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ASX RELEASE

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QUARTERLY REPORT Quarter Ended 31 March 2013

Highlights

- **Completed Rail Pre-Feasibility Study Revision along alternative southern alignment connecting Ovoot directly to Erdenet:**
 - Reduced Rail capital cost estimate to US\$1,300 million from US\$1,500 million under the original Rail PFS completed in February 2012,
 - Additional capital cost savings may be achieved through de-rating the line capacity from 22Mtpa to 10-12Mtpa,
 - Potential operating cost savings of US\$50 million per annum, and
 - New optimal alignment has minimised risk from an environmental, geotechnical and hydrological perspective.
- **Completed Coke Oven Testwork on indicative Ovoot coking coal bulk sample:**
 - Confirmed indicative Ovoot coking coal as a high quality blending coal which can be used to replace hard coking coal in a batch when using lower quality semi-soft coking coal, and
 - High value in use demonstrated when using up to 25% indicative Ovoot Project coking coal in blends with semi-soft coking coal and coke breeze (a recycled oven residue).
- **Marketing Activities Commenced:**
 - Market acceptance process has commenced with excellent preliminary market feedback,
 - Washed bulk sample now available for customer product assessment, and
 - Logistics study confirms Eastern Europe foundry and blast furnace industries as viable markets.
- **Mineral Resource Authority of Mongolia approves the Ovoot Project Mongolian Feasibility Study allowing Aspire to now apply for land use permits and complete environmental impact assessments.**
- **Mongolian Parliament approves changes to the Foreign Investment Law for private foreign direct investments.**
- **Appointment of Noble Group's Hannah Badenach as Non-Executive Director.**

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Aspire Mining Limited (ASX: AKM, "Aspire" or the "Company") is pleased to present its March 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").

Aspire's projects are located in the northern region of Mongolia and also include the Nuramt Coal Project, Jilchigbulag Coal Project and the Zavkhan Iron Ore Project.



Figure 1: Project Location Map of Mongolia

NORTHERN RAIL LINE

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

Revised Rail PFS Received

During the March 2013 Quarter, Aspire's subsidiary, Northern Railways, received a Revised Rail Pre-Feasibility Study ("RPFS Revision") confirming a superior, alternative southern alignment as compared to that originally recommended as part of the February 2012 Rail Pre-Feasibility Study. This RPFS Revision relates to the Phase 2 alternative southern rail alignment identified in Figure 2 (Ovoot – Point A).

The RPFS Revision was completed by Snowy Mountain Engineering Corporation ("SMEC") which highlighted a 595 kilometre alignment that bypassed the town of Moron, connecting the Ovoot Project to Erdenet, the current rail terminus for the Trans-Mongolian Railway. The newly identified western portion

of the alignment (refer Ovoot – Point A in Figure 2) was selected as it is cheaper in terms of capital and operating expenditure and has less risk from an environmental, geotechnical and hydrological perspective.

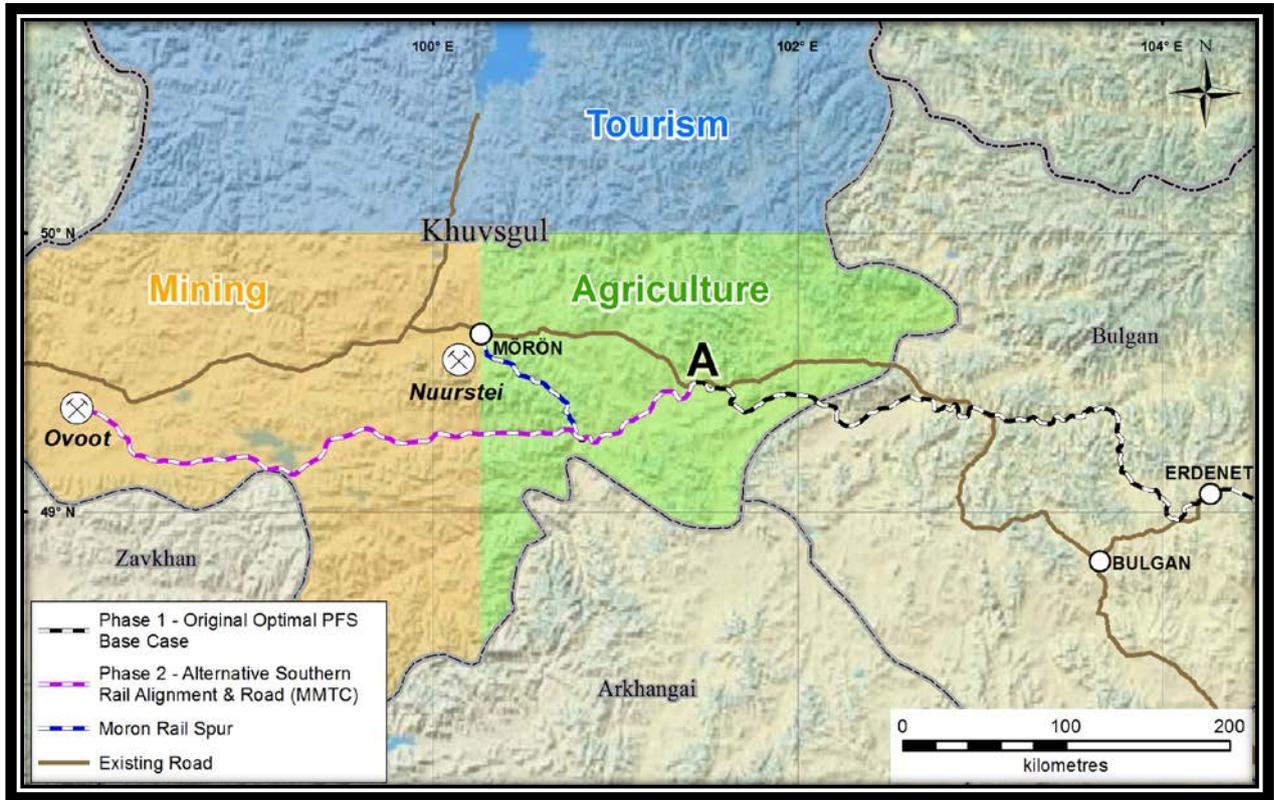


Figure 2: Northern Railways Erdenet – Ovoot