Aspire Mining Ltd (ASX:AKM)

Site Visit: Real, Rare, Ready to Go

Aspire Mining Ltd (Aspire) is developing the world-class Ovoot Coking Coal Project (Ovoot) in north-west Mongolia.

GBA Capital visited Ovoot on 18 October, driving to and from site and following the planned coal haulage route of the Murun-Uliastai Highway that is to be built under a PPP agreement with the Mongolian government (yet to be signed).

Construction at Ovoot is well underway, and we await the imminent signing of the PPP ahead of pre-stripping in Q1-2027, first coal sales in early 2028, and the securing of construction and project finance.

Key points

- **Construction is full steam ahead.** Ovoot currently has ~50 people on-site, including contractors, and all infrastructure required for pre-stripping has been built. We expect CHPP construction to commence in Q1-2027 alongside pre-stripping. Aspire's total Mongolian workforce is ~75, with ~50 being site-based personnel and ~25 working in the Ulaanbaatar (**UB**) head office.
- **Murun-Uliastai Highway unlocks Ovoot and economic opportunities for 20,000 people.** GBA drove between Ovoot and Erdenet, where coking coal will be hauled for transfer to rail, and Ovoot and Tosontsengel, where thermal coal (approx. 3% of total sales) will be sold to a local power station. The trip was invaluable for understanding the importance of the road to Aspire in unlocking Ovoot, and for the local population in connecting the region to wider Mongolia.
- **Strength of local presence has been key to advancing the project.** Ovoot is being advanced under local subsidiary, Khurgatai Khairkhan LLC. The in-country presence and Mongolian operating experience of Aspire's board and management, in combination with the significant (>50%) Mongolian ownership of Aspire, has been perceived well by local stakeholders and, in our opinion, eases the process of building Ovoot.
- **High-quality ASX coal exposure is rare and becoming expensive.** Major ASX coal producers (WHC, YAL, NHC, SMR and CRN) are currently trading on an average 3.9x EV/FY27e EBITDA multiple, significantly higher than five years ago. We expect that ASX investors will have fewer opportunities to invest in coal moving forward, because of M&A, government policy (e.g., NSW's moratorium on greenfield coal mines) and environmental legislation (e.g., the NSW High Court decision regarding the Mt Pleasant mine).

	EV / EBITDA			
	FY27e [1]	**FY28e [1]**	**FY22e [2]**	**FY22a [2]**
Whitehaven	4.9x	5.2x	2.3x	1.3x
Yancoal	2.6x	2.7x	4.6x	1.3x
New Hope [3]	4.9x	3.9x	2.2x	1.4x
Stanmore	4.4x	4.8x	N/A	0.2x
Coronado	2.5x	2.9x	2.5x	1.7x
Average	**3.9x**	**3.9x**	**2.9x**	**1.2x**

Source: S&P Capital IQ Pro

Notes: (1) EV and EBITDA estimate as at 25 October 2026. (2) EV and EBITDA estimate as at 25 October 2021. (3) Assumes A$120m FY27 EBITDA and A$350m FY28 EBITDA for Malabar Resources.

We maintain our call of Buy (High Risk) and Target Price of A$0.80/share. For further details about this valuation, please contact us.

GBA CAPITAL

Equity Research

28 October 2026

Recommendation

***Buy** (High Risk)*

Last Price

$0.25

Target Price

***$0.80** (Unchanged)*

Expected return

Capital growth	220%
Dividend yield	0%
Total expected return	220%

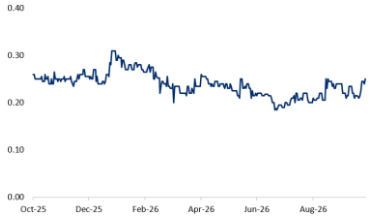
Company data

Market capitalisation	A$127m
Enterprise value	A$123m
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$)	0.24	0.19	0.26
Change (%)	4%	32%	(4%)

