



ASX RELEASE

For Immediate Release – 31 July 2013

QUARTERLY REPORT Quarter Ended 30 June 2013

Highlights

- **Ovoot Coking Coal Resources and Reserves increase by 23.7Mt and 34Mt respectively**
 - Probable ROM Coal Reserve tonnes increase to 255Mt ROM at a total moisture of 2%;
 - Probable Marketable Coal Reserves have increased to 188Mt over life of mine at a product moisture of 9.5%; and
 - Measured and Indicated Coal Resources make up 96% of total Coal Resources.
 - **Successful Blending of Ovoot Coking Coal with coals from Tavan Tolgoi**
 - Ovoot coking coal when blended in equal proportions with non-coking coals from the Mongolian Government owned Tavan Tolgoi produces a quality coking coal; and
 - Upgrading Tavan Tolgoi's non coking coals will have a significant impact on production and revenues from Tavan Tolgoi, which is the largest coking coal deposit in Mongolia.
 - **Non-Binding MOU's from North Asian Coking Coal Buyers for significant proportion of Stage 1 Production from Ovoot:**
 - Non-binding MOU's signed for the purchase of up to 5.6Mtpa of coking coal; and
 - Additional significant interest has been indicated from Russian, East European, Chinese and Japanese steel mills and coke plants.
 - **Re-focusing the Company's priorities from Exploration to Rail Development.**
 - Exploration projects rationalised; and
 - Personnel and overheads reduced to a significantly lower future rate of cash outflow.
 - **Completion of Rail Pre-Feasibility Study Revision**
 - Capex and Operating costs reduced as a result of shorter rail path, flatter terrain and the ability to run longer train consists;
 - Alternative Southern Alignment reduces risk from an environmental, geotechnical, seismic and hydrological perspective;
 - Appointment of SMEC as rail engineering partner to complete optimisation of eastern alignment; and
 - Successful field confirmation of the alignment completed in July 2013.
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Aspire Mining Limited (ASX: AKM, “Aspire” or the “Company”) is pleased to present its June 2013 Quarterly Report.

Aspire is focussed on developing its world class 100% owned Ovoot Coking Coal Project (“Ovoot Project”, and associated rail infrastructure through its wholly owned Mongolian rail infrastructure subsidiary, Northern Railways LLC (“Northern Railways”).



Figure 1: Project Location Map of Mongolia

Completion of Rail Pre-Feasibility Study Revision

Access to rail infrastructure is a key component of Aspire’s overall development plan for the Ovoot Project.

Aspire’s wholly owned subsidiary, Northern Railways is solely focussed on the development of a 595 kilometre rail line (“Northern Rail Line”) to extend the Trans-Mongolian Railway from its current terminus at Erdenet through to the Ovoot Project (refer Figure 2).

