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ASX RELEASE



For Immediate Release – 28 April 2023

QUARTERLY ACTIVITIES REPORT

Quarter Ended 31 March 2023

Aspire Mining Limited (ASX: **AKM**, **Aspire**, or the **Company**) is developing metallurgical coal assets in Mongolia, principally its wholly owned Ovoot Coking Coal Project (**OCCP**).

The Company hereby presents its Quarterly Activities Report for the quarter ending 31 March 2023 (the **Quarter**).

Quarter Highlights

- **Raw coal and float/sink washability testing of samples obtained from the Q4 2022 Exploration Program at the OCCP was completed;**
- **Preparation of Detailed Environmental Impact Assessment (DEIA) in relation to the planned construction and operation of a Coal Handling and Preparation Plant (CHPP) at the OCCP was finalized, with community consultation pending announcement of meeting of local citizens;**
- **Preparation of Detailed Design (DD) for road continued in alignment with Terms of Reference (ToR) approved by the State Secretary of the Ministry of Road and Transportation Development (MRTD);**
- **Consultation at community meetings in relation to obtaining environmental approval for road construction commenced, with positive reception received at all community meetings presented at; and**
- **The Company's end of Quarter cash balance was A\$29.1 million, representing a A\$0.6m reduction since 31 December 2022.**

OCCP DFS Progress

During the Quarter, the Company invested \$0.5 million in exploration and evaluation activities in relation to the OCCP. This investment was made in completing raw coal and float/sink washability testing of samples collected from the exploration drilling completed in Q4 2022, continuation of Detailed Design preparation for road construction, and continued progression of Detailed Environmental Impact Assessments in relation to the planned CHPP, Road and Rail Terminal.

Exploration

Testing of raw coal samples obtained from the exploration drilling program completed in Q4 2022 was completed, as was float/sink washability testing on working section composites. Product coal composite and coke testing is now being completed and is expected to be finalized in Q2 2023 in conjunction with a 'Value in Use' study to be produced by independent Chinese experts highlighting the unique value of this coal to coke producers.

The newly acquired information is being included into an updated geological model to provide basis for updated JORC Resource estimate, which will underpin refinement of Life-of-Mine plans and JORC Reserve estimate, in collaboration with the updated capital and operating costs determined from infrastructure studies in progress and recently completed.

Mine

The Company now possesses all major permissions required to enable mining to proceed, including valid mining license, government approved Feasibility Study (FS) and approved Detailed Environmental Impact Assessment (DEIA).

Commencement of mining operations is not on the critical path of project development, with a relatively short lead time expected between commencement of overburden removal and initial coal production as result of favourable stripping ratio in the planned starter pit area.

Whilst mining plans are being refined and optimised as part of Life-of-Mine plan revision to facilitate update JORC Reserve estimate, focus is being concentrated upon critical path transportation and logistics infrastructure.

CHPP

The Company has previously received government approval for FS prepared in relation to the CHPP planned to be constructed from the Minerals Resource Council (MRC) of the Mineral Resources and Petroleum Authority of Mongolia (MRPAM). With this in hand, the Company has progressed with development of DEIA in relation to its construction and operation and expects to be able to consult with the local community in relation to this at a meeting of local citizens to be held in Q2 2023. No meeting was held in Q1 2023 on account of the harsh winter conditions hindering ability for local community members to travel to such a meeting.

On basis that this facility has been incorporated within the planned mining operation, for which a mining related DEIA has already been approved, and on basis that the proposed design includes for world class infrastructure to prevent dust generation and minimize water consumption, it is anticipated that the DEIA will be received by the local community favourably. Following this public consultation, the DEIA and any further amendments pending community feedback will be submitted to the Professional Committee of the Ministry of Nature, Environmental and Tourism (MNET) for final approval.

Road

Preparation of the Detailed Design (DD) for road has continued in accordance with the Terms of Reference (ToR) approved by the State Secretary of the Ministry of Road and Transportation Development (MRTD). Some further negotiation and revision of these were required at the Company's request to enable designs to be prepared as intended.