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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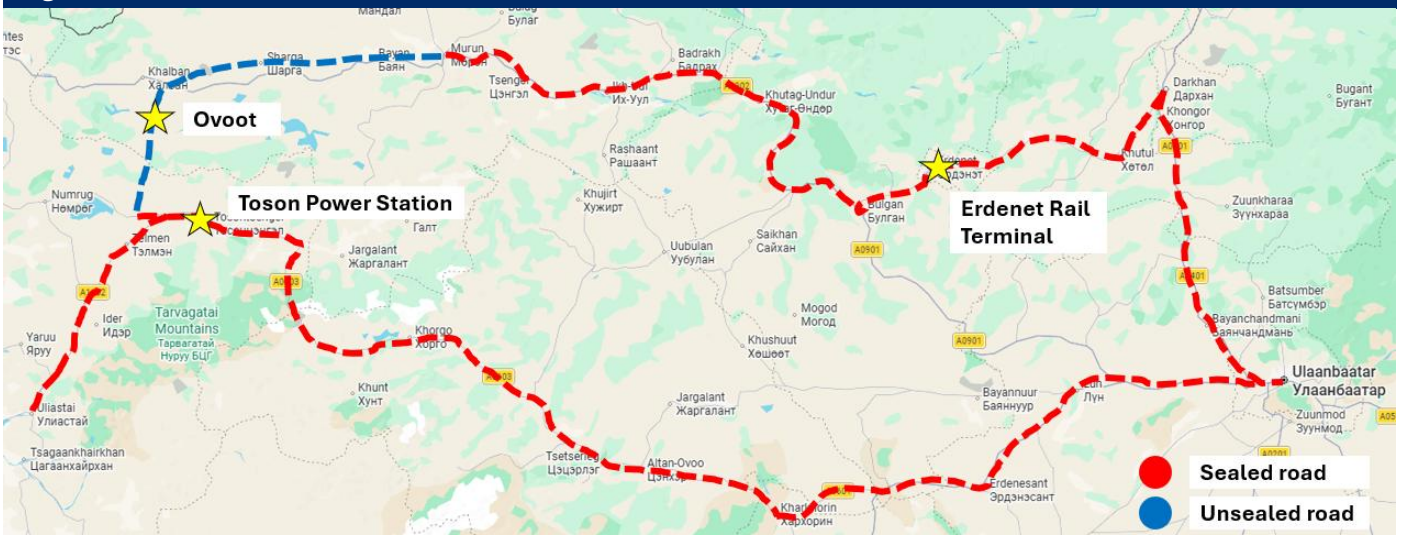
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Site visit

GBA spent six days in Mongolia, with four of them being spent travelling to and from Ovoot (in the spirit of long-distance road haulage).

Figure 1: Overview of GBA's route to and from Ovoot



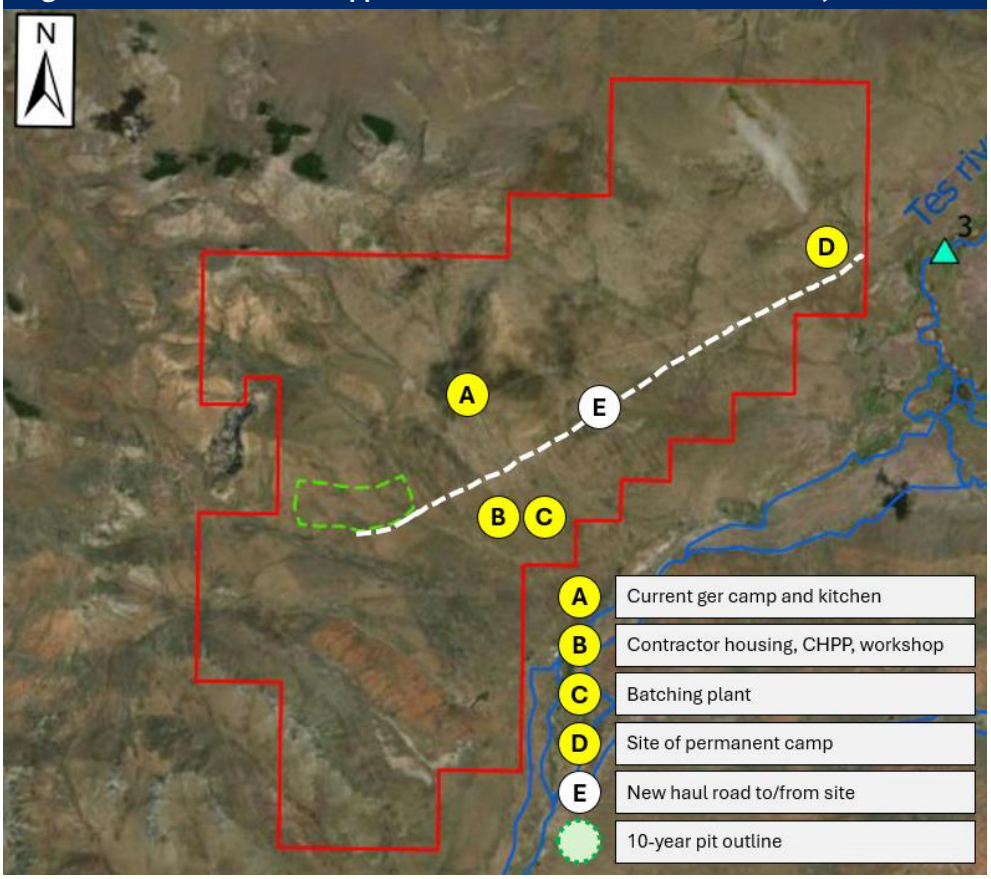
Source: GBA Capital.

