



## **ASX RELEASE**

**For Immediate Release – 31 October 2011**

# **QUARTERLY REPORT**

## **Quarter Ended 30 September 2011**

Aspire Mining Limited (ASX: AKM, “Aspire” or “the Company”) is pleased to present its September 2011 Quarterly Report.

Aspire is focused on developing its world-class 100% owned Ovoot Coking Coal Project (“Ovoot”) in Northern Mongolia and advancing the region’s infrastructure to bring Ovoot coking coal to world markets.

Aspire’s other Mongolian assets include the Nuramt Coal Project (100%), Jilchigbulag Coal Project (100%), Shanagan Coal Project (earning 51%) and the Zavkhan Iron Ore Project (earning 70%).

### **Highlights**

- **Drilling over a two kilometre zone confirms a new coal seam formation four kilometres to the north east of the existing Ovoot Coal Resource. Best intersection to date has returned a total of 16.5 metres of coal from 389 metres depth.**
- **Completed a placement to raise A\$32.8 million from institutional and sophisticated investors in October 2011.**
- **25,000 metre exploration programme through to June 2012 approved.**
- **Five drilling rigs on site at Ovoot.**
- **Wood Mackenzie marketing study confirmed the attractiveness of Ovoot coking coal as a valuable blending coal given its superior caking and fluidity properties.**
- **Commenced Pre-Feasibility Study into developing a large scale coal mine at Ovoot based on rail access to the nearest rail siding at Erdenet being attained.**
- **Pre-Feasibility Study into the Ovoot to Erdenet rail link commenced.**

## Exploration

Aspire has five exploration projects in Mongolia, four of which are focused on coking coal (Ovoot Coking Coal Project, Nuramt Coal Project, Jilchigbulag Coal Project and the Shanagan Joint Venture) and one focused on iron ore (Zavkhan Iron Ore Project).



**Figure 1: Project Location Map of Mongolia**

### **Ovoot Coking Coal Project (100% Owned)**

The Ovoot Coking Coal Project (“Ovoot”) comprises three contiguous exploration licenses covering more than 500 square kilometres of the Ovoot Basin in northern Mongolia.

#### ***Discovery of New Area of Coal Seam Formation***

In September 2011, the Company announced that it had intersected coal in reconnaissance drilling commencing approximately four kilometres to the north east of the existing 330.7 million tonne Ovoot Coal Resource.

This area has seven holes that have intersected hard, bright bituminous coal across a two kilometre by one kilometre area (Figure 2). This zone is open to the east, south and west and currently drilling is continuing to extend the known area of coal.

Exploration drilling is focused on extending south and east from hole DH289 which returned a total of 16.5 metres of coal from 389 metres (refer Figure 2). Drilling will continue to target and extend the potential resource in this area and look to confirm a continuing trend of coal thickening to the south, which occurs in the Ovoot Coal Resource area.

