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ASX RELEASE

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For Immediate Release – 31 January 2023

QUARTERLY ACTIVITIES REPORT

Quarter Ended 31 December 2022

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 December 2022 (the **Quarter**).

Quarter Highlights

- **Approval from the Professional Committee of the Ministry of Nature, Environmental and Tourism for the Detailed Environmental Impact Assessment (DEIA) prepared in relation to the planned Ovoot coking coal mine;**
- **Approval from the Minerals Resource Council (MRC) of the Mineral Resources and Petroleum Authority of Mongolia (MRPAM) for Feasibility Study prepared on construction and operation of a Coal Handling and Preparation Plant (CHPP); and**
- **Approval from the Science and Technology Council (STC) of the Road and Transport Development Centre (RTDC), a division within the Ministry of Road and Transport Development (MTRD), for Feasibility Study prepared on paved road proposed to be built to support product coal haulage.**
- **Successful completion of small-scale infill drilling program within the Ovoot mining license (MV-017098), for a total of 11 boreholes and 1,569 metres drilled, comprising HQ and PQ sized holes, and PCD and DD drilling.**
- **End of Quarter cash balance of A$29.6 million (including A$28.4 million equivalent held in United States Dollars), with A$1.5m of the $A3.1m reduction in cash balance attributable to 4.2% appreciation of the Australian Dollar against the United States Dollar in the December quarter.**

OCCP DFS Progress

During the Quarter, the Company completed infill exploration drilling within the Ovoot mining license, and Feasibility Studies compliant with Mongolian legislated requirements in relation to

the planned CHPP and Road infrastructure. Total expenditure in relation to the OCCP amounted to A$0.8m.

Exploration

The Company completed on-site activities related to the small-scale infill drilling program within the Ovoot mining license, as announced previously to be conducted in the December quarter[1].



Figure 1, Exploration Drilling at the Ovoot mining license looking across the Mogoin Gol valley.

Drilling activities were conducted in accordance with the Exploration Plan approved by the Mineral Resources and Petroleum Authority of Mongolia (MRPAM), and the Environmental Protection Plan approved by soum (council) and aimag (province) authorities administered under the Ministry of Nature, Environment and Tourism (MNET).

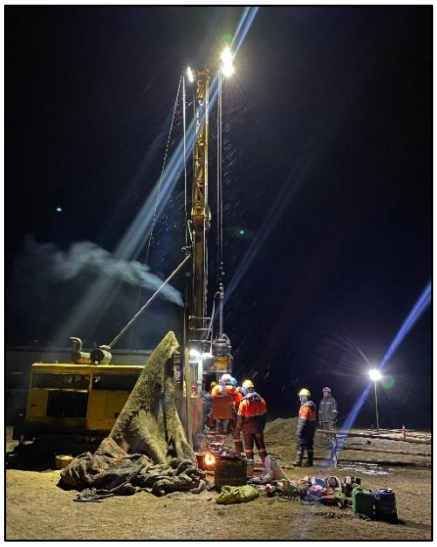


Figure 2. Night-time drilling activities.



Figure 3. Rock and coal core collection from HQ DD drilling.

Holes were drilled at 11 locations within MV-017098, for a total of 1,569 metres drilled, which comprised 1,284 metres HQ size (including 487.5 metres of PCD2 drilling and 836.2 metres of DD3 drilling) and 285 metres of PQ size (including 152.6 metres PCD and 131.6m DD).

Water and rock samples collected from the drilling program have now been analysed in laboratories in Ulaanbaatar in accordance with Mongolian National Standard (MNS) and International Organization for Standardisation (ISO) requirements, and the respective hydrogeological and geotechnical consultants are in process of utilising this information in

[1] Refer to ASX Announcement 'Commencement of Drilling at Ovoot', released 21 October 2022.
[2] Polycrystalline Diamond, a type of drilling which ejects rock chips from the drill holes.
[3] Diamond Drilling, a type of drilling which allows for recovery of cylindrical rock 'core' from drill holes.

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combination with field observations and measurements taken to prepare specialist input into revision of the planned Starter Pit design.

Coal samples collected from the drilling program are being analysed for quality and washability parameters by SGS-IMME Mongolia LLC, in accordance with the requirements of American Society for Testing and Materials (ASTM), Australian Standards (AS), Guobiao Standards (GB) and ISO methodology requirements. SRK Consulting MGL LLC is engaged to incorporate results of this testing in combination with field observations and measurements taken to prepare an updated JORC compliant Coal Resource estimate.

