. The tenements are believed to be in good standing subject to successful renewal of the Hurimt Licence based on full compliance with the Mineral Resources Authority regulations. The Hurimt Licence is not considered to be material to the current valuation.

MONGOLIAN COKING COAL PROJECTS

Location



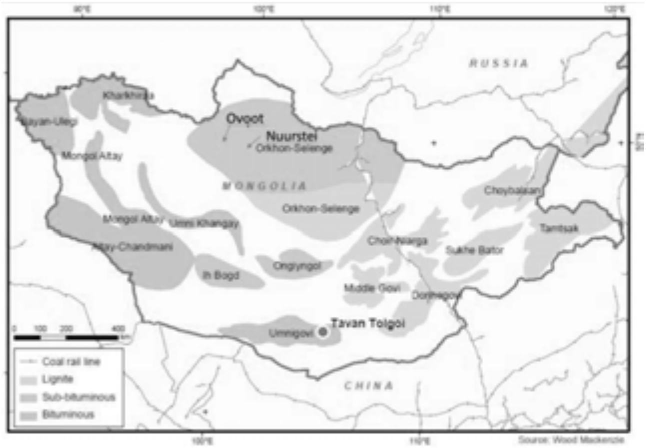
Location of Ovoot and Nuurstei Projects on Erdenet- Arts Suuri Rail Line

The Company's Mining Licences and Exploration Licences are located in the central region of Khuvsgul, Uvs and Umnugobi Aimag, northern Mongolia. Ovoot is approximately 550km northwest of Ulaanbaatar and 15km southwest of the Aimag capital Murun, which is the nearest local settlement with a population of approximately 36,000.

The Licences are located approximately 40km north of the planned north western Mongolia rail line between Erdenet and the Arts Suuri border crossing and 300km west of the Trans-Mongolian Railway at Erdenet.

Regional Geology – Coal Deposits

The coal deposits of Mongolia tend to become younger from west to east and can be subdivided into two provinces, twelve basins, and three areas. Main controlling factor of coal rank is the age of the coal bearing sequences. Western Mongolian coal-bearing province contains mostly high rank bituminous coal in strata from Late Carboniferous. The basins in southern Mongolia and the western part of central Mongolia have low rank bituminous coal in strata from the Permian. The northern and central Mongolian basins contain mainly Jurassic subbituminous coal, whereas the Eastern Mongolian province has Lower Cretaceous lignite.



Mongolian Coal Basins

Petrographically, Mongolian coals are classified as humic type. Vitrinite/huminite groups of Carboniferous, Permian, and Cretaceous coal range from 44.9% to 82.9%. Inertinite group varies between 15.0% and 53.3%, but liptinite group does not exceed more than 7%. Jurassic coals are characterized by high percentages of vitrinite (87.3% to 96.6%) and liptinite groups (up to 11.7%). This might be explained by paleoclimatic conditions.

The Company’s coking coal projects lie within the Orkhon-Selenge (OSA) coal-bearing basin. The sedimentary basin stratigraphy and structure that hosts Ovoot and Nuurstei still remains largely unknown. Much of this stratigraphy is based on Mongolian-Russian Government mapping and is not well defined locally.

Total Coal Resources on the Company’s tenements are:

ASPIRE MINING LTD			**Coal Resources**
	Ovoot	Nuurstei	Total
Measured	197.00	-	197.00
Indicated	72.30	4.75	77.05
Inferred	11.80	8.10	19.90
Total	281.10	12.85	293.95

Ovoot Hard Coking Coal Project (100%)

The Ovoot Project area is located in north-western Mongolia and is a new discovery made by the Company in 2010 to 2013. Aspire was granted a Mining Licence in August 2012 and received approval for its Mongolian Feasibility Study by the Coal Resource Authority of Mongolia (MRAM).

The area around the existing mining license and the potential extensions to the underground resources hold the highest probability of adding to the existing Resources. The total land holding covered by Ovoot Coking Coal Project mining license MV-017098 and covers 51.44 square kilometres.

A Prefeasibility study was compiled by the Company in 2012-13 covering the Ovoot deposit that allowed a Coal Reserve to be estimated. The company is currently compiling a Definitive Feasibility Study for the entire project that is scheduled for completion by the end of 2019.

ASPIRE MINING LTD			**Ore Reserve**
Ovoot	Resource	Reserve	Marketable
Open Pit	253.1	247.0	182.0
Underground	28.0	8.0	6.0
Total	281.1	255.0	188.0

Marketable Coal Reserve is the beneficiated or otherwise enhanced coal product, as defined in the JORC Code, after accounting for impact of mining, dilution and processing. The Coal Reserve at Ovoot was compiled based on an early Pre-Feasibility Study.

Ovoot Early Development Project Pre-Feasibility Study

The Company compiled a Pre-Feasibility Study on the Ovoot Early Development Project (OEDP)in 2019. The OEDP involves mining a relatively low ash, low strip ratio and high yielding “fat” coking coal from a starter pit that sits within the existing 255Mt Ovoot ore reserve. The Company plans to complete the Definitive Feasibility Study for the OEDP in calendar 2019. The Company expects the OEDP to be in production in 2021.

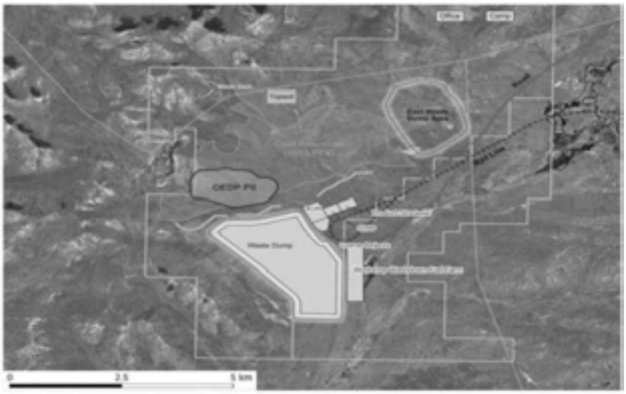
Source: Aspire Mining Limited, 2019Outstanding PFS Results for the Ovoot Early Development Project (OEDP) ASX Release 28 February 2019

The Base Case OEDP starter pit utilises a 36.8Mt Ore Reserve carve out from the Ovoot Project Coal Ore Reserves of 255 Mt and supports an initial 9.2-year mine life whilst development of the planned Erdenet to Ovoot Rail connection continues in parallel.

The Company announces in its ASX release that the OEDP PFS Base Case returned Base Case economics with unleveraged NPV_{10} (pre-tax) of US$586m with an IRR of 43.7% (inclusive of mine, logistics, waste pre-stripping and haul road capex). Average LOM net direct C1 Cost of US$81/t delivered to the China border at Erlian was reported.

Category	Coal Reserve (adb) ROM Mt	Coal Reserve Total Moisture 2.0% arb ROM Mt	ROM Coal adb Ash Content %	ROM Coal adb CSN%
Probable Ore Reserve Ore Open Pit OEDP	36.8	37.6	17.2	7.9
Probable Ore Reserve Open Pit OEDP Plus OEDP Extension	53.8	54.9	18.0	8.5

OEDP Coal Reserve



OEDP pit plan within the overall layout

Average annual EBITDA of US$172m and rapid 24 months payback from commercial production with life of mine EBITDA of US$1.6bn; Single open pit operation with low LOM strip ratio of 4.6:1 Bcm/t; Steady state 4.0Mtpa of washed, saleable “fat” coking coal over an initial 9.2 year mine life (a small proportion of the overall Ovoot Project Reserves).

A further cutback of the OEDP pit increases mine life (at 4.0Mtpa) to 12.5 years and delivers an unleveraged NPV_{10} (pre-tax) of US$758m with an IRR of 44.5% (inclusive of mine, logistics, waste pre-stripping and haul road capex). Potential exists to extend mine life further through future cutbacks with additional mine planning.

The Net Present value reported by the Pre-Feasibility Study suggests a return of A$22.75 per tonne, pre-tax and EBITDA of A$62 per tonne.

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 at this time 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. Agricola has reviewed the Coal Reserve information with regard to quality and reasonableness and has provided comments later in the Report.

Mining

Mining for the OEDP is assumed to be conducted by a contractor using traditional truck and shovel methods. An initial starter open pit will be targeted for the first three years of coal production with successive cutbacks continuing to the west, expanding the pits. Benches of 16m have been assumed. It will take approximately 10 months and 20m BCM of waste removal before secured access is established to the required 350,000 tonnes per month of coal.

Average annual pit movements have been designed at 23M BCM per annum. Run of Mine coal production averages 4.6Mtpa with final marketable coal of 4.0Mtpa achieved in the second year. Total ROM tonnes in the OEDP Pit is 36.8Mt at an average strip ratio of 4.6 Bcm of waste: 1 tonne of coal.

The mine plan requires consistent annual waste stripping after the initial pre-strip to top of coal is established. The thick seams and their relatively flat nature give rise to modest and relatively stable annual strip ratios.

Agricola has reviewed the published aspects of the OEDP Pre-Feasibility Study and notes that is addresses a small proportion of the estimated Coal Reserve. Agricola is satisfied that the Study is of high quality and reasonable and carried out to a high professional standard as required by the JORC Code, 2012.

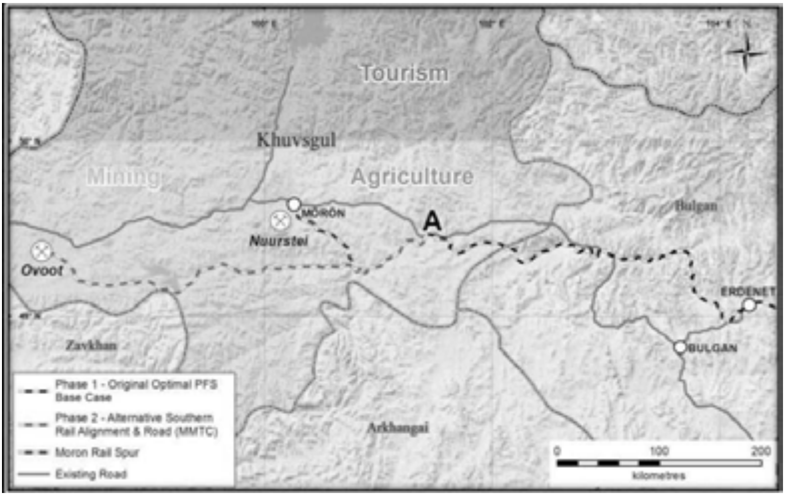
Coal Handling and Preparation Plant

GT Global, China's largest builder of wash plants, states that the raw coal produces a high clean coal yield with low yields to middlings and refuse. The washability characterisation of the raw coal is in the easy to wash or intermediate level given different separation densities.

The final design includes a heavy media cyclone was chosen due to its lower water consumption and lower power consumption and processing complexity. Flotation process is required to maximize fines recovery.

The OEDP involves mining a relatively low ash and high yielding coal from a starter pit that sits within the Ovoot Project Reserve and construction of a new 560km special purpose haul road. The OEDP is expected to evolve into a much larger project once rail access has been secured with the Erdenet to Ovoot rail connection.

The washed coal will then be delivered via a 560km special purpose haul road that will be constructed to connect to a rail head at Erdenet. The coal will then be delivered on the Mongolian rail network that has confirmed available capacity for the OEDP coal through to the Mongolian/China border crossing of Erlian to Chinese end customers.



Northern Railways Erdenet – Ovoot Rail Alignment ("Northern Rail Line")

Nuurstei Coking Coal Project (90%)

In June 2017 the Company exercised an option to acquire a further 45% beneficial interest in the Nuurstei Coking Coal Project. The acquisition was finalised in August 2017 giving the Company a 90% interest in the Nuurstei Project.

Core analysis has provided sufficient evidence to confirm a coking coal potential at Nuurstei. Seams sampled have low to high ash of between 6 to 78% (average

38%) low to high sulphur between 0.04 to 1.74% (average 0.55%) volatile matter between 7 to 32% (average 18%) and gross calorific value between 1490 and 7375 kcal/g (average 5020 kcal/g). It is assumed all seams will generally require washing to reduce ash in order to provide coking coal potential.

The deposits are considered to be amenable to normal processing methods including washing with reasonable recovery rates. The deposits have not been mined in the past and exact parameters of the processing are yet to be tested.

Nuurstei Conceptual Mining Study

The Ekhgoviin Chuluu Joint Venture (ECJV) over the Nuurstei Project comprises Mining License MV 020941, covering 860.91 ha. This license extends over the coal resource area and surrounding ground. The Mining License was granted on 6 October 2017 and expires on 6 October 2047and provides tenure over the property for 30 years over an area of 8.61 square kilometres.

In March 2017, the Company announced the results of a Conceptual Mining Study over a near surface mining area based on the Indicated Resources. The study concluded that there was the potential for the Nuurstei Coking Coal Project to become a competitive cost near term producer of coking coal based on trucking coal 420 kilometres to the nearest rail head at Erdenet. Costs would reduce significantly once the Nuurstei Coking Coal Project can gain access to the Erdenet to Ovoot Railway.

The Company has identified a suitable rail siding for stockpiles and wagon loading at Erdenet and has confirmed with the rail operator UBTZ that there is sufficient rail and wagon capacity to carry Nuurstei Project coal to the Chinese border at Erlian. It was recently confirmed that China has approved Erlian as a coal border crossing.

Hurimt Project (100%)

Through its wholly owned Mongolian subsidiary, Khurgatai Khairkhan LLC, Aspire holds 100% equity in the Hurimt Project XV-014510 covering 569.23 ha. This license covers early stage exploration ground without estimated coal resources. The Licence was due to expire on 4 December 2017 and a renewal application has been lodged for the extension of the Hurimt Licence. The exploration License is currently listed as ‘Valid’ in the Mineral Resources Authority of Mongolia data base.

The exploration licence is located in areas of known coal bearing strata though little specific exploration work has been carried out at this stage.

Coal Resource and Reserve Estimates

Ovoot Coal Resources:

JORC 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

The technical information and competent persons statements for the Ovoot Coal Reserves and Resources are reported in the Company's ASX announcement on 31 July 2013 available on the ASX Announcements platform.

The Coal Resource estimates were compiled in accordance with the JORC Code 2012. 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.

