



## ASX RELEASE

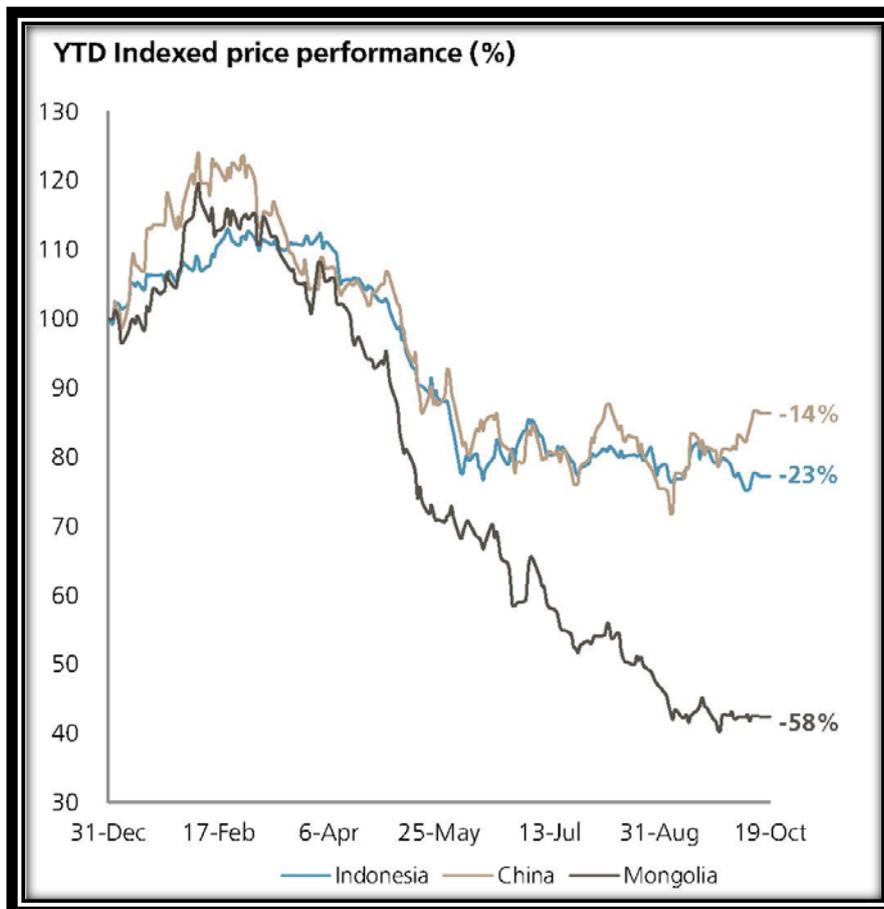
**For Immediate Release – 26 November 2012**

### 2012 Annual General Meeting Managing Director Address

Without a doubt 2012 has been a difficult year for Aspire (ASX: AKM, the “Company” or “We”) and its shareholders. While Aspire is not alone amongst its coal developer colleagues, it is nevertheless frustrating as we have achieved, or exceeded nearly all of our 2012 goals. However, as was well described to me by a senior banker recently, Aspire is in the midst of a perfect storm comprising:

- A cyclically weak point in the metallurgical coal price cycle,
- An equities market that has lost its capacity to fund large scale bulk commodity resource project developments with a general shift away from risk, and
- An extremely negative sentiment towards Mongolia as a destination for foreign investment.

This latter point is telling as Figure 1 (below) shows.



**Figure 1 (Source: UBS)**

This chart prepared by UBS (refer Figure 1), shows the year to date performance of an index of Mongolian listed coal companies versus an index of Indonesian and Chinese listed coking coal companies. It shows the very significant underperformance of Mongolian coal companies as compared with these other coal companies operating in Indonesia and China.

Clearly the sentiment is poor towards those companies operating in Mongolia. As with sentiment driven moves in markets, these can often be accentuated and real value overlooked.

The good news is that Aspire has demonstrated that its 100% Ovoot Coking Coal Project ("Ovoot Project") ranks as one of the largest undeveloped coking coal projects in the world.

