

ASX RELEASE



For Immediate Release – 30 July 2024

QUARTERLY ACTIVITIES REPORT

Period Ended 30 June 2024

Aspire Mining Limited (ASX: AKM) (**Aspire** or the **Company**) is developing metallurgical coal assets in northwestern Mongolia in an environmentally sensitive manner, with a current focus on financing the construction of its 100% owned Ovoot Coking Coal Project (**Ovoot** or the **OCCP**). Ovoot is unique in both scale and quality, with outstanding project economics and a strategic location proximal to end markets with sustained supply constraints.

Company Highlights

As at the quarter ending 30 June 2024 (the **Quarter**) the Company held a combined total of USD 15.7 million in cash and cash equivalents, investments in bonds, and bond receivables. It remains debt free.

The Company holds 100% ownership of the OCCP, for which:

- Mining license MV-017098 is valid until August 2042 and is extendable twice by 20-year periods.
- Detailed Design and Detailed Environmental Impact Assessment (**DEIA**) for road construction had been approved by Ministry of Road and Transportation Development (**MRTD**) and Ministry of Nature, Environment and Tourism (**MNET**) respectively¹.
- Aspire now has all major approvals necessary to progress the OCCP to construction, with financing discussions well advanced.
- Updated JORC estimates and an Independent Technical Report (**ITR**) for the OCCP were progressed in the Quarter and are expected to be finalised for release in coming weeks.

Quarter Highlights

- DEIA in relation to construction and operation of a Coal Handling and Preparation Plant (**CHPP**) within the Ovoot project site was approved by the MNET.²
- Detailed Design for Road infrastructure to support product haulage from the Ovoot CHPP to rail terminal nearby Erdenet was approved by the MRTD.³

¹ ASX Announcement 29 April 2024, *DEIA for Road Approved*.

² ASX Announcement 5 April 2024, *DEIA for Ovoot CHPP Approved*.

³ ASX Announcement 10 April 2024, *Detailed Design for Road Approved*.

OCCP Development

During the Quarter USD 0.38 million was invested by the Company in development activities, including activities pertaining to sustaining community relations, advancement of the JORC (2012) Coal Resource and Coal Reserve estimates being updated, and inputs underlying preparation of an Independent Technical Report (**ITR**) to be finalised on basis of the updated Life-of-Mine (**LOM**) plan underpinning update of the JORC (2012) Coal Reserve estimate.

Permits and Approvals

The major permits and approvals required to advance development of the OCCP have now been acquired, with these comprising approval of:

- Feasibility Study and DEIA for coal mine construction and operation;
- Feasibility Study and DEIA for CHPP construction and operation; and
- Feasibility Study, Detailed Design and DEIA for road construction.

Additional lower-level approvals will still be needed during project development and operation. However, now that major approvals are secured, obtaining these permits should be straightforward, using the major approvals as references.

JORC Estimates and Independent Technical Report

SRK Consulting, a reputable, independent, and internationally experienced consultancy is engaged to prepare updates to the JORC (2012) compliant Coal Resource and Coal Reserve estimates for the Ovoot deposit.

Work progressed during the Quarter to finalise inputs required to enable these estimates to be made, including refinement of capital cost estimates for project infrastructure and equipment required including at the planned Erdenet Rail Terminal, Transportation Hub and Ovoot Minesite.

This work also underpins the preparation of an Independent Technical Report to support project financing due diligence, which will be able to be released on the basis of having the key permits and approvals in place to develop the OCCP, rather than on assumption that these will be able to be obtained.

The process to prepare both the JORC Reserve estimate and Independent Technical Report is very detailed, with an increased emphasis on Environment, Social and Governance (**ESG**) policies and practices for which it is critical to be thorough to support funding.

Community Relations

During the Quarter the Company continued to support educational, cultural and sporting activities in our host communities and in Mongolia broadly through its wholly owned subsidiary Khurgatai Khairkhan LLC, as part of efforts to display good corporate citizenship and nurture good community relations.