A key benefit of this road trip was the time spent in the car with direct access to management, who provided insights into the 6+ years of detailed engineering and planning work undertaken on the mine and road.

Ovoot

We were impressed by the level of activity at Ovoot. ~55 staff (~25 from Aspire and ~30 contractors) were on-site, and numbers are expected to grow during spring with the commencement of pre-stripping and increased CHPP construction activity.

Figure 2: Ovoot licence and approximate location of current/future major sites



Source: GBA Capital, October 2026 site visit.

The current ger (traditional Mongolian herder accommodation, similar to a yurt) camp can accommodate up to 150 people, while the contractor camp will house up to 200 people once fully constructed.

Figure 3: Ovoot ger camp/worker accomodation



Source: GBA Capital, October 2026 site visit.

Figure 4: Ovoot mess hall, recreation area and bathrooms



Source: GBA Capital, October 2026 site visit.

Figure 5: Inside of the ger



Source: GBA Capital, October 2026 site visit.

The current camp will be home to the Ovoot workforce during the project ramp-up and first several years of production. Following first coal sales (expected in early 2028), Aspire plans to start building a ~400-person permanent camp near the eastern boundary of the mining licence.

The site for the permanent camp was selected as it is close to an existing water well and overhead transmission lines, and also because the setting (elevation, outlook over the Mogoin and Tes rivers toward the Bulnai mountain range, and distance from mining operations) will support employee morale.

Water for mining operations and processing will be stored in a raw water dam to be constructed on the southern side of the mining area and be sourced from pit dewatering, rainfall and snow melt.

Figure 6: Water pump and future site of the permanent camp, looking east over the Tesiin river



Source: GBA Capital, October 2026 site visit.

The main sub-contractor at Ovoot is Gobi Infrastructure Parters LLC (**GIP**), a Mongolian engineering and construction services firm that has worked extensively with Rio Tinto at Oyu Tolgoi. GIP have built the batching plant, will progress foundation installations for the Coal Processing Plant and Thickener buildings over winter, and will continue with building construction and equipment installations from spring 2027.

There are 35kV and 110kV transmission lines running across the mining licence, but these will not be disturbed by the mining pit or road.

Figure 7: Batching plant



Source: GBA Capital, October 2026 site visit.

Figure 8: Warehouse, first aid and site office



Source: GBA Capital, October 2026 site visit.

Murun-Uliastai Highway

Driving the road from Erdenet to Ovoot, including the approximate route of the Murun-Uliastai Highway, was invaluable to understand how important this road is to unlocking Ovoot. Without it, getting coal to market would be illegal (as minerals and coal cannot be transported on unsealed roads) and almost impossible for four months every year due to the winter weather. Additionally, the environmental damage would be massive, risking community backlash.

Between Erdenet and Murun, the current sealed road has two lanes (one in each direction) and is relatively flat. Aspire will employ multiple road maintenance crews between Tosontsengel and Erdenet who will assist the local government with road upkeep.

Aspire will also construct bypasses around the towns of Bulgan (4km) and Erdenet (36km), minimising congestion and pollution for locals and maximising trucking efficiency.

