



Equity Research

8 October 2026

Recommendation

Buy (High Risk)

Last Price

\$0.215

Target Price

\$0.80 (Initiation)

Expected return

Capital growth	272%
Dividend yield	-
Total expected return	272%

Company data

Market capitalisation	A\$109m
Enterprise value	A\$106m
Issued capital (shares)	508m
Free float	21%
Average daily vol (12mths)	84k
Price range (12mths)	0.185-0.31
GICS sector	Materials

Share price performance

Period	1 mth	3 mths	12 mths
Price (A\$)	0.22	0.22	0.25
Change (%)	(2%)	(2%)	(14%)

One year price chart



Business description

Aspire Mining Ltd (ASX:AKM) is focused on the development of the Ovoot Coking Coal Project in Mongolia. It also holds a 90% interest in the early-stage Nuurstei Coking Coal Project in Mongolia.

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Aspire Mining Ltd (ASX:AKM)

Great things take time...and that time is now

Aspire Mining (Aspire or the Company) is developing the Ovoot Coking Coal Project (Ovoot) in north-west Mongolia. Ovoot will produce a high quality, high value, 'fat' coking coal that commands a similar price in China to Australian premium HCC.

Aspire has announced that it intends to raise US\$60m via the issuance of OTC bonds in the Mongolian market to near-fully-fund the pre-production capex of Ovoot. In addition, we expect Aspire to imminently sign a PPP agreement for the construction of the Murun-Uliastai Highway that will be used to transport coal.

Construction has commenced at Ovoot and first coal sales are expected in early 2028.

We initiate research coverage with a call of Buy (High Risk) and Target Price of A\$0.80/share.

Key points

- **Low-capex path to first coal.** In September, Aspire released an updated Coal Reserve estimate (**Technical Study**) that incorporated a new, staged, low-capex development strategy. The updated model forecasts pre-production capex of only US\$61.2m to first coal sales, down from US\$215m (November 2024 estimate), based on a rental mining fleet, contractor transportation fleet, and deferred commissioning of some project infrastructure.
- **Mongolian OTC bond minimises equity dilution.** Aspire is currently raising US\$60m via a Mongolian OTC bond that should provide almost 100% of the funding required to reach first coal sales.
- **Construction underway.** Camp facilities for 150 people and a workshop were built prior to the 2025-26 winter season. Construction of the CHPP, contractor accommodation and a concrete batching plant is ongoing ahead of pre-stripping.
- **PPP agreement for highway unlocks Ovoot.** Signing of the Murun-Uliastai Highway Project PPP agreement is imminent and will solve the project's biggest challenge: delivering coal to market. The PPP structure also reduces Aspire's pre-production capex requirement.
- **Marketing rights are back under Aspire's control.** Legacy marketing and other rights held over the Ovoot project by Noble Group (**Noble**), were extinguished in September 2025. This allows Aspire to choose its own offtake partner(s) and we expect savings of up to US\$20/t in marketing and selling fees from this change.
- **Community partnerships will have long-term benefits.** Aspire has demonstrated its commitment to partnering with local communities through community engagement activities and updating the development plan for Ovoot to address concerns around the scale of operations and impact on the environment. Aspire now enjoys strong community support at a crucial time ahead of first production.

Investment View: Buy (High Risk); Target Price A\$0.80/share

We initiate coverage of Aspire with a call of Buy (High Risk) and a price target of \$0.80. **At a risked P/NAV of 26%, Aspire appears materially undervalued.** We expect Aspire can start to close this gap over the coming 12 months as construction continues and Ovoot closes in on first coal sales. We believe that the commencement of pre-stripping in Q1/2027, construction of the Murun-Uliastai Highway, and the securing of project finance are key catalysts over the next 12 months.

Investment view

We initiate at Buy (High Risk) with a Target Price of \$0.80.

Recommendation and Valuation

We commence our research coverage of Aspire with a Target Price of \$0.80/share based on a risked Sum of the Parts (SOTP) valuation of A\$616m. This implies 272% upside to the last traded price of \$0.215, so we rate Aspire as a Buy, based on a 12-month view. We also rate the stock High Risk, as a development-stage mining company.

We have assumed that Aspire requires A\$50m of new equity to reach first production. We assume that this equity is raised at the last traded price of \$0.215, and conversion of 6.5m AKMAC performance rights, to calculate a fully diluted Shares on Issue figure.

Figure 1: Valuation summary of Aspire Mining

	A\$m	Risk Adj.	A\$m	A\$/sh.	Comment
Ovoot	1,811	33%	598	0.79	DCF, post-tax NPV ₁₀
Cash	54	100%	54	0.07	Includes A\$50m in new equity to reach first production
Corporate costs (5 years)	(35)	100%	(35)	(0.05)	Includes interest on US\$60m of Mongolian OTC bonds
			616	0.82	
			Target price	0.80	
			Last price	0.215	
			Expected total return	272%	

Source: GBA Capital.

Ovoot valuation

We have used Aspire's September 2026 Technical Study to create a simple DCF to value Ovoot, based on an initial 1.5Mtpa ROM production rate that ramps up to 5Mtpa ROM production by mining year 7. Our key assumptions are listed below:

- US\$230/t coking coal price and US\$15/t thermal (weathered/oxidised) coal price.
- 78% yield and 6.5bcm/ROM t LOM strip ratio.
- Steady-state costs:
 - Mining: US\$1.80/bcm mined;
 - Processing: US\$2.40/t ROM coal;
 - Transportation (trucking): US\$30/t saleable coking coal;
 - Logistics (rail): US\$26/t saleable coking coal;
 - Selling (including Mongolian royalty and Chinese import VAT and customs duties): US\$55/t saleable coking coal; and
 - Site administration and overheads: US\$5/t saleable coking coal.
- US\$225m pre-production and ramp-up capex spent on infrastructure (spread across years 1-9) to reach 5Mtpa mining and processing production rate; US\$35m p.a. sustaining capex from mining year 3.
- 25% corporate tax rate, 0.70 AUD/USD exchange rate and 10% depreciation rate.