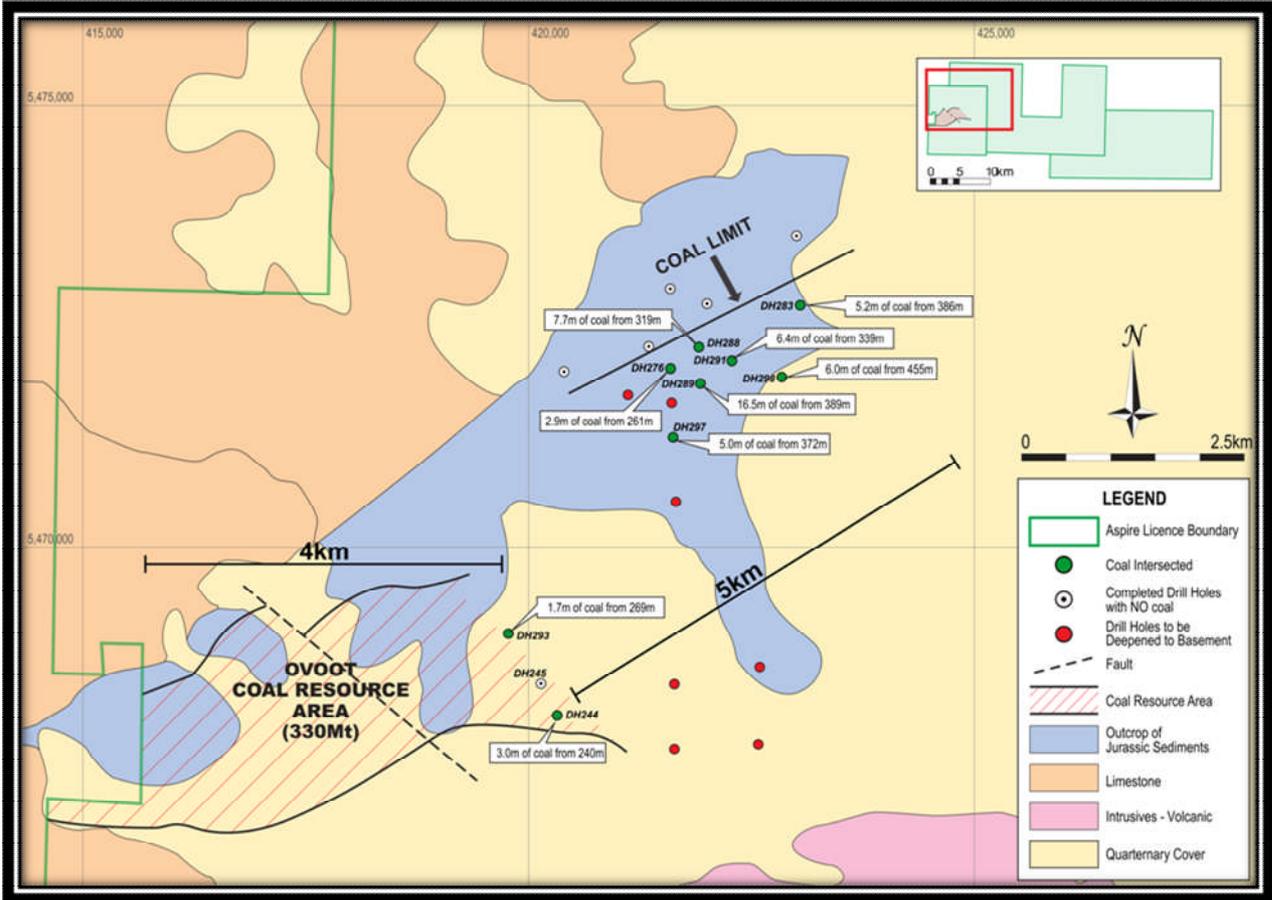


Figure 2: Map Showing Location of New Coal Discovery

Core samples have been taken and are awaiting analysis. Drilling results from this new discovery to the North East of the existing Ovoot Coal Resource and previously reported are tabled below (Table 1).

Hole ID	Coordinates		Total Coal Intercepted
	East (m)	North (m)	
DH 276	421,170	5,472,080	2.9 metres of coal from 261 metres
DH 283	423,199	5,472,729	5.2 metres of coal from 386 metres
DH 288	422,050	5,472,320	7.7 metres of coal from 319 metres
DH 289	422,060	5,471,900	16.5 metres of coal from 389 metres
DH 291*	422,428	5,472,319	6.4 metres of coal from 339 metres
DH 297	421,770	5,471,195	5.0 metres of coal from 372 metres
DH 298*	422,920	5,417,965	6.0 metres of coal from 455 metres

**Table 1: Coal Intersections - Ovoot**

(Note \* Not geophysically logged)