Mine

During the Quarter the Company received final written approval for the DEIA prepared in relation to the planned Ovoot mining activities. This is a welcome achievement following numerous delays to progress this, mainly on account of local and national COVID-19 control measures restricting public gatherings to facilitate community consultation.

With valid Mining License, Feasibility Study and DEIA now in place, there remain only minor permissions and approvals to be obtained to commence mining. These are not on critical path, which is centred upon the permissions, approvals and construction timeline for the Road.

CHPP

The Feasibility Study for construction and operation of CHPP infrastructure within the Ovoot mining license prepared in accordance with MRPAM requirements was reviewed by the MRC and approved following some minor clarifications and subsequent revisions.

This study was prepared under a consulting agreement by local engineering firm Grand Power Construction LLC, based upon localisation of designs and cost estimates contained within the Front End Engineering Design (FEED) study completed previously by Sedgman Pty Ltd.

The design includes for:

- Production of a singular coking coal product stream, without the additional capital cost or complexity of middlings (thermal coal by-product) generation or handling;
- Measures to contain potential for adverse environmental impact, including:
    - Minimisation of dust generation via containment measures including enclosed raw coal receival, use of wet processing technologies, enclosed product coal storage and material handling infrastructure to minimise requirement to utilise mobile equipment to facilitate product coal loadout; and
    - Maximisation of water recovery and reuse through use of filter press technology to dewater fine and ultrafine tailings, prior to intended co-disposal with mine overburden dumps.

Baseline study and assessment of potential environmental impacts of this proposed coal processing facility has been prepared, with no serious issues determined. Work is in process to have this information ratified via an approved DEIA.

Road

An updated version of the Feasibility Study was submitted to the Science and Technology Council (STC) of the Road and Transport Development Centre (RTDC), a division within the

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Ministry of Road and Transport Development (MTRD). The amendments made satisfied queries and concerns previously raised against the initial submission, which enabled for it to be approved.

Subsequently to the FS being approved, the Terms of References (ToR) were issued by the STC for the preparation of Detailed Design (DD), which is also required to be presented to the STC for approval once complete. The local consultants engaged by the Company to prepare the FS, being ICT Sain Consulting LLC and Gobi Infrastructure Partners LLC, are also contracted to prepare this DD and are now in process of finalizing this based upon the ToR received with target completion within Q1 2023.

Work completed in relation to DD during the December quarter included completion of topography, geological, hydrological and condition surveys focused upon bridges and intersections required to be designed.

Rail

Start Alliance LLC continued work in relation to preparation of design and cost estimate for rail infrastructure at the planned rail terminal to be developed near Erdenet. Preliminary designs for trackwork within the facility have been prepared and agreed, and designs for trackwork to facilitate connection with the main Erdenet – Salkhit line remain in progress navigating the required standards of Ulaanbaatar Tumur Zam (UBTZ), the national railway operator.

Sustainable Development

Green Fodder Project

During the Quarter, the harvest from the 2022 Green Fodder Project was completed. Due to the slower and cooler start to the growing season, and as result of well below average rainfall, the yield was significantly reduced, with only 1200 bales of fodder able to be produced (compared to over 15,000 bales produced from the same land in 2021).

These conditions also resulted in poor pasture growth, reduced availability of and increased demand for fodder on market in the region, creating very difficult conditions for the local herding community. In response to this, the Company purchased an additional 3,000 bales of fodder on market and has distributed the combined inventory to the local community via donations and subsidised sales.



Figure 4. Local herders participating in fodder harvest and distribution.

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Environmental Fellowship Program

The Company has proudly committed to extending its support of the Zorig Foundation's Environmental Fellowship Program (EFP) for 2023, agreeing to contribute almost half of the program budget. The EFP is an eight-month long program for young professionals desiring to improve their understanding of environmental issues impacting upon Mongolia.

The program is open to university graduates 26 years of age or under, who want to improve their understanding on environmental and sustainable development issues with intent to improve these. Participants of the program strengthen their leadership skills, expand understanding on the pressing environmental issues of Mongolia, expand their network and learn to design and implement projects in a team setting.

Within the class of 2022 was a participant from Khuvsgul aimag, who expressed her heartfelt appreciation to the foundation and the company for this meaningful youth program. She is also planning to implement an environmentally friendly project of her own in Khuvsgul in 2023, drawing upon the knowledge and skills she has acquired from the program.



Figure 5. Participants attending the Environmental Fellowship Program during 2022.

Northern Strongmen Wrestling Club Youth Wrestling Championship

Traditional wrestling is an important cultural heritage of Mongolians, particularly, in the countryside where it continues to thrive and serve as an important form of sport and entertainment. Young people build strength and resilience at a young age by taking part in wrestling matches.