Within the Quarter, the Company hosted a visit from senior management of an international conglomerate experienced in contracted construction of government backed concession projects in emerging markets, accompanied by a senior banker from a global investment bank. No agreements were entered, and the Company intends to further liaise with similar parties.

The purpose of the visit was to discuss potential cooperation in relation to road construction, operation and financing. In relation to this, meetings with several relevant Ministers were also arranged. In support of one of the options being considered, works are in progress to advance plans to build the road through implementation of a Public Private Partnership structure consistent with international standards, and thus with terms required to obtain infrastructure project financing internationally.

Rail

Start Alliance LLC was successful in obtaining supportive conclusion from a working group from Ulaanbaatar Tumor Zam (UBTZ), the national railway operator, assigned following request from the Company to study the technical feasibility of constructing a terminal with a “Loading and Unloading Complex” in the location and arrangement intended along the main Erdenet – Salkhit railway line.

Preliminary design for the required junction and intra-complex trackwork was prepared in support of this, and work now continues to prepare more detailed design and cost estimate. Further, local consultant Erdeny Negelelin LLC has been engaged to prepare Environmental Impact Assessments (EIAs) in relation to the trackwork and infrastructure to be developed.

Local consultancy Sun Shine Peak LLC were engaged to conduct a Logistics Study evaluating of the costs and practicalities of delivering coal from the planned terminal nearby Erdenet to the ports of Zamiin-Uud / Erlian, Khangi / Mandal, Sukhbaatar / Naushki and Zabaikal'sk / Manzhouli which represent entry points into the main target market regions of interest. This work is scheduled for completion in Q2 2023.

The scope of work includes for assessment and costing of current and plausible transborder shipment, comparison of open top wagon and container modality, and current and forecast network bottlenecks and opportunities. Output from this study will be used in conjunction with the results from the Value in Use study, to rank the attractiveness of potential target market regions in consideration of likely coal prices at destination, the operating costs required to facilitate delivery, and capital costs in relation to type and quantity of wagons required.

Sustainable Development

Green Fodder Project

Fodder produced in 2022 has assisted local herders significantly across the winter of 2022-23. Rainfall and cooler growing conditions in the summer of 2022 negatively impacted both fodder crop and natural pasture growth, leading to difficult conditions for herders in conjunction with winter temperatures routinely dropping below -40 °C across January and February 2023.

The Company purchased 5,000 bales of fodder on market to supplement the lower fodder crop yield produced in 2022, and has distributed the combined inventory to the local community via donations and subsidised sales. The Company also organized for transportation of spent grain (donated by a spirit manufacturer) from Ulaanbaatar to Tsetserleg soum, for donation and subsidized sale to herders to aid them in caring for their animals to overcome these extreme cold conditions. This support has been much appreciated well received by the community.

Logistics and Marketing

The volume of coal exported from Mongolia stabilized in January and February, before strengthening in March to a monthly record of over 5.4 Mt, as shown in Figure 1.

Export volumes in January and February were slightly constrained on account of separate multiple day border closures as result of Chinese and Mongolian lunar new year public holidays occurring separately across adjacent lunar cycles.

At this stage the relaxation of restrictions on importation of Australian coking coal into China has not impacted upon the volumes of Mongolian coals being imported, despite continued strong pricing as shown in Figure 2.

