ASPIRE
LIMITED

ASX: AKM

Quarterly Report

For the period ending 30 September 2024

29 October 2024

aspirelimited.com

Quarterly Report
For the period ending 30 September 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**). The OCCP 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 September 2024 (the **Quarter**) the Company held a combined total of USD 14.9 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[1];
- Feasibility Study and Detailed Environmental Impact Assessment[2] (**DEIA**) on mine construction and operation have been approved by the Mineral Resources and Petroleum Authority of Mongolia (**MRPAM**) and the Ministry of Nature, Environment and Tourism (**MNET**), respectively;
- Feasibility Study[3] and DEIA[4] in relation to Coal Handling and Preparation Plant (**CHPP**) construction and operation have been approved by the MRPAM and the MNET, respectively;
- Feasibility Study[5], Detailed Design[6] and DEIA[7] in related to construction of supporting road infrastructure had been approved by Ministry of Road and Transportation Development (**MRTD**) and MNET, respectively.
- Aspire has the major approvals necessary to progress the OCCP to construction, with financing discussions progressing across independent packages to support project implementation.
- Updated JORC Coal Resource and Coal Reserve estimates are underdoing final reviews from third-party Competent Persons, with results to be communicated to market in due course.

Quarter Highlights:

- Advanced development of updated JORC (2012) compliant Coal Resource and Coal Reserve updated estimates, which is the most detailed and comprehensive review of the OCCP ever conducted including with a strong focus on ESG.
- Key activities included completion of:
  - Basic Engineering Design (**BED**) for supporting Transportation Hub (**TH**) and Rest Stop (**RS**) infrastructure; and
  - Update of the Front End Engineering Design (**FEED**) for Erdenet Rail Terminal coal handling infrastructure design.
- A key part of the OCCP financing strategy progressed positively. In relation to road infrastructure proposed to be constructed, the Ministry of Economy and Development (**MED**) assessed the project as ‘suitable’ for partnership implementation under the Law on Public-Private-Partnerships.

[1] ASX Announcement 28 Aug 2012, *Mining Licence Granted for Ovoot Coking Coal Project.*
[2] ASX Announcement 09 Jan 2023, *Progress on Regulatory Approvals.*
[3] ASX Announcement 09 Jan 2023, *Progress on Regulatory Approvals.*
[4] ASX Announcement 05 Apr 2024, *DEIA for Ovoot CHPP approved.*
[5] ASX Announcement 09 Jan 2023, *Progress on Regulatory Approvals.*
[6] ASX Announcement 10 Apr 2024, *Detailed Design for Road approved.*
[7] ASX Announcement 29 Apl 2024, *DEIA for Road Approved.*

OCCP Development

USD 0.38 million was invested by the Company during the Quarter in development activities related to advancing the JORC (2012) Coal Resource and Coal Reserve estimates being updated including completion of underlying infrastructure cost estimates, and supportive of fostering stronger community relations ahead of the commencement of infrastructure development work.

The following 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.

Now that these major approvals have been secured, obtaining further minor permissions required to implement project construction works is simplified on basis that these normative references are in place.

JORC Estimates and Independent Technical Report

Work to update JORC (2012) compliant Coal Resource and Coal Reserve estimates within the Ovoot mining license (MV-017098) continued during the Quarter. SRK Consulting (SRK) is engaged to prepare these based upon the Company's revised implementation plans, and supporting capital and operating cost estimates.

The Company has worked to satisfy the Competent Persons involved from SRK with authority signing off on the Modifying Factors applicable to JORC Reserve estimation. As at date of release of this Quarterly Activities Report, the Company is confident that the work it has undertaken has satisfied geotechnical, hydrogeological, processing, ESG and marketing requirements. Infrastructure and economic components are close to being finalised.

Underlying work related to design and cost estimate of supporting infrastructure was completed in the Quarter, including in relation to the Transportation Hub (TH) and Rest Stop (RS) infrastructure intended to support coal transportation from mine to rail, and revision to the Erdenet Rail Terminal for handling of coal from road trucks to rail wagons. Conceptual layouts for these facilities are shown in Figure 1 through Figure 3.

The Rest Stop infrastructure will support the Company's long-haul drivers with refreshments and ablutions whilst driving between the mine and rail terminal. Whilst enabling the Company to manage potential for driver fatigue, these facilities will also provide otherwise scarce convenience to the public traveling along the public road.

