



QUARTERLY REPORT

Quarter Ended 31 December 2010

ASX Announcement

28/1/2011

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David Paull - Managing Director

Neil Lithgow - Non Exec Director

Russell Lynton-Brown - Non Exec Director

Gan-Ochir Zunduisuren - Non Exec Director

Tony Pearson - Non Exec Director

Phil Rundell - Company Secretary

HIGHLIGHTS

- Maiden 330.7 million tonnes Coal Resource announced on 14 October 2010.
- Raw Coal Quality sample results continue to confirm the presence of high rank coal.
- Initial Coal Washing Test Results from one core hole through the upper seam resulted in a high theoretical yield of 87% producing a product of less than 10% Ash and an average CSN of 9.
- Project portfolio increased with the addition of the Jilchilibag Coal Project (option to acquire 100%) and the Zavkahn Iron Ore Project (Earn in to 70%).
- 19.9% Placement and Strategic Alliance with South Gobi Resources Limited completed raising \$20.1 million.

MAIDEN 330.7 million tonnes COAL RESOURCE ANNOUNCED AT OVOOT COKING COAL PROJECT

Aspire Mining Limited (ASX: AKM) (**Aspire** or the **Company**) announced on 14 October 2010 a maiden 330.7 million tonnes Coal Resource for the Ovoot Coking Coal Project. The Company's independent consultant CSA Global Pty Ltd, has confirmed the following maiden Coal Resource estimation:

Table 1. Summary Coal Resource

Category	Insitu Coal Resource (mt)		
	Non Oxide (mt)	Oxide (mt)	Total (mt)
Measured	93.3	-	93.3
Indicated	182.4	-	182.4
Inferred	30.4	24.6	55.0
Total	306.1	24.6	330.7

Over 80% of the Ovoot Coal Resource is in the Measured and Indicated Category with approximately 75% of the resource being above 250 metres vertical depth. The relatively shallow depth of the coal, presents a significant potential for a large scale open pit coal mine.

OVOOT COKING COAL PROJECT 100%

The Ovoot Coking Coal Project comprises three contiguous exploration licenses totalling 509 square kilometres covering the majority of a large interpreted basin. As of the end of the December Quarter only 10% of this Basin has been explored.

Geology

The basement consists of lower Cambrian metamorphosed sediments and limestones, Permian volcanic – sub volcanic units and Late Permian to Early Triassic granitoids. The top of basement was eroded into a paleosurface consisting of open valleys and ridges onto which was unconformably deposited Lower – Mid Jurassic coaliferous sediments. Overlying the Jurassic sequence are Neogene clays and Quaternary gravels and sands (Figure 1).

Both compressional and extensional tectonic environments are evident within the Ovoot Basin demonstrating multiple or evolving deformational events post coal deposition. Thrust and normal faulting is present with displacements of up to 40m observed. Coals bearing sediments and coal seams have been weakly deformed into broad synclinal structures plunging to the east north east.

The Jurassic Coal bearing unit consists mainly of conglomerates, minor sandstones and siltstones. The coal within the reported Ovoot Coal Resource is located largely in two thick main seams up to 40 metres in width and has more than 90% of the reported coal resource within these two seams. Splitting of the seams has been recorded with 8 splits of varying thickness. Coal seam depths intercepted from drilling range from 46 metres to 395 metres with an average dip of 6 degrees to the east.