The company sponsored a traditional youth wrestling intercity championship organized by the 'Hoimor Nutgiin Huchten', or Northern Strongmen Wrestling Club. A total of 226 young wrestlers competed in the championship, organized according to four age categories.

The organizing club and participants thanked the Company, represented by Community Relations Manager (Tsogbadrakh, far right, Figure 6), for supporting the competition and Mongolian traditional wrestling.

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Figure 6. Awards Ceremony at the Northern Strongmen Youth Traditional Wrestling Championship.

Logistics and Marketing

Following recovery in total monthly volumes of coal exported from Mongolia in the first three quarters of 2022, monthly exports plateaued close to the maximum monthly rate seen in the September quarter, before increasing in December to record the highest monthly export in 2022 with slightly more than 4.5 million tonnes (Mt) exported, as seen in Figure 7.

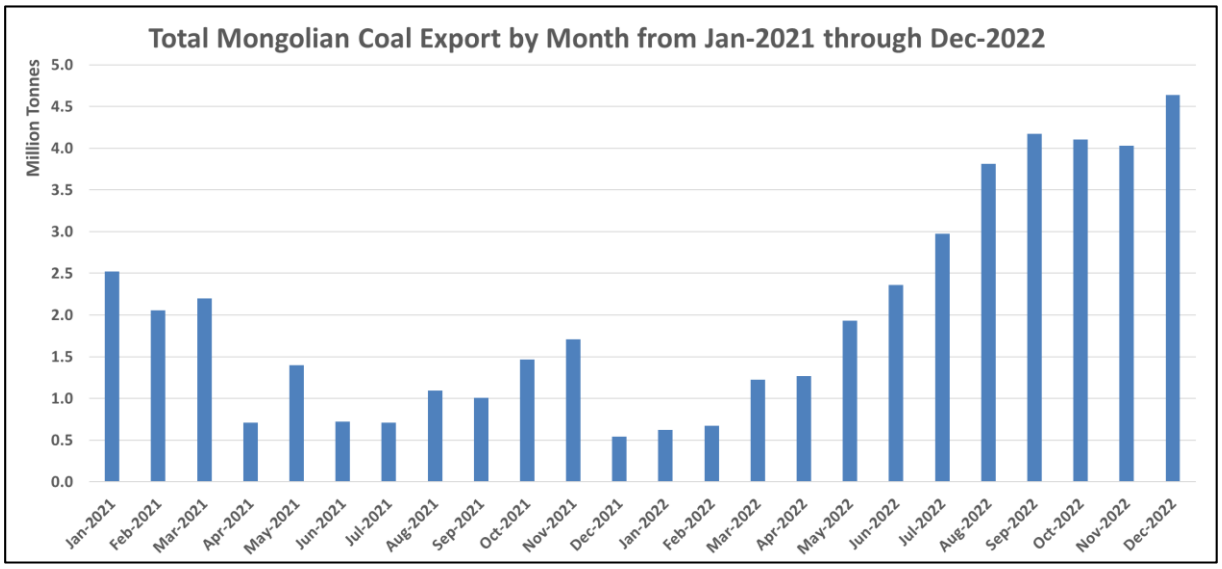


Figure 7.Monthly Mongolian Coal Exports 2021-2022 (Source: National Statistics Office of Mongolia).

The increase in coal exports has been prompted by the relaxation of COVID-19 control measures within China and specifically in relation to cross-border trade. Whilst trucking remains the predominate mode of coal export transportation, commissioning of the Tavantolgoi – Gashuunsukhait (TT – GS) and Tavantolgoi – Zuunbayan (TT – ZB) railways has contributed.

According to the National Statistics Office of Mongolia, a total of 31.8 Mt of coal was exported in 2022, representing an increase of 97 per cent over 2021. Following peaks in Q4 2021 and Q2 2022, pricing for Mongolian coking coals and comparable Fat Coals in China have remained strong, as shown in Figure 8.