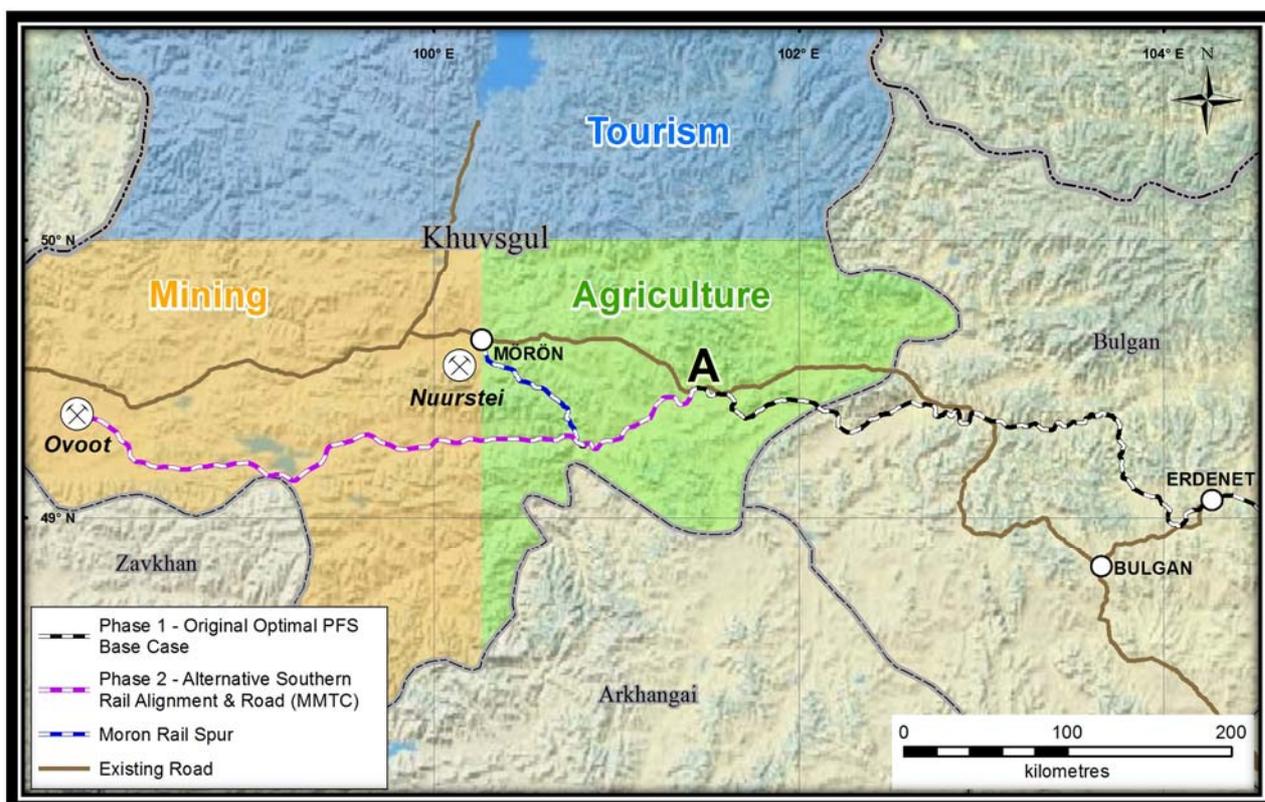


Figure 2: Northern Railways Erdenet – Ovoot Rail Alignment (“Northern Rail Line”)

The Northern Rail Line comprises the eastern portion (“**Phase 1**”), for which a Rail Pre-Feasibility Study was completed in February 2012 by Optimal Projects LLC, and the western portion (“**Phase 2**”), for which a Revised Pre-Feasibility Study (“**Revised Rail PFS**”) was completed in April 2013 by Snowy Mountain Engineering Corporation (“**SMEC**”). The Revised Rail PFS confirmed a shorter rail alignment, capital and operating cost savings and less environmental, geotechnical and hydrological risk.

During the Quarter, the Company received the Revised Rail PFS report, updated for 2013 cost allowances and at a significantly higher level of auditable detail. The cost levels remain at a Pre-Feasibility Study level with +/- 15% variance as shown in Table 1 below.

	Rail PFS Feb 2012	Calibre Review July 2012	SMEC Revised Rail PFS April 2013
Total length of track, km	628	581	595
US\$ million (plus 20% contingency)	1,500	1,312	1,300

Table 1: Rail Alignment and CAPEX Comparisons

The cost revisions shown in Table 1 do not include the Moron rail access spur which would be funded by other parties.

Appointment of Snowy Mountain Engineering Corporation as Rail Engineering Partner

The completion of the Revised Rail PFS was a significant advancement for Northern Railways and in the June 2013 Quarter SMEC was appointed as rail engineering partner to complete several works associated with completing a full re-optimisation of the railway, and to progress the planning and development of the Northern Rail Line.

SMEC has commenced the optimisation revision of the eastern alignment, with the report expected to be completed in the September 2013 Quarter. Preliminary feedback suggests that a slight amendment to the Phase 1 rail alignment may be recommended, which could provide additional capital cost savings. This optimisation report will validate the entire Northern Rail Line and highlight any geotechnical, permafrost and hydrogeological risk areas which need to be specifically addressed in detail during the Bankable Feasibility Study.