## **WHAT ASPIRE HAS ACHIEVED**

Aspire has established the Ovoot Project as one of the most important new coking coal discoveries in the world:

- During the year we established total Probable Coal Reserves at the Ovoot Project of 219 million tonnes. ROM production is forecast at 223 million tonnes producing in excess of 183 million tonnes of quality coking coal. Our Ovoot Project is now the second largest coking coal project by Reserves in Mongolia, which itself continues to be the largest exporter of coking coal into China, the world's largest consumer of coking coal.
- Aspire was granted a Mining License covering the entire Ovoot Project area in August this year.
- We received approval to build a road from the Ovoot Project through to a sealed road being constructed by the Government between Moron and Erdenet.
- Aspire completed and is revising the Pre-Feasibility Study into a large scale mine development at the Ovoot Project. The Ovoot Project is based on a large open pit that can produce up to 12 million tonnes per annum of quality coking coal over 20 years with Free-On-Rail costs into China of less than \$100 per tonne.
- Aspire's Mongolian rail subsidiary, Northern Railways, completed a Rail Pre-Feasibility Study earlier in the year which identified a feasible path, extending the existing Mongolian rail system from Erdenet, through the town of Moron, to the Ovoot Project.

The Rail Pre-Feasibility Study ("Rail PFS") was approved by the Mongolian Rail Authority as being consistent with Mongolia's rail design standards and a detailed environmental and social assessment has been commenced. Subsequently an Alternative Southern Alignment has been identified which connects the Ovoot Project directly to Erdenet and shows considerable promise to provide a lower capex and opex outcome.

In the process of completing these activities during calendar year 2012, some 18,854 metres were drilled for exploration, infill, geotechnical and water reserve purposes.

While our total Coal Reserves of 219 million tonnes now exceed market expectations from earlier in the year, Coal Resources were reduced during the year from 330 to 257 million tonnes (156mt Measured, 86mt Indicated, 15mt Inferred). What is remarkable is the very high proportion of the new Coal Resources that converted into Coal Reserves, and the mine plan which is an indication of the robustness of the new Coal Resources and the level of conservatism included. Coal Resources can vary significantly based on predictive methodologies used. All of the Company's Coal Reserves and Resources have been prepared independently. However, since March this year, Aspire has appointed a coal Resource Geologist to prepare a Company developed model. This will assist us to identify opportunities to test these Coal Resource assumptions in order to extend Resources and therefore Reserves within the existing open pit mine.

Exploration drilling in the centre of the Ovoot Basin, some 25 kilometres east of the existing Ovoot Project Coal Resource, identified the existence of coal bearing sediments without intersecting significant coal seams or basement. The exploration potential is intact.

We have also been active in making a difference to the community we operate in. Aspire's overall goals are to leave a net positive social and environmental legacy through all stages of the Ovoot Project's development including exploration, construction and operation.

During the current exploration stage we have invested in the health and education infrastructure of the Tsetserleg sub-province of Khuvsgul. In particular, and in conjunction with the Khuvsgul Province, we are proud to have provided funding to see the completion of a new 20 bed hospital. We are told that this is now the largest and best sub-provincial hospital in Khuvsgul. This positive legacy from our exploration activities will continue long after grasses have grown over our rehabilitated drill sites. We have participated in some 33 different activities over the year in the local communities and we expect to expand these activities over time as our Ovoot Project moves through the various development stages.



Aspire has been very active in developing the world class Ovoot Project. We believe that the Ovoot Project sits comfortably as a Tier 1 Resource asset based on production scale as one of the largest coking coal mining operations, its favourable positioning on the global cost curve and relatively low capital intensity per tonne of saleable coking coal produced. The quality of the Ovoot Project has become apparent during the year.

The focus is now how we bring that potential value to shareholders.

## WHERE TO NEXT

Our Ovoot Project is world class. There has not been a discovery of a similar scale coking coal deposit for many years. We have indicative low ex mine-gate operating costs and being in Mongolia are very well located to China and other east Asian consumers.

Now to realise this value.

The Ovoot Project Coal Reserves and mine life now support a 20 year mine operation yet we are valued at less than 20 cents per tonne of Reserves.

What has to happen for Aspire to be re-valued?

Some of those triggers are outside of Aspire's control and relate mainly to the increased sovereign risk issues relating to Mongolia. Mongolia was regarded as one of the preferred investment destinations in the world for foreign mining companies 2 to 3 years ago. I believe that Mongolia could again return to a more favourable investment climate over the next year.