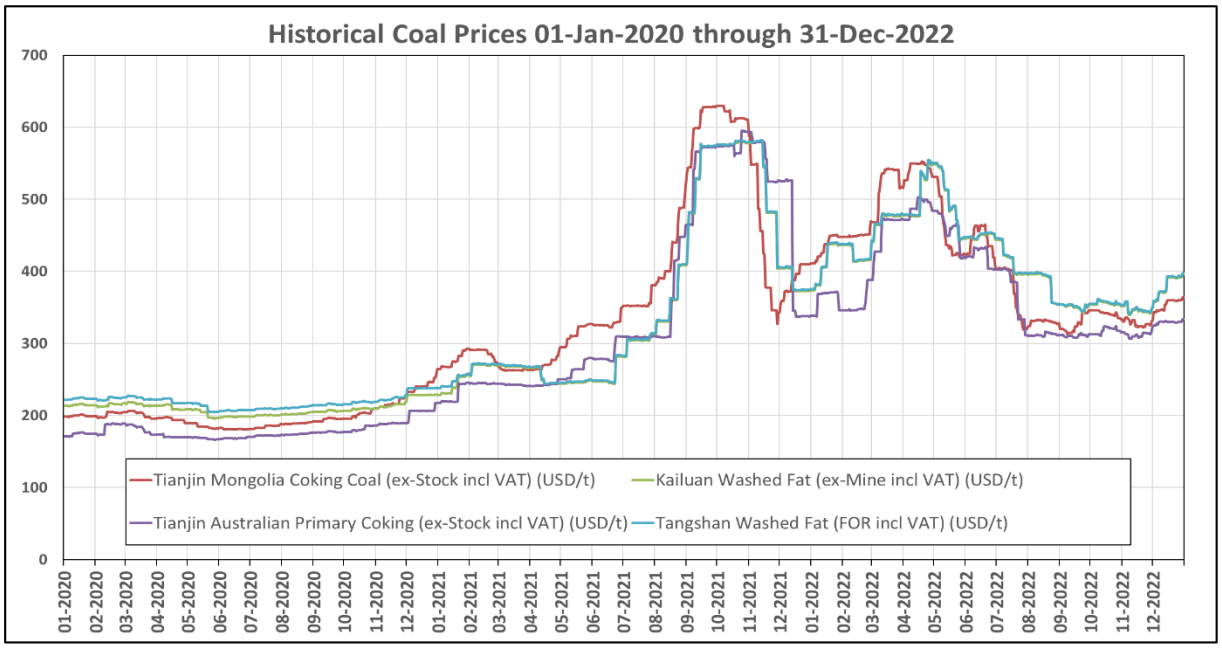


Figure 8. Market Price Trends 2020-2022 (Source: www.sxcoal.com).

Corporate

At the end of the December quarter, the Company held A$29.6 million in cash and term deposits. Quarterly expenditure amounted to approximately A$1.6m, with the end of quarter cash balance further reduced by A$1.5m on account of the strengthening AUD:USD exchange rate impacting upon the Australian Dollar valuation of funds held in United States Dollars. The AUD:USD exchange rate appreciated by approximately 4.2 per cent between 30 September 2022 (0.6502) and 31 December 2022 (0.6775).

Board and Management

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

- Mr David Paull did not seek re-election at the Annual General Meeting (AGM) held 29 November 2022, and thus retired as Non-Executive Chairman and director of the Company with effect from the close of the 2022 AGM.
- Mr Neil Lithgow resigned from his position as Non-Executive Director of the Company with effect from the close of the 2022 AGM but remains a significant shareholder.
- Mr Michael Avery and Mr Russell Taylor were elected at the 2022 AGM as Independent Non-Executive Directors by Shareholders, following nomination by Mr Tserenpuntsag Tserendamba, the Company's major shareholder.
- Mr Phil Rundell resigned from the position of Company Secretary with effect from 06 December 2022, and subsequently Ms Emily Austin from the Automic Group was appointed as replacement effective thereafter.

The Board and Management extends their gratitude to Mr David Paull, Mr Neil Lithgow, and Mr Phil Rundell for their dedicated service to the Company over many years.

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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 –

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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.

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. Achit-Erdene Darambazar Managing Director +976 7011 6828

Appendix 5B

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

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Name of entity	
ASPIRE MINING LIMITED	
ABN	**Quarter ended ("current quarter")**
46 122 417 243	31 December 2022

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (6 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	(258)	(472)
	(e) administration and corporate costs	(385)	(892)
1.3	Dividends received (see note 3)		
1.4	Interest received	89	107
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	11	(13)
1.9	**Net cash from / (used in) operating activities**	**(543)**	**(1,270)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(37)	(81)
	(d) exploration & evaluation (if capitalised)	(969)	(1,476)
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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**	**(1,006)**	**(1,557)**

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	32,706	31,990
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(543)	(1,270)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,006)	(1,557)
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 (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(1,579)	415
4.6	**Cash and cash equivalents at end of period**	**29,578**	**29,578**

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	23,863	26,666
5.2	Call deposits	5,715	6,040
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)**	**29,578**	**32,706**

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	172
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

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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 $A'000**	**Amount drawn at quarter end $A'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**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(543)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(969)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,512)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	29,578
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	29,578
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	20

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

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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: 31 January 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.

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