Figure 2: DCF valuation of Ovoot (years 1-15 shown; years 16-33 continue at steady-state)

		Total (LOM)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Saleable coking coal	Mt	109.8	0.0	0.2	1.2	1.2	2.0	2.0	2.0	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Saleable thermal coal	Mt	2.8	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.2	0.0	0.0	0.0	0.0
Total material mined	Mbcm	1,042.4	0.0	6.5	21.6	14.9	18.7	18.9	19.3	36.9	36.8	39.6	36.8	35.5	35.6	35.6	35.6
Revenue																	
Coking coal	US\$m	25,251	0	45	269	269	449	449	449	897	897	897	897	897	897	897	897
Thermal coal	US\$m	42	0	1	2	2	2	2	2	2	2	6	2	0	0	0	0
Total revenue	US\$m	25,293	0	46	271	271	451	451	451	899	899	903	899	897	897	897	897
Costs																	
Mining	US\$m	1,892	0	14	47	32	34	34	35	66	66	71	66	64	64	64	64
Processing	US\$m	346	0	1	4	4	6	6	6	12	12	13	12	12	12	12	12
Trucking	US\$m	3,332	0	7	42	42	70	70	59	117	117	117	117	117	117	117	117
Rail	US\$m	2,854	0	5	30	30	51	51	51	101	101	101	101	101	101	101	101
Selling	US\$m	6,038	0	11	64	64	107	107	107	215	215	215	215	215	215	215	215
Site admin and overheads	US\$m	549	0	1	6	6	10	10	10	20	20	20	20	20	20	20	20
Total costs	US\$m	14,463	0	38	188	173	268	269	258	512	512	517	512	509	509	509	509
EBITDA	US\$m	10,830	0	8	84	98	183	182	193	388	388	385	388	388	388	388	388
Depreciation	US\$m	963	7	8	9	14	18	22	25	28	31	31	31	32	32	32	33
Tax	US\$m	2,329	0	0	15	20	39	38	40	85	84	84	84	84	84	84	84
NPAT	US\$m	7,537	(7)	0	59	65	126	123	129	275	273	271	272	272	272	272	271
Capex	US\$m	1,275	65	20	20	55	55	55	55	55	55	35	35	35	35	35	35
FCF	US\$m	6,676	(65)	(13)	43	18	79	80	89	228	229	247	249	249	249	249	250
Discount factor			0.91	0.83	0.75	0.68	0.62	0.56	0.51	0.47	0.42	0.39	0.35	0.32	0.29	0.26	0.24
Discounted FCF	US\$m	1,268	(59)	(10)	32	12	49	45	46	106	97	95	87	79	72	66	60

Source: GBA Capital.

Possible share price catalysts

The achievement of first coal production within the next 18 months will be an accomplishment 15 years in the making.

We expect the gap between Aspire's share price and our Valuation / Target to close over the coming 12 months, driven primarily by the following:

- Commencement of pre-stripping in the Mongolian spring.
- Entering a **PPP Agreement** with the Mongolian government for the **construction of the Murun-Uliastai Highway**.
- Execution of offtake MoUs/sales agreements, including the potential to secure additional funding via a **coal pre-payment agreement or traditional project finance**.

Asset summary

Overview

Aspire is focused on the development of Ovoot (100% interest) and the Nuurstei Coking Coal Project (**Nuurstei**) (90% interest).

Figure 3: Aspire's project portfolio

Project	Interest	Location	Stage
Ovoot	100.0%	Mongolia	Construction
Nuurstei	90.0%	Mongolia	Exploration

Source: GBA Capital.

Ovoot Coking Coal Project

Ovoot is located in north-western Mongolia within the Tsetserleg soum (district) of the Khuvsgul aimag (province).

It is located 190km from Murun and 600km from Erdenet by road. There is a population of approximately 6,000 people in the soum and 125,000 in the aimag. The Mogoin Gol coal mine is located on the western border of the Ovoot mining licence.

Local infrastructure is sufficient to support Ovoot, with the 24MW Toson Thermal Power Plant less than 100km from site, and 35kV and 110kV overhead transmission lines crossing the mining licence.

Ovoot is located next to an operating coal mine, providing Aspire with access to a trained, local workforce.

Figure 4: Location of Ovoot Project



Source: Company reports.

Development history

With first production expected in 2028, Ovoot is still within the 15-20 year timeline that it takes for an Australian mine to reach production from discovery.

The development of Ovoot has been more difficult than Aspire's management team(s) or shareholders would have liked.

From acquiring Ovoot in February 2010, Aspire's share price went on a run, giving the Company a market capitalisation of almost A\$600m in April 2011. However, the share price then proceeded to lose over 99% of its value by May 2016.

Figure 5: Aspire Mining market capitalisation (2010-17) (A\$m)



Source: GBA Capital, S&P Capital IQ Pro.

A summary of major milestones and achievements between 2010 and 2017 is below:

Date	Event
Feb-10	Acquisition of Ovoot Coking Coal Project for US\$3.5m and 150m shares.
Oct-10	Maiden JORC resource announced of 330.7Mt, with 75% of the resource being within 250m of surface.
Oct-10	19.9% placement made to SouthGobi Resources for A\$20.1m.
Jan-11	Noble emerged with a 4.1% interest in Aspire, having bought shares on market.
Mar-11	Noble acquired an additional 3.4% interest in Aspire from the project vendors.
May-11	Initial production plan announced, with 0.5-1Mtpa production rate to commence in 2012. This would expand to 10.5Mtpa of washed coal sales commencing in 2016 and would require a railway line from Ovoot to Erdenet.
Jun-11	Initial washability tests show 80% yield at 8% ash content. Stage 2 production target expanded to 12Mtpa from 10.5Mtpa.
Nov-11	Marketing and logistics agreement signed with Noble, awarding marketing rights for 50% of the first 5Mtpa of coal production.
May-12	Maiden JORC reserve of 178Mt announced; resource revised to 252Mt.
	Maiden PFS announced:
Jun-12	Two-stage production profile; Stage 1 of 6Mtpa commencing from 2016, Stage 2 of 12Mtpa commencing from 2018 once railway constructed from Ovoot to Murun. RoM production up to 15Mtpa.

- LOM coal production of 153Mt over 15 years.
- 50/50 sales split FOB at Russian Far East Ports and Chinese border.
- 20% of coal sales as unwashed coal.
- US\$1.3bn Stage 1 pre-production and Stage 2 expansion capex, including to build a rail line between Ovoot and Murun.