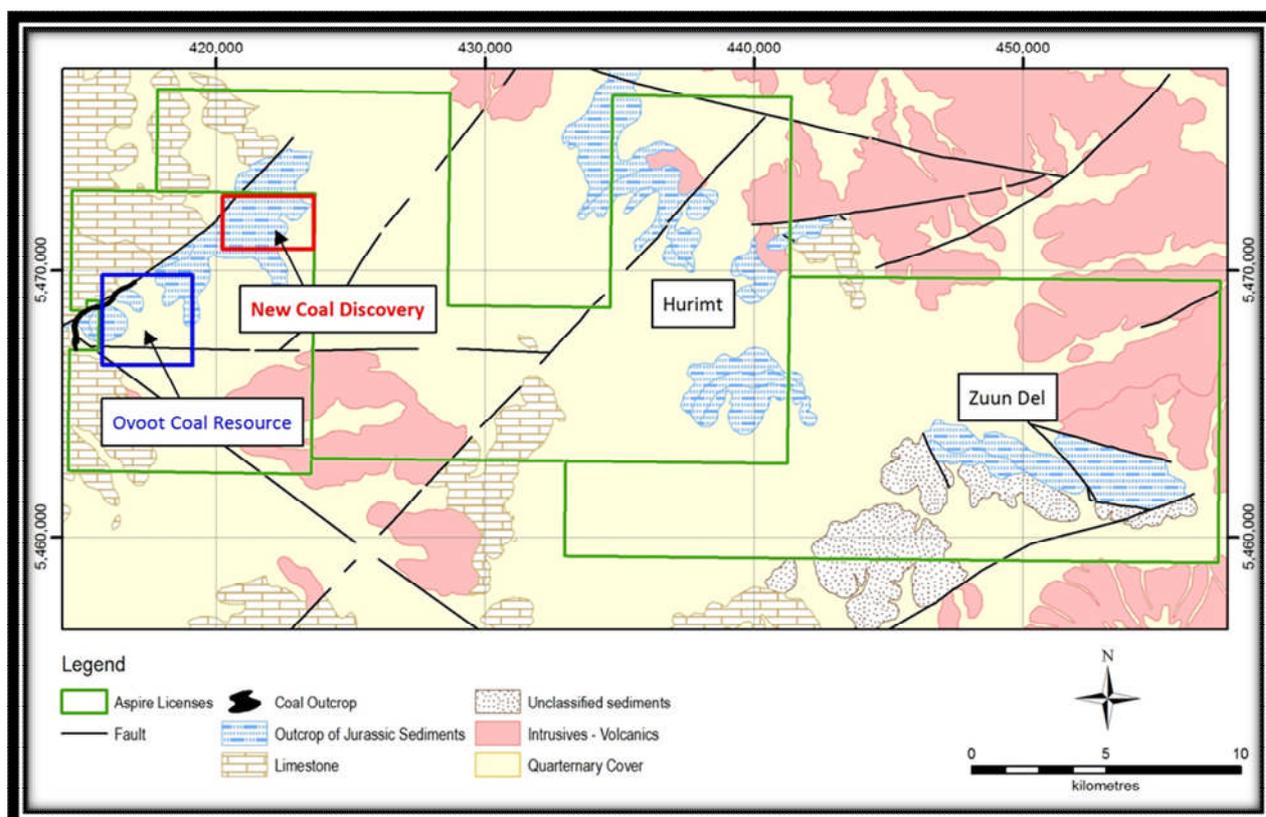
The drilling strategy for this new discovery will initially focus on following the coal seams to the south, where seam thickness would be expected to increase as the drilling approaches the middle of the syncline. The next step will involve moving up dip to the west to determine how close this coal comes to the surface and to also test whether these coal seams connect to the existing Ovoot Resource.

The secondary focus will be to work easterly into the adjacent Hurimt Prospect and look to build the extent of the coal occurrence footprint further into the Ovoot Basin.

This new discovery demonstrates the high prospectivity of the Ovoot project as an exciting new Mongolian coking coal basin. With less than 20% of the Ovoot Basin drilled to date, the Company has now discovered coal in two locations within the Ovoot Basin.

Aspire's successful exploration strategy is based on reconnaissance drilling to basement across the interpreted strike of surface mapped Jurassic sediments that potentially contain coal. The Company's exploration team have also identified attractive targets at the Hurimt and Zuun Del prospects within the Ovoot Basin which will be targeted as part of the 2011/2012 exploration programme.

During the September 2011 Quarter, the Company's Board approved an expansive exploration programme through to June 2012 budgeting 25,000 metres of drilling and a comprehensive magnetics programme. There are currently five drill rigs on site at Ovoot which are in the process of being winterised so that they can continue to work through the Mongolian winter season that ends in March 2012.



**Figure 3: Ovoot Coking Coal Project Licenses**

### **Jilchigbulag Coal Project (100% Owned)**

The Company has completed an initial reconnaissance drilling programme over the Jilchigbulag Coal Project (“Jilchigbulag”). Jilchigbulag is a 2.5 square kilometre exploration license which surrounds an existing mine lease that supplies coal for thermal purposes to the town of Moron.