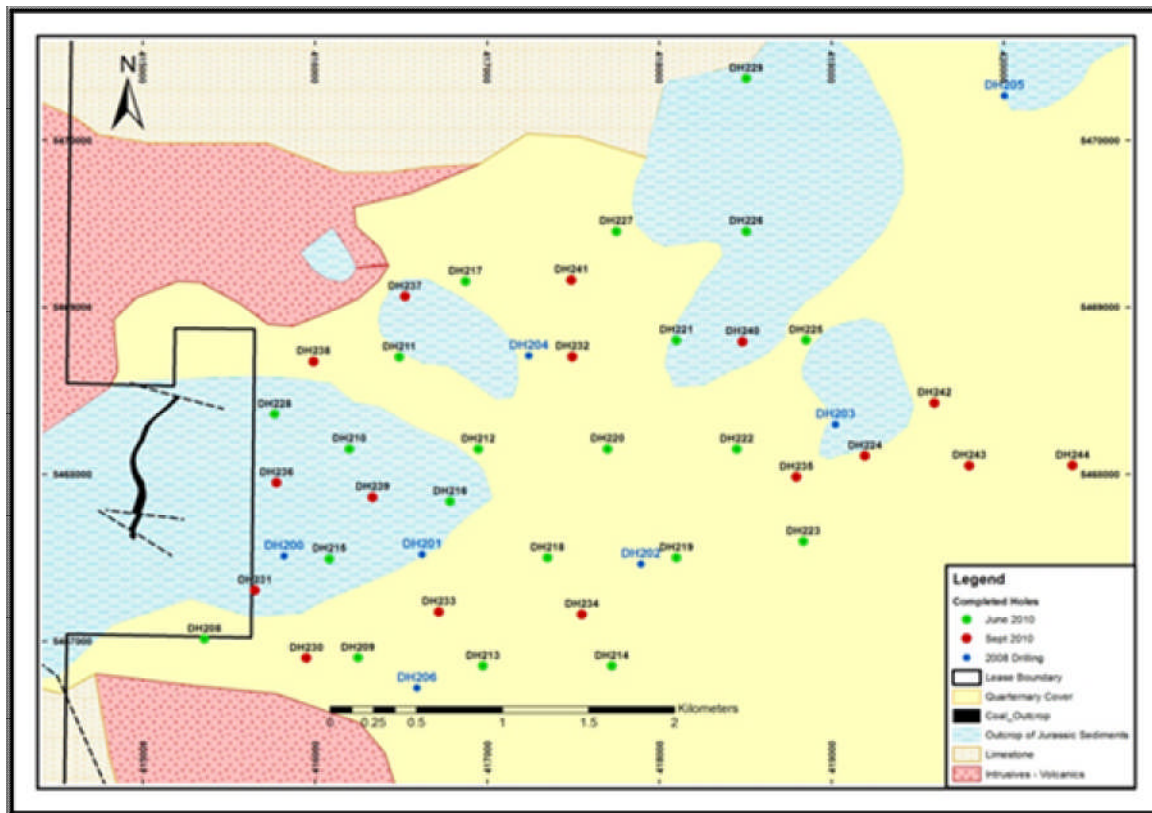
2010 Resource Drilling Program Summary

The drilling program that commenced in April 2010 was completed early in this quarter on the 2nd October. Multi-purpose UDR600 and UDR650 rigs have been used for drilling. The initial part of most drill holes was drilled by open-hole methods with blade, roller or PCD bits or using downhole hammer until carbonaceous sediments were encountered. At this point, diamond coring was then commenced for the remainder of the hole. Most core samples taken were HQ size (63mm) but a number of PQ (85mm) core samples were taken to provide extra material for a greater range of quality analyses.

Drill holes were located on a nominal 750 metre triangular grid, which was determined to be optimal for estimation of JORC reportable resources. Additional infill holes were drilled to confirm or resolve structure and/or stratigraphy. With the exception of one hole, all were geophysically logged for density, natural gamma, resistivity/SP, calliper and sonic velocity.

A total of 36 holes for 7,885 metres have now been drilled in the Ovoot Coal Resource program in 2010, comprising 4,534 metres of open hole and 3,351 metres of core (Figure 1).

**Figure 1. Geology and Completed Drill Holes
Ovoot Coking Coal Project**



Sampling and Analysis

A total of 338 coal samples have now been collected and sent for analysis. Sample intervals are nominally one metre but vary to maintain geological integrity.

An outline of the coal analytical program underway is summarised below:

- | | |
|---------|--|
| Stage 1 | Raw coal analysis on a subsample of each sample. |
| Stage 2 | Recombination of similar abutting plies and perform washability - froth flotation on the composited samples. |
| Stage 3 | Create simulated product composites based on Stage 2 results and run detailed coking property analyses. |

Selected PQ cores are subjected to drop shatter testing, wet and dry tumbling to simulate run of mine and plant sizing before more comprehensive stage 2 and 3 treatment. These cores will also be charged in a pilot coke oven for coke strength testing.