The OEDP Reserves have been confirmed as:

Category	Coal Reserve (adb) ROM Mt	Coal Reserve Total Moisture 2.0% arb ROM Mt	ROM Coal adb Ash Content %	ROM Coal adb CSN%
Probable Ore Reserve Ore Open Pit OEDP	36.8	37.6	17.2	7.9
Probable Ore Reserve Open Pit OEDP Plus OEDP Extension	53.8	54.9	18.0	8.5

The Coal Resource estimates were compiled in accordance with the JORC Code 2012. 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 Resources	Mt
Indicated	4.75
Inferred	8.1
Total (Mt)	12.85

The Coal Resource estimates were compiled in accordance with the JORC Code 2012. The technical information and competent persons statements for the Nuurstei Coal Resources is taken from the Company's ASX announcement dated 13 April 2016 available on 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.

Source: Aspire Mining Limited, 2019, QUARTERLY REPORT Quarter Ended 30 June 2019, ASX Release 31 July 2019

Quality and Reasonableness – VALMIN 7.3(b)

Agricola has reviewed the Coal Resource Estimates for the Ovoot Project which was carried out by Xstract Mining Consultants Pty Ltd. The information provided in JORC Table 1 of the various ASX Releases referred to clearly sets out the steps taken to ensure and high-quality outcome for the coal resource estimate.

Xstract examined all lithological logging data supplied in conjunction with the seam pick information and geophysical logs in order to confirm that seam picks were appropriate. The geological modelling software checks that sampled intervals correspond to seam intervals during compositing of model intervals and reports on any mismatches. Samples that extend outside of modelled intervals by more than 20% were excluded from the raw coal quality database, as they were not considered representative of the interval being sampled. Postings and contours of seam/ply coal quality values were examined to ensure that the values were spatially consistent.

Consideration of all mining, metallurgical, social environmental and financial aspects of the project was reported in a satisfactory way. Points of observation for resource classification purposes were defined as cored drill hole intersections of seams with 85% or better core recovery and coal quality composites (at least raw coal proximate analysis, specific energy and total sulphur) that pass all QA/QC checks. Interval elevations and thicknesses must also be supported by down-hole geophysics.

The resource was classified as Measured if the distance between valid points of observation is less than 500m (effective maximum 250m radius around points of observation). The resource was classified as Indicated if the distance between valid points of observation is greater than 500m and less than 1,000m (effective maximum 500m radius around points of observation). The resource was classified as Inferred if the distance between valid points of observation is greater than 1,000m and less than 2,000m (effective maximum 1,000m radius around points of observation).

The resource classification appropriately and reasonably reflects the varying levels of confidence of the resource model to predict coal quality and tonnages for the resource if it were to be mined. The estimate of Coal Reserves takes into account all appropriate modifying factors as required by the JORC Code 2012.

Agricola is satisfied that the Coal Resource and Coal Reserve estimates are of high quality and reasonable and carried out to a high professional standard as required by the JORC Code, 2012.

Specific Project Risks

Agricola has identified a range of risk elements or risk factors, which may affect the future operations, and financial performance of the Company's Projects. Some of the risk factors are completely external, which is beyond the control of management. However, advance planning can mitigate the project specific risks.

Resources & Reserve Risk

Coal Resources have been estimated for the Projects in accordance with the JORC Code 2012. 70% of the Ovoot resource is in the Measured category with 26% in the Indicated category and 4% Inferred. 37% of the coal resource at Nuurstei is in the Indicated category and 63% Inferred.

While confidence in the Ovoot resource estimation is relatively high it is possible that unforeseen geological conditions may be present that will affect the estimates.

Extraction and Processing Route Risk

It was concluded that the raw coal produces a high clean coal yield with low yields to middlings and refuse. The washability characterisation of the raw coal is in the easy to wash or intermediate level given different separation densities.

It may be possible that unfavourable results from the future samples may jeopardise project viability. This may include problems with the future production of saleable coal. Pre-feasibility studies carried out in 2019 provided some encouragement but full-scale testing is yet to be done.

Commodity Price Risk

Coal price, supply and demand are cyclical in nature and subject to significant fluctuations, and any significant decline in the coking coal price or demand could materially and adversely affect the Company's business. Commodity markets are highly competitive and are affected by factors beyond the Company's control, which include but not limited to Global Economic Condition; Government and Central Banks actions; and Fluctuations in industries with high demand.

Coking coal prices are historically high and consensus forecasts indicate a possible fall in coking coal of price over the next few years.

Project Infrastructure Associated Risk

Although, accessibility of the project is good with existing and planned rail and road infrastructure, this may need to be upgraded before commencement of mining and further exploration activity.

Exploration Approvals and Permits

Prior to commencement of mining, government permits, and approvals may be required to commence development or earth moving activities and the associated access roads. Any delays in obtaining the required approvals may affect the future timing of cash inflows. Associated interruptions or delays may occur in the future and that this may have a material impact.

Environmental and Social Risks

While environmental and social risks and management plans have been considered, it is possible that failure to comply with the environment criteria or failure to maintain good relationships with the local community in Mongolia will have an impact on the project. These risks are not considered to be greater for these Projects than any other mineral project.

Country Risk

Mongolia is rated as 'C' for Country Risk and 'C' for Business Climate Risk.

Strengths – Development of colossal mining resources (coal, copper, gold); Strategic geographical position between China and Europe (Silk Road Development Project); Potential for diversification of production, including agribusiness (dairy products, meat, cashmere) and tourism.

Weaknesses – Economy's vulnerability to changes in commodity prices; Strong exposure to the Chinese economy; Internal political dissensions; Alarming level of corruption and risks associated with rising inequalities as well as less inclusive mining development.

The mining sector as a growth driver for Mongolia

Growth in 2019 is expected to be even more dynamic than in 2018, thanks to the continued boom in the mining sector as a result of high mineral prices (especially coal and copper). The development of the Oyu Tolgoi mining project (one of the world's largest gold and copper reserves, operated by Rio Tinto through its subsidiary Turquoise Hill), which is expected to be fully operational by 2020, will likely to continue to boost copper exports, despite forecasts of lower prices in 2019. These exports, as well as those of coal (the country's largest export in volume terms), should make a positive contribution to growth from net exports, although lower than in 2018, due to higher imports.

Source:https://www.coface.com/Economic-Studies-and-Country-Risks/Mongolia

Project References

Aspire Mining Ltd, 2013, Coal Resource and Reserve Upgrade for Ovoot Coking Coal Project ASX Release, 31 July 2013.

Aspire Mining Ltd, 2016, Nuurstei Coking Coal Project Release of Initial Resource Report, ASX Release, 13 April 2016.

Aspire Mining Ltd, 2018, Quarterly Report, Quarter Ending 31 March 2018, ASX Release, 30 April 2018.

Aspire Mining Ltd, 2018, Quarterly Report, Quarter Ending 30 June 2018, ASX Release, 31 July 2018.

Aspire Mining Limited, 2019, Quarterly Report Quarter Ended 30 June 2019, ASX Release 30 April 2019.

Aspire Mining Limited, 2019, Quarterly Report Quarter Ended 30 June 2019, ASX Release 31 July 2019.

Aspire Mining Limited, 2019, Outstanding PFS Results for the Ovoot Early Development Project (OEDP), ASX Release, 28 February 2019.

Aspire Mining Limited, 2019, Ovoot Early Development Project (OEDP) Definitive Feasibility Study Update, ASX Release, 27 May 2019.

Reserve Bank of Australia, 2019, The Changing Global Market for Australian Coal, RBA Bulletin, September 2019.

VALUATION OF ASPIRE'S COAL RESOURCES

This valuation has been prepared in accordance with the VALMIN code 2015, in order to ensure compliance with the Australian Stock Exchange's listing rules and Australian Corporations Law. It is based on information released to the ASX by the Company referred to above and other published data.

The term mineral asset in this Report refers to all tenure and exploration results held for the purpose of near term or eventual mineral extraction. Mineral assets are generally valued based on approaches that assess income, the market and cost.

- **Income Approach.** Based on expected future benefits, usually in the form of *discounted cash flow analysis*.

The Company has compiled a Pre-Feasibility Study (PFS) for the 'Ovoot Early Development Project' (OEDP) based a mining starter pit that utilizes a 36.8Mt Ore Reserve carve out from the Ovoot Project Coal Ore Reserves of 255 Mt. A Discounted Cash Flow model has been constructed by the Company for the chosen scenario. The PFS accounts for a small percentage (14%) of the estimated coal reserve and is not representative of the entire Ovoot coal deposit. It addresses a high-value initial production option to be undertaken while the main rail infrastructure is constructed. Agricola has chosen to value the Ovoot project on the basis of the entire coal resource rather than the financial outcome of the PFS using a Market approach.

- **Market Approach.** Based on actual sales or *comparable transactions*.

The Ovoot and Nuurstei coal projects contain Coal Resources estimated in accordance with the JORC Code 2012 and can be compared with similar deposits on a technical level as a guide to sale value for the two projects. Agricola has reviewed and analyzed a database of coal project transactions on the basis of enterprise value per resource tonne and selected a range of transactions that reflect mineral asset value. The transactions include projects that are similar to Ovoot and Nuurstei and provide guidance to value metrics for the Mongolian projects on the basis of percentage of the prevailing commodity price. Agricola has chosen to value the Ovoot and Nuurstei projects on the basis of the entire coal resource and refers to the metrics of the transaction database adjusted for current coking coal prices.

- **Cost Approach.** Based on an assessment of perceived prospectivity in various categories based on conceptual budgets *(Geoscience Factors)*.

The Hurimt Exploration License is a small early stage project that may have some future contribution to the Company's business. Little work has been completed though the area is located in an encouraging geological environment. Agricola has chosen to value the Hurimt project on the basis of the prospectivity estimated by the Geo Rating Method that assesses four main attributes of the geological setting and past exploration results.

A more detailed explanation of valuation considerations is included as an appendix.

Agricola's Preferred Valuation methodology

The primary valuation methods advocated by Agricola are the **Comparable Transactions** method for mineral resource estimates and the **Geo Factor method** for exploration ground. The two methods can be adapted to either asset class as a secondary valuation method.

The author of this report (the Technical Specialist) is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and is required to prepare mineral asset valuations in accordance with the Australian reporting requirements as set out in the VALMIN Code (2015 Edition) and the JORC Code (2012 Edition).

Coal Resource Estimates – Comparable Transactions Method

For the valuation of coal resource estimates at Ovoot and Nuurstei, Agricola's approach is to value these assets by assigning a dollar value per tonne to the estimated quantity of the commodity based on publicly available information on recent market transactions (expressed as % of Spot Price). There is a considerable difference between thermal and coking coal prices and the '% of Spot Price' metric may be applied to both coal types interchangeably with appropriate caution and related to current coal price forecasts.

ASPIRE MINING LTD			**Mineral Resource Statement**
Main Area	MTonnes	Ash (adb)	Raw CSN
Measured	197.00	25.41	6.49
Indicated	46.90	28.33	6.43
Inferred	9.20	28.78	6.38
Total	253.10	26.07	6.48
NE UG Area	MTonnes	Ash (adb)	Raw CSN
Measured	-		
Indicated	25.40	25.85	8.00
Inferred	2.60	28.18	7.79
Total	28.00	26.07	7.98
Nuurstei	MTonnes	Ash (adb)	Raw CSN
Measured	-		
Indicated	4.75		
Inferred	8.10		
Total	12.85		
Grand Total	293.95		

Coal Resources

Agricola has chosen to value the **coal resources** at Ovoot and Nuurstei on the basis of *comparable transactions* as the primary method and to use the Geo Rating method as a cross check by estimating an appropriate expenditure per annum for advanced projects and applying prospectivity factors to arrive at the technical value. The final technical value is considered to be the average of the two methods.

Agricola has identified comparable market transactions for projects at a similar state of development with coal resource estimates in accordance with JORC Code 2012. The review is not intended to be a definitive listing of all market transactions, but rather a list of transactions that offer comparability to the projects in terms of reported tonnes, grade or the state of the project as a whole.

Exploration potential – Geo Rating Method

Agricola is of the opinion that the *Geo Rating method* provides the most appropriate approach to the exploration potential of mineral properties on which there are no defined resources. The method may also be used as a cross check against the *comparable transactions method* valuation for the Ovoot and Nuurstei projects.

An estimate of technical value has been compiled for the tenements based on an assessment of off-site, on site, anomaly and geology factors applied to the base holding cost. The Geo factor assessment relies on the conceptual budget estimated from the Base Holding Cost and the Area. For advanced projects the BHC is chosen to reflect reasonable budgets considering the stage of development.

The **exploration ground** at Hurimt has been valued on the basis of the geo rating as the primary method. The outcome is compared to a review of exploration projects based on the A$/km^2 range of values to demonstrate confidence in the valuation.

The Company's exploration ground accounts for less than1% of the total value and the size of the tenement has been reduced to less than 6 square kilometres. The final technical value is considered to be the assessment by the Geo Rating Method.

Hard Coking Coal Price

KPMG has prepared a document on coal price and exchange rate forecasts from 2019 to 2021 summarised below:

KPMG Hard Coking Coal Forecast, June-July 2019				
US$/t	2019	2020	2021	3 yr Average
Low	175.00	150.00	140.00	155.00
High	205.00	205.00	200.00	203.33
Average	193.00	173.00	162.10	176.03
Median	194.00	172.50	160.00	175.50
AUD:USD	0.70	0.71	0.72	0.71
A$/t	277.00	243.00	222.00	247.50

Consensus forecasts for the Period 2019 to 2023 in the table above are sourced from 'KPMG: Coal Price and FX market forecasts, June/July 2019.'

It is noted that the consensus forecast suggests a fall in coking coal price over the coming years, which may be taken into account by a prospective purchaser in assessing Market Value. The veracity of this forecast has yet to be tested and historical prices suggest significant volatility beyond three years.

Premium Hard Coking Coal Contract Price

Agricola has chosen the three-year average median forecasts for 2019 to 2021 in this valuation report at US$175.50 per tonne. The USD:AUD exchange rate is 0.71 and the Australian dollar coking coal price used in this Report is **A$247.50**.

Project Quality Assessment – Coal Resources Assumptions

The term *'reasonable prospects for eventual economic extraction'* implies an assessment (albeit preliminary) by the Competent Person when preparing a Coal Resource Estimation in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters.

The parameters are considered in a qualitative way and no quantification is implied. The review serves to allocate the mineral resource areas into the groups described in the appendix.