With regards to the factors outside of Aspire's control, I refer to the following;

- Clarification of the Oyu Tolgoi ("OT") investment agreement.
- Commissioning of OT.
- Clarification of the application of the foreign investment laws.
- Commencement of the Tavan Tolgoi ("TT") sale process.

On the OT front, the recent power supply agreement with China is certainly positive, and there is now confidence that OT will be successfully commissioned next year.

I believe that the importance of the Tavan Tolgoi development to Mongolia and its planned IPO on international equity markets in 2013 will trigger a series of favourable policy amendments and settings which will be favourable to Aspire during 2013.

With regards to matters within Aspire's control, we are taking the following steps;

1. We are investigating a relatively small scale pre-rail trucking option.
2. Coal Resource re-modelling work will continue, as will revisions to the Rail Pre-Feasibility Study and accessing approvals and permits.
3. We are updating our Rail PFS to confirm capex and opex savings from pursuing a southern alignment from the Ovoot Project to Erdenet.
4. We will be looking to commence discussions regarding sales agreements with potential customers following the detailed quality and blending test-work which is currently being completed. We have maintained the majority of the Ovoot Project coal marketing and offtake rights to be available to facilitate the introduction of a foundation customer and joint venture partner, as are direct interests in the mine and railway.
5. The Company has commenced the process of identifying suitable strategic partners to invest in the Ovoot Project and, during the latter part of 2013 the Company will be undertaking a process alongside an international bank to identify either one or more strategic partners who can deliver the funding and guarantees necessary to bring the Ovoot Project to completion.
6. Preparation has commenced on preparing the database and financial modelling required to support the search for a strategic partner.
7. The Company has scaled back exploration activities and there will be no work done on the ground over winter, although an exploration camp at Ovoot will be maintained. Overall,

overhead costs in both Ulaanbaatar and Perth have been reduced to align with the change in work focus.

In summary, Aspire is in a good position to be significantly re-rated over the coming 12 months as the political landscape in Mongolia settles, some confidence returns to the market, and as Aspire completes its commercial discussions and negotiations in connection with infrastructure, sales, funding and permitting.

We have identified sufficient Coal Reserves to support our development plans. The unlocking of the significant value for Aspire will now come from a combination of political and infrastructure solutions. On the back of these solutions I believe that Aspire will attract the partners and the finance to realise its ambitions to become the second largest coking coal producer in Mongolia.

David Paull  
**Managing Director**

**--Ends--**

### **About Aspire Mining Limited**

Aspire is listed on the ASX (Code: AKM) and owns 100% of the Ovoot Coking Coal Project in northern Mongolia. Aspire completed a Pre-Feasibility Study for the Ovoot Project in May 2012, targeting a large scale open pit mining operation, with production of up to 12 Mtpa of saleable coking coal at full capacity over a 20 year Life of Mine. Aspire is targeting first production at the Ovoot Project in 2016 subject to funding, approvals and licenses. The Ovoot Project ranks as the second largest coking coal Reserve in Mongolia, with JORC Code compliant Probable Coal Reserves of 219 Mt. Aspire received a Mining License in August 2012, and is considering a smaller scale starter pit road based operation whilst continuing to progress access to rail infrastructure and other regulatory approvals to support a larger operation.

### **For more information contact:**

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### **Competent Persons Statement**

*In accordance with the Australian Securities Exchange requirements, the technical information contained in this announcement in relation to the JORC Compliant Coal Reserves and JORC Compliant Coal Resource for the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Ian De Klerk and Mr Kevin John Irving of Xstract Mining Consultants Pty Ltd.*

*The Coal Resources documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004. They are based on information compiled and reviewed by Mr. Ian de Klerk who is a Member of the Australasian Institute of Mining and Metallurgy (Member #301019) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 20 years' experience in the evaluation of coal deposits and the estimation of coal resources. Mr. de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in*

*the JORC Code, 2004. Neither Mr. de Klerk nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis. Mr. de Klerk consents to the inclusion of the Coal Resources based on his information in the form and context in which it appears.*

*The Coal Reserves documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004. They are based on information compiled and reviewed by Mr. Kevin Irving who is a Fellow of the Australasian Institute of Mining and Metallurgy (Member #223116) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 35 years' experience in the mining of coal deposits and the estimation of Coal Reserves and the assessment of Modifying Factors. Mr. Irving has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2004. Neither Mr. Irving nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis. Mr. Irving consents to the inclusion of the Coal Reserves based on his information in the form and context in which it appears.*