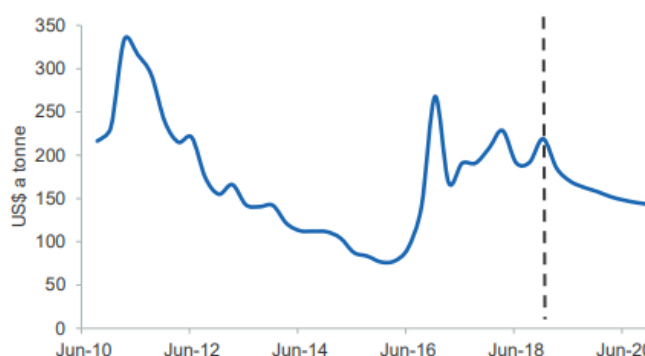
Aug-12	Mining licence granted, providing 30-year tenure until 2042 plus the ability to extend twice for 20 years each.
Nov-12	Coal reserve increased by 23% to 219Mt, with LOM extended to 20 years. Maiden underground reserve of 8Mt announced. Ovoot is now the second largest coal deposit in Mongolia by reserves.
Dec-12	Revised PFS announced, considering owner-operated mining and 100% washed coal sales. Pre-production capex of US\$1.4bn and post-tax NPV ₁₂ of US\$1.7bn.
Jan-13	Additional equity investment made by Noble, taking its interest in Aspire from 10.1% to 14.9%. Noble awarded marketing rights over an additional 10% of all coal produced, and appointment of one board member.
Jul-13	Four MoUs executed for 5.6Mtpa of coal production.
Jul-13	Resource and reserve figures upgraded to 281Mt and 255Mt, respectively.
Aug-13	Updated development plan announced, with initial 5Mtpa production rate and expansion being funded from project cashflow. Pre-production capex reduced to US\$144m.
Dec-13	Additional 1.3Mtpa MoU announced with a Russian end user, bringing total MoU contract volume to 6.9Mtpa.
Jul-14	MoU signed with the Zavhkan Power Station to supply 250ktpa of thermal coal. Construction of the plant was completed in 2024.
Mar-15	Loan extension agreed with Noble, in return for marketing rights over 40% of Ovoot production.
Mar-16	Additional loan extension agreed with Noble, in return for marketing rights over 52.5% of Ovoot production.
Jun-17	Equity raise and financing agreement reached with Noble. Aspire acquired 90% in the Nuurstei Coking Coal Project, while Noble were awarded marketing rights over 65% of Ovoot coal production.

In conjunction with general project delays, we attribute the decline in Aspire's market value by mid-2016 to three key factors:

1. Coal price weakness

Between 2011 and 2016, coal prices fell from almost US\$350/t to below US\$100/t.

Figure 6: Australian premium HCC spot price, quarterly



Source: DISR Office of the Chief Economist, Resources and Energy Quarterly, December 2018.

2. Changes to Mongolian foreign investment law

In May 2012, the Mongolian enacted new legislation to regulate foreign direct investment (**FDI**) into the mining, banking and finance, or media and telecommunications sectors (each, a **sector of strategic importance**). The legislation was based on the level of investment.

- All FDI in excess of 5% in an entity operating in a sector of strategic importance must register with Mongolia's Foreign Investment Agency;
- FDI in excess of 33% in an entity operating in a sector of strategic importance must receive Mongolian government approval;
- FDI in excess of 49% in an entity operating in a sector of strategic importance and in excess of ₮100bn (~US\$30m), requires approval from Mongolia's Parliament; and
- FDI made by a company with state ownership require Mongolian government approval.

These laws have since been repealed.

Changing community attitudes to mining

Changes to Mongolia's FDI laws coincided with increased resource nationalism and host communities expecting greater benefits to flow from mining projects, both directly and via positive externalities such as the construction of road and electricity infrastructure.

Decisions made by some Gobi-based coal mining companies to curtail or suspend operations, and furlough a large part of the workforce, further damaged relationships with host communities.

Mongolia's 2012 FDI law changes have since been repealed.

Aspire's share register is majority Mongolian-owned, which supports permitting and engenders community support for Ovoot.

The turnaround for Aspire started in 2018 when Mr Tserenpuntsag Tserendamba (**Mr T**), a successful Mongolian businessman and former member of parliament, became a shareholder.

Aspire's last equity raise was a A\$33.5m placement to Mr T in December 2019, which increased his stake in the Company from 27.5% to 52.5% (following option exercise).

Mr T's presence on the share register has led to Aspire increasing its in-country presence and focusing on partnering with the local Ovoot community. This community support has been crucial for Ovoot reaching its current stage of development.

Since mid-2023 and the appointment of Mr Sam Bowles as CEO, Aspire has achieved the following major milestones:

Date	Event
Apr-24	The Detailed Environmental Impact Assessment (DEIA) was approved for a 2.5Mtpa CHPP. Future, modular expansion of the CHPP to 5Mtpa was considered as part of the design.
Apr-24	The design of the Ovoot to Murun highway was approved by Mongolia's Ministry of Road and Transportation Development.
Apr-24	DEIA approval was received for the Ovoot to Murun highway, which represented the final major approval required for the Project.
Nov-24	Updated coal resource and reserve of 219Mt and 130Mt, respectively, was released, along with detailed project economics.
Mar-25	Summary of the Ovoot Independent Technical Report was released, which included further detail on project economics.
Sep-25	Aspire regained marketing rights over Ovoot coal from Noble and executed a block trade of its 13.1% equity stake. Legacy marketing fees payable were up to 5% of coal sales revenue.
Sep-25	The Mongolian government endorsed the development of the Murun-Uliastai Highway Project under a Public-Private Partnership.
Dec-25	Execution of a lump-sum EPC contract for the construction of a 2.5Mtpa CHPP, 60% of which will be vendor financed.
Sep-26	Release of a revised Technical Report and raising of US\$9.6m from a Mongolian OTC bond (as part of a larger US\$60m OTC bond issuance) to fund pre-production capital costs.

The land around Ovoot is unlike the Gobi Desert and mining plans have responded to community environmental concerns.

While the development of Ovoot has been slower than equity investors would like, in our opinion, Aspire has been deliberate in the development of Ovoot, with a focus on partnering with the local community and responding to concerns around pollution and environmental damage.