Eleven holes totalling 3,000 metres were completed and results not previously reported are shown in Table 2 below.

Hole ID	Coordinates		Coal Intercepts
	East (m)	North (m)	
DDJLB 009	593,482	5,482,689	2.0 metres of Coal from 46 metres
DDJLB 010	593,205	5,482,903	6.6 metres of Coal from 106 metres 1.0 metre of Coal from 118 metres

**Table 2: Coal Intersections - Jilchigbulag**

Coal samples taken from this programme have been submitted for analysis and the results are pending. The coal, which is located in the lower Jurassic sequence, has been logged as hard, bright coal.

Resource potential at Jilchigbulag is considered to be small. However, discovery of coal at Jilchigbulag, the nearby Xanadu Mines Ltd/Noble Group joint venture and the Nuurstei discovery, together with the Ovoot discovery, confirms the high prospectivity of the region.

The drill rig used for the Jilchigbulag exploration programme was moved to Ovoot in August 2011.

### **Nuramt Coal Project (100%)**

The Company currently holds licences in respect of 200 square kilometres of the Nuramt Basin. In mid October 2011, the Company decided not to take up its option to complete the acquisition of two neighbouring licenses totalling an additional 50 square kilometres after an assessment of these licenses concluded that there was limited potential for significant near surface coal.

The Nuramt Basin is 35 kilometres long and contains the Jurassic sediments which contain coal at Ovoot and Jilchigbulag. No work was conducted on the Nuramt property in the September 2011 Quarter as the focus was predominantly on Ovoot. Detailed mapping will be progressed in the December 2011 Quarter in preparation for a targeted reconnaissance drilling programme in 2012.

### **Zavkhan Iron ore Project (Earning 70%)**

Aspire has the right to earn into a 70% interest in the Zavkhan Iron Ore Project (“Zavkhan”), a six square kilometre exploration license covering a known magnetic anomaly associated with high grade magnetite and hematite at surface. A magnetics programme commenced in late October 2011 which will provide higher resolution magnetics to be used for drill targeting of the magnetic anomaly. An initial reconnaissance drilling programme is planned for the second half of 2012 in order to test this anomaly.

The Company is to assess the potential for a Direct Shipping (“DSO”) magnetite/hematite resource at Zavkhan which could also potentially require rail access to the Trans Mongolian Rail line.

## **Ovoot Coking Coal Project Commercialisation Studies**

In parallel with an aggressive exploration programme, the Company is pursuing a number of commercialisation studies at the Ovoot Coking Coal Project as the Company prepares for development.

### **Stage 1 Scoping Study**

During the September 2011 Quarter, the Company continued to advance the Stage 1 Scoping Study analysing a small scale Stage 1 development involving the trucking of ore to Erdenet in the lead up to the development of the full scale project while the Ovoot to Erdenet rail link is being completed.

The Scoping Study is largely complete and indicates a relatively low mining cost of US\$20 per tonne with a further US\$3 per tonne for crushing and handling.

The Scoping Study was also extended to consider a small 0.5 million tonnes per annum mobile wash plant on site. This modular/mobile plant would be used as a pilot plant to refine the product offering from Ovoot and also assist in the final design of the circuits for the larger scale 15 mtpa washing modules. The washing plant would add approximately US\$5 per tonne to Run of Mine operating costs but would produce a product with a lower ash content of 8%.

In order for Stage 1 to proceed, it will be necessary to construct a 160 kilometre road from Ovoot to the town of Moron. This road would be required in any event to support the development of the large scale development of Ovoot. In order to complete the Stage 1 Scoping Study, the Company needs approval to use the Moron to Erdenet road to truck coal and capacity allocations for rail and ports.

The Company continues to review the ongoing Stage 1 studies and the benefits of an earlier start up of mining at Ovoot as part of its strategy to develop the Ovoot Coking Coal Project and promote the benefits of Ovoot Coking Coal to international markets. It is expected that a decision with regard to Stage 1 will be made in the first half of 2012.