The Ovoot Main Area is considered to be representative of Group C (Projects with Scoping studies and possibly at development stage. Not sufficiently robust or advanced for Discounted Cash Flow analysis). The Ovoot NE UG Area and the Nuurstei Coal Resources are considered to be representative of Group B (Advanced Projects with significant, well-regarded Mineral Resources. May include Measured and Indicated resources).

- *JORC Coal Resource Category*

The coking coal resources at the Ovoot Project include Measured Resource (70%), Indicated Resource (26%) as well as Inferred Resource (4%).

The coal resources at the Nuurstei Project include material in the Indicated (37%) and Inferred (63%) categories only.

- *Mining factors or assumptions*

Ovoot: Mining is proposed to be primarily through open cut mining methods involving mechanised truck and shovel equipment. The geometry of the deposit makes it amenable to open cut mining methods employed in many similar coal mining operations around the world. A minimum interval thickness of 0.1 m was applied. The Ovoot deposit are considered to be amenable to normal open pit operations for 90% of the Resource and underground mining methods for the remainder.

Nuustrei: Resources are reported in depth intervals to facilitate understanding of the distribution of resources at depth in this steeply dipping deposit. It is assumed due to the steeply dipping variable nature of the deposit that the seams will be extracted by open cut methods. No mining dilution has been assumed. The Nuurstei deposit are considered to be amenable to normal open pit operations.

- *Metallurgical factors or assumptions*

Ovoot: In some areas, mainly along the north-western sub-crop of the upper coal sequence, seams occurring above the base of weathering have coal qualities suitable for use as either a domestic thermal coal product or as a blend with higher quality coking coal. Inferred Resources have been reported for coal intersected above the base of weathering. This coal was not considered as part of the coking coal resource but could be considered as a suitable thermal coal raw product.

Nuurstei: Core analysis has provided sufficient evidence to confirm a coking coal potential at Nuurstei. It is assumed all seams will generally require washing to reduce ash in order to provide coking coal potential.

The deposits are considered to be amenable to normal processing methods including washing with reasonable recovery rates. The deposits have not been mined in the past and exact parameters of the processing are yet to be tested.

- *Environmental factors or assumptions*

Ovoot: No environmental factors are considered to have a material impact on the reported Coal Resource estimate.

Nuurstei: Local herders live in semi-permanent dwellings on the lease and negotiations will be required if any mine development is to take place. Designated archaeological sites are located in the lease 1 km west of the resource area and will have to be managed in any future mining operation.

The Project areas have a significant history of exploration activity and no additional environmental impacts are known to be present.

- *Infrastructure factors or assumptions*

The saleable product will be transported to international markets via rail. Approximately 628 km of rail is required between the project site and Erdenet, where the existing rail network reaches.

Mongolian producers are not able to reach the seaborne market except via long land transport routes across either Russia or China. The most likely route to be utilised is rail access along the Trans- Mongolian Railway to the north, linking in with the Trans-Siberian Railway in Russia and exporting through the Russian ports of Vostochny and Vanino.

- *Legal and Commercial issues*

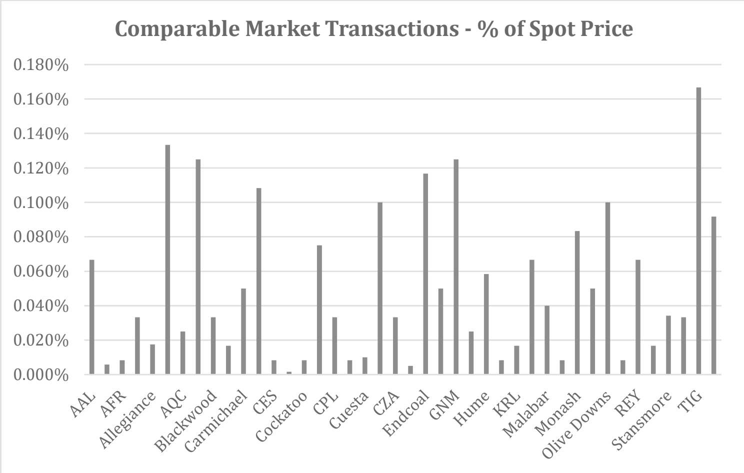
There are no known naturally occurring risks. The legal agreements and marketing arrangements required to carry out mining activities are in progress.

Mongolia has a relatively short democratic history, located between Russia and China, the landlocked country is the sole democracy in an autocratic region.

Comparable Transactions for Coal Resources - $/tonne

To determine the market value for the Company's Project, Agricola has reviewed recent market valuations for exploration assets with estimated Coal Resources reported in accordance with the JORC Code 2012. Forty-two companies were compiled, and statistics of the results are displayed in the following table. % of spot was based on the Thermal coal price of A$120/t.

Quartile	A$/tonne	% of Spot
0%	0.002	0.002%
25%	0.014	0.012%
50%	0.040	0.033%
75%	0.088	0.073%
100%	0.200	0.167%



% of Spot Rice for Coal Companies

Estimates are based on published data of Enterprise value per tonne normalised to $120/t.

Comparable Transactions considerations

To determine the reasonable value of the Company's Projects based on the existing coal resource estimated in accordance with the JORC Code (2012), Agricola has compiled an assessment in the following table (page 30) on a qualitative basis and ratings allocated as *low, average, and high* with an assessment of JORC Category, Mining factors, Metallurgical factors, Environmental factors, Infrastructure, Costs and Market sentiment specific to the Project.

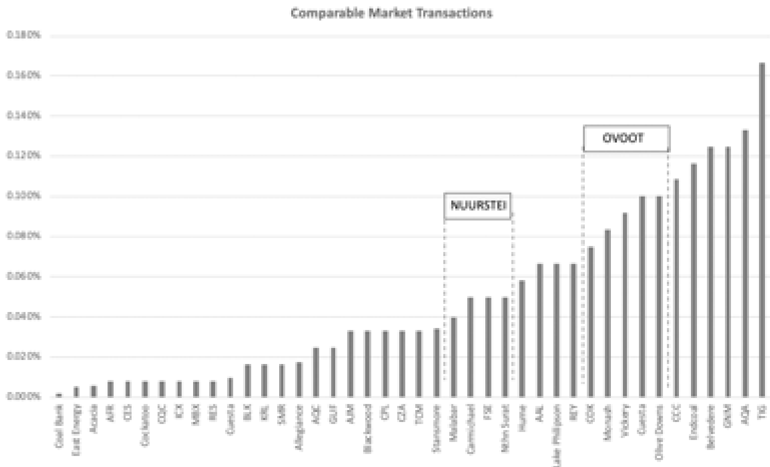
Agricola has estimated an indicative value for advanced coal exploration projects similar to the Ovoot Project at the Definitive Feasibility Stage and Nuurstei Projects with a JORC coal resource based on an assessment of the quality of the coal projects compared to the "average" projects included in the comparable transactions database.

Selection of '% of Spot' Rate			
	Percentile	A$/t	**% of Spot**
OVOOT Coal Project			
Low	75th	0.09	0.07%
High	85th	0.12	0.10%
NUURSTEI Coal Project			
Low	55th	0.05	0.04%
High	60th	0.06	0.05%
Normalised to A$120 per tonne			
Refer to the Appendix for details			

Details of the individual transactions are included at page 57.

Ovoot is more advanced at the Definitive Feasibility Stage and is assessed to be at the 0.07% to 0.10% of spot price. Nuurstei is smaller and less advanced and is assessed to be at the 0.04% to 0.05% of spot price level of the comparable transactions. The preferred value is selected as the average of the database values.

This translates to a range between A$0.18/tonne to A$0.25/tonne for Ovoot and a range between A$0.0.9/tonne to A$0.12/tonne for Nuurstei. The preferred value is accepted as the average of the range. Visual inspection of the range of values on the chart confirms the reasonableness of the selected percentile interval. These values have been used in the current valuation of the Ovoot and Nuurstei coal resources.



Position of Ovoot and Nuurstei in the data series

Nuurstei Comparable Transactions			Ovoot Comparable Transactions		
Company	A$/t	% of Spot	Company	A$/t	% of Spot
CPL	0.040	0.033%	Lake Philipson	0.080	0.067%
CZA	0.040	0.033%	REY	0.080	0.067%
TCM	0.040	0.033%	COK	0.090	0.075%
Stansmore	0.041	0.034%	Monash	0.100	0.083%
Malabar	0.048	0.040%	Vickery	0.110	0.092%
Carmichael	0.060	0.050%	Cuesta	0.120	0.100%
FSE	0.060	0.050%	Olive Downs	0.120	0.100%
Nthn Surat	0.060	0.050%	CCC	0.130	0.108%
Hume	0.070	0.058%	Endcoal	0.140	0.117%

A$/resource tonne metrics for Coal companies over the last few years.

Ranges for Nuurstei and Ovoot highlighted

Source of Comparable Transactions Data

The comparable transactions data in the charts in this report were extracted from the Xtract Mining Consultants Valuation report included in the following ASX release.

Cuesta Coal Limited, ASX Code: CQC, 2016, Takeover Bid for Cuesta Coal Limited (ASX: CQC): Target's Statement, ASX Release 11 August 2016, including an Independent Experts Report and Independent Valuation Report by Xtract Mining Consultants.

Details of the comparable transactions can be found in Appendix C of the Xtract Report.

Xstract has conducted an analysis of recent comparable market transactions and joint venture terms involving eastern Australian coal resource projects to establish recent multiples paid within the market for in-situ coal tonnages. A discussion of the comparable transactions can be found at page 58 to 62.

The Geo Rating Method was used as a *secondary method* for Ovoot and Nuurstei Projects as set out in the following table. The Ovoot and Nuurstei projects are advanced (with respect to the Geo Rating Method guidelines) and the BHC ascribed is A$20,000/km^2 for Ovoot (conceptual budget $1.00 million) and A$5,000/km^2 for Nuurstei (conceptual budget $40,000). Agricola believes these estimates are reasonable and in line with the conceptual budget required to hold the project areas at their current development stage.

The final technical value is considered to be the average of the two methods.

Hurimt XV-01451

Geo Rating Assessment

An estimate of technical value has been compiled for the tenements based on the Geo Rating Method which is considered more appropriate for the exploration ground as a primary method. This includes the base value, and ratings for prospectivity discussed above.

Off-Site - Mongolia has over 300 known coal deposits with an estimated 152 billion tonnes of coal resources. Of these, detailed geological studies have been completed at about 80. Companies with coking coal deposits attract the most attention, as their products are exported at considerable profits. Russian geologists had published their observation of some of the most coal famous deposits today, such as Tavan Tolgoi, EgiinGol and Choir. During the twentieth century, open-pit coal mines were created in almost every state so that Mongolia’s domestic demand for thermal coal was completely met.

On-Site - The Hurimt tenement is located in coal bearing areas but no coal seams have yet been assessed on the exploration licence.

Anomalies - No anomalous areas are defined on the exploration project at this stage.

Geology - The Company's coking coal projects lie within the Orkhon-Selenge (OSA) coal-bearing basin that includes wide-spread coal seams.

Base Value

The base Holding Cost value represents the exploration cost for a set period of the tenement adjusted for the grant status of the Tenement and the equity held. The current BHC for exploration projects or tenements at an early stage is the average expenditure for the first year of the licence tenure. This is considered to **be A$500 per square kilometre** for green fields Projects with prospective geology. Equity and Grant factors are set at 100% at this stage of the valuation. The area of the tenement is 5.7 square kilometres and the conceptual budget to hold the project is estimated at approximately A$3000.

Comparable Transactions Method

The Comparable Transaction method is considered for the exploration ground at Hurimt as a secondary method. The exploration ground technical value accounts for less than 1% of the assessed value of the Company's mineral assets.

The Hurimt XV-01451 exploration ground is placed in Group A of the Exploration Ground assessment, that includes Greenfields Projects with prospective geology and may include extensive exploration history and some areas of interest. Some targets are yet to be explored.

The Low-Quality category based on the early stage of current knowledge attracts a range of values for the Group of <$1,000 to $4,000 with a range of A$1,100 to A$2,000 per square kilometre ascribed to the Hurimt project. The Hurimt exploration licence was reduced in area to 5.7 square kilometres and the sale value for the tenement is considered to be a notional minimum equivalent to the Geo rating Method assessment of ~$60,000.

The final technical value is considered to be the Geo Rating Method assessment.