This support included sponsorship of the 2024 National Ankle Bone Shooting Championship held between 27-28 April in Murun city, Khuvsgul aimag. Ankle Bone Shooting, or 'Shagai' as it is known, comprises a variety of traditional Mongolian games where anklebones may be tossed like dice, flicked like marbles, shot at with arrows, caught in the hands, or simply collected according to the roll of a die. More than 200 competitors from 24 teams from across Mongolia participated. The main organiser of the event was the Khuvsgul aimag Ankle Bone Shooting Association, and co-organisers included the Khuvsgul aimag Governor's Office and Khuvsgul aimag Physical Sports Department.

Other community sporting events that were sponsored by the Company during the Quarter included a High School Rugby Competition coordinated by the Mongolian Rugby Union, Taekwondo State Cup, a Khuvsgul Badminton Championship and a National Youth Wrestling Cup Championship named the 'Future great wrestler of the Northland'.

Additional to the ongoing scholarship sponsorship of four university students from Tsetserleg soum, the Company has also supported education for Mongolian youth during the Quarter by contributing prizes for students competing in the Khuvsgul aimag Physics Olympiad.



Following on from the success and positive impact of our Green Fodder Program in previous years, the Company has again committed to running its Green Fodder Program in 2024. The Green Fodder Program is a community-orientated agricultural venture, involving the planting of approximately 200 hectares of crop within the Ovoot mining license area. The positive benefits to the local community include employment to prepare the crops, as well as access to donated and discounted fodder to provide to their livestock across the coming winter period. This program continues to be important and effective in engaging with families living in the vicinity of the Ovoot mining license and showcases that mining and agriculture will be able to successfully coexist.



Logistics and Marketing

Mongolia continues to dominate the supply of coking coals being imported into China, according to data published by the General Administration of Customs of the People's Republic of China as shown in Figure 5.

Total coking coal imported into China in 1H CY2024 was 57.4 Mt, of which 29.5 Mt (51.5%) was exported from Mongolia. This represents a 12.2 Mt (27.0%) and 7.3 Mt (32.8%) increase respectively compared with 1H CY 2023.

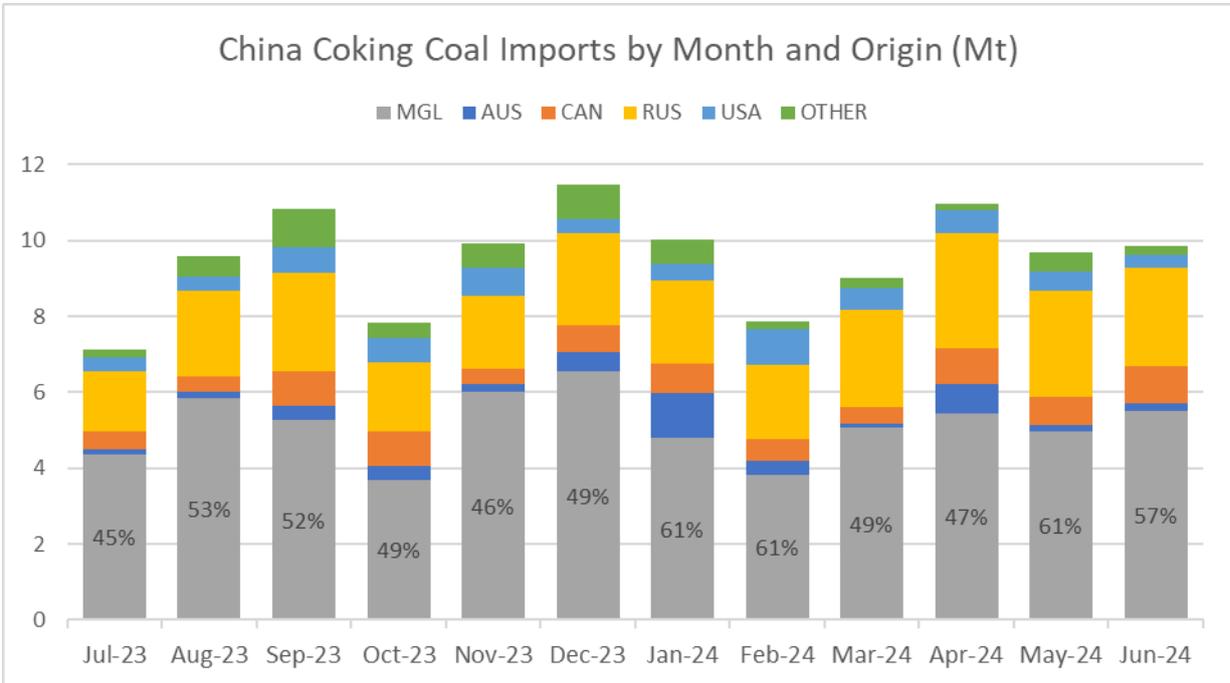


Figure 1. Coking Coal import into China by month and origin July 2023 – June 2024 (Source: <http://stats.customs.gov.cn/>)