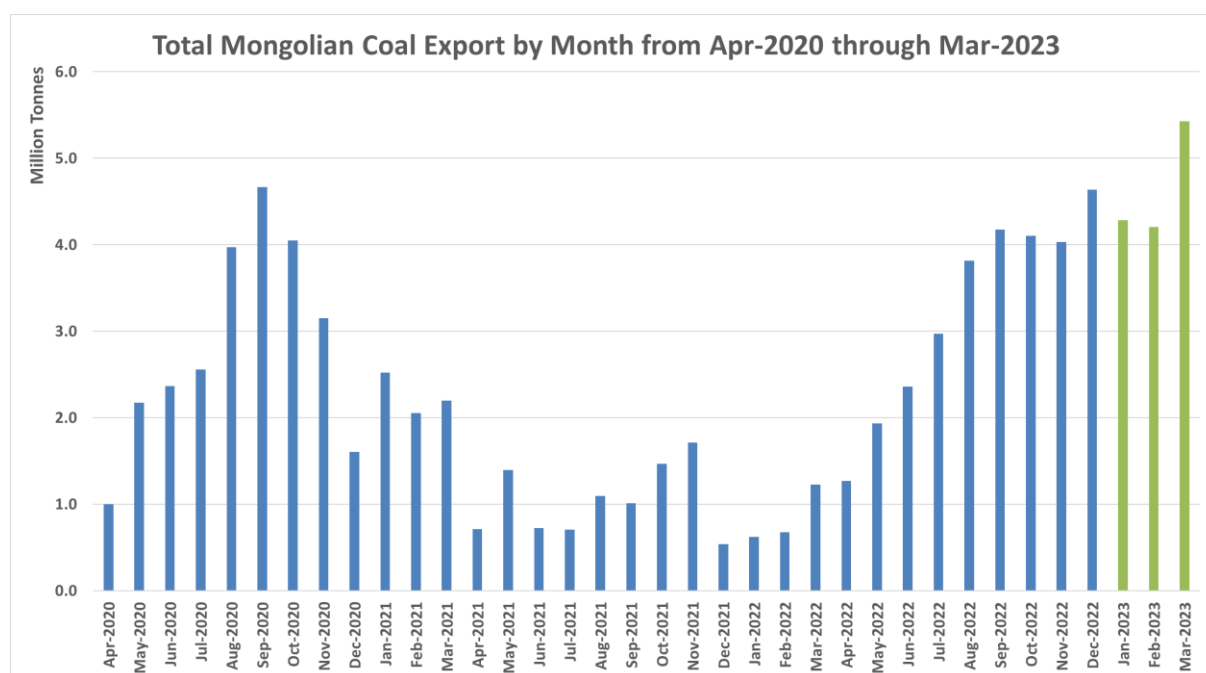


Figure 1. Monthly Mongolian Coal Exports Q2 2020 – Q1 2023 (Source: 1212.mn and OpenData.gov.mn).