Summary of Technical Value

TECHNICAL VALUE, A$M				
	Equity	**Low**	**High**	**Preferred**
Mineral Resources				
Ovoot Coal Project	100%	40.81	65.84	53.33
Nuurstei	90%	1.14	1.62	1.38
Exploration Ground				
Hurimt: XV-014510	100%	0.05	0.07	0.06
Total		**42.00**	**67.53**	**54.77**

PROJECT ASSESSMENT		PROJECT ASSESSMENT		PROJECT ASSESSMENT	
Ovoot: MV-017098		Nuurstei: MV-020941		**Hurimt: XV-014510**	
Project Quality Review		**Project Quality Review**		**Project Quality Review**	
Technical Value Assessment		***Technical Value Assessment***		***Technical Value Assessment***	
JORC Category		*JORC Category*		*JORC Category*	No Resources
Measured	70%	*Measured*	0%		
Indicated	26%	*Indicated*	37%		
Inferred	4%	*Inferred*	63%		
Mining factors	Underground	*Mining factors*	Underground	*Mining factors*	No Information
Metallurgical factors	No Issues	*Metallurgical factors*	No Information	*Metallurgical factors*	No Information
Environmental factors	No Issues	*Environmental factors*	No Issues	*Environmental factors*	No Issues
Feasibility	Scoping Studies	*Feasibility*	Not determined	*Feasibility*	Not determined
Assessment	*Group C*	*Assessment*	*Group B*	*Assessment*	*Group A*
***Group C**: Projects with Feasibility studies and possibly at development stage. Discounted Cash Flow analysis an alternative valuation method. Range: 0.025% to 0.15% of spot price*		***Group B**: Advanced Projects with significant, well-regarded Mineral Resources. Includes Measured and Indicated resources. Range: 0.01% to 0.10% of spot price*		***Group A**: Greenfields Projects with prospective geology; may include extensive exploration history and some areas of interest. Some targets yet to be explored. A$ per square kilometre: A$1,000 to A$4,000; Prospectivity Index Range - 2 to 8*	
Comparable Transactions	*Monash, Vickery, Olive Downs, Cuesta, COK*	*Comparable Transactions*	*Malabar, Carmichael, FSE, North Surat*	*Comparable Transactions*	*Exploration Ground Database analysis*

Ovoot: MV-017098	Primary Method		Nuurstei: MV-020941	Primary Method		Hurimt: XV-014510	Secondary Method	
Technical Value, A$M		**Mineral Resource**	**Technical Value, A$M**		**Mineral Resource**	**Technical Value, A$M**		**Exploration Area**
Coal Price, A$	$247.50		Coal Price, A$	$247.50				
M Tonnes	281.100		*M Tonnes*	12.850		*Area, km2*	5.690	
% of Spot Price	**Low**	**High**	*% of Spot Price*	**Low**	**High**		**Low**	**High**
Assessed Rate	0.073%	0.100%	*Assessed Rate*	0.037%	0.050%			
A$/t	$0.18	$0.25	A$/t	$0.09	$0.12	A$/km2	$1,100	$2,000
Value, A$M	50.730	69.572	Value, A$M	1.189	1.590	Value, A$M	0.006	0.011
Equity	100%		***Equity***	90%		***Equity***	100%	
	Low	**High**		**Low**	**High**		**Low**	**High**
Equity Value, A$M	50.73	69.57	Equity Value, A$M	1.07	1.43	Equity Value, A$M	0.006	0.011

Secondary Method - Geo Rating			Secondary Method - Geo Rating			Secondary Method - Geo Rating		
GEO RATING SUMMARY			**GEO RATING SUMMARY**			**GEO RATING SUMMARY**		
Ovoot			**Nuurstei: MV-020941**			**Hurimt: XV-014510**		
Project Area	51.44		Project Area	8.61		Project Area	5.69	
BHC/km2	20,000	Advanced	BHC/km2	5,000	Advanced	BHC/km2	500	Group A
Budget, A$	1,030,000		Budget, A$	40,000		Budget, A$	2,850	
Geo Factors	**Low**	**High**	**Geo Factors**	**Low**	**High**	**Geo Factors**	**Low**	**High**
Off Property	2.00	2.25	Off Property	2.00	2.25	Off Property	2.00	2.25
On Property	2.50	2.75	On Property	2.25	2.50	On Property	2.00	2.25
Anomaly	3.00	3.25	Anomaly	3.00	3.25	Anomaly	2.00	2.25
Geology	2.00	3.00	Geology	2.50	2.75	Geology	2.00	2.25
Prospectivity Index	30.00	60.30	Prospectivity Index	33.80	50.30	Prospectivity Index	16.00	25.60
Technical Value, A$M			**Technical Value, A$M**			**Technical Value, A$M**		
Value, A$M	30.90	62.11	Value, A$M	1.35	2.01	Value, A$M	0.046	0.073

Equity	100%		***Equity***	90%		***Equity***	100%	
Equity Value, A$M	30.90	62.11	Equity Value, A$M	1.22	1.81	Equity Value, A$M	0.046	0.073

Average Technical - Equity Value, A$M			Primary Technical - Equity Value, A$M			SecondaryTechnical - Equity Value, A$M		
Ovoot	**Low**	**High**	**Nuurstei: MV-020941**	**Low**	**High**	**Hurimt: XV-014510**	**Low**	**High**
Primary Method	50.73	69.57	Primary Method	1.07	1.43	Primary Method		
Secondary Method	30.90	62.11	Secondary Method	1.22	1.81	Secondary Method	0.046	0.073
Average	40.81	65.84	Average	1.14	1.62	Average	0.046	0.073
Preferred Value	**53.33**		***Preferred Value***	**1.38**		***Preferred Value***	**0.059**	
Resource M tonnes	281.10		*Resource M tonnes*	12.85		***Area***	**5.69**	
A$/t	0.19		*A$/t*	0.11	0.13	*A$/km2*	8,014.06	

MARKET VALUE

Market Premium or Discount

Mineral Assets are volatile in nature and show marked cyclicality. In boom times the market may pay a premium over the technical value for high quality Assets (i.e. assets that hold defined resources that are likely to be mined profitably in the short-term or projects that are believed to have the potential to develop into mining operations in the short term even though no resources have been defined). On the other hand, in times of bust conditions exploration tenements that have no defined attributes apart from interesting geology or a good address may well trade at a discount to technical value.

The coking coal prices over the decade or so has shown considerable variability. It has been reasonably steady over the three years and at a higher level to the 2014 – 2016 period. The coal price chosen for this valuation is consistent with the average over the recent past.

The Outlook for Global Coal Demand and Supply

To assess the outlook for coal, the Reserve Bank of Australia considered the medium- to long-term forces shaping demand and supply for both thermal and metallurgical coal. The outlook for thermal coal demand will largely depend on how energy generation evolves and, in particular, how fast renewable and alternative electricity generation displaces coal-powered generation. Meanwhile, global metallurgical coal demand will largely be driven by global growth in steel production and changes in steelmaking technologies.

In the long run, there is considerable uncertainty around the outlook for coal consumption. Demand will depend on many factors that are difficult to forecast, including the pace of economic growth in developing economies, changes in the cost and capabilities of different technologies (particularly for renewable energy and steel production), and changes to government policies.

Source: Reserve Bank of Australia, 2019, The Changing Global Market for Australian Coal, RBA Bulletin, September 2019.

Mongolia Economic Outlook - Economic growth slowed but remained strong. The slowdown was due to weaker fixed investment and export growth. In terms of industrial production output was strong across all three sectors: mining and quarrying; manufacturing; and electricity, thermal energy and water supply. In less positive news, however, development of the Oyu Tolgoi gold-copper mine's underground copper extraction section, which could turn the mine into the world's third largest source of copper, continues to face problems; in July, operator Rio Tinto warned of further delays and costs reaching up to USD 1.9 billion.

Mongolia Economic Growth - The economy is seen slowing slightly this year, partly as China, Mongolia's key trading partner, faces a slowdown of its own. More positively, the expansion of the Oyu Tolgoi operation should underpin fixed investment and industrial production growth.

Source: https://www.focus-economics.com/countries/mongolia, August 20, 2019

Agricola considers that the Ovoot Coal Project is advanced and currently undergoing Definitive Feasibility Studies. The earlier Pre-Feasibility Study on the small Ovoot Early Development Project indicated positive results which are encouraging for further development of the project. These technical aspects have been taken into account in the selection of the % of spot price metrics.

The coking coal price chosen for this valuation is at about to average over the last few years and consistent with the market conditions. Based on the assessment of the coal projects in Mongolia, Agricola is not aware of any reason why the market value of the project areas would be different from the technical value. Agricola considers **that no premium or discount** should be applied to the Ovoot Project This is supported by the results of the comparable transactions methodology.

For the Nuurstei and Hurimt projects the technical value represents Market Value in its construction and assumptions. These elements when viewed in the light of Mongolian economic growth and the forecast decline in coking coal price suggests that **no premium or discount** should be applied to the Nuurstei and Hurimt coking coal projects held by the Company.

Market Value Assessment – A$ Million

Market Value Assessment			*Market Value Assessment*			*Market Value Assessment*		
Ovoot: MV-017098			*Nuurstei: MV-020941*			*Hurimt: XV-014510*		
Legal	No Issues		*Legal*	No Issues		*Legal*	No Issues	
Commercial	No Issues		*Commercial*	No Issues		*Commercial*	No Issues	
Market Conditions	Low Risk		*Market Conditions*	Low Risk		*Market Conditions*	Low Risk	
Market Factor	1.00		*Market Factor*	1.00		*Market Factor*	1.00	
	Low	High		Low	High		Low	High
Market Value	40.81	65.84	**Market Value**	1.14	1.62	**Market Value**	0.046	0.073
Preferred Value	**53.33**		***Preferred Value***	**1.38**		***Preferred Value***	**0.059**	

Previous Valuations of the Coal Assets in Mongolia

Aspire's primary asset is the 100% owned Ovoot coking coal project ("Ovoot") in northern Mongolia. Ovoot contains high-quality hard coking coal, featuring very high energy and vitrinite content and low ash. Aspire have announced a total coal resource of 281 million tonnes for Ovoot with the majority amenable to open cut mining operations.

Aspire also holds 90% of the Nuurstei coal project further to the east with a total coal resource of 12.8 million tonnes. The Company also held a number of early stage coal projects in Mongolia.

The Mongolian Coal Assets were most recently valued in October 2018 by Agricola.

Summary of the Valuation Elements 8 October 2018:

ASPIRE MINING LTD		***Summary Market Value, A$M***		
	Equity	**Low**	**High**	**Preferred**
Mineral Resources				
OVOOT	100%	33.03	59.45	42.94
NUURSTEI	90%	0.81	1.62	1.22
Exploration Areas				
Ovoot: XV-017003	100%	0.12	0.21	0.17
Hurimt: XV-014510	100%	0.18	0.37	0.27
Myngan: XV-017922	100%	0.01	0.01	0.01
GRAND TOTAL		**34.14**	**61.67**	**44.60**

The Ovoot XV-017003 and Myngan XV-017922 Exploration Licences are not included in the 2019 valuation.

COMPARISON OF VALUATIONS						
	Oct-19			Oct-18		
	Mt	**Low**	**High**	**Mt**	**Low**	**High**
Ovoot: MV-017098	281.10	0.07%	0.10%	281.1	0.05%	0.09%
Nuurstei: MV-020941	12.9	0.04%	0.05%	12.9	0.03%	0.06%
Hurimt: XV-014510	5.7	$1,100	$2,000	5.7	1,100.00	2,000.00
Coking Coal Price, A$/t	247.50			235.00		
Market Value Range		42.0	67.5		34.1	61.7
Preferred Value, A$M			54.8			47.9

Significant differences in the two valuations include the following:

- increase in the % of Spot Price metric for Ovoot based on the advanced state of the Main area, the PFS for the OEDP Project and the DFS in progress.
- 5% increase in the coking coal price selected for the valuation based on the KPMG consensus forecasts.
- The Hurimt Exploration Licence has been reduced from 137.15 km^2 to 5.69 km^2.

Recent Transactions for Coking Coal Projects

To support the market value for the Company's Project, Agricola has reviewed recent market transactions in Australia for hard coking coal assets involving sale and purchase of tenements with estimated Coal Resources reported in accordance with the JORC Code. A short data base of operating property transactions was compiled and verified by Agricola that included recent divestments of Rio Tinto to Glencore and other purchasers. Agricola recognizes that a significant premium is applicable to operating projects with estimated Coal Reserves and that has been estimated to be double that of assets at Pre-feasibility stage.

The Valeria and Olive Downs Projects indicate similar metrics to the Ovoot Coal Project.

In March 2018, Glencore reached agreement to acquire Rio Tinto's 82% interest in the Hail Creek coal mine and adjacent coal resources, as well as its 71.2% interest in the Valeria coal resource in central Queensland for a total cash consideration of US$1.7 billion.

The Hail Creek mine is located 120 kilometres south-west of Mackay and in 2017 produced about 9.4 million tonnes of coal for export from the Dalrymple Bay Coal Terminal. Hail Creek is a large-scale, long-life and low-cost mine producing two-thirds premium quality hard coking coal and one-third thermal coal for export. Hail Creek had JORC resources of 794 million tonnes with proven and probable reserves of 142 million tonnes.

The Valeria thermal coal deposit is located 265 kilometres west of Rockhampton and 67 kilometres south-east of our Clermont managed coal operation. It has JORC resources of 762 million tonnes.

In May 2016, Pembroke Resources announced that it had acquired interests in metallurgical coal tenements that collectively encompass the Olive Downs Complex in Queensland's Bowen Basin.

The Olive Downs Complex comprises Olive Downs South (ODS), Willunga, and Olive Downs North (ODN), with rights to four Exploration Permits for Coal and two Mine Leases (both for ODN). Pembroke has acquired a 100 percent interest in ODS and Willunga. Subject to the approval of the minority partners, the company has agreed to acquire an 87.3 percent interest in ODN. The total consideration is AUD120M plus an agreed royalty. Olive Downs Project includes 813 million tonnes of coal resources and 514 million tonnes of Coal Reserves based on 90% metallurgical coking coal.

RECENT COKING COAL PROJECT TRANSACTIONS

Project	**Date**	**Equity**	**Sale Price**	**Value of 100% Equity**	**Coal Resources**					$247.50	
					Measured	**Indicated**	**Inferred**	**Total, Mt**	**A$/t**	**% of spot***	**Status**
Hard Coking Coal Projects											
High Value Outliers											
Kestral	Mar-18	80%	2250	2,813	1	139	100	240	11.72	4.74%	Operating
Hail Creek	Mar-18	82%	2050	2,500	91	462	48	601	4.16	1.68%	Operating
Wotonga South	Jun-18	100%	30	30	18.7	3.6	1	23	1.29	0.52%	Feasibility
Standard group											
Winchester South	Mar-18	75%	300	400	130	300	100	530	0.75	0.30%	Operating
Valeria	Mar-18	71.2%	150	211	-	698	64	762	0.28	0.11%	Operating
Olive Downs	Apr-18	100%	120	120	272.4	333.6	206.8	813	0.15	0.06%	Operating
Gregory Crinum	May-18	100%	100	100	0.3	112	69.7	182	0.55	0.22%	Operating
Weighted Average				**831**				**2,287**	**0.36**	**0.15%**	
Hard Coking Coal - Aspire Mining Limited											
Ovoot Coal, Mongolia	Oct-19	100.00%	53.3	53.3	197	72.3	11.8	281	0.19	0.08%	Feasibility

*Comparison of Aspire valuation with Operating Mine transactions. * Based on A$247.50/t*

VALUATION OPINION

Summary of the Valuation Elements:

MARKET VALUE, A$M				
	Equity	**Low**	**High**	**Preferred**
Mineral Resources				
Ovoot Coal Project	100%	40.8	65.8	53.3
Nuurstei	90%	1.1	1.6	1.4
Exploration Ground				
Hurimt: XV-014510	100%	0.05	0.07	0.06
Total		**42.0**	**67.5**	**54.8**

- ***Based on an assessment of the factors involved, the estimate of the market value for the Company's equity in the Mongolian Coal Projects, is in the range of:***

A$42.0 million to A$67.5 million with a preferred value of A$54.8 million.

This valuation is effective on 1 October 2019.