Raw Coal Results

Raw coal analysis results from 221 samples have now been received from 18 holes which represents 65% of the samples submitted from the Company's 2010 drilling program.

The raw quality results averaged across all un-oxidised samples are summarised in Table 2.

Table 2: Summary of Raw Coal Qualities

Coal Type	IM ad %	Ash ad %	Volatiles ad %	Sulphur ad %	CSN	Energy Kcal/kg ad
Raw Coking Coal Quality (In Situ)	0.6	19.5	27.1	1.1	7.7	6618

The recently released raw coal results announced to the ASX on 14th January 2010 are consistent with previous coal analysis received. The ash content increased only 1.7% with volatile matter dropping by 1%. The raw coal results intercepted from the wide coal intersections intercepted from the 2010 drilling program continues to confirm the high quality and consistency of the Ovoot Coking Coal Resource:

- All results on air dried weighted average basis for raw coal samples
- Data based on 18 holes and 221 samples results
- Further 117 samples awaiting processing at lab

COAL WASHABILITY RESULTS

Coal washability testwork involving float/sink tests and froth flotation results have been received for the PQ sized metallurgical drill hole, DH215. The results are very encouraging, indicating a very high theoretical yield of 87.7% to produce a product with 9.5% ash and a CSN of 9.

Based on early results, it is expected that the washed coal product from Ovoot will be a high fluidity, mid-volatile coking coal that should be well received in the metallurgical coal markets.

EXPLORATION – GEOPHYSICAL SURVEYS

Seismic Survey

Logantek LLC has been contracted to complete a 96 channel high resolution seismic survey at Ovoot and surrounding areas. The initial seismic survey will cover the Ovoot coal resource area extending to the south and east of the deposit. The aim of the survey is to enhance geological understanding of the Ovoot coal deposit, to identify possible extensions to the resource and to better understand geologically the Ovoot Coal Basin.

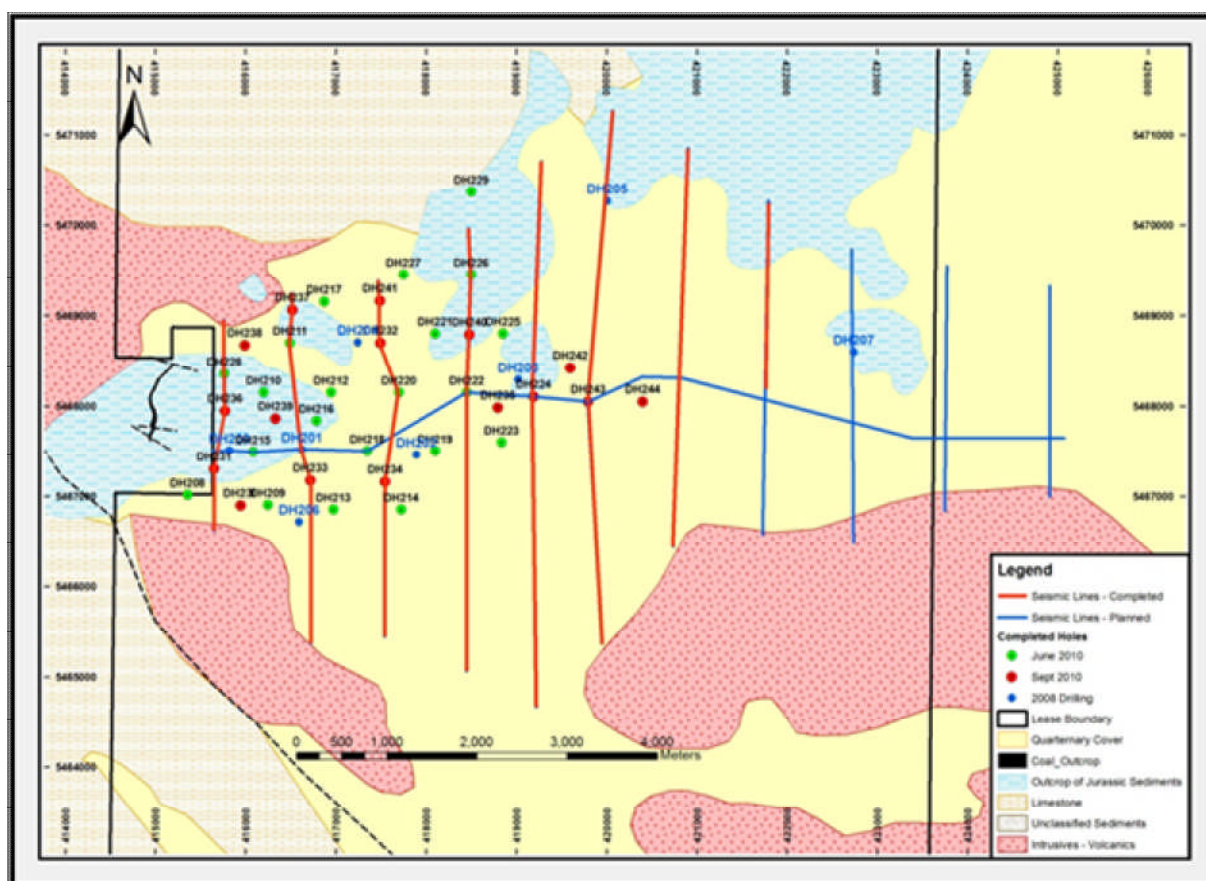
The survey commenced on the 4th November 2010 with 34 line kilometres completed by the end of December 2010 (Figure 2).