When compared on similar sales terms, and on basis of sale at similar geographical locations, the index prices for Mongolian coking coal, Australian coking coal and Chinese ‘fat’ coking coal trend similarly, as shown in Figure 6.

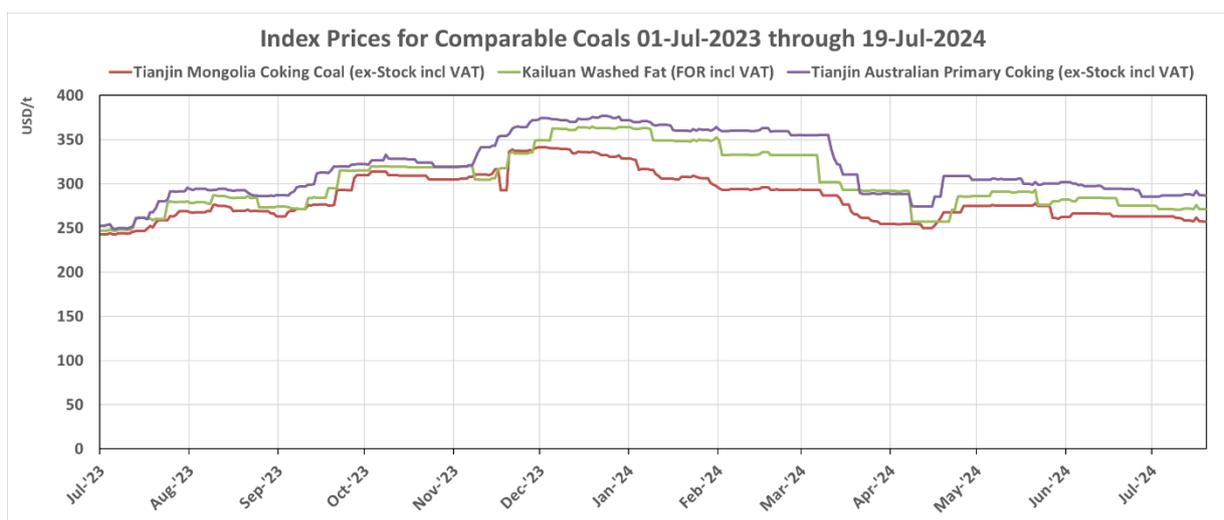


Figure 2. Twelve months' historical index prices for comparable coals (Sources: www.fwenergy.cn, www.wsj.com).

The value for 'fat' coking coal has remained strong for several years, and according to a Marketing Study prepared for Aspire by Fenwei Digital Information Technology Co., Ltd., these prices are expected to remain strong for the foreseeable future, driven by robust market dynamics and a consistent need for high-quality 'fat' coking coal.⁴

High-quality 'fat' coking coal, like what will be produced from the OCCP, is expected to be in demand from coke producers in northern and northeastern China, particularly in the provinces of Hebei, Inner Mongolia, Liaoning, Heilongjiang, and Jilin where there is considerable demand as result of insufficient local production capacity.

Corporate

The Company's financial position remained strong at the end of the Quarter with:

- USD 5.62 million held in cash and cash equivalents; and
- A portfolio of AA- rated USD bonds of Market Value USD 10.07 million.

During the Quarter investment earnings of USD 0.31 million offset total expenditure, and currency fluctuations resulted in only a minor unrealised loss of USD 0.01 million.

Quarterly expenditure included payments to related parties of USD 0.13 million, primarily comprising executive and non-executive directors' remuneration. In accordance with LR 4.7C.3, the Company paid USD 489 to Shine Uul Vets LLC, an associate of Achit-Erdene Darambazar, for the supply of beverages.

Share Information

Table 1. Capital Structure at the end of the Quarter

Security	Number on Issue
Quoted Ordinary Shares	507,636,985
Unquoted Performance Rights	6,000,000

⁴ ASX Announcement 30 April 2024, *Fenwei Market Study Findings*.