The value of the work to be completed by SMEC totals US\$9.8 million and is payable over twelve months to June 2014 Quarter. The work has been broken up into two stages, with the second stage at the option of Northern Railways. SMEC's fees are to be funded by drawdown of the \$5 million loan facility provided by Aspire's major shareholder, Noble Group (refer Announcement dated 10 January 2013), and cash resources.

An extensive on the ground multi-disciplined review of the alignment was completed in July 2013. This review confirmed the "constructability" of the rail and the reasonableness of the assumptions used in the Revised Rail PFS. Further, sources of rail ballast were readily identified at 40 km intervals across the alignment.

Northern Railways is now engaging with the Mongolian Ministry of Roads and Transport in terms of technical approvals for the Ovoot to Erdenet Railway.

The Northern Rail Line will play a significant role in the economic development of northern Mongolian Provinces. The development of the Northern Rail Line will bring much needed infrastructure investment into northern Mongolia allowing for the sustainable growth and development in local manufacturing, mining, tourism and agriculture industries, and assist to merge the wealth gap that currently exists between northern Mongolia and the rest of the country.

Ovoot Coking Coal Project (100%)

Updated Resource and Reserves Statement

During the Quarter, the Company completed geological re-modelling of the Ovoot Project Coal Resource, taking into account additional data provided by the adjacent Mogoin Gol coal mine and the quality data from all of the 2012 drilling. This additional data was provided to Xstract Mining Consultants Pty Ltd ("**Xstract**") to prepare an updated JORC Coal Resource and Reserve Statement which was received by the Company on 31 July 2013.

The update resulted in an increase in total Ovoot Project Coal Resources by 23.7mt to 281Mt as shown in Table 2, and an increase in Probable Coal Reserves by 34Mt Run-of-Mine ("**ROM**") to 255Mt (2% arb), with 188Mt attributable to Marketable Coal Reserves at approximately 10% ash (as shown in Table 3). A total of 191Mt marketable coal will be produced over the life of mine with the inclusion of Inferred Coal Resources that will be mined within the open pit.

The significant increase in Ovoot Project Coal Resource and Reserves was due to an extensive geological structural and reinterpretation of the OVB seam that averages 33% ash and which has a lower than average yield of approximately 53% after washing. In addition, the Coal Resource re-interpretation has moved some coal from the Upper seam to the higher ash Lower seam. Together, Measured and Indicated Coal Resource tonnages now make up 96% of total Coal Resources.

Seam	Resource Category	Total (Mt)	Ash(adb) (%)	Raw CSN
Main Area				
UPPER	Measured	77.4	19.0	6.9
LOWER	Measured	102.1	26.5	6.2
OVB	Measured	17.5	35.1	6.4
		197.0		
Indicated				
UPPER	Indicated	9.8	19.0	7.4
LOWER	Indicated	28.1	30.7	6.0
OVB	Indicated	9.0	31.1	6.7
		46.9		
Inferred				
UPPER	Inferred	1.1	20.4	7.4
LOWER	Inferred	3.0	32.0	6.0
Coal Above BOW (Thermal)	Inferred	5.1	28.7	-
		9.2		
Total Main Area		253.1		
NE UG Area				
UPPER	Indicated	18.2	26.9	8.0
LOWER	Indicated	7.2	23.2	8.0
		25.4		
Inferred				
UPPER	Inferred	1.1	34.7	7.5
LOWER	Inferred	1.5	23.4	8.0
		2.6		
Total NE UG Area		27.9		
GRAND TOTAL		281.0		

Table 2: Ovoot Project Coal Resources at 31 July 2013

(NB: Figures subject to rounding)

Reserves	Coal Reserve (adb) ROM Mt	Coal Reserve (arb, 2% Moisture) ROM Mt	Marketable Coal Reserve (arb, 9.5% Moisture) Mt
Probable – Open Pit	243	247	182
Probable - UG	8	8	6
Total	251	255	188

Table 3: Ovoot Project Coal Reserves at 31 July 2013

Mongolian Government Approved Feasibility Study

During the Quarter, the Company received approval for the Ovoot Feasibility Study from the Mongolian Resource Authority (“**MRAM**”). This is an important step in the approvals process and now allows the Company to negotiate land access agreements with local herder groups. Water resource quantification is still required to meet environmental conditions precedent for a production start.