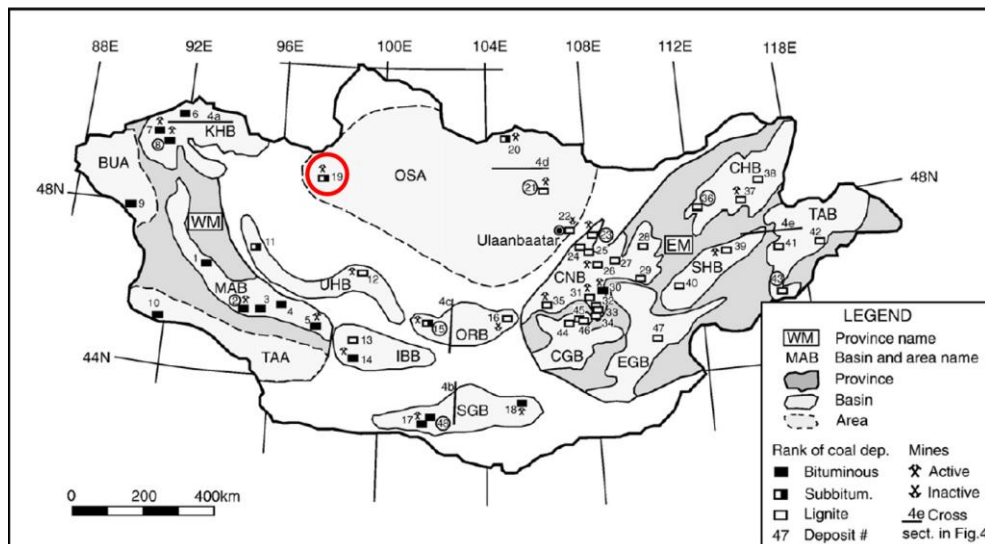
Evidence of this community-focused approach include the scaling down of operations (15Mtpa to 5Mtpa steady-state) and committing to an Australian-standard truck fleet (rather than 'Gobi-style' trucks typically used elsewhere in Mongolia).

While these changes don't show up in a financial model, and generally make operations more expensive, the alternative is for the host community to block development and for coal to remain in the ground forever.

Economic geology

Ovoot is located on the western edge of a Jurassic-Carboniferous sedimentary basin, which forms part of the 240,000km² Orkhon-Selenge coal basin, one of 12 coal basins in Mongolia.

Figure 7: Mongolian coal basins and major deposit location (Ovoot circled)



Source: Company reports.

Coal mineralisation dips to the north-east and is constrained along the southern side by a north-east trending fault.

Approximately 3% of coal sales will be unwashed thermal coal, which represents the weathered/oxidised portion of the Ovoot resource that has lost its coking qualities.

Washing and oxidation of the main coking coal does not materially impact its coking properties; market studies completed on washed coal samples in 2024 confirm its favourable plastic and caking properties.

Refer to the Market Overview section of this report for more information on the Ovoot coal properties.

Resource and reserve status

The maiden JORC MRE of 331Mt was announced in October 2010. In May 2012, a maiden reserve of 178Mt was announced, with the resource scale revised down to 252Mt.

In November 2012, a reserve increase to 219Mt was announced, including a maiden underground reserve of 8Mt. This made Ovoot the second largest coal project in Mongolia by reserves. Resource and reserve figures were upgraded again in July 2013 to 281Mt and 255Mt, respectively.

Additional exploration drilling was completed in 2016 and 2022, with the current Ovoot resource and reserve of 219Mt and 130Mt, respectively, being announced in November 2024. The 130Mt reserve was re-confirmed in the September 2026 Technical Report.

Project economics

Aspire has considered a low-capex path to first production in the updated Technical Study. The main updates made in comparison to the previous Technical Study have been to

commence mining operations using rental equipment for the first three years of operation, outsource transportation fleet to a contractor for the first five years of operation, and defer construction of non-essential infrastructure until after commencement of coal sales (leading to a more gradual ramp-up to 5Mtpa steady-state production).

This has reduced forecast pre-production capex by 70% to US\$65m, and we have assumed a 20% increase in mining and transport costs during mining years 1-3 and 1-5, respectively, to compensate for these changes.

Refer to the Valuation section of this report for more information about project economics and our valuation of the project.

In December 2025, Aspire executed a US\$69.9m lump-sum EPC contract with the International Engineering Company of China Coal Technology and Engineering Group (CCTEG-IEC) for a 2.5Mtpa wash plant at Ovoot and coal handling infrastructure at Erdenet. CCTEG-IEC is a state-owned enterprise and has extensive experience in coal mining and coal processing operations in China.

Mining and Processing

Mining at Ovoot is planned via open pit to a maximum depth of 350m; coal will be reached at 70m below surface. The LOM strip ratio will be 6.5bcm/ROM t, and mining is planned to only target the lower ash and higher quality upper seam. The mining methods planned at Ovoot are conventional, utilising hydraulic excavators and mining trucks to load and haul blasted overburden and coal.

The Coal Handling and Preparation Plant (CHPP) will be fully enclosed, protecting the wet process from the extreme cold of Mongolian winter and minimising noise and dust emissions. De-watered tailings will be co-located with overburden.