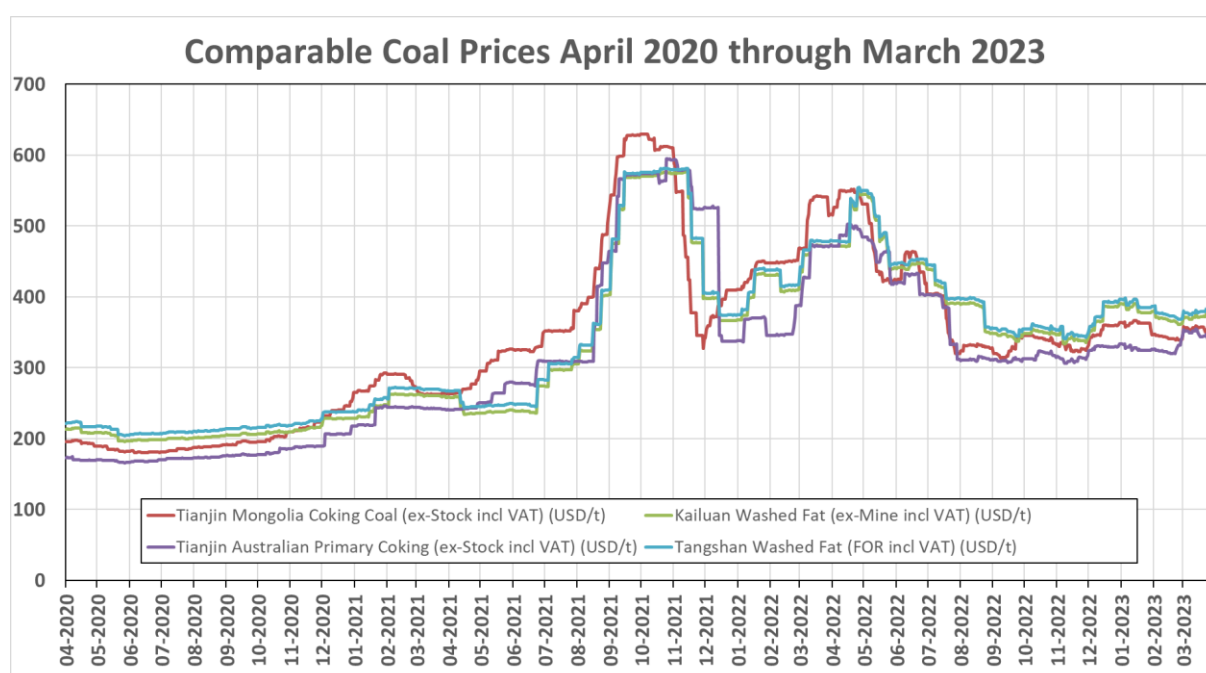


Figure 2. Comparative Coal Market Price Trends Q2 2020 – Q1 2023 (Source: www.sxcoal.com).

Corporate

At the end of March A\$29.1 million was held by the Company in cash and term deposits. Within the Quarter, \$1.0 million was spent on advancing the OCCP.

The end of Quarter cash balance improved as result of \$0.4m gain on account of weakening in the AUD:USD exchange rate over the period in combination with majority of funds being held in USD, and \$0.1m in interest received.

The quarterly expenditure included payments to related parties of A\$0.1 million which comprised of executive and non-executive directors' remuneration.

Board and Management

During the Quarter, there were some changes to the Board of Directors and Key Management Personnel as follows:

- Ms Hannah Badenach resigned as Non-Executive Director with effect from 31 January 2023. The Board extend their gratitude the contributions that she made to the Company as Non-Executive Director for over 10 years, and wish her good fortune as she leaves to focus on other ventures.
- Mr Michael Avery was appointed as Non-Executive Chairman of the Board with effect from 27 March 2023, having previously been appointed to the Board of Directors on 29 November 2022. Mr Avery brings a wealth of experience in the development and operation of mines in Australia and abroad, including in Mongolia.

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%

Capital Structure at end of the Quarter

Security	Number on Issue
Quoted Ordinary Shares	507,636,985
Unquoted Performance Rights	6,250,000

Mining and exploration tenements held at end of the Quarter

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

This announcement is authorised for release by the Managing Director.

– Ends –

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.

About Aspire Mining Limited

Aspire Mining Limited (ASX: AKM) is 100% owner of the world-class Ovoot Coking Coal Project, and 90% owner of the Nuurstei Coking Coal Project, both located in Khuvsgul aimag of north-western Mongolia.

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

For more information contact:

Mr. Aчит-Erdene Darambazar

Managing Director

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Appendix 5B

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

Name of entity

ASPIRE MINING LIMITED

ABN

46 122 417 243

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)		
	(b) development		
	(c) production		
	(d) staff costs	(197)	(669)
	(e) administration and corporate costs	(277)	(1,169)
1.3	Dividends received (see note 3)		
1.4	Interest received	87	194
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)	(16)
1.9	Net cash from / (used in) operating activities	(390)	(1,660)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(1)	(82)
	(d) exploration & evaluation (if capitalised)	(544)	(2,020)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(545)	(2,102)

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	29,578	31,990
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(390)	(1,660)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(545)	(2,102)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	444	859
4.6	Cash and cash equivalents at end of period	29,087	29,087

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	23,252	23,863
5.2	Call deposits	5,835	5,715
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)	29,087	29,578

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
104

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

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

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

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(390)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(544)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(934)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	29,087
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	29,087
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	31
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

Compliance statement

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

Date: 28 April 2023

Authorised by: the Board
(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.