Exploration

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

Ovoot Project (100%)

There was no exploration activity over the Ovoot Project during the June Quarter. In the September Quarter a targeted gravity survey will be conducted across the Ovoot Basin. This gravity survey will be combined with the available magnetic data and correlated with drill data. The objective is to get a better understanding of basement highs and lows, particularly in the central part of the Ovoot Basin, in order to improve exploration drill targeting in future drilling programmes.

Upon the completion of the gravity survey the exploration camp will be reduced to a minimal onsite presence.

Nuramt Coal Project (100%)

With the acquisition of the Ovoot Project in February 2010 the Company also acquired the 200 square kilometre Nuramt Coal Project (“**Nuramt Project**”) which is approximately 100kms east of the Ovoot Project.

The Nuramt Project was the subject of a short drilling programme looking to target and replicate Russian exploration drilling data that had intersected coal. Only thin minor intercepts were recorded. This was followed up by a 2D seismic programme. There are currently limited compelling drill targets and there is significant reduction in the Nuramt Project area available for drilling due to the impact of wide buffer zones interpreted from Mongolia’s proposed Rivers and Forests Legislation. The Company believes that the Ovoot Project remains the most prospective exploration property in the region and has therefore decided to return the Nuramt Project licenses to the Mongolian Government.

Jilchigbulag Coal Project (100%)

No work was conducted on this property during the Quarter.

Zavkhan Iron Ore Project (Earning 70%)

No work has been undertaken on this project during the Quarter. Due to the unlikely future allocation of funding towards this project, the Company has agreed with the vendor to terminate the joint venture and return all data in the September Quarter.

MARKETING

During the Quarter, the Company received four non-binding Memoranda of Understanding from Chinese customers totalling a possible commitment to purchase up to 5.6 Mtpa of Ovoot coking coal. Note that Stage 1 production from the Ovoot Coking Coal Project is estimated at 6-7 Mtpa.

Further significant interest has been indicated from a number of steel mills and coke plants located in China, Russia, Eastern Europe and Japan.

Aspire's marketing programme is in its preliminary stages following the completion of coke oven testwork on an indicative Bulk Sample (refer Announcement dated 18 February 2013), with only half of the Chinese target market approached to date.

Ovoot coking coal is a premium blending coking coal which falls under the clean fat coal specification ("FM") which is highly valued and in short supply in China. Fat coal is used by Chinese firms as a hard coking coal replacement, to blend with lower quality, lower caking coals in coke batches, thereby reducing coke batch costs and reliance on seaborne traded hard coking coals.

Tavan Tolgoi / Ovoot Project Blending Study Received

During July, the Company received a report completed by an independent research group ("**Research Group**") confirming the value adding benefits of blending coking coal from the Ovoot Project with non-coking coals from Mongolian Government owned Tavan Tolgoi Deposit ("**TT**").

The Research Group comprised of professors from the National University of Mongolia and senior researchers from Mongolia's Mining Research Laboratory.

Samples of TT coal ("**TT Samples**") were taken from seam 0 (classified as thermal coal), and from seams 3 and 4, both of which were classified as oxidised coal with nil coking properties. Thermal coal makes up approximately 30% of TT coal reserves.

The results of the report confirmed that when TT Samples are blended on a 50/50 basis with Ovoot Project coking coal, a good quality coking coal can be produced ("**Blended TT Product**"). Under Chinese coking coal classification standards the Blended TT Product fall within the "Primary Coking Coal" or "1/3 coking" coal classification (refer Table 4).