This Mineral Asset valuation endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation (the Spencer Test). *It applies to the direct sale of existing equity in the Projects at the date of this Report.*

Sensitivity to Coal Price

Sensitivity to Coking Coal Price Movements			
Price, A$/t	**Low, A$M**	**High, A$M**	**Preferred, A$M**
200	37.0	60.7	48.9
225	39.6	64.3	52.0
250	42.3	67.9	55.1
275	44.9	71.5	58.2
300	47.5	75.1	61.3

The current valuation is compiled at a hard-coking coal price of A$247.50 per tonne.

DECLARATIONS, RISK AND INDEPENDENCE

Declarations

Relevant codes and guidelines

This Report has been prepared as a Mineral Asset Valuation Report in accordance with the Australasian Code for Public Reporting of Technical Assessment of Mineral Assets (the "VALMIN Code", 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the ASIC which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011). Agricola regards RG112.31 to be in compliance whereby there are no business or professional relationships or interests, which would affect the expert's ability to present an unbiased opinion within this report.

Where exploration results and Coal Resources have been referred to in this report, the information was prepared under the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* ("JORC Code" 2012), prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia. [1]

Sources of Information

The statements and opinion contained in this report are given in good faith and this review is based on information provided by the title holders, along with technical reports by consultants, previous tenements holders and other relevant published and unpublished data for the area. Agricola has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, currency and completeness of the technical data upon which this report is based. A final draft of this report was provided to the Company, along with a written request to identify any material errors or omissions in the technical information prior to lodgement.

In compiling this report, Agricola did not carry out a site visit to the Project areas. Based on its professional knowledge, experience and the availability of extensive databases and technical reports made available by various Government Agencies, Agricola considers that sufficient current information was available to allow an informed appraisal to be made without such a visit.

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[1] ASIC, 2011, Content of Expert Reports, Regulatory Guideline 111, March 2011.

ASIC, 2011, Independence of Experts, Regulatory Guideline 111, March 2011.

JORC, 2012. Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves (The JORC Code).

VALMIN, 2015, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code).

This Report may contain statements that are made in or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. These statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72 (clauses 6 and 7). [2]

The independent valuation report has been compiled based on information available up to and including the date of this report. The information has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to value. However, Agricola does not warrant that its enquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose.

Qualifications, Experience and Competence

The person responsible for the preparation of this report is:

Malcolm Castle, B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM

> Malcolm Castle has over 50 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company over 30 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including uranium, gold, base metals, iron ore, coal and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical audits in many countries. He has completed numerous Independent Geologist's Reports and Mineral Asset Valuations over the last decade as part of his consulting business.
>
> Malcolm Castle has served as a Non-Executive Director on the Board of East Energy Resources Ltd, A public Australian company with coal deposits in the Adavale Basin in Queensland from December 2007 to 24 November 2011. He has recently carried out valuations on coal deposits held by Aspire, East Energy Resources Ltd and the Fox Resources Limited on coking coal deposits in the Adavale Basin and the Bundaberg Area.
>
> Mr Castle has been involved in the Coal industry as a non-executive director and specialist in coal deposit valuation for over 10 years and is familiar with important aspects of the industry and the projects held by Aspire in Mongolia. Agricola and Mr Castle carried out a valuation on the Coal Deposit in Mongolia held by Aspire in October 2015 and October 2018.
>
> Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc. (Hons) degree. He has completed

[2] ASIC Corporations (Consents to Statements) Instrument 2016/72, 11 March 2016.

postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Mr Castle is the Principal Consultant for Agricola Mining Consultants Pty Ltd, an independent geological consultancy established 30 years ago. He is a Member of the Australasian Institute of Mining and Metallurgy ("MAusIMM").

- Mr Castle is appropriately qualified geologist and is a member of a relevant recognized professional association;
- He has the necessary technical and securities qualifications, expertise, competence and experience appropriate to the subject matter of the report; and
- He has at least ten years of suitable experience in the particular technical or commercial field in which he is to report.

Declaration – VALMIN Code: The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Malcolm Castle, who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle is not an employee of the Company. Malcolm Castle has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity, which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – JORC Code: The information in this report that relates to Exploration Results and Coal Resources of the Company is based on, and fairly represents, information and supporting documentation reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code, 2015 and in the 2014 Edition of the 'Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves'. Mr Castle consents to the inclusion in this report of the matters based on the information and supporting documentation in the form and context in which they appear.

Agricola or Malcolm Castle is not aware of any new information or data, other than that disclosed in this Report, that materially affects the assessments included in this Report and that all material assumptions and parameters underpinning Exploration Results and Coal Resource Estimates continue to apply and have not materially changed.

Independence

Agricola, Mr Castle or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the projects. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

- Agricola and Mr Castle has had no material association during the previous two years with the owners/promoters of the mineral assets, Mr. Tserenpuntsag, his related parties, companies controlled by him, and their affiliates, associates, and subsidiaries, the assets or any of the assets to be acquired and has no material interest in the projects;
- There are no business relationships between Agricola and the Company, Mr. Tserenpuntsag, his related parties, companies controlled by him, and their affiliates, associates, and subsidiaries. Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company. The relationship with the Company is solely one of professional association between client and independent consultant;
- Agricola does not hold and has no interest in the securities of the company under review; Agricola has no relevant pecuniary interest, association or employment relationship with the Company and its subsidiaries; Agricola has no interest in the material tenements, the subject of the Report;
- Agricola is not a creditor of an interested party or has a financial interest in the outcome of the proposal. The review work and this report are prepared in return for professional fees of $10,000 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Consent

For the purposes of section 716(2) of the Corporations Act 2001 (Cth), Agricola Mining Consultants Pty Ltd consents to the inclusion of the Independent Valuation Report in the Independent Expert's Report to be lodged with the Australian Securities and Investments Commission.

Agricola provides its consent on the understanding that the assessment expressed in the individual sections of this report will be considered with, and not independently of, the information set out in full in this report. Agricola consents to the use and reliance upon this specialist valuation report on the Mineral Assets in preparation of the IER. Agricola has no reason to doubt the authenticity or substance of the information provided.

Agricola Mining Consultants Pty Ltd has not withdrawn this consent prior to the lodgement of the Notice of Meeting with ASIC.

Yours faithfully

Malcolm Castle

B.Sc.(Hons) MAusIMM, GCertAppFin (Sec Inst)

Agricola Mining Consultants Pty Ltd

This mineral asset valuation endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation (the *Spencer Test).*

Agricola's opinion should be considered as a whole as the various elements of its analysis are often interdependent. Agricola cautions against examination of individual elements of its analysis as this may create a misleading impression of the overall opinion.

APPENDIX – Valuation Approaches and Methods

Scope of the Valuation Report

A valuation report expresses an opinion as to monetary value of a mineral asset but specifically excludes commentary on the value of any related corporate securities. Agricola prepared this Report utilizing information relating to exploration methods and expectations provided to it by various sources. Where possible, Agricola has verified this information from independent sources. This Report has been prepared for the purpose of providing information to the Expert.

This mineral asset valuation endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation.

This is commonly known as the *Spencer Test* after the Australian High Court decision upon which these principles are based and to which the Courts have used in their determinations of market value of a property[3]. In attributing the price that would be paid to the hypothetical vendor by the hypothetical purchaser it is assumed that the property will be put to its "highest and best use".

Applying the *Spencer Test* may not be confined to a technical valuation exercise but may involve a consideration of market factors. In a highly speculative market during 'boom' conditions or a depressed market during 'bust' conditions the hypothetical purchaser may expect to pay a premium or receive a discount commensurate with the current market for mineral properties.

The findings of the valuation Report include an assessment of the technical value (i.e. the value implied by a consideration of the technical attributes of the asset) and a market value (which considers the influences of external market forces and risk). A range of values (high, low and preferred) has been determined and stated in the Report to reflect any uncertainties in the data and the interaction of the various assumptions made.

The main requirements of the Valuation Report are:

- Prepared in accordance with the 'Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets' ('VALMIN Code 2015') and the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC Code 2012');
- Contain all the information that investors and their professional advisors would reasonably require and expect to find to make an informed decision on the subject of the report;
- Experience and qualifications of key personnel to be set out;

[3] Spencer v. Commonwealth 5 CLR 418, 1907.

- Details of valuation methodologies to be described;
- Reasoning for the selection of the valuation approach adopted explained;
- Details of the valuation calculations included; and
- Conclusion on value as a range with a preferred value.

The report will include the following:

- A competent person's statement, that demonstrates the requirements of a practitioner under section 2.2 of the VALMIN Code 2015;
- The basis of the consideration and approximate fee for the report to comply with section 6.3 of the VALMIN Code 2015; and
- Compliance with section 7.2 of the VALMIN Code 2015, relating to Status of Tenure.

Experience and Independence

The valuation specialist must have the appropriate *qualifications and exploration experience* relevant to the commodity being valued, so that the requirements of the VALMIN Code 2015 can be satisfied. Experience and qualifications must be explained, and the specialist should be independent of the commissioning entity.

Reasonableness and Transparency

Reasonableness requires that an assessment that is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation. *(VALMIN Code 2015, clauses 4.1)*

Transparency requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of material information. *(VALMIN Code 2015, clauses 3.3)*

Rounding to Significant Figures

Estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the mineral occurrence and on the available sampling results. Reporting of figures should reflect the relative uncertainty of the estimate by rounding off to appropriately significant figures and to emphasize the imprecise nature of a Mineral Asset Valuation. (Adapted from *JORC Code 2012, Clause 25)*

Market Value of Mineral Assets

Exploration mineral assets (including Coal Resources) are defined as mining and exploration tenements held or acquired in connection with the exploration, and development of mineral resources estimated in accordance with the JORC Code (2012 Edition).

The VALMIN Code 2015 defines market value of a mineral asset as the estimated amount of money or the cash equivalent or some other consideration for which, in the opinion of the Specialist reached in accordance with the provisions of the VALMIN Code, the mineral asset should change hands on the effective valuation date between a willing buyer and a willing seller in an arm's length transaction, wherein each party has acted knowledgeably, prudently and without compulsion.

The VALMIN Code notes that the value of a mineral asset usually consists of two components; the underlying or *Technical Value* which relates to the particular project under consideration and is independent of external influences, and the *Market Value* which includes a component relating to market, strategic or other considerations which, depending on circumstances at the time, can be either positive, negative or neutral. When the Technical and Market components of value are assessed the resulting value is referred to as the *Market Value.* Values are usually expressed as a range of estimates from Low to High to emphasise the risk and assumptions and a Preferred value.

Methods of Valuing Mineral Assets

The VALMIN Code classifies mineral assets according to their maturity.

Exploration areas - Mineralisation may or may not have been defined, but where a Mineral Resource has not been identified

Advanced exploration areas - Considerable exploration has been undertaken and specific targets identified. Sufficient work has been completed on at least one prospect to provide a good geological understanding and encouragement that further work is likely to result in the determination of a Mineral Resource.

Pre-development/ Resource - Mineral Resources and/or Ore Reserves have been identified estimated. A positive development decision has not been made. This includes properties where a development decision has been negative, and properties are either on care and maintenance or held on retention titles.

Development - Committed to production but not yet commissioned or not initially operating at design levels.

Operating - Mineral properties, in particular mines and processing plants, which have been fully commissioned and are in production.

Market Value

The VALMIN Code (2015) defines the Market Value as the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion. In essence, Market Value is comprised of:

- Underlying or 'technical value', which is an assessment of a mineral asset's future economic benefit under a set of assumptions, excluding any premium or discount

for market, strategic, or other considerations.
- Market component, which is a premium relating to market, strategic or other considerations, which can be either positive, negative, or zero.

The Market Value should include all material information relative to the asset. For projects with extensive technical detail, the valuer determines materiality of information based on whether its inclusion would result in the valuation reaching a different conclusion.

Valuation Methodology

Values should preferably be derived using a primary and a secondary method to ensure *reasonableness and transparency of the assumptions used*. The methods applied depend on the nature of the valuation, the development status of the mineral property and the extent and reliability of available information.

The valuation of a mineral exploration project is an imperfect process, in part due to inadequate information on numerous value drivers, but also to the common ad-hoc application of overly simplistic valuation methodologies such as rules-of-thumb which may be used by prospective purchasers to compare valuations.

There are three generally accepted valuation approaches in the mining industry:

- ➢ The **income-based approach** assumes that a valuer can model the future economic returns of a mineral asset based on the information available at the valuation date. The income-based approach is best suited for the valuation of individual assets for which a large amount of technical data has already been collected or can be estimated. This approach generally involves the construction of a discounted cash flow ("DCF") model based on a project development concept and may include sophisticated risk analysis and simulation. *(The DCF Method)*

Despite its sophistication, the income-based approach has limitations in that it may not fully reflect the market value and only partially address the estimated mineral resource. It relies on a number of subjective inputs (e.g. the appropriate discount rate, metal price forecasts, inflation) and excludes assets without considerable technical detail, such as in scoping and pre-feasibility studies.

- Discounted cash flow analysis estimates the value of a project as if it were being developed under the prevailing economic conditions. Once a Mineral Resource has been assessed for its mining potential by considering revenues and operating costs, the economically viable component of the resource becomes the Ore Reserve. When this is scheduled for mining, and the capital costs and tax regime are considered, the net present value ("NPV") of the project is established by discounting future annual cash flows at an appropriate rate.
- The resulting "classical" NPV has several deficiencies based on the method's assumption that once commissioned, the course of action is irreversible, and that the prevailing economic conditions will eventuate as predicted.

- ➢The **market-based approach** uses the transaction prices of projects in similar geographical, geopolitical, and geological environments to derive a market value using a process similar to that in the real estate industry. The market-based approach may use the assumption either of joint venture terms or outright acquisitions and can be presented in range of unitized values including on a dollar per ounce or tonne of contained metal/mineral, dollar per square kilometre, or as a percentage of the prevailing commodity price. *(the Comparable Transactions Method)*

The Market Approach and the comparable transactions method can take several forms depending on the circumstances and conditions of the assets being valued.