Preliminary seismic results have been received and from geological interpretation it is evident the seismic is effective in delineating coal seams, the base of the unconsolidated sediments, basement and faulting.

The seismic survey over the Ovoot Coal Resource area has been completed and is currently being interpreted. The seismic data will also be used for drill hole targeting to extend the Ovoot coal seams with a scheduled resource drilling program shortly to commence.

The seismic survey targeting the regional exploration areas has commenced and the initial survey will be completed early next quarter. The results of the seismic survey will be used to design the 2011 exploration drilling program for the Zuun Del and Hurimt prospects within the Ovoot Basin.

Figure 2. Ovoot Seismic Survey Progress



Rail Infrastructure

The Company has initiated the establishment of the Northern Mongolian Rail Alliance ("NMRA") to support the resource industry's efforts to promote the development of a rail line between Moron and the Trans Mongolian Railway at Erdenet.

The Company has received significant support from other owners of bulk commodity resources in the region which would be able to access the proposed rail link.

There is also significant local community interest in the rail link as a means to grow agricultural exports from this region.

During the December Quarter, the NMRA appointed a study group from the National University of Mongolia to prepare a "Socio-Economic Impact Assessment" of bringing a rail connection to the Khuvsgul provincial capital of Moron. The results of this study are anticipated to be presented in April 2011. This will be an important first step in justifying the key economic drivers to establish this strategic piece of infrastructure.

The Company, through the NMRA, is in discussions with the potential major users of this rail link to gain an understanding of development and financing timelines.

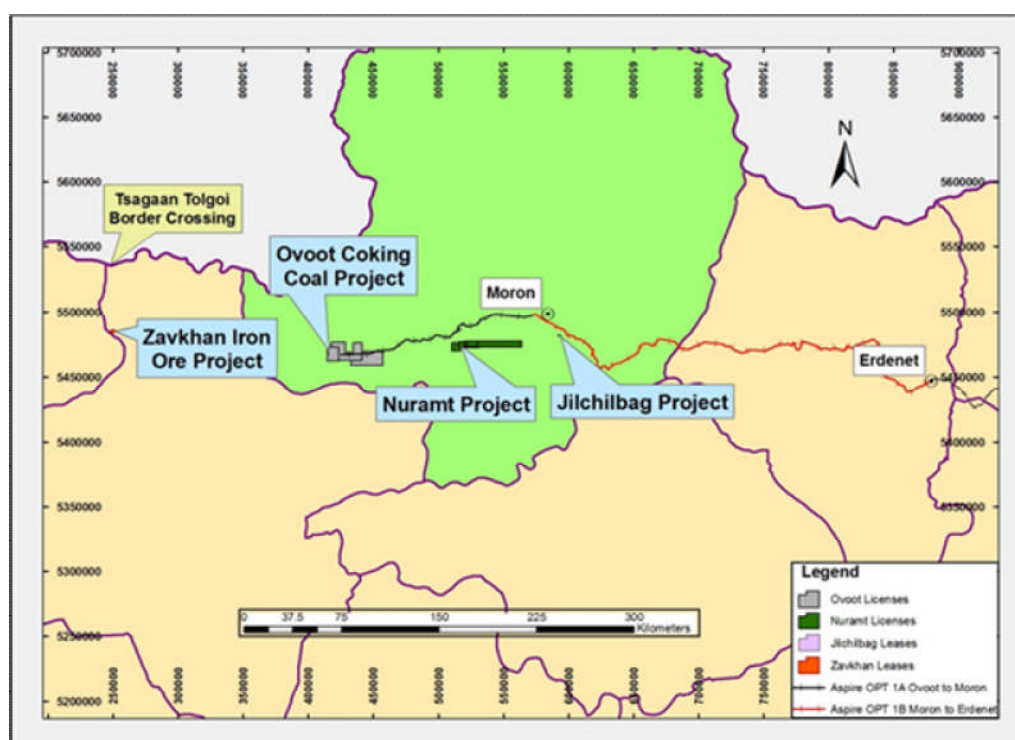
NURAMT COAL PROJECT (100%)