### **Pre-Feasibility Study**

The Company has also commenced a Pre-Feasibility Study (“PFS”) regarding the development of a 15 million tonne per annum ROM open pit mine at Ovoot. Work done to date indicates that Ovoot coking coal can be washed to produce a premium grade coking coal which, based on indicative wash yields of 80% and an annual ROM throughput of 15 million tonnes, would produce as much as 12 million tonnes per annum of coking coal (refer Note 1).

The PFS will use a range of external experts and consultants including

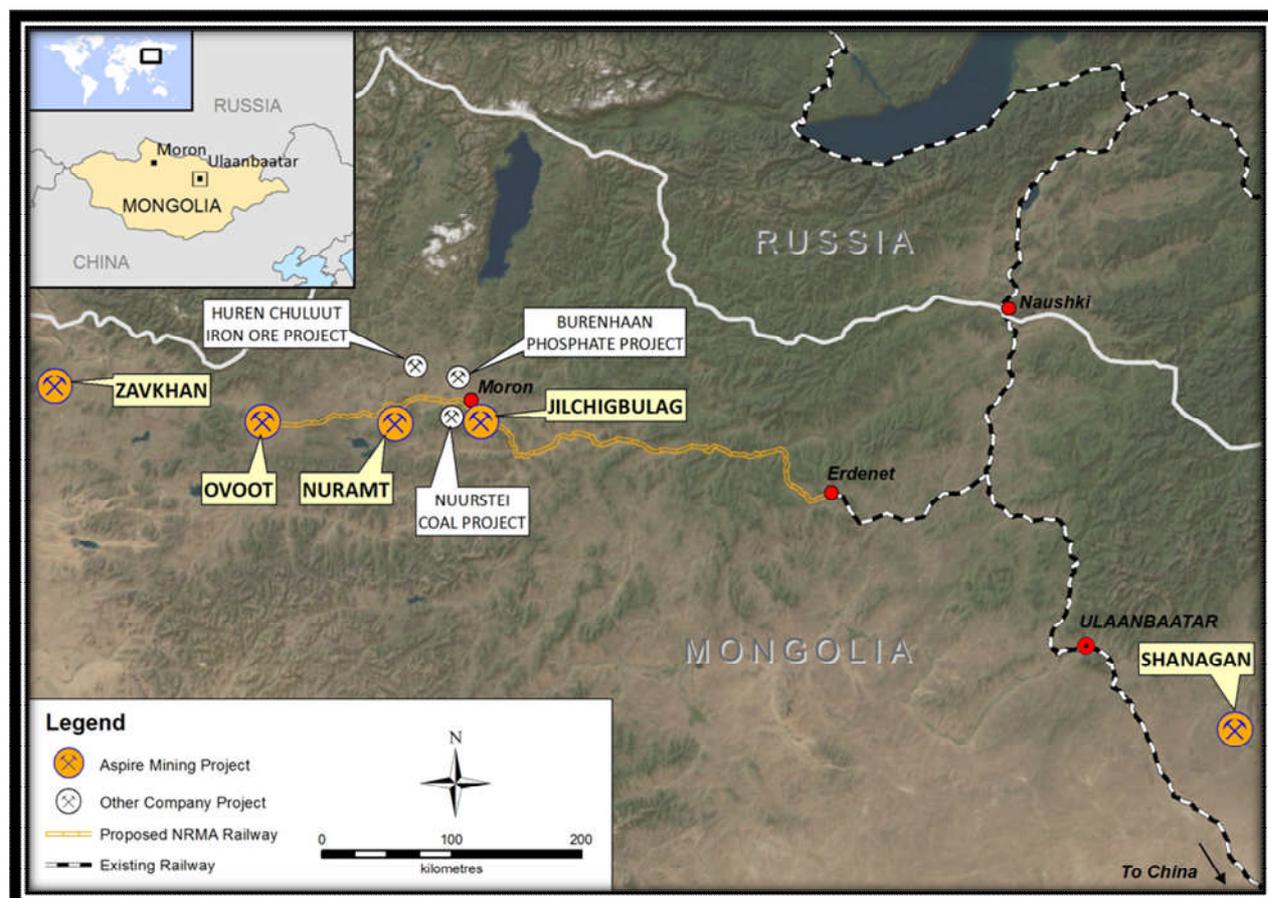
- Xtract Resources (Study Manager, Mine Planning and Scheduling)
- Sedgman Limited (Coal Technologists, Engineering)
- CSA Global (Resources)
- Aquaterra (Hydrogeology)
- Sustainability (Environment)

The PFS requires the completion of a number of infill drill holes in order to provide sufficient data for mine planning purposes. It is expected that the PFS will be completed in the first quarter of 2012.