Figure 1.Conceptual design of Rest Stop infrastructure

Figure 2. Conceptual design of Transportation Hub infrastructure

The Transportation Hub infrastructure will be located at the approximately midpoint between the Ovoot Coal Mine and the Erdenet Rail Terminal. It has been designed to support and efficient and productive trucking operation and will serve as the centralised base for all trucking activity including routine inspections, scheduled preventative maintenance, major overhauls, tyre changing and refuelling.

Figure 3. Conceptual design of the 'Erdenet Rail Terminal' infrastructure

The Erdenet Rail Terminal will facilitate transloading of coal from road trucks to rail wagons via an efficient and enclosed system designed to contain potential dust emissions. The design and cost estimate were revised by O2 Mining Limited, lowering initial and overall capital required to support the planned export schedule.

Community Relations

Consultation between Company representatives and citizens and government representatives from local communities has increased ahead of the anticipated commencement of project construction works in the spring season of 2025. Feedback received during these consultations indicates that there is good and growing support for road development and job creation and understanding that the Company's plans are being developed with environmental protection and shared benefits at their core.

This understanding was prevalent both near the mine site, from citizens of Tsetserleg soum, but also with people from Tsagan-Uul and Burentogtokh soums along the planned road route to Murun, and in Jargalant soum where bypass route around Erdenet city is planned to be constructed. Local government officials from Bulgan and Erdenet were quite interested in the development of the planned bypasses, which will alleviate some traffic related issues in their city centres.

Figure 4. Consultation in Jargalant soum regarding the planned Erdenet Rail Terminal development and Erdenet Bypass.

The Company supported the Mongolian National Mining Association (MNMA) to host a community focused event in Murun, Khuvsgul between 11-13 September, in collaboration with the Khuvsgul Province Governor's Office. The theme for Day 1 was the MNMA's 'Future Engineers' program, which is designed to inform senior high school students about the career and lifestyle opportunities available within the mining industry. Several hundred attendees from local secondary schools were in attendance, and the Company was able to present information about career opportunities and its scholarship program.

On Days 2 and 3, the theme of the event was Responsible Mining, with focus on the 'Northern Region'. The audience included interested local community members and local government representatives from across Khuvsgul aimag. During Day 2, Achit-Erdene Daramabazar, Managing Director of Aspire Limited, presented detail of the Company's plans and in particular how feedback received through consultation with local communities had shaped the Company's planning to address concerns raised. The audience were pleased to further understand that the planned operations are not akin to South Gobi style coal mining operations, and that the environment will be protected and that their communities will derive tangible benefits. There was strong interest in the forecast jobs to be created, and the Company's commitment to recruit personnel and procure goods and services locally.

Figure 5. Consultation in Tsetserleg soum regarding the Ovoot mine development and road construction along the Uliastai – Murun road alignment.

Logistics and Marketing

According to data published by the General Administration of Customs of the People's Republic of China, there has been significant growth in coking coal imported in 2024. By the end of September 2024, a total of 89.3 Mt had been imported, representing a 22.8% increase year-on-year compared with September 2023.

Mongolia continues as the dominant exporter of coking coal into the Chinese market, having suppled approximately 49% of all coking coal imported by China year-to-date, whilst increasing its total export by September 2024 year-to-date by 15.2% compared with September 2023 year-to-date, to 43.4 Mt.

Figure 3 outlines the major contributors by country supplying Chinese coking coal importation over the previous 12 months. Details of year-on-year increases of Chinese coking coal import and Mongolian coking coal export are shown in Figure 4.