The Nuramt Coal Project comprises three exploration licenses owned by the Company and a further two licenses which are under an option to purchase a 100% interest. All five licenses are contiguous and cover 250 square kilometres of a 35 kilometre long interpreted basin.

Exploration

The Nuramt Coal Project is located approximately 50 kilometres southwest of Moron, 12 kilometres south of the main road and adjacent to the proposed rail line from the Ovoot Coking Coal Project to Moron (Figure 3).

Figure 3. Company Owned Projects within Vicinity of Proposed Rail Link



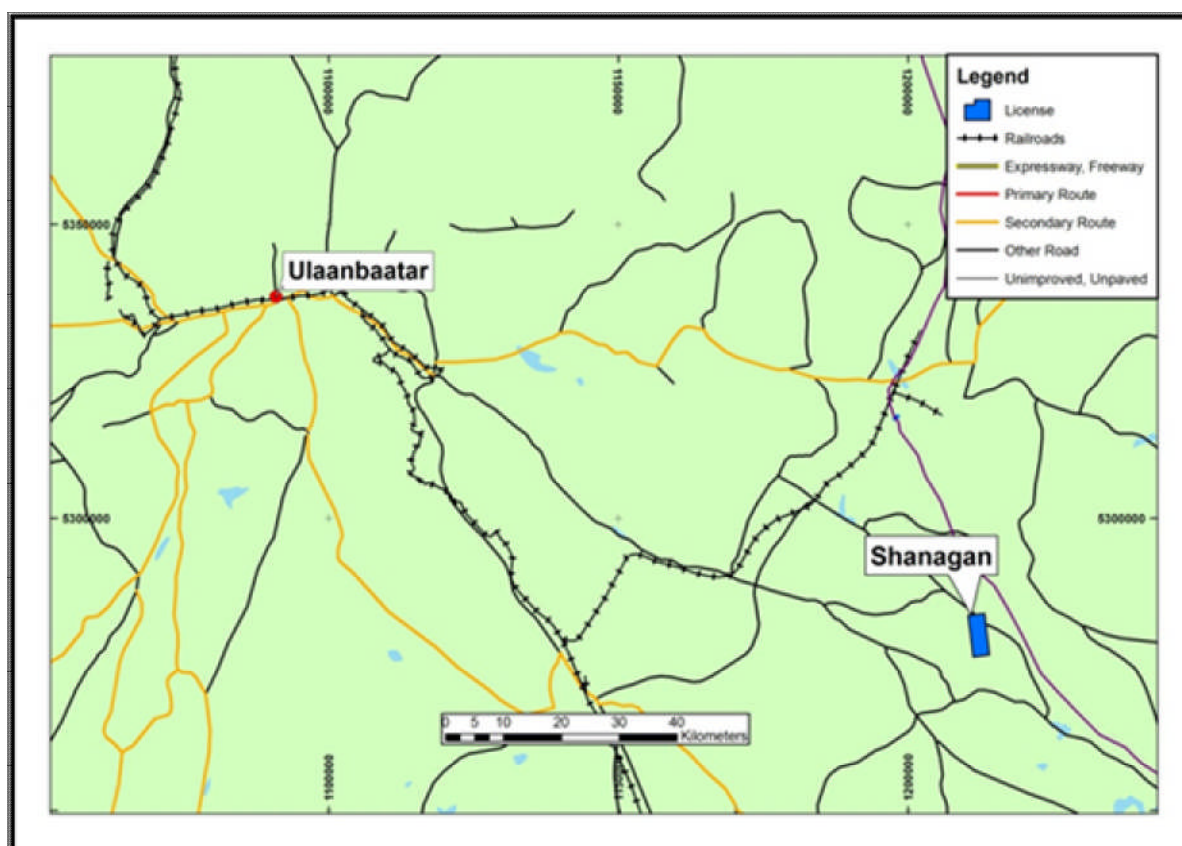
In the Nuramt Project, Coaliferous Jurassic sediments are contained within Triassic sediments in a 35 kilometre long valley bounded to the north and south by various structurally emplaced igneous and volcanic units. The project area has been the subject of significant exploration work in the 1980's in and around a prominent coaliferous outcrop.