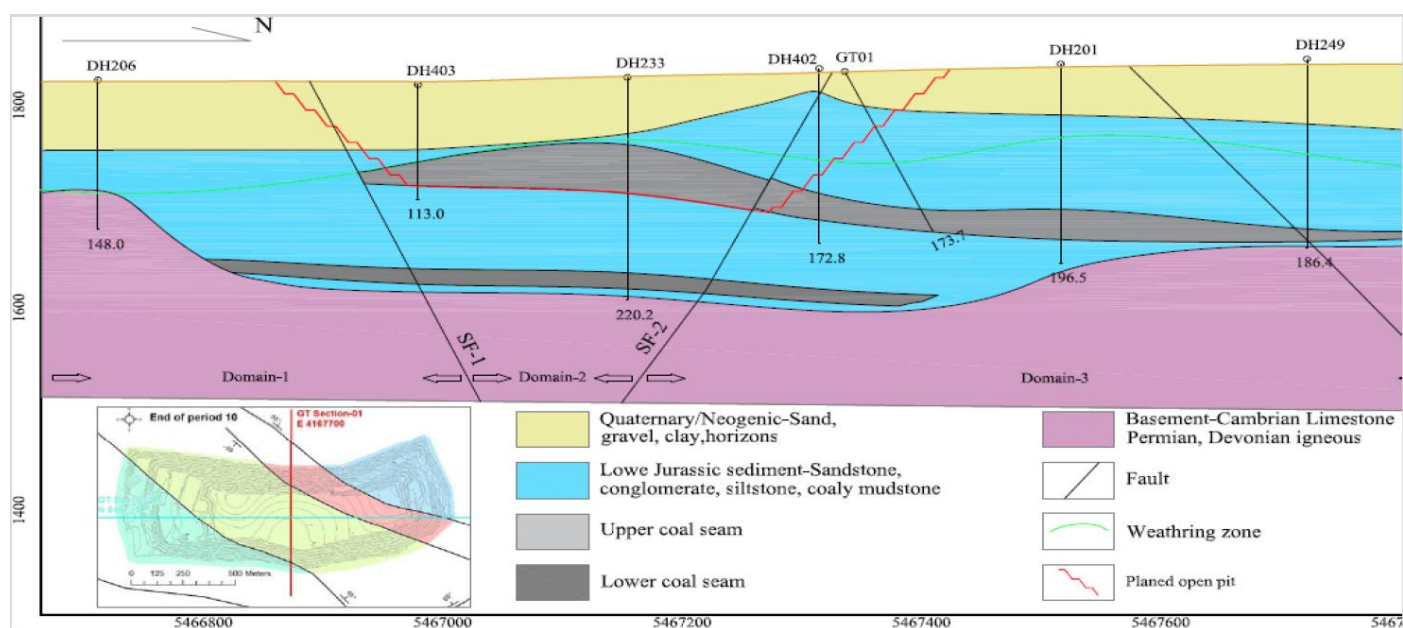
Approximately 500 employees and contractors are expected to be required to sustain 2.5Mtpa, and 900 employees to sustain 5Mtpa. This provides strong job opportunities for local residents in an area of high unemployment and Aspire has already created training and employment programs for locals.

2.5Mtpa wash plant to be built under fixed price, vendor-financed contract with Chinese SOE.

Open pit mining with 6.5x strip ratio.

The initial nameplate capacity of the CHPP is 2.5Mtpa, and the modular design enables easy expansion to 5Mtpa.

Figure 8: Ovoot cross section looking west, including year 10 pit



Source: Company reports.

Transportation and Logistics

Access to end-markets has been the greatest challenge to-date for unlocking Ovoot.

Prior management teams, leveraging excitement around China's Belt and Road Initiative, developed plans for a rail line between Erdenet and Kyzyl (Russia) that would travel past Ovoot and Nuurstei.

This plan failed to gain community support as concerns around the proposed scale of Ovoot (at 15Mtpa) were not offset by any benefits to the community from a rail line; travel between Ovoot and Murun would remain on unsealed roads that damaged the environment.

Figure 9: Northern Rail Corridor (as envisaged in 2017)



Source: Company reports.

Figure 10: Example of unsealed roads around Khuvsigul province



Source: Company reports.

190km road from Ovoot to Murun will unlock the Project and provide benefits to the local community.

Instead, Aspire's current management team have focused on developing a public highway between Murun (the administrative centre of Khuvsgul aimag) and Uliastai (the administrative centre of Zavkhan aimag) under a PPP arrangement with the Mongolian government. 190km of this road will be utilised by Aspire to transport coal between Ovoot and Murun. Aspire will not need to fund the road's development as part of project pre-production capex, instead planning to rely on SPV project funding.

This plan was endorsed by Mongolian cabinet in September 2025, in recognition that it would protect the environment and connect regional Khuvsgul communities, facilitating increased trade and tourism. The new highway would connect to Mongolia's existing highway network.

Figure 11: Approximate overview of the Murun-Uliastai Highway Project



Source: GBA Capital.

4Mtpa of rail capacity has been secured.

Ovoot coal will be transported 24/7 between Ovoot and Erdenet by truck, with a Transportation Hub to facilitate driver changes, re-fueling and truck maintenance to be developed at the approximate midpoint. Detailed simulations of the 1,200km round trip have confirmed that it can be completed within two 12hr shifts.

At Erdenet, coal will be transloaded into rail wagons and transported to China via the Trans-Mongolian railway. An MoU has been signed to access 4Mtpa of rail capacity between Erdenet and Zamiin-uum with Ulaanbaatar Tumor Zam (UBTZ), the national rail operator which is a 50-50 JV between the Mongolian and Russian governments.

Coal handling infrastructure at Erdenet will be built by CCTEG-IEC under the lump-sum EPC contract.

Nuurstei represents long-term upside for Aspire and is on a granted mining licence.

Nuurstei Coking Coal Project

Aspire has held a 90% interest in the Nuurstei Coking Coal Project (**Nuurstei**) since June 2017. It was previously owned via a JV between Noble and Xanadu Mines Ltd (ASX:XAM).

A mining licence was granted in October 2017 for a minimum of 30 years and is extendable twice by 20-year periods.

Although non-core for Aspire now, conceptual studies have considered a 1Mtpa washed, mid-vol HCC operation.

We have not ascribed any value to Nuurstei in our valuation of Aspire. However, given that the Ovoot to Murun highway will pass within 1km of Nuurstei, there is very clear upside for Aspire from the project.

Market overview

Steelmakers commonly blend different types of coking coal before charging them into the coke oven so that their combined properties produce coke of the required strength and quality.

Demand for fat coking coal is very strong in northern China.

Coke 101

Coke is a hardened, porous lump of carbon that is formed by heating coking coal in an oxygen-free coke oven, typically to around 1,000-1,100°C.

As the coal is heated, water evaporates and volatile matter (impurities such as hydrogen and sulfur) are driven off the coal as gases and vapours. At around 350-500°C, suitable coking coals soften, become plastic and swell.

With further heating, the plastic coal re-solidifies into a porous semi-coke. As the temperature continues to rise towards 1,000-1,100°C, further volatile matter is removed and the material shrinks, strengthens and develops into metallurgical coke. The finished coke is then pushed from the oven and cooled.

In a blast furnace, coke is charged together with iron-bearing materials such as iron ore pellets, sinter or lump ore. Coke provides heat, generates reducing gases, principally carbon monoxide, that strips oxygen from the iron oxides, and provides a strong, permeable structure through which gases and molten material can flow. The process produces molten iron, known as hot metal, which is subsequently converted into steel.

Fat coking coal

A Coal Classification and Value in Use study was completed in January 2024, finding that Ovoot coal is considered a FM36 Metabittuminous Coal (GB/T 5751-2009) (also known as a 'fat' coking coal) and is also classified as a Scarce Coking Coal (GB/T 26128-2010).