- For mineral resource estimates, the comparable transactions method is based on the transaction amount and the quantity of metal. The selection of appropriate transactions may depend on factors such as the quality and grade of the asset being values compared to the quality and grade of metal in the comparable transactions. Transactions are usually expressed as $ per unit of metal (eg tonnes or ounces). *($/tonne: Transaction value divided by number of metal units)*
- The transactions are time specific and relate to the then-current metal prices. To normalize the information, it is often expressed as the value in terms of percent of spot price. *(% of spot price: Metal price divided by $/tonne*)
- For exploration ground where no mineral resources have been estimated in accordance with the JORC Code 2012, the transaction value is expressed as $ per square kilometre. In the absence of any other information and where no other multiple can be applied, this approach is reasonable as a secondary valuation method. *($/km^2: Transaction value divided by number of square kilometres)*

- ➢The **cost-based approach** usually employs the geoscientific rating or Kilburn method, is an attempt by the valuer to quantify the various technical aspects of a property through applying multipliers to a base or intrinsic value. This intrinsic value is known as the base holding cost ("BHC"), which represents "the average cost to identify, apply for, and retain a base unit of area of title". To arrive at a value for each property, the valuer considers four key attributes, which either enhance or downgrade the BHC of each property. *(The Geo factor Method)*

When dealing with early-stage exploration projects, where a potentially economically viable deposit has not yet been identified and delineated, the valuation methodologies used are inevitably reliant upon subjective opinion. Such methods generally rely upon previous or anticipated future expenditure (the cost-based approach) and a comparison with the sales prices of projects with similar characteristics (the market-based approach). The following points describes the main factors that determine the value of an early or advanced stage exploration property:

- *Discovery Potential:* potential for the existence and discovery of an economic deposit;
- *Geological Attributes:* viability of a particular deposit grade (high or low) may depend of the amount of impurities in the ore. Separation of impurities gives rise to higher cost. A low-grade ore will mean more material has to be processed to produce a tonne of metal versus a higher-grade ore;
- *Mineralization:* exploration results and areas of interest, neighboring properties;
- *Mineral Resource Estimates:* compiled in accordance with the JORC Code 2012;
- *Scoping Studies and Pre-Feasibility Studies:* that give an indication of future viability and different development approaches;
- *Infrastructure:* a fully developed infrastructure will benefit mines through cheaper and more efficient transport links, water supply, energy supply;
- *Access and Location:* area and location of an exploration property. Exploration properties in established mining areas often have a premium value because of the higher perceived potential for discovery of a mineral deposit, and because of developed infrastructure;
- *Permitting:* The availability of permits such as environmental or social license to operate is considered a critical factor.

Valuation Approach	Valuation Method
Income	Discounted Cash Flow (DCF)
	Monte Carlo Simulation of DCF
	Real Option
	Actual Transactions on Property
	Comparable Transactions on projects at a similar stage
Market	Comparable Transactions – Value per unit of metal
	Comparable Transactions – Value per unit of area
	Rules of Thumb
Cost	Option, Farm In, JV Agreement Terms
	Geoscience (Geo Rating) Factor
	Appraised Value
	Multiple of Exploration Expenditure

Summary of Valuation Methods for Mineral Assets

Comparable Transactions Method for Mineral Resource Estimates

The commonly employed methods of Mineral Resource valuation are:

- *Comparable market value method* – Comparing other mineral asset sales with the current mineral asset, usually on the basis of value per metal unit - $ per tonne, $ per ounce, % of Spot Price (the Primary method) and
- *Geo Factor (Geoscience) rating methods* – Often used for an area that contains the mineral resource. The conceptual budget (based on the holding cost and area) should reflect the advanced nature of the tenement. This may be employed as a secondary method.

Methods using a market approach are applicable to all types of mineral properties. The comparable transactions method is often used to place a value on mineral property transactions used for comparative purposes, since most mineral property transactions are not cash sales. The effective date of the valuation is important, therefore comparable transactions should be within a reasonable time from that date. An alternative approach to this problem is to estimate the percent of metal price and 'normalize' the current valuation against current metal price.

The comparable transaction method uses the transaction price of comparable properties to establish a value for the subject property. The difficulty of this approach in the mining industry is that there are no true comparables (unlike real estate or oil and gas), since each property is unique with respect to key factors such as geology, mineralization, costs, stage of exploration, and infrastructure. In addition, there are relatively few transactions for mineral properties compared to the frequency of real estate transactions in general. When transactions do occur they rarely involve strictly cash, leaving the valuator the task of converting blocks of shares, royalties or option terms into present day money equivalent.

In spite of the above qualifications, transaction prices of comparable properties can indicate a range of values for a particular property. Exploration property transactions also give an indication of how active the market may be at any given time. For example, in recent years there have been relatively few exploration property transactions across Canada because of the depressed state of the exploration and mining industries. Consequently, market values have been relatively low.

As discussed previously, the value of an exploration property depends on its potential for the existence and discovery of an economic mineral deposit. The potential of a mineral exploration property depends to some extent on its area but depends to a greater extent on its geological attributes, mineralization, exploration results and targets, neighbouring properties, and other factors. There is an analogy with real estate properties in that location is important. Exploration properties in established mining areas often have a premium value because of the higher perceived potential for discovery of a mineral deposit, and because of developed infrastructure.

The main advantage of this method is that it 'ground truths' the value of mineral properties derived by other methods and provides a general measure of relative property values. The main disadvantage is that there are no true comparables; each mineral property is unique as noted above. Subjective judgement is needed to identify similar properties.

Several groups of projects amenable to comparable transactions can be recognized:

Mineral Resource Groups – Comparable Transactions Method	
Group	Characteristics
A	*Early Exploration Projects requiring further work. Includes mainly Inferred resources and Minor Indicated Resource.*
B	*Advanced Projects with significant, well-regarded Mineral Resources. Includes Measured and Indicated resources.*
C	*Projects with Scoping studies and possibly at development stage. Not sufficiently robust or advanced for Discounted Cash Flow analysis.*
D	*Exceptional well-placed projects with special strategic features. High average grades and good mining and metallurgical characteristics, Feasibility Study stage.*
Advanced	*Feasibility Studies and Development plans. High average grades and good mining and metallurgical characteristics. Usually assessed by Discounted Cash Flow analysis*

As no two mineral assets are the same, the Specialist must be cognisant of the quality of the assets in the comparable transactions. Key technical issues that need to be taken into account include:

Mineral Resources – Technical Value:

- JORC Category – overall confidence in the Mineral Resource estimate;
- The grade of the resource; by-products and co-products;
- Mining factors – difficulty and cost of extraction; economies of scale;
- the amount of pre-strip (for open pits) or development (for underground mines) necessary; the likely ore to waste ratio (for open pits);
- Metallurgical factors – processing characteristics; the metallurgical qualities of the resource; anticipated recoveries and waste disposal;
- Environmental factors including chemical safeguards;
- Infrastructure - the proximity to infrastructure such as an existing mill, roads, rail, power, water, skilled work force, equipment.
- Likely operating and capital costs and profitability.

It is also important to note that transactions may include provisions for additional factors such as existing infrastructure and development, arrangement of debt financing, marketing rights, contingent payments and future royalties. Therefore, the price disclosed as paid for a mineral asset may not necessarily equate to the total value of the consideration for the tenement, as it may not include the value of other factors or conditions not readily convertible into cash equivalents. The comparable transactions method is widely used throughout the minerals industry, however, the specialist must take into account that it is retrospective and may not take into account anticipated or recent changes in some of the value drivers, such as commodity prices.

The following aspects of Mineral Resources should be considered:

- *JORC Coal Resource Category*

Mineral and Coal Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. Exploration Targets are recognized as a category with lower confidence. Areas of mineralisation that have not been estimated in accordance with the JORC Code, historical and foreign estimated may not be considered in the assessment.

- *Mining factors or assumptions*

Potential mining methods are considered. The assumptions made regarding mining methods and parameters when estimating Mineral and Coal Resources may not always be rigorous.

- *Metallurgical factors or assumptions*

Potential metallurgical methods are considered. The assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral and Coal Resources may not always be rigorous.

- *Environmental factors or assumptions*

Assumptions made regarding possible waste and process residue disposal options are considered including the potential environmental impacts of the mining and processing operation. While the determination of potential environmental impacts, particularly for a project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reviewed.

- *Infrastructure factors or assumptions*

For remote projects road and rail infrastructure need to be considered. Access agreements may not be in place and negotiations can be difficult.

- *Legal and Commercial issues*

Local, State and Commonwealth support for mining ventures must be considered. Community attitudes can have an impact on the project. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study.

Geo Rating Method for Exploration Ground

The Geo Rating method, is an attempt by the valuer to quantify the various technical aspects of a property through applying multipliers to a base or intrinsic value (This intrinsic value is known as the base holding cost ("BHC"), which represents "the average cost to identify, apply for, and retain a base unit of area of title."

Several groups of exploration ground can be recognized:

Exploration Ground – Geo Rating Method	
Group	Characteristics
A	*Greenfields Projects with prospective geology; may include extensive exploration history and some areas of interest. Some targets yet to be explored*
B	*Mineralised Regional area Adjacent to known small scale resources or old workings*
C	*Mineralised areas of interest within tenements with significant exploration encouragement*
D	*Brownfields areas adjacent to resources; may include Historic Resources and mainly Inferred Resources*
Advanced	*Mineral Resource Areas. Geo Ratings assessment used as a secondary method to Comparable Transactions*

To arrive at a value for each property, the valuer considers four key attributes, which either enhance or downgrade the BHC of each property. The technical factors considered are the:

- Off-property factor – nearby properties containing physical indications of favourable mining conditions such as old workings and/or mines;
- On-property factor – the property hosts favourable mining indications such as historic workings or mines. Importantly any mineralisation capable of supporting a Mineral Resource estimate, compliant according to the guidelines of the JORC Code, will be assessed using other valuation methods;
- Quality factor – assesses the potential mineral type over the property;
- Anomaly factor – assesses the degree of exploration completed over the property and the number of resultant mineralised targets identified;
- the Geological factor – assesses the area covered by and degree of exposure of favourable rock types and/or structures (if this is related to the mineralisation style being assessed) within the property;
- Local/infrastructure – the property is located in close proximity to required infrastructure.

These attributes are given incremental, fractional, or integer ratings to arrive at a series of multiplier factors. These multipliers are then applied sequentially to the BHC to estimate the technical value of the mineral property.

Key technical issues that need to be taken into account include:

Exploration Ground - Technical Value:

- Evidence of mineralization and mines on adjacent properties;
- Proximity to existing production facilities of the property;
- Geological setting of the property;
- Existing mineralization within tenement boundaries;

- The relative size of the landholding;
- Proportion of prospective ground within tenement boundaries;
- Results of exploration activities on the tenement;
- Implications for future successful exploration outcomes.

The rationale behind the Geo Rating method is that the average cost incurred to explore a base unit area (km^2)of a mineral tenement for a period of 12 months at the *current stage of development,* the base holding cost (BHC), represents the minimum value of the unit area of a tenement, else it would be relinquished. The BHC multiplied by the area of the project provides guidance to the *conceptual budget*.

<table>
<tr><th>Rating</th><th>Off Property Factor</th><th>On Property Factor</th><th>Anomaly Factor</th><th>Geological Factor</th></tr>
<tr><td>0.1</td><td></td><td></td><td></td><td>Unfavourable geological setting</td></tr>
<tr><td>0.5</td><td></td><td></td><td>Extensive previous exploration gave poor results</td><td>Poor geological setting</td></tr>
<tr><td>0.9</td><td></td><td></td><td>Poor results to date</td><td>Generally favourable geological setting, undercover</td></tr>
<tr><td>1</td><td>No known mineralisation in district</td><td>No known mineralisation on lease</td><td>No targets outlined</td><td>Generally favourable geological setting</td></tr>
<tr><td>1.5</td><td>Minor workings</td><td>Minor working or mineralised zones exposed</td><td rowspan="2">Target identified, initial indications positive</td><td></td></tr>
<tr><td>2</td><td rowspan="2">Several old workings in district</td><td rowspan="2">Several old workings or exploration targets identified</td><td rowspan="2">Favourable geological setting, with structures or mineralised zones</td></tr>
<tr><td>2.5</td><td rowspan="2">Significant grade intercepts evident, but not linked on cross or long sections</td></tr>
<tr><td>3</td><td rowspan="2">Mine or abundant workings with significant previous production</td><td rowspan="2">Mine or abundant workings with significant previous production</td><td>Significant mineralised zones exposed in prospective host rock</td></tr>
<tr><td>3.5</td><td>Several economic grade intercepts on adjacent sections</td><td></td></tr>
</table>

Summary of the Geo Rating Factors for exploration ground

Compounding multipliers are applied to the *conceptual budget* in an attempt to replicate the acquiring party's evaluation process by taking into account location, maturity, success, prospectivity and the market. The theory is that if the correct factors are applied, the resultant figure should amount to the market value and be close to the comparable transaction method. The strength of the Geo Rating method is that it is transparent and uses a consistent starting point for the valuation process.

The specialist must specify the key aspects of the valuation process and must specify and rank aspects that enhance or downgrade the intrinsic value of each property. The Geo Rating method systematically assesses and grades four key technical attributes (factors) of a tenement to arrive at a "prospectivity index" and is usually expressed as a range of values to reflect the uncertainty of the assessment. Adjustments are made for the status of the tenure (live or pending) and for equity held in the projects.

The four key factors are:

Off-Site - Physical indications of favourable evidence for mineralization, such as workings and mining on the nearby properties. Such indications are mineralized outcrops, old workings through to world-class mines;

On-Site - Local mineralization within the tenements and the application of conceptual models within the tenements. Location and nature of any mineralization, geochemical, geological or geophysical anomaly within the property;

Anomalies - Identified anomalies warranting follow up within the tenements. Geophysical and/or geochemical targets and the number and relative position of anomalies on the property being valued;

Geology - The proportion of structural and lithological settings within the tenements and difficulty encountered by cover rocks and other factors.

Conceptual Budgets and Base Holding Cost (BHC)

The cornerstone of the method is the Basic holding Cost (BHC, also known as the base acquisition cost, BAC). The concept of the BHC is the minimum budget per unit area required to maintain and explore a tenement for the current year at the current stage ranging from early exploration to mineral resource development.

EXPLORATION BUDGET - SUMMARY Average BHC values for project Groups, A$/km^2				
	Group A	Group B	Group C	Group D
Fees, Rent, Native Title	25	25	15	15
Data review	130	35	25	15
Field Surveys	250	125	100	25
Geophysics	50	110	50	50
Drilling		250	425	575
Scoping Studies			25	50
Administration Overhead	45	55	60	70
TOTAL	500	600	700	800
Advanced projects may require a reasonable conceptual budget to be directly estimated, especially for small mining leases.				