Note 1: These production targets are conceptual in nature and are based entirely on the existing mineral resource base of the Ovoot Coking Coal Project. The development of the larger Ovoot Coking Coal Project remains subject to completion of positive feasibility studies, the grant of a mining licence, developing the necessary rail infrastructure between Ovoot and Erdenet and securing sufficient port and rail capacity from Erdenet to take product to market. Whilst Aspire believes that a sufficient amount of the existing mineral resource base has reasonable prospects for eventual economic extraction, there has been insufficient work done at this stage to define an ore reserve and it is uncertain if further work will ultimately result in the determination of an ore reserve.

## Rail Infrastructure

In order to support the completion of the PFS, the Company, through its subsidiary Northern Railways LLC, has initiated a Rail Pre-Feasibility Study (Rail Study). The Rail Study is being prepared by Optimal Projects LLC, a Mongolian licensed rail engineering firm. The Rail Study will provide capital and operating cost estimates for both the Ovoot to Moron and Moron to Erdenet rail line. The development of this rail line is integral to the development of the larger Ovoot Coking Coal Project. The Rail Study is also expected to be completed in the first quarter of 2012.



**Figure 4: Rail Path from Ovoot Coking Coal Project to the Trans Mongolian Railway**

## Marketing

During the Quarter, the Company appointed Mr Scott Southwood as General Manager Marketing. Mr Southwood has significant coal industry experience, beginning his career at Kembla Coal & Coke Pty Ltd in Wollongong NSW before moving into coal marketing and logistics roles with Shell and Anglo Coal. For the last eight years, he has been employed by Ensham Coal where he was responsible for coking and thermal coal sales into north Asia.

During the Quarter, the Company received a report by Wood Mackenzie, coal market consultants, which assessed the value of Ovoot Coking Coal in the marketplace. Wood Mackenzie confirmed that Ovoot was a premium coal and that hard coking price benchmarks are appropriate. Ovoot coal has high vitrinite, caking properties and fluidity, which provides superior blend carrying capacity when combined with cheaper inert coals.

## Corporate

On 11 October 2011, the Company completed a placement of 80 million shares at AU\$0.41 per share to raise AU\$32.8 million. The placement was made to a range of institutions and sophisticated investors. The funds raised from the placement will be used principally for exploration at the Company's Ovoot Coking Coal Project as well as commercialisation studies.

The Company believes that its aggressive exploration and feasibility study budgets are now funded for the next 12 months.

---Ends---

## About Aspire Mining Limited

Perth-based Aspire Mining Limited (ASX: AKM) owns 100% of the Ovoot Coking Coal Project in northern Mongolia. Ovoot has a 330 million tonne resource (93.3mt Measured, 182.4mt Indicated and 55.0mt Inferred). Aspire is currently targeting resource upgrades at Ovoot, as well as progressing development of key infrastructure including access to rail.

### For more information contact:

#### Corporate

David Paull  
Managing Director

Aspire Mining Ltd

08 9287 4555

#### Media

Jane Grieve

FTI Consulting

08 9386 1233  
0488 400 248

#### Competent Persons Statement

*In accordance with the Australian Securities Exchange requirements, the technical information contained in this announcement in relation to the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Neil Lithgow – Non-Executive Director for Aspire Mining Limited.*

*Mr Lithgow is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Lithgow consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

*The technical information contained in this announcement in relation to the JORC Compliant Coal Resource for the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Chris Arndt and Dr Bielin Shi of CSA Global Pty Ltd. The information in this report that relates to Mineral Resources is based on information compiled by Dr Bielin Shi, who is a member of the Australasian Institute of Mining and Metallurgy. Dr Bielin Shi has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".*

*Mr Arndt and Dr Shi of CSA Global Pty Ltd consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.*