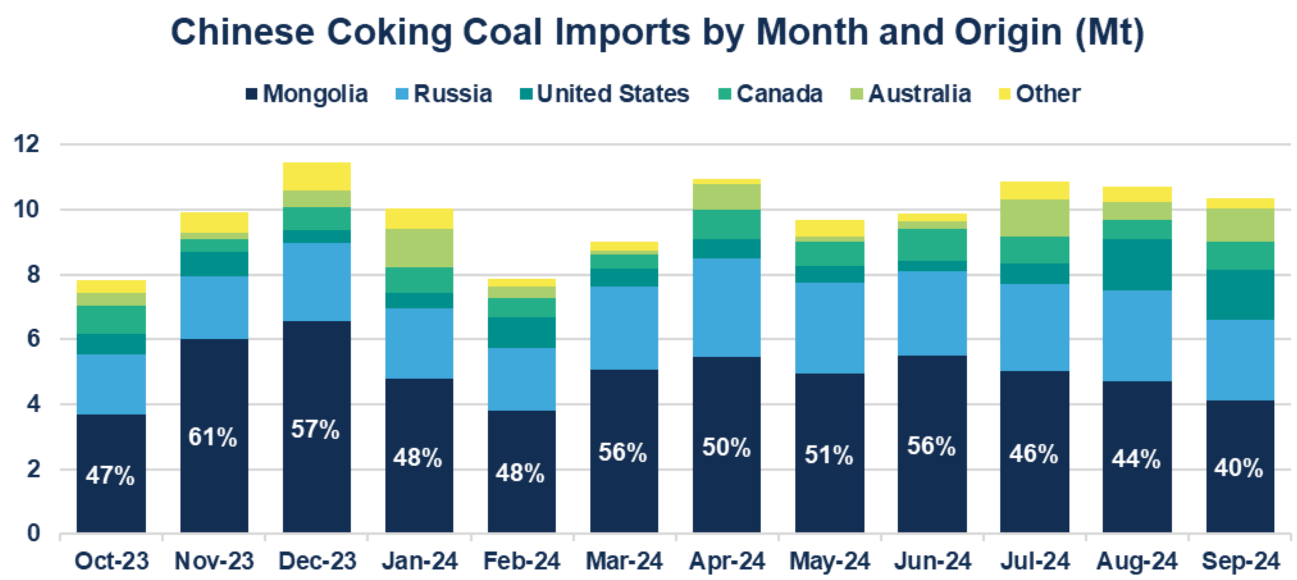

Figure 6. Coking Coal import into China by month and origin October 2023 – September 2024 (Source: http://stats.customs.gov.cn/)

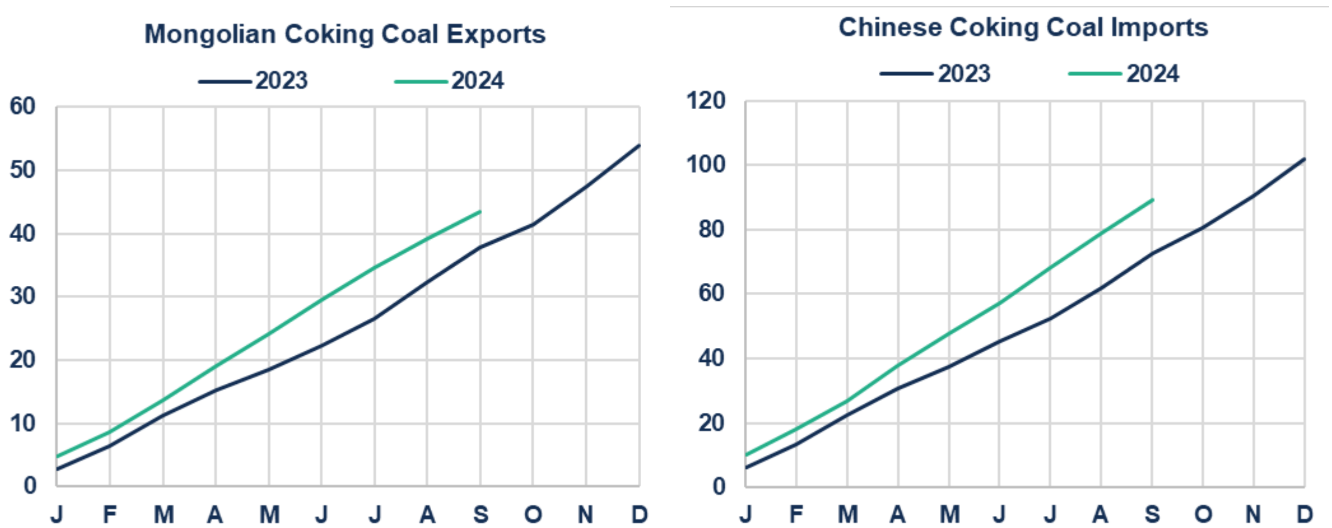

Figure 7. Increasing Chinese Coking Coal Imports and Mongolian Coking Coal Exports 2024 vs. 2023 (Source: http://stats.customs.gov.cn/)

The value of the increased quantities of coking coal exported from Mongolia to China was offset during the Quarter by a downward trend in coking coal prices as seen in Figure 6. However, prices remain strong over the longer term, and still compare favourably with those forecast in the Marketing Study prepared for Aspire by Fenwei Digital Information Technology Co., Ltd. (Fenwei), which were used as the basis for coal selling price assumption incorporated into the JORC Reserve estimate currently being updated.[8] There was also an uptick in coking coal prices subsequently to the end of Quarter, in response to news of Chinese economic stimulus measures.

Fenwei forecast fat coal prices to remain strong for the foreseeable future, driven by robust market dynamics and a consistent need for high-quality 'fat' coking coal. 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.