Refer to the Groups of Exploration Ground discussed earlier

The BHC is expressed on a dollar per square kilometre basis and an indicative conceptual budget (BHC*Area) must be realistic and reasonable. Different practitioners use differing approaches to calculate the BHC. Agricola has researched and reviewed information on application fees, annual rent and exploration commitments for the states of Australia and other jurisdictions to develop a set of costs and conceptual budgets for the different groups of projects described above.

Market Value

In addition to these technical issues the Specialist has to take particular note of the market's demand for the type of property being valued independent of the technical aspects. As a rule, adjustment of the technical value by a market factor must be applied most judiciously. The comparable transactions approach is often based on sales at the then current market value.

However, the market factors may have changed over the period of the transaction data. An adjustment of the technical value of a mineral tenement should only be made if the technical and market values are materially different.

Market Value:

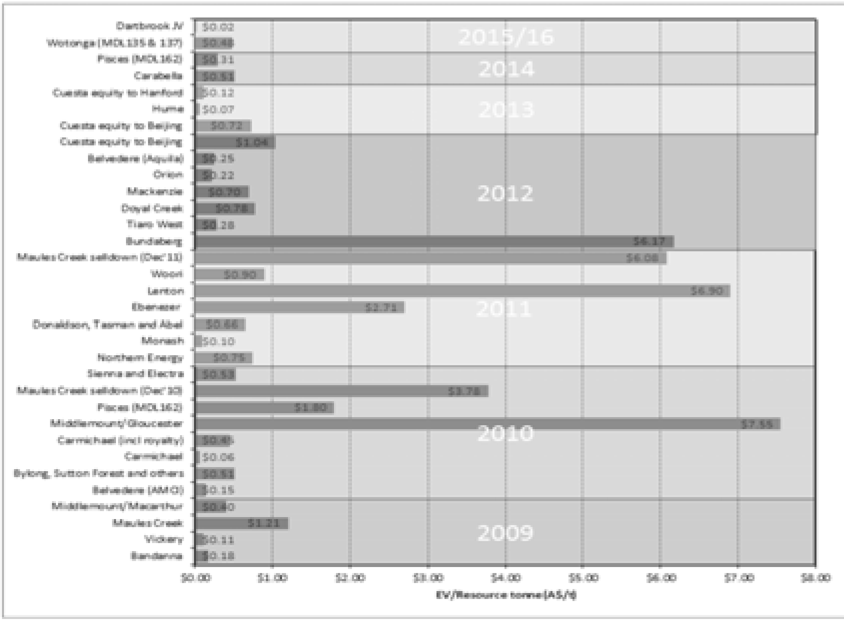
- Legal issues - Native Title, State and National reserves and restrictions;
- Commercial issues - royalties; Joint Venture/Farm In; Administration Risk;
- Market Conditions, supply and demand;
- Commodity Price outlook;
- Country Risk;
- Community resistance;
- Competing projects.

The market may pay a premium over the technical value for high quality mineral assets (i.e. assets that hold defined resources that are likely to be mined profitably in the short-term or projects that are believed to have the potential to develop into mining operations in the short term even though no mineral resources have been defined).

Exploration tenements that have no defined attributes apart from interesting geology or a 'good address' may well trade at a discount to technical value. Deciding upon the level of discount or premium is entirely a matter of the Specialist's professional judgement. This judgement must take account of the commodity potential of the tenement, the proximity of an asset to an established processing facility and the size of the land holding.

Review of Comparable Transactions in the Coal Industry

Agricola reviewed emerging coal company transations from several sources including the Xtrata Mining Consultants valuation report referred to below and has compiled a list of comparable transactions coal company assets based on the EV/resource tonne parameter. These projects are considered to be similar to Ovoot and Nuurstei where there is minimal influence of commercial factors. In Agricola's opinion the EV/resource tonne metric can be accepted as a proxy for coal asset value/resource tonne for these companies.

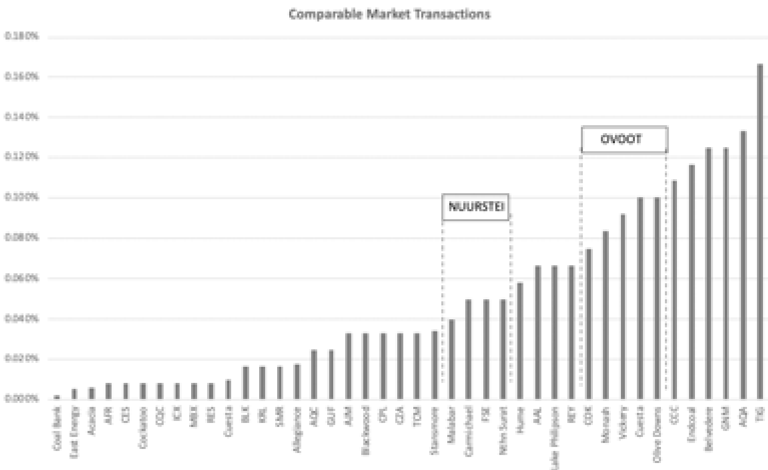


The comparable transactions have been 'normalised based on the coal price of A$120 per tonne.

Nuurstei Comparable Transactions			Ovoot Comparable Transactions		
Company	A$/t	% of Spot	Company	A$/t	% of Spot
CPL	0.040	0.033%	Lake Philipson	0.080	0.067%
CZA	0.040	0.033%	REY	0.080	0.067%
TCM	0.040	0.033%	COK	0.090	0.075%
Stansmore	0.041	0.034%	Monash	0.100	0.083%
Malabar	0.048	0.040%	Vickery	0.110	0.092%
Carmichael	0.060	0.050%	Cuesta	0.120	0.100%
FSE	0.060	0.050%	Olive Downs	0.120	0.100%
Nthn Surat	0.060	0.050%	CCC	0.130	0.108%
Hume	0.070	0.058%	Endcoal	0.140	0.117%

A$/resource tonne metrics for Coal companies over the last few years.

Ranges for Nuurstei and Ovoot highlighted



Position of Ovoot and Nuurstei in the data series

Data Sources:

Matau Advisory Pty Ltd - Cuesta Coal Limited 21 March 2014

Patterson Securities Limited: Mongolian Coal Review – Blessed by Geology 31 July 2012

Australian Pacific Coal Limited Notice of Extraordinary General Meeting and Explanatory Memorandum, 13 April 2017, Xenith Consulting Pty Ltd: Technical Specialist Report on Australian Pacific Coal Ltd Assets

Reserve Bank of Australia, 2019, The Changing Global Market for Australian Coal. RBA Bulletin, September 2019.

Source of Comparable Transactions Data

Xstract has conducted an analysis of recent comparable market transactions and joint venture terms involving eastern Australian coal resource projects to establish recent multiples paid within the market for in-situ coal tonnages.

The comparable transactions data in the charts in this report were extracted from the Xtract Mining Consultants Valuation report included in the following ASX release.

Cuesta Coal Limited, ASX Code: CQC, 2016, Takeover Bid for Cuesta Coal Limited (ASX: CQC): Target's Statement, ASX Release 11 August 2016, *including:*

BDO, 2016, Independent Expert's Report. 2016, Cuesta Coal Limited, In relation to an off-market takeover bid by Longluck Investment (Australia) to acquire all CQC Shares for $0.02485 cash per Share, 8 August 2016, *with attachment:*

Xtract Mining Consultants, 2016, Cuesta Coal Limited, Technical Specialist Report, Prepared for: Cuesta Coal Limited Effective Date: 20 July 2016. Details of the transactions can be found in Appendix C which is reproduced on the following pages.

Comparable market transactions of advance-stage exploration tenements

Date	Coal Basin	Project	Buyer	Seller	Assets Transacted
Sep-09	Bowen	Bandanna	Sarntan	Bandanna	
Oct-09	Gunnedah	Vickery	Whitehaven	Coal &Allied	The 3.45 km2 Vickery project is located in the Gunnedah region of New South Wales, Australia. The project contained a Measured Resource of 100 Mt and 200 Mt of coal ranging in quality from low-ash, high energy thermal to high-volatile soft coking coals. The known coal seams may be amenable to both open-pit and underground mining methods.
Nov-09	Gunnedah	Maules Creek	Aston	Coal &Allied	The Maules Creek project is located in the Gunnedah Basin of New South Wales, Australia. The project contains a near-surface, thermal and coking Measured Resource of 56.7 Mt, Indicated Resource of 218.0 Mt and an Inferred Resource of 123.1 Mt. Little additional information was identified at the time of announcement.
Dec-09	Bowen	Middlemount/Macarthur	Macarthur	Noble	The Middlemount project is located approximately 6 km southwest of the Middlemount township in central Queensland and the Donaldson project is located about 25 km from Newcastle in New South Wales, Australia. The Middlemount low volatile PCI and semi-hard coking coal open pit mining project contained a Proven Reserve of 29.0 Mt and a Probable Reserve of 28.0 Mt contained within a Measured Resource of 30.6 Mt and an Indicated Resource of 37.8 Mt. The Middlemount project also contained an Inferred Resource of 31.7 Mt. The Donaldson underground mine contained an aggregate Proven Reserve of 95.4 Mt and a Probable Reserve of 57.1 Mt contained within a Measured Resource of 545.5 Mt and an Indicated Resource of 217.5 Mt. The Donaldson project also contained an Inferred Resource of 122.4 Mt.
Jun-10	Bowen	Belvedere (AMCI)	Vale	AMCI	
Jul-10	Hunter Valley	Bylong, Sutton Forest and others	Korea, POSCO and Cockatoo	Anglo Coal	The Bylong and Sutton Forest underground projects are located in New South Wales; and the Collingwood, Ownaview and Taroom open pit projects are located in Queensland, Australia. In the Cockatoo Coal Ltd statement, it was reported that the Bylong project contained an Indicated Resource of 150 Mt and an Inferred Resource of 273 Mt; the Sutton Forest project an Indicated Resource of 115 Mt; the Collingwood project an Indicated Resource of 65 Mt and an Inferred Resource of 172 Mt; the Taroom project an Measured Resource of 36 Mt, an Indicated Resource of 89 Mt and an Inferred Resource of 73 Mt; and the Ownaview an Inferred Resource of 171 Mt. The Cockatoo Coal Ltd estimates are used in this valuation calculation.
Aug-10	Bowen	MDL162	Macarthur	MCG Resources	MDL162 is mining tenement located in the Bowen Basin near the town of Blackwater in Central QLD. It has the potential to produce semi hard coking coal and PCI from an open pit mine producing up to 6 Mtpa ROM.
Aug-10	Galilee	Carmichael	Adani Enterprises Ltd	Linc Energy Limited	The ~260 km² EPC1690 is located about 160 km northwest of Clermont in the Galilee Basin of Queensland, Australia. The project contained an Indicated Resource of 500 Mt and an Inferred Resource of 7,300 Mt. Of the define Resources, only about 300 Mt was within 100 m below surface. Across the deposit, raw energy values ranged from 17 Mj/kg to 23 Mj/kg and sulphur ranged from 0.38% to 0.51%%. Linc Energy Ltd reported that if brought into full production, the project may support a 60 Mtpa operation.
Aug-10	Galilee	Carmichael (incl royalty)	Adani Enterprises Ltd	Linc Energy Limited	The ~260 km2 EPC1690 is located about 160 km northwest of Clermont in the Galilee Basin of Queensland, Australia. The project contained an Indicated Resource of 500 Mt and an Inferred Resource of 7,300 Mt. Of the define Resources, only about 300 Mt was within 100 m below surface. Across the deposit, raw energy values ranged from 17 Mj/kg to 23 Mj/kg and sulphur ranged from 0.38% to 0.51%%. Linc Energy Ltd reported that if brought into full production, the project may support a 60 Mtpa operation.
Aug-10	Gloucester	Middlemount/Gloucester	Gloucester	Noble	The Middlemount project is located approximately 6 km southwest of the Middlemount township in central Queensland, Australia. The Middlemount low volatile PCI and semi-hard coking coal open pit mining project contained a Proven Reserve of 29.0 Mt and a Probable Reserve of 28.0 Mt contained within a Measured Resource of 30.6 Mt and an Indicated Resource of 37.8 Mt. The Middlemount project also contained an Inferred Resource of 31.7 Mt.
Dec-10	Gunnedah	Maules Creek selldown (Dec'10)	Itochu	Aston	
Dec-10	Bowen	Sienna and Electra	Boardwalk	Norton Gold	The ~96 km² Sienna and Electra projects are located near Middlemount in central Queensland, Australia. The open pit scoping study project contained an Inferred Resource of 57 Mt of thermal, coking and PCI coal.
Feb-11	Bowen, Surat	Northern Energy	New Hope	Northern Energy	Northern's two main prospective projects are the Maryborough coking coal project and Elimatta thermal coal project, both in Queensland, which analysts believe could require $600 M-plus of Capex against the company's $20 M-odd of cash.
May-11	Gloucester	Monash	Gloucester	Ellemby Holdings	The 22 km2 Monash project is located approximately 95 km north west of Newcastle, New South Wales Australia. The project contained an Indicated Resource of 13.0 Mt and an Inferred Resource of 273.7 Mt of 58% semisoft coking and 42% thermal coal, and is expected to be of large scale underground mining with production of up to 7 Mt per annum. The project is adjacent to Xstrata Plc's Bulga and Beltana coal mines.
May-11	Gloucester	Donaldson, Tasman and Abel	Gloucester	Noble	The Donaldson, Abel and Tasman project are located about 25 km west of Newcastle in New South Wales, Australia. The Donaldson open pit thermal coal mine contained a Proved and Probable Ore Reserve of 2.5 Mt. The Tasman underground thermal coal mine contained a Proved and Probable Reserve of 25.7 Mt within a Measured Resource of 48.9 Mt, an Indicated Resource of 20.7 Mt and an Inferred Resource of 12.0 Mt. The Tasman project also contained an extension including a Proved and Probable Reserve of 9.63 Mt within a Measured Resource of 79.8 Mt, an Indicated Resource of 56.63 Mt and an Inferred Resource of 37.6 Mt. The Abel underground thermal and semi-soft coking coal mine contained a Proved and Probable Resource of 62.2 Mt contained within a Measured Resource of 288.1 Mt, an Indicated Resource of 63.3 Mt and an Inferred Resource of 3.3 Mt. The Abel extension project contained an Proved and Probable Resource of 128.7 Mt, an Indicated Resource of 77.2 Mt and an Inferred Resource of 69.4 Mt.
May-11	Clarence-Moreton	Ebenezer	Overseas and General	Zedemar Holdings	The 98 km² Ebenezer project is located approximately 80 km west of Brisbane in Queensland, Australia. The historical thermal coal mining project was known to contain coal that averaged in quality 13.5 % ash, 4.5% moisture, specific energy of 6,700 kcal/kg and contains 0.48% S. The former mine operated between 1988 and 2003 during which 20.5 Mt of thermal coal was exploited for domestic and export markets.
May-11		Linton	Mai-Liao Power Corp	New Hope	
Jul-11		Woori	Mitsui	Cockatoo	Woori has MDL187, MLA50247, MLA50248 with an Resource of 84.3 Mt
Oct-11	Gunnedah	Maules Creek sell down (Dec'11)	J-Power	Aston	Aston entered into a conditional sales agreement with J-Power Australia Pty Ltd (subsidiary of Electric Power Development Co., Ltd.) for the sale of a 10% stake in the Maules Creek project.
Jun-12	Bundaberg	Bundaberg	Hancock Prospecting Pty Ltd	International Coal Ltd	Hancock acquired a 51% interest in Bundaberg Project from International Coal Ltd.
Aug-12		Tiaro West	Tiaro Coal Limited	Dynasty Metals Australia Ltd	Tiaro Coal Limited, through its subsidiary, Tiaro Energy Corporation Pty Limited, acquired Dynasty Metals Australia Ltd's remaining interest in EPCs 956 and 957
Aug-12		Doyal Creek	Mitsui Matsushima Co. Ltd.	Nucoal Resources Limited	Mitsui Matsushima International Pty Ltd. has the right to earn up to a 10% equity in the Doyle Creek Project by spending up to AUD40 M.
Dec-12	Bowen	Orion	Cuesta Coal Limited	Hannigan & Associates Pty Ltd	EPCs 775 and 776 (Orion project) is located 14 km northwest of Blair Athol adjacent to Cuesta's Moorlands project. The Orion and Moorlands projects both contain Blair Athol coal measures.