These properties enable Ovoot to 'unlock' lower quality coals via blending and creates strong demand for the product. A market study completed in April 2024 found a supply shortfall of 15.1Mt in 2023 of fat coking coal within the Hebei, Inner Mongolia, Liaoning, Heilongjiang, and Jilin provinces, and forecast that this shortfall would increase to 18.1 Mt by 2029.

Figure 12: GB/T 5751-2009 coal classification

Classification	Code	#	Volatile Matter V_{daf} (%)	G Index G (#)	Y Index Y (mm)	Dilatation b (%)
Meagre	PM	11	10.0 - 20.0	≤ 5		
Meagre Lean	PS	12	10.0 - 20.0	5 - 20		
Lean	SM	13	10.0 - 20.0	20 - 50		
		14	10.0 - 20.0	50 - 65		
Coking	JM	15	10.0 - 20.0	> 65	≤ 25.0	≤ 150
		24	20.0 - 28.0	50 - 65		
		25	20.0 - 28.0	> 65	≤ 25.0	≤ 150
Metabittuminous	FM	16	10.0 - 20.0	> 85	> 25.0	> 150
		26	20.0 - 28.0	> 85	> 25.0	> 150
		36	28.0 - 37.0	> 85	> 25.0	> 220
1/3 Coking	1/3 JM	35	28.0 - 37.0	> 65	≤ 25.0	≤ 220

Source: Company reports.

Strong demand for fat coking coal is a result of its superior blending properties.

Important coking coal properties are as follows:

Property	Measure	Description	Ovoot
Plastic range	°C	Measures the temperature interval between coal softening and re-solidification.	>100°C
Crucible Swelling Number	CSN (#)	Measures the increase in volume of coal when heated, based on a score of 0-9.	7-8
Dilatation	B (%)	Measures the percentage contraction and expansion of coal as it is heated.	>220%
Caking index	G (#)	Measures the binding properties of coal and its ability to form a solid piece of coke.	>95
Maximum plastic layer thickness	Y (mm)	Measures the development of the plastic layer during carbonisation.	26-27
Gieseler maximum fluidity	ddpm	Measures how fluid the coal becomes during its plastic phase. High fluidity is a major value-in-use attribute of fat coal, allowing it to mix and interact effectively with less-fluid coals.	>8,000
Vitrinite reflectance ($R_{v\ max\%}$, $R_o\%$)	#	Measures coal rank. It is important in designing coke blends because coke makers normally seek a suitable distribution of coal ranks rather than simply maximum fluidity.	1.2-1.3
Vitrinite content	%	Vitrinite is generally the more reactive, plastic-forming maceral (organic component of coal). High vitrinite content therefore complements the high fluidity and caking characteristics sought in fat coal.	>93%

Source: Company and Company reports.

Pricing

Coking coal prices are forecast to remain above US\$200/t through to 2030.

Global coking coal supply remains tight as low profitability and mine accidents force existing operations to close (e.g., Bowen Coking Coal and the Liushenyu mine in Shanxi province, China), while new supply appears limited.

Combined with the effects of the Iran war leading to higher gas prices and increased demand for coal as an energy substitute, met and thermal coal prices have remained strong.

Figure 13: Premium hard coking and Newcastle thermal coal prices, 2014 to 2030f

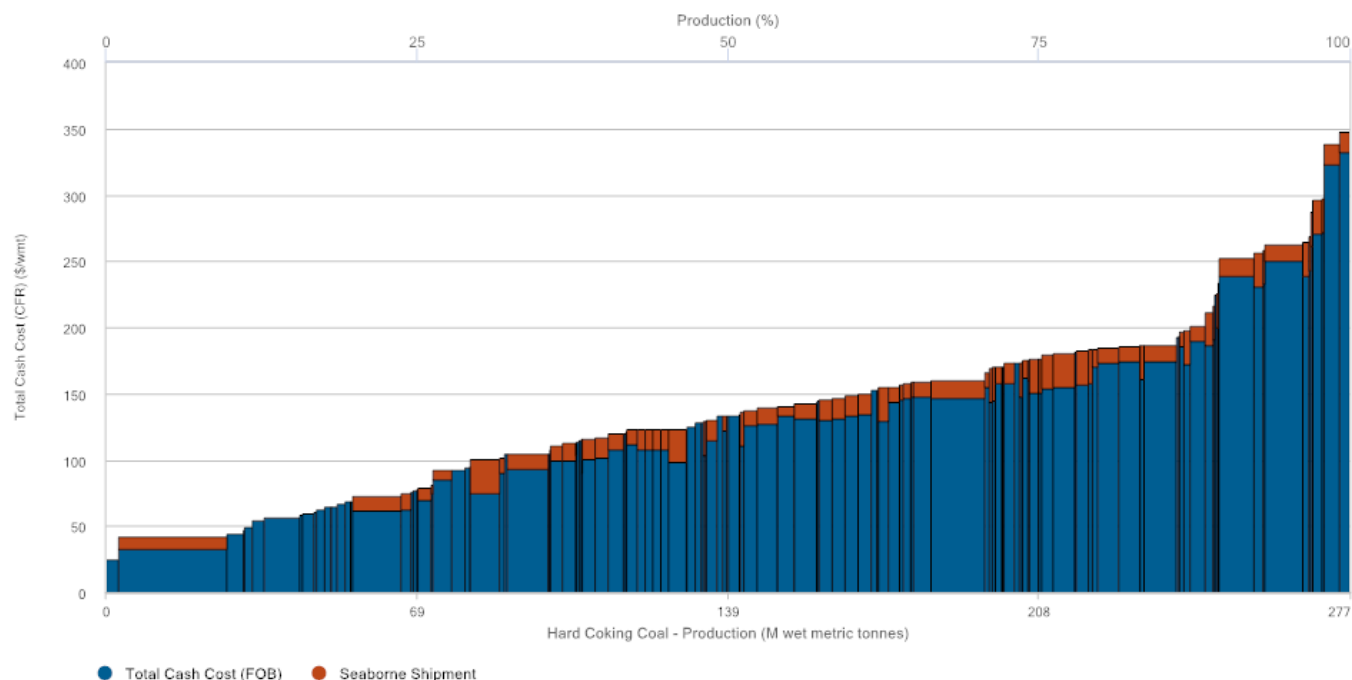
Source: S&P Capital IQ Pro, KPMG.