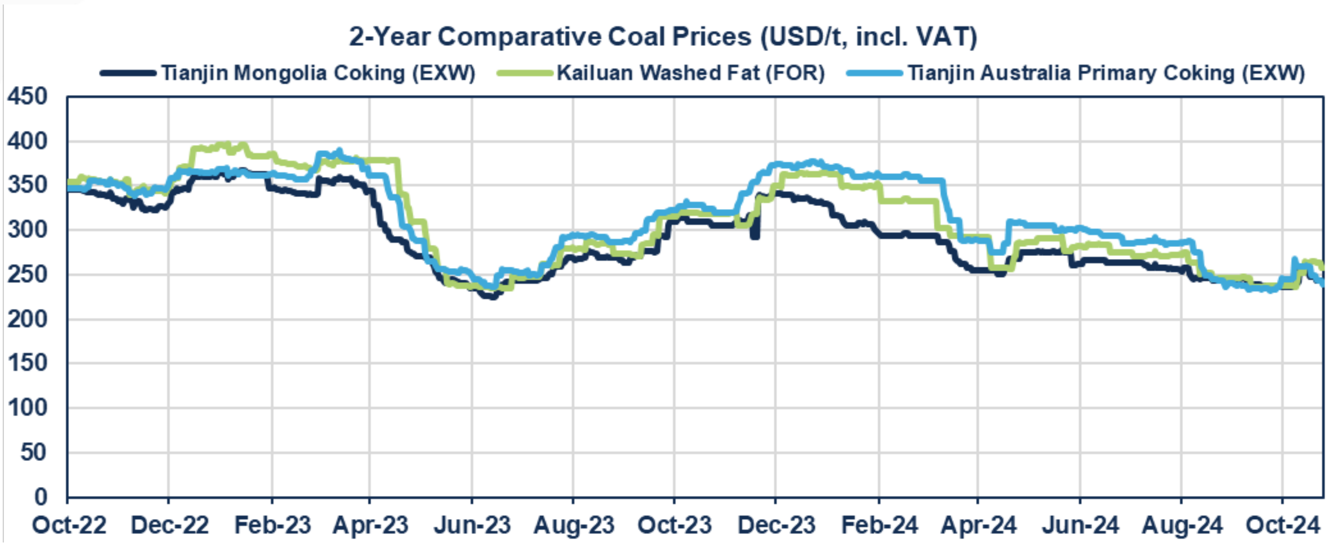

Figure 8. Two years' historical index prices for comparable coals (Sources: www.fwenergy.cn, www.wsj.com).

Corporate

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

- USD 4.80 million held in cash and cash equivalents; and
- A portfolio of AA- rated USD bonds of Market Value USD 10.09 million.

Investment earnings of USD 0.22 million offset total expenditure during the Quarter, and currency fluctuations resulted in only a minor unrealised gain of less than USD 0.01 million.

Quarterly expenditure included payments to related parties of USD 0.17 million, primarily comprising executive and non-executive directors' remuneration.

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

[8] ASX Announcement 30 April 2024, *Fenwei Market Study Findings.*

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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%
Talaxis Ltd	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 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%

– Ends –

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

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About Aspire 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 it onsite, and deliver it 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 further information, please visit: http://aspirelimited.com/

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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	Quarter ended ("current quarter")
46 122 417 243	**30 September 2024**

Consolidated statement of cash flows			Current quarter $USD'000	Year to date (9 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	(338)	(901)
	(e)	administration and corporate costs	(273)	(797)
1.3	Dividends received (see note 3)			
1.4	Interest received		221	677
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)		-	-
1.9	**Net cash from / (used in) operating activities**		**(390)**	**(1,021)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	(7)	(15)
	(d)	exploration & evaluation	(428)	(1,161)
	(e)	investments	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $USD'000**	**Year to date (9 months) $USD '000**
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	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**	**(437)**	**(1,135)**

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	5,620	6,982
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(390)	(1,021)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(437)	(1,135)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $USD'000	Year to date (9 months) $USD '000
4.5	Effect of movement in exchange rates on cash held	6	(27)
4.6	**Cash and cash equivalents at end of period**	**4,799**	**4,799**

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 $USD '000**	**Previous quarter $USD '000**
5.1	Bank balances	396	423
5.2	Call deposits	4,403	5,197
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)**	**4,799**	**5,620**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $USD '000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	168
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.

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $USD '000**	**Amount drawn at quarter end $USD '000**
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**	**$USD '000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(390)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(428)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(818)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,799
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,799
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5.9

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.

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

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: 29 October 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.