Date	Coal Basin	Project	Buyer	Seller	Assets Transacted
Dec-12	Bowen	Belvedere (Aquila)	Vale S.A.	Aquila Resources Limited	Vale S.A. has entered into agreements to complete a purchase option by which [illegible] the remaining 24.5% [illegible] of Aquila Resources Limited in the [illegible] Project. The purchase price of AU$150 M is equivalent to the fair market value recently [illegible] third party expert.
Dec-12	Bowen, Surat, Galilee	Cuesta equity to Beijing	Beijing Guoli	Cuesta Coal Limited	Cuesta Coal has assembled a diversified portfolio of thermal, PCI and coking [illegible] exploration prospects within [illegible] Bowen, Surat and Galilee coal basins [illegible] an area of approximately 11,000 km². Project range from early to advance stage exploration [illegible] no defined Resource [illegible].
Feb-13	Bowen, Surat, Galilee	Cuesta equity to Beijing	Beijing Guoli	Cuesta Coal Limited	On 22 February Cuesta announced it had executed a Share Placement Agreement to raise a further $12 million by [illegible] 66,666,667 new ordinary shares at [illegible] per share to Beijing Guoli. This brings Beijing Guoli share up to 45.3% from 34%.
May-13	Southern Coalfield	Hume	POSCO	Cockatoo	In May 2013 - Cockatoo Coal Limited has agreed to sell its 30% interest in Hume Coal Pty Limited to POSCO Australia Pty Limited for $9.74 M of cash [illegible] the [illegible] of [illegible] Cockatoo shares held by POSCO, subject to necessary shareholder, regulatory and other approvals, as well as, a positive opinion from an independent expert. The implied sale price of $16.3 M represents over 30% of the current market capitalisation of Cockatoo. The proposed sale expected to be implemented by August 2013, subject to satisfaction of all conditions. 14/Aug/2013 - The Hume sale transaction was completed.
Nov-13	Bowen, Surat, Galilee	Cuesta equity to Hanford	Hanford Holdings	Cuesta Coal Limited	Cuesat sold 14% of the company pursuant to the Share Subscription Agreement (SSA). Tranche 1 of the placement is the issue of 50,000,000 fully [illegible] shares [illegible] $0.11 per share to Hanford to raise $5.5 M. Settlement of Tranche 2 is expected to take place on the 30th of November [illegible] or when Hanford receives FIRB approval. A further 25,000,000 fully paid ordinary share are to be issued at $0.116 to raise $2.9 M.
Jan-14	Bowen	Pisces (MDL162)	Wesfarmers	Peabody	MacAurther Coal first acquired 90% of MDL162 in 24/Aug/2010 for AU$360 M. In Jan 2014, [illegible] Resources division agreed to acquire Mineral Development [illegible] 162 (MDL 162) from Peabody Energy Budjero Pty Lt for AUD70 million cash
Jul-15	Bowen	Wotonga (MDL135 & 137)	Stanmore	Millennium Coal	Total consideration of $7M, inclusive of cash and royalty payment of coal sold.
May-16	Hunter Valley	Dartbrook JV	Australian Pacific Coal	Anglo/Marubeni Coal	Total of $80M cash payment and royalties on coal sold.

Comparable Transactions of Exploration areas – Group A

Date	Project	Buyer	Seller	Deal A$M	Area (km^2)	A$/$km^2$
Jul-16	Monument Project	Syndicated Metals	Monument Exploration	0.23	210	1,100
Mar-16	Sandstone	Enterprise Uranium	Sandstone Exploration	0.88	723	1,200
Mar-16	Avoca & Bailieston Gold	Matsa Resources	Currawong Resources	0.25	194	1,300
Oct-15	Garden Gully - Paynes Find	Thundelarra Limited	Red Dragon Mines Ltd	1.24	739.5	1,700
Sep-16	Ida South	Latitude Consolidated	Private Consortium	0.35	196	1,800
May-16	Mt Venn Greenstone belt	Enterprise Uranium	Sandstone Exploration	0.38	206	1,800
Oct-17	Pilbara Gold	Kalamazoo Resources	Private Company	0.5	252	2,000

Greenfields Projects with prospective geology; may include extensive exploration history and some areas of interest. Some targets yet to be explored. A$ per square kilometre: A$1,000 to A$2,000.

The Valmin Code 2015 Edition Extracts

AUSTRALASIAN CODE FOR PUBLIC REPORTING OF TECHNICAL ASSESSMENTS AND VALUATIONS OF MINERAL ASSETS

A **Valuation Report** expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related corporate Securities. Such Public Reports must be prepared by **Specialists**.

Specialists are persons whose profession, reputation and relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets, and who prepare and accept responsibility for a Public Report. (2.1)

A Specialist **must**:

- be **Competent** in, and have had at least five years of recent and relevant industry experience in relation to the specific Mineral Asset to be reported upon;
- have at least five years of recent and relevant experience in Technical Assessment, and where a Valuation is being prepared, have at least an additional five years (totalling **a minimum of ten years)** of recent and relevant experience in the valuation of Mineral Assets;
- be a member of a **Professional Organisation** with an enforceable professional Code of Ethics and understand that a violation of the VALMIN Code may result in an investigation in accordance with the rules of the Professional Organisation; and

- be familiar with the VALMIN Code 2015, the JORC Code 2012, the relevant requirements of the Corporations Act, the public policies of ASIC, the ASX or other recognised Securities exchanges, and court decisions that may be relevant to the Public Report being prepared.

Competence requires that the Public Report is based on work that is the responsibility of a suitably qualified and experienced person who is subject to an enforceable professional Code of Ethics. (3.1)

Materiality requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. (3.2)

Transparency requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of material information. (3.3)

Reasonableness requires that an assessment that is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation. (4.1)

Independence requires that there is no present or contingent interest in the Mineral Assets, nor is there any association with the Commissioning Entity or related parties that is likely to lead to bias. (4.2)

A Public Report must disclose the **basis of value -** a statement of the fundamental measurement assumptions of a valuation. The VALMIN Code primarily uses the terms Market Value and Technical Value. (8.1)

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Market Value is the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion.

Market Value may be higher or lower than Technical Value. A Public Report should take such factors into account, stating the results of the principal Valuation Methods used and disclosing the amount of and reasons for the difference between the Market Value and Technical Value.

Three widely accepted Valuation Approaches are:

- Income-based, which is based on the notion of cashflow generation. In this Valuation Approach the anticipated benefits of the potential income or cash flow of a Mineral Asset are analysed.
- Market-based, which is based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market.

- Cost-based, which is based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on the Mineral Asset are the basis of analysis.

A Valuation Report should make use of at least **two Valuation approaches** and comment on how the results compare. The Practitioner must disclose and discuss in the Public Report the Valuation Methods used, having regard to each of these factors so that another Practitioner can understand the procedure and arrive at a similar conclusion within reasonable bounds. (8.3)

A **range of values** (high/most likely/low) **must** be determined and stated in a Public Report to reflect any uncertainties in the data and the interaction of the various assumptions made; however, the range should not be so wide as to render the conclusion of the Public Report meaningless. (8.6)

Valuation References

ASIC, 2011, Content of Expert Reports, Regulatory Guideline 111, March 2011. Available from: https://asic.gov.au/regulatory-resources/find-a-document /regulatory-guides/RG-111-content-of-expert-reports/

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VALMIN, 2015, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) [online]. Available from: http://www.valmin.org (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

Valuation Assignments completed by Agricola, 2017 to 2019

Independent Valuation Reports

ALT Resources Limited, Apr 19 (Gold in WA – OSR)
Apollo Hill Limited, Nov 17 (Gold in WA)
Apollo Minerals Limited, Nov 17 (Gold in WA)
Aspire Mining Limited, Aug 18 (Coal in Mongolia)
Peel Mining Limited, Oct 17 (Gold in WA)
Apollo Minerals Limited, Nov 17 (Gold in WA)
Blaze International Limited, Nov 17 (Base Metals in NT)
Castle Resources Limited, Mar 18 (Gold in Ghana)
Consuelo and Bundaberg, Apr 17 (Coal in Qld)
Domingo Lithium Limited, Apr 18 (Lithium in Argentina)
Draig Resources Limited, Dec 17 (Gold in WA)
East Energy Resources Limited, Feb 18 (Coal in Qld)
Elsmore Resources Ltd, Aug 18 (Tin in NSW)
Emmerson Resources Limited, Mar 18 (Gold in NT)
Fox Resources Limited, September 19 (Coal in Queensland)
Gondwana Resources Limited, Oct 17 (Gold in WA)
Hardey Resources, Dec 18 (Base Metals, Argentina)
Kalia Limited, Mar 18 (Gold in Bougainville)
Kontrarian Resource Fund No 1, July 2017 (Coal in Qld)
Magmatic Resources Ltd, May 19, Copper in NSW)
Metalicity, Aug 19 (Zinc in WA)
MRG Metals Limited, May 18 (Mineral Sands in Mozambique)
Orminex Limited, Feb 18 (Gold in WA)
Polymetallica Minerals Limited, Mar 18 (Uranium in WA)
Resource and Energy Limited, May 18 (Gold in WA)
Roper Valley, Aug 19 (Iron Ore in NT)
Salt Lake Potash, Mar 19 (Potash in WA)
Sihayo Gold Ltd, May 19 (Gold in Indonesia)
Silaila Resources Ltd, Apr 19 (Gold in Saudi Arabia)
Summit Resources Limited, 14 Aug 18 (Uranium in Qld)
Tanami Gold NL, 5 Apr 18 (Gold and Base Metals in NT)
Tungsten Mining Limited, 4 Oct 18 (Tungsten in NT)
Tyranna Resources Ltd, Aug 19 (Gold in Nova Scotia)

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APPOINTMENT OF PROXY
ASPIRE MINING LIMITED
ACN 122 417 243
ANNUAL GENERAL MEETING

I/We ______________________________

of ______________________________

being a member of Aspire Mining Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint ______________________________
Name of proxy

OR ☐ the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at London Room, Ground Floor, London House, 216 St Georges Terrace, Perth WA 6000 on 29 November 2019 at 2.30 pm (WST) and at any adjournment thereof.

Where I/we have appointed the Chairman as my/our proxy by ticking the above box, I/we acknowledge that Resolutions 1 and 8 relate to the remuneration of key management personnel, and that the Chairman intends to vote any undirected proxies in favour of those Resolutions. I/ we expressly authorise the Chairman of the Meeting to exercise my/our proxy even though such Resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel and/ or even if the Chairman has an interest in the outcome of these Resolutions and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Remuneration Report	☐	☐	☐
Resolution 2 – Election of Director – Achit-Erdene Darambazar	☐	☐	☐
Resolution 3 – Election of Director – Boldbaatar Bat-Amgalan	☐	☐	☐
Resolution 4 – Re-election of Director – Neil Lithgow	☐	☐	☐
Resolution 5 – Re-election of Director – Hannah Badenach	☐	☐	☐
Resolution 6 – Issue of Shares to Tserenpuntsag Tserendamba	☐	☐	☐
Resolution 7 – Consolidation of Share Capital	☐	☐	☐
Resolution 8 – Amendment of Performance Rights on Issue	☐	☐	☐

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

Please note: If you mark the abstain box for the Resolution, you are directing your proxy not to vote on the Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Signature of Member(s): **Date:** ____________________

Individual or Member 1	**Member 2**	**Member 3**
Sole Director/Company Secretary	**Director**	**Director/Company Secretary**

Contact Name: ______________________________ **Contact Ph (daytime):** ________________________

Instructions for Completing 'Appointment of Proxy' Form

1. (**Appointing a Proxy**): A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.

2. (**Direction to Vote**): A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. In deciding whether to direct the proxy how to vote, members should read carefully the section headed "Proxies and Corporate Representatives" in the Notice of Meeting. Where a box is not marked, then subject to the restrictions imposed on voting, the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

3. (**Signing Instructions**):

   - (**Individual**): Where the holding is in one name, the member must sign.

   - (**Joint Holding**): Where the holding is in more than one name, all of the members should sign.

   - (**Power of Attorney**): If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

   (a) post to Aspire Mining Limited, PO Box 1918, Subiaco WA 6904; or

   (b) facsimile to the Company on facsimile number +61 8 9321 4914; or

   (c) email to the Company at info@aspireminingl imited.com,

   so that it is received not later than 2.30 pm (WST) on Wednesday, 27 November 2019.

   Proxy forms received later than this time will be invalid.