Table 2. Substantial Shareholders at the end of the Quarter

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

Tenement Information

As at the end of the Quarter, the Company had interests in the following tenements. There were no changes in the Company's interests in tenements during the quarter.

Table 3. Tenements held by the Company at the end of the Quarter

Tenement	License	Commodity	Location	Attributable Equity
Ovoot	MV-017098	Coal	Khuvsgul, Mongolia	100%
Nuurstei	MV-020941	Coal	Khuvsgul, Mongolia	90%

Coal Resources and Coal Reserves

The JORC (2012) Coal Resources and Coal Reserves estimated to exist within the tenements controlled by the Company are as follows in Table 4 through Table 6.

Table 4. Ovoot Coal Resources (Mt)

Category	Open Pit	Underground	Total
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

Table 5. Ovoot Coal Reserves (Mt)

Location	Probable (Mar = 2.0%)	Total (Mar = 2.0%)	Marketable (Mar = 9.5%)
Open Pit	247	247	182
Underground	8	8	6
Total	255	255	188

Note: The technical information and competent persons statements for the Ovoot Coal Reserves and Resources are reported in the Company's ASX announcements dated 02 November 2012, 31 July 2013, and 30 January 2013 (December 2013 Quarterly Activities Report) which are available to view on the Company's website. 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.

Table 6. Nuurstei Coal Resources (Mt)

Category	Total
Measured	0.0
Indicated	4.75
Inferred	8.10
Total	12.85

Note: The technical information and competent persons statements for the Nuurstei Coal Resources is taken from the Company's ASX announcement dated 13 April 2016 which is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement, and that all material assumptions underpinning the estimates continue to apply and have not materially changed.

This announcement is authorised for release by the Board of Directors.

– Ends –

About Aspire Mining Limited

Aspire Mining Limited (ASX: AKM) holds the Ovoot (100%) and Nuurstei (90%) mining licenses in Khuvsgul aimag (province) of north-western Mongolia which both contain premium quality coking coals, a critically required mineral used in the production of iron and steel.

The Company is primarily focused upon developing the Ovoot Coking Coal Project into a world-class operation to mine its unique and highly sought after 'fat' coking coal via open pit methods, beneficiate this onsite, and deliver the premium washed coking coal to customers in China and beyond utilising the existing trans-Mongolian rail network.

Aspire is deeply committed to operating in a responsible manner supportive of our host communities and safeguarding the environment. Through our operations, Aspire aims to deliver tangible benefits to our host communities, including by building infrastructure that will support existing agricultural and tourism industries, providing local employment and procurement opportunities, and paying taxes and royalties to support the national economy.

For more information, please contact:

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Forward Looking Statements

This report may contain forward-looking information which is based on the assumptions, estimates, analysis, and opinions of management and engaged consultants made in light of experience and perception of trends, current conditions and expected developments, as well as other factors believed to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Assumptions have been made by the Company regarding, among other things: the price of coking coal, the timely receipt of required governmental approvals, the accuracy of capital and operating cost estimates, the completion of a feasibility studies on its exploration and development activities, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used by the Company.

Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate.

Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of coking coal, the actual results of current exploration, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information.

Appendix 5B

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

Name of entity

Aspire Mining Limited

ABN

46 122 417 243

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (6 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(343)	(563)
(e) administration and corporate costs	(414)	(525)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	309	456
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST and other taxes	3	-
1.9 Net cash from / (used in) operating activities	(445)	(632)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(3)	(7)
(d) exploration & evaluation	(417)	(733)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (6 months) \$USD'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	41	41
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(379)	(699)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,457	6,982
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(445)	(632)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(379)	(699)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (6 months) \$USD'000
4.5	Effect of movement in exchange rates on cash held	(13)	(31)
4.6	Cash and cash equivalents at end of period	5,620	5,620

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	423	444
5.2	Call deposits	5,197	6,013
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,620	6,457

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(128)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

Directors, being related parties of the Company were remunerated to the amount of \$127k in director fees during the quarter. An additional \$1k was paid to a related entity of a Director as settlement of rent expenses for the quarter.

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(445)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(417)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(862)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,620
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,620
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.52
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 30 July 2024

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

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