Figure 9: Paved road near Tosontsengel that will connect to the Murun-Uliastai Highway



Source: GBA Capital, October 2026 site visit.

Once we passed Murun, conditions changed rapidly. The road is unsealed and residents drive on whatever line will help them avoid getting bogged. The Toyota Prius comprises ~50% of all registered cars in Mongolia, and that number holds true along the Murun-Uliastai Highway route.

Figure 10: The unsealed road between Ovoot and Murun (Priuses not shown)



Source: GBA Capital, October 2026 site visit.

Murun's elevation is ~1,300m and the road passes over the ~2,000m Khukh Khutul Pass (**KKP**). The current road over the KKP has a 15° gradient and breakdowns are not uncommon. The Murun-Uliastai Highway has been designed with a maximum gradient of 5° which is an impressive engineering feat.

Figure 11: Current road over the KKP



Source: GBA Capital, October 2026 site visit.

Figure 12: A local herder applying snow chains while stopped halfway up the KKP



Source: GBA Capital, October 2026 site visit.

One of GBA's biggest takeaways from the site visit is how important the Murun-Uliastai Highway will be for the ~20,000 people that are estimated to directly benefit from the road. Conditions are only going to get more extreme between November and February, leaving locals without a safe passage in and out of their communities.

Beyond the clear economic opportunities that the road will create, the environment will benefit from having fewer cars driving offroad and damaging the pasture that local herders rely on.

Erdenet Rail Terminal (ERT)

Erdenet is the second largest city in Mongolia and home to the state-owned Erdenet Copper Mine that has operated since 1978. The mine is estimated to produce 130ktpa Cu.

The ERT is located on a 30ha piece of land on the eastern side of Erdenet, adjacent to the Salkhit – Erdenet rail line, part of the Trans-Mongolian railway network. An MoU for 4.0Mtpa of rail capacity has been signed with Ulaanbaatar Tumur Zam (UBTZ), the national rail operator which is a 50-50 JV between the Mongolian and Russian governments.

This capacity is sufficient to meet the 5.0Mt ROM steady-state production rate (factoring in a 78% LOM processing yield).

Figure 13: ERT (in red) and rail line



Source: GBA Capital, October 2026 site visit.

Aspire has also constructed a billboard next to the site that shows locals the design of the ERT, increasing the community's understanding of the proposed site.

Figure 14: ERT and billboard overview of the planned site



Source: GBA Capital, October 2026 site visit.

Company and project summary

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.

Ovoot will have a 31-year mine life and 5.0Mtpa steady-state ROM production rate.

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-disposed with overburden.

Transport and Logistics

Ovoot coal will be transported 24/7 between Ovoot and Erdenet by truck, with a Transportation Hub to be developed at the approximate midpoint to facilitate driver changes, re-fueling and truck maintenance.

At Erdenet, coal will be transloaded into rail wagons and transported to China via the Trans-Mongolian railway.

Fat coking coal

Ovoot will produce a high quality, high value, 'fat' coking coal that commands a similar price in China to Australian premium HCC.

Fat coking coals have a wide plastic range, high caking index and other useful coking properties that that make it a desirable product for coke makers to combine in their coke oven feed blends to 'unlock' the use or other, lower quality and more affordable coals.

Fat coking coals typically comprise 5-15% of a coke oven feed blend.

Project economics

Aspire released an updated JORC Reserve in September 2026 that showed a US$1.48bn post-tax NPV_{10} (assuming a US$230/t coal price) and ~60% post-tax IRR. Pre-production capital is US$61.2m to first coal sales and US$220m to steady-state production.

C1 cash costs (delivered to Zamiin-Uud border crossing near Erlian, China) are US$80.40/t.

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.

Vendor financing will defer repayments on 60% (~US$42m) of the contract value.

Possible share price catalysts

Possible share price catalysts

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:

- Entering a **PPP Agreement** with the Mongolian government for the **construction of the Murun-Uliastai Highway**.
- Securing finance to fund Ovoot and the Murun-Uliastai Highway, such as the execution of **offtake MoUs**/sales agreements, a **coal pre-payment agreement or traditional project finance**.
- **Commencement of pre-stripping** in the Mongolian spring.

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.

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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Disclosure of interest:
The analyst owns 44,000 ASX:AKM shares at the date of publication.

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