With hard coking coal prices currently above US\$260/t, we do not see near-term price pressure forcing producers offline but believe that prices are unlikely to trade below US\$200/t for any sustained period of time, particularly since new supply is inelastic.

Figure 14: Hard coking coal cost curve

2026 Metallurgical/Coking Coal Production Ranked on Total Cash Cost (CFR)*

Scenario: Market Intelligence 2025 Constant USD



Source: S&P Capital IQ Pro.

Mongolia country overview

Mongolia has incredible geological potential but is under-explored.

In April 2025, only 4.2% of Mongolia's territory was covered by exploration and mining licences.

Geological potential

Mongolia sits within the Central Asian Orogenic Belt (**CAOB**) that spans 5,000km from the Ural Mountains to the Pacific Ocean. The CAOB is a collection of magmatic arcs that was formed between 1,000 and 250Mha, and which hosts multiple world-class copper-gold porphyry deposits, including Oyu Tolgoi.

Beyond Omnogovi province, which hosts Oyu Tolgoi and Tavan Tolgoi (a coal mine, part owned by the Mongolian Government and Mongolian Mining Corporation (HK:0975)), exploration has been limited across the rest of Mongolia.

Political environment

Mongolia is a democracy with a unicameral (single house) parliament, the State Great Khural (Khural meaning assembly). There are 126 members of parliament. The ruling party is the Mongolian People's Party, a left-wing party that has been in government since 2016. Elections are held every four years, the next being due in mid-2027.

Mr Uchral Nyam-Osoryn has been the Prime Minister of Mongolia since March 2026, while Mr Khürelsükh Ukhnaagiin has been the President of Mongolia since 2021.

The President is the head of state and is democratically elected every six years. Presidents are limited to one, six-year term. The President has the power to veto legislation, but this can be overturned by a two-thirds majority of parliament.

Regional administration

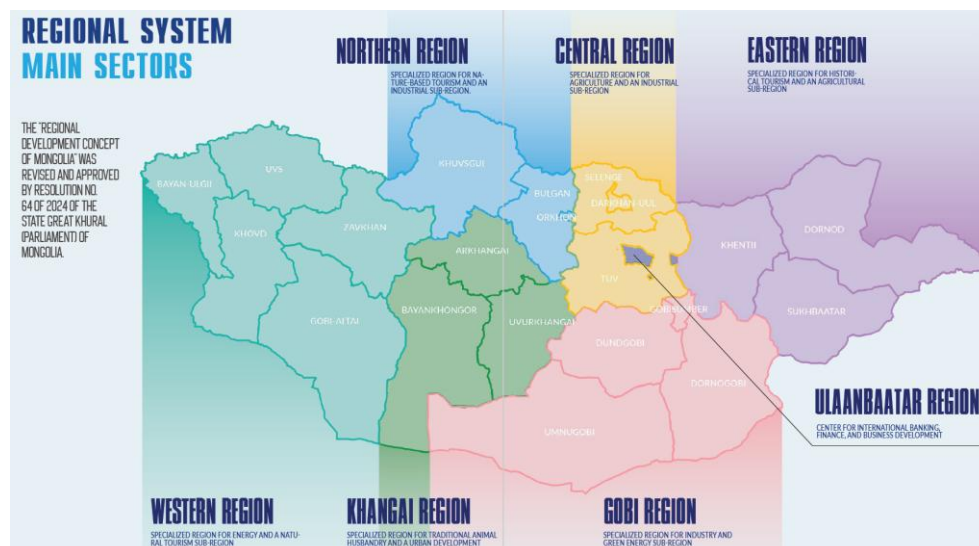
Mongolia is divided into seven regions and 21 aimags, plus Ulaanbaatar. The 21 aimags are split into 330 soums, then further split into 1,639 baghs (administrative units). Ulaanbaatar, where half of Mongolia's population lives, is split into nine districts and 171 khoros (sub-districts).

Aimags, via a Citizens' Representatives Khural, set local policy and make decisions on economic and social matters, and provide coordination and oversight on matters spanning multiple soums.

Soums deliver most local government functions and are responsible for local economic and social administration, delivery of public services, implementation of legislation, land and local development matters, and coordination of the baghs within the soum.

Baghs are the interface between rural residents and government, facilitating citizen participation, local consultation and delivery or coordination of basic government services.

Figure 15: Administrative map of Mongolia



Source: National Institute of Regional Development (NIRD).

Economic environment

Mining contributes ~30% of Mongolia's GDP and over 80% of exports; coal alone comprised 55% of total Mongolian exports in 2024.

The principal legislation governing mineral exploration and mining The Minerals Law of Mongolia (2006) (the **Minerals Law**).

The Minerals Law distinguishes strategically important mineral deposits (**SIMDs**) from conventional mineral deposits (e.g., coal, gold, copper, iron ore) and common material deposits (sediments that are used as construction materials such as sand and gravel). Radioactive material is treated separately.

A SIMD is defined as one that may potentially affect Mongolia's national security, national or regional economic and social development, or that produces, or has the potential to produce, more than 5% of Mongolia's annual GDP. The State Great Khural, acting on a Government proposal or its own initiative, determines whether a particular deposit is designated as a SIMD.

Under the Minerals Law, if exploration of a SIMD was funded or co-funded by the State, the State is entitled to a 50% free carried interest in the project. If no state exploration funding was received, this free carried interest drops to 34%.

16 SIMDs have been identified to-date, with an additional 39 being shortlisted for inclusion.

Ovoot is not included in either list, and all exploration has been privately funded.

SIMD	Commodities	Location
Tavan Tolgoi	Coal	Tsogttsetsii, Omnogovi
Nariin Sukhait	Coal	Gurvantes, Omnogovi
Baganuur	Coal	Baganuur District, Ulaanbaatar
Shivee-Ovoo	Coal	Shiveegovi, Govisumber

We have assessed Ovoot as not meeting the quantitative or qualitative thresholds to be considered a SIMD.

Mardai	Uranium	Dashbalbar, Dornod
Dornod	Uranium	Dashbalbar, Dornod
Gurvanbulag	Uranium	Dashbalbar, Dornod
Tumurtei	Iron ore	Khuder, Selenge
Oyu Tolgoi	Cu, Au, Mo	Khanbogd, Omnogovi
Tsagaan Suvarga	Cu, Mo	Mandakh, Dornogovi
Erdenet	Cu, Mo	Bayan-Undur, Orkhon
Burenkhaan	Phosphorite	Alag-Erdene, Khuvsgul
Boroo	Gold	Bayangol, Selenge
Tumurtiin Ovoo	Zn, Pb	Sukhbaatar, Sukhbaatar
Asgat	Silver	Nogoonnuur, Bayan-Ulgii
Gatsuurt	Gold	Mandal, Selenge

Source: Company.