An initial 6 hole drill program was conducted to test the down dip extensions of an outcropping oxidised coal sediment. A total of 756 metres of drilling was completed with only one hole intercepting 80cm of coal. A number of the holes ended in carboniferous sediments and did not penetrate through the total sedimentary sequence, largely due to ground conditions. Geological interpretation suggests the fold plunge may be steeper than originally interpreted and in order to better understand the Project's geology a 2D seismic survey comprising 40 line kilometres started in December. The program is to target the Jurassic sediments to the east of the outcropping oxidised coal sediments over several locations that are prospective for coal.

SHANAGAN COAL PROJECT (Farm In Earning 51%)

The Shanagan Project comprises a 20 square kilometre license area and is located in Bayanjargalan Soum, approximately 150 kilometres southeast of Ulaanbaatar (Figure 4). The Shanagan project is approximately 35 kilometres from the nearest rail link.

Figure 4. Shanagan Project Location



An initial work program including 2D seismic, trenching and drilling will be carried out mid-2011.

NEW BUSINESS

The Company's business development strategy is to look for premium quality coal deposits anywhere in Mongolia and bulk commodity projects that could potentially support the construction of the rail line from the provincial capital of Moron to the Trans Mongolian Railway at the town of Erdenet. Since the issuance of the Company's September Quarterly Report the Company has been able to add two new exploration projects consistent with the Company's business development strategy.

Jilchilibag Coal Project (Option to Acquire 100%)

The Company has acquired a two year option to acquire 100% of a relatively small 2.5 square kilometre exploration license that abuts a small coal mine that supplies coal to the town of Moron for power generation. This license area is approximately 20 kilometres south east of Moron and a short distance from the proposed Moron to Erdenet railway (Figure 3).

The Company has had a coal sample from the adjacent coal mine analysed at SGS laboratories in Ulaanbaatar which indicates the presence of a high rank weakly coking coal. It is not known how long the sample had been exposed to the atmosphere. The adjacent coal mine works a single moderately dipping 20 metre seam which dips to the south west and potentially on to the Jilchilibag Coal Project Area.

This project will be the subject of detailed mapping and a 2-D seismic evaluation in March 2011 prior to the commencement of an exploration drilling programme later in the year.

The objective of the 2011 exploration programme is to identify if there is coal resource potential on this project that could potentially materially add to the Company's coal production from this region and hence rail capacity utilisation.

Zavkhan Iron Ore Project (Earn in to 70% Joint Venture)

Subject to the completion of legal due diligence the Company has entered into a Joint Venture with a Mongolian private company to explore and develop a 6.3 square kilometre exploration license called the Zavkhan Iron Ore Project. The Company can earn a 70% interest in the Project by presenting a JORC Compliant Resource within three years.

The license area is approximately 165 kilometres west of the Ovoot Coking Coal Project and just 30 kilometres from the Tsagaan Tolgoi border crossing from Mongolia into Russia (Figure 3). A 230 kilometre road extends from this border crossing into the Russian provincial capital of Kyzyl.

The license area has previously been explored with a ground magnetics program which identified a 2 kilometre by 200 metre magnetic high anomaly overlying an iron rich skarn. Rock chip samples from out crop contained magnetite with chemical analysis of iron +60% and very low sulphur and phosphorous. These results are consistent with trench samples taken in an exploration programme in 2009. There is also a significant copper anomaly, separate from the magnetic anomaly present.

The Company's strategy is to quickly determine if there is a significant direct ship iron ore resource. A +60% iron, low impurity product would attract good pricing in China and Russia and could be used as a swing producer of product. This would ensure that the proposed Ovoot to Moron rail line remains fully utilised, particularly in the early years after start up. This strategy is consistent with the Company's objective of securing bulk commodity products along the proposed rail route.

West Australian Exploration Projects

Windy Knob Joint Venture (49%)

The Windy Knob Joint Venture located in the Murchison, 55 kilometre south of Meekatharra WA, covers prospective ground adjacent to the recent copper-zinc-gold-silver volcanogenic massive sulphide (VMS) discovery made by Silver Swan Group (ASX: SWN) at Austin.

The results of the previous quarter's drilling are currently being reviewed in order to establish a programme for the 2011 season.

CORPORATE

Placement and Strategic Partnership with SouthGobi Resources Limited

On 25 October 2010 the Company was pleased to announce that it had entered into a binding agreement with SouthGobi Resources (TSX: SGQ, HK: 1878) ("SouthGobi"), a leading Mongolian coal producer that encompassed a \$20.1 million placement and strategic partnership.

Under the agreement, SouthGobi acquired a 19.9% strategic holding in Aspire through the issue of 105.7 million shares at \$0.19 per share for a total investment of \$20.1 million. This significant cash injection from SouthGobi provides cornerstone funding and strategic partnership benefits to accelerate the exploration and development of the Ovoot Coking Coal Project through to Feasibility Study.

SouthGobi is one of the largest coal miners in Mongolia with a market capitalisation of US\$2.2 billion and cash reserves of US\$744 million as at 30 June 2010 and is a subsidiary of Ivanhoe Limited.

This transaction has numerous benefits for Aspire including increased recognition for the Company and the potential of the Ovoot Coking Coal Project in particular while retaining unencumbered control of what the Company believes is an emerging coking coal province.

The Placement was approved by shareholders at an Extraordinary General Meeting held on 15 December 2010 and after receiving FIRB Approval the placement was completed on 23 December 2010.

Final Settlement on Ovoot Coking Coal Project Acquisition

As previously disclosed in the initial announcement regarding the acquisition of the Mongolian Coal assets and in particular the Ovoot Coking Coal Project, dated 26 November 2009, there is a second and final cash payment payable to the vendors of US\$3 million due within 12 months of settlement of the acquisition. This payment was due and payable by 12 February 2011.

On 24 December 2010 the Company was able to negotiate a US\$75,000 discount on the face value of this liability in exchange for an early settlement and a payment of US\$2.925 million was made on that date.

Ulaanbaatar Office Now Open

The Company's office in the capital city of Mongolia, Ulaanbaatar, is now open and operational. The address is:

Sukhbaatar district, 1st khoroo, Chinggis avenue-8,
Altai Tower, 3rd floor
Ulaanbaatar city, Mongolia

Tel: (976)-70116828
Fax: (976)-70116826

The Company has been able to attract highly qualified Mongolian accounting, geological and GIS personnel as we build our operational team within Mongolia.

About Aspire Mining Limited

Aspire is listed on the ASX (Code: AKM) and owns 100% of the Ovoot Coking Coal Project in northern Mongolia which recently announced a maiden 330 million tonne JORC resource. In 2011, Aspire will be targeting resource upgrades at Ovoot, as well as progressing development of key infrastructure including access to rail.

-- ENDS --

For further information please contact:

Corporate

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Competent Persons Statement

In accordance with the Australian Stock Exchange requirements, the technical information contained in this announcement in relation to the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Kerry Griffin – Country Manager for Aspire Mining Limited in Mongolia.

Mr Griffin 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 Griffin 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 Exploration Results is based on information compiled by Mr Chris Arndt, Mr Arndt is a Fellow of the Australasian Institute of Mining and Metallurgy 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".

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.