Blend	Ovoot/Seam 0	Ovoot/Seam 3	Ovoot/Seam 4
Ash % (adb%)	9.2%	7.7%	8.2%
Volatile Matter % (adb%)	23.6%	26.0%	24.2%
Fixed Carbon % (adb%)	65.8%	64.5%	65.9%
Max Fluidity (ddpm)	150	250	150
Crucible Swelling Number (CSN)	8.5	8.5	8.5
G Caking Index	83	88	87
Y Index (mm)	17	17	18
Total Sulphur (%)	0.81%	0.70%	0.72%

Table 4: Equal Blend of Ovoot coking coal and TT washed coal samples

With the Mongolian Government planning the development of the Sainshand Industrial Park and a connecting rail line to TT, the Sainshand Industrial Park would be an ideal site to accommodate a large scale blending exercise, which Ovoot Project coking coal could be delivered to upon completion of the Northern Rail Line (refer Figure 3).



Figure 3: Tavan Tolgoi routes to market from planned Sainshand Industrial Park

COMMUNITY RELATIONS

During the Quarter, Aspire completed student interviews and shortlisted 13 candidates from the Tsetserleg and Tsagaan Uul soums who submitted applications for the Company’s 2013 Scholarship Programme. These soums are located nearby the Ovoot Project.

The four final successful applicants will receive a Company funded scholarship to attend and study a Bachelor degree at a Mongolian University and will join the existing four scholarship winners from 2012.

CORPORATE

Mongolian Presidential Election

Mongolia held its Presidential election on 26 June 2013, with three nominated candidates comprising the incumbent President Elbegdorj from the Democratic Party (“DP”), and representatives from the Mongolia Peoples Party (“MPP”), and the Mongolian People’s Revolutionary Party (“MPRP”). President Elbegdorj was re-elected for a four year term having received 50.22% of total votes.

With both the Government and Presidential elections completed, Aspire looks forward to a period of political stability as it progresses the development of the Ovoot Project and Northern Rail Line.

Cash Position and Reduced Overhead Expenditure

Aspire had AU\$7.9 million cash as at 30 June 2013, and an undrawn US\$2 million balance of the US\$5 million unsecured, two year loan facility provided by Noble Group for use by Northern Railways LLC.

During the June Quarter, funding of US\$3.7m was provided to Northern Railways to continue ongoing rail development activities.

The Company has moved its focus from exploration to rail development. Other activities have been curtailed accordingly. The Company has also significantly reduced overhead both in Mongolia and at the corporate office in Perth, Western Australia.

In line with changes in the salary structures in the resources industry both the Managing Director and the Chairman have voluntarily taken 20% reductions in their base remuneration commencing 1 July 2013. There are no cash bonuses in place for financial year 2014 and all other wages are the subject of a wages' freeze.

Based on the current budgeted level of activity the Company is funded through to June 2014.

--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 and a PFS Revision in December 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 ROM Coal Reserves of 255Mt (2% arb). 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.

About Northern Railways LLC

Northern Railways LLC is the Mongolian registered rail infrastructure subsidiary of Aspire Mining Limited, established as the entity to focus on developing railway infrastructure in northern Mongolia.

Northern Railways is in charge of the advancement of an extension to the existing Trans-Mongolian Railway of approximately 595 kilometers from the current terminus at Erdenet through to the Ovoot Coking Coal Project ("Northern Rail Line"), thereby connecting the northern Mongolian Khuvsgul, Bulgan, and Orkhon provinces to the existing Trans-Mongolian rail network. In accordance with Mongolian National Rail Policy, the multi-user rail line will be available for the transport of bulk materials, agricultural and general freight and passengers from the region to export markets including China, Russia and seaborne markets.

The Northern Rail Line can to be developed in phases. Subject to the receipt of a rail concession, the completion of necessary feasibility studies, environmental, and social impact assessments, funding and other regulatory approvals, the first phase of the Northern Rail Line could be operational in 2016/17.

For more information contact:

Corporate

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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.

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.