Washed, exported coal royalties in Mongolia are up to 8% (for prices >US\$210/t) and are based on Mongolian government-designated price sources.

Figure 16: Mongolian exported coking coal royalty rates

Market/reference price, USD/t	Raw coal	Washed coal
0–25	5.0%	5.0%
25–50	6.0%	5.0%
50–75	7.0%	5.0%
75–100	8.0%	5.0%
100–130	9.0%	6.0%
130–160	10.0%	6.5%
160–190	10.0%	7.0%
190–210	10.0%	7.5%
Above 210	10.0%	8.0%

Source: Minerals Law of Mongolia.

The corporate tax rate is 25% on profits exceeding ₮6bn (~US\$1.6m).

Foreign investment

Global companies currently or recently operating in Mongolia include Rio Tinto (LSE/ASX), Erdene Resource Development Corp. (TSX), Steppe Gold (TSX), Entrée Resources (TSX), Kincora Copper (TSX/ASX) and Xanadu Mines (TSX/ASX).

Corporate overview

Aspire's board and management team has strong in-country presence and experience.

Directors and management

Achit-Erdene Darambazar – Executive Chairman. Mr Darambazar has a strong finance background, having founded Mongolia International Capital Corporation LLC, a Mongolian investment bank.

Michael Avery – Non-Executive Director. Mr Avery has over 30 years of coal experience in Australia and Mongolia. He was previously the Managing Director of TerraCom Limited and helped to develop the Baruun Noyon Uul coal mine in Mongolia.

Boldbaatar Bat-Amgalan – Non-Executive Director. Mr Bat-Amgalan has significant private and public-sector previous. He was previously a Director of Erdenet Mining Company, a state-owned mining company that owns the Erdenet copper mine, one of the largest copper mines in the world.

Zoljargal Dashnyam – Non-Executive Director. Ms Dashnyam is an experienced lawyer with over 20 years of corporate and resources law experience in Mongolia and internationally.

Chen Li – Non-Executive Director. Mr Li is a finance professional with more than 15 years of capital markets and advisory experience. He is the Founder and CEO of Fuga-Sho Co. Ltd, a Tokyo-based corporate advisory firm.

Greg Millen – Non-Executive Director. Mr Millen is an engineer with significant project delivery experience, particularly across bulk commodities and water.

Sam Bowles – Chief Executive Officer. Mr Bowles is a mining engineer and was previously COO of Mongolian Mining Corporation and Mongolia Business Unit Head for TerraCom. He has lived in Mongolia since 2010.

Financial position

OTC bond funding will reduce equity dilution.

Aspire had US\$2.5m cash at the end of the June quarter.

Subsequently, Aspire commenced project finance activities through its wholly owned Mongolian subsidiary, Khurgatai Khairkhan LLC (**KK**), via a two-year Mongolian OTC bond. As at 9 September 2026, KK had raised US\$9.56m out of a total US\$60m program.

The fixed coupon is 11-13% and the program is guaranteed by Mr T.

Placement of the remaining bonds is continuing, with proceeds going to CHPP, Erdenet Rail Terminal, other project infrastructure and working capital.

Major shareholders

1. Mr Tserenpuntsag Tserendamba, 52.5%
2. Mr Qijun Huang, 10.5%
3. Mr Neil Lithgow, 4.4%
4. Mr Ying Xu, 3.1%

Source: 2025 Annual Report and ASX announcement 23 April 2026.

Risks of investment

Investment in Aspire carries the risks typical of an ASX development company, which include, but are not limited to, the following principal categories.

Commodity price and exchange rate risk. Aspire's valuations and development economics are sensitive to the coal price. A sustained decline would reduce the attractiveness of Aspire's assets and compress the company's implied resource value. Commodity prices are denominated in USD, introducing rate exposure across AUD, USD and MNT.

Financial and funding risk. Aspire is pre-revenue and reliant on equity markets for working and development capital. Access to additional funding is subject to market conditions, commodity prices and investor sentiment. The company will likely need to raise additional equity capital to fund the development of Ovoot.

Feasibility risk. Study outcomes are sensitive to input assumptions including commodity prices, recovery and capital costs. Once in production, operations are subject to the standard risks of open-pit mining: tonnage reconciliation, equipment reliability, labour availability and product recovery.

Sovereign and regulatory risk. Aspire operates in Mongolia. While we do not believe that Mongolia poses an unacceptable level of sovereign risk, equity investors should be aware of risks to tenement tenure, environmental approvals and evolving royalty and tax regimes.

Appendix 1 – Resources and Reserves

90% of tonnes are in the Measured and Indicated categories and the deposit has an average CSN of 7.

Ovoot Coking Coal Project

Figure 17: JORC Resource and Reserve for Ovoot

Tonnes			
		Mt	
Measured	99.5		
Indicated	100.9		
Inferred	19.0		
Total	219.4		

ROM Tonnes		Marketable Tonnes	
		Mt	
Proved	76.8	Proved	60.0
Probable	53.3	Probable	37.9
Total	130.1	Total	97.9

Source: Company reports.

R&R figures are reported here on a 100% basis. Aspire's interest is 90%.

Nuurstei Coking Coal Project

Figure 18: JORC Resource for Nuurstei

Tonnes	
Mt	
Measured	-
Indicated	4.8
Inferred	8.1
Total	12.9

Source: Company reports.

Recommendation structure

Buy: Expected to outperform the overall market on a 12-month view.

Hold: Expected to perform in line with the overall market on a 12-month view.

Sell: Expected to underperform the market on a 12-month view.

Not Rated: GBA has a factual view of the company with no recommendation.

High Risk: A qualitative rating, based on our assessment of significantly higher-than market risk of share price volatility.

Medium Risk: A qualitative rating, based on our assessment of market-average risk of share price volatility.

Low Risk: A qualitative rating, based on our assessment of lower-than-market risk of share price volatility.

If no Recommendation is stated, including 'Not Rated', then the note has been commissioned for publication by the subject company. A Valuation may be provided, but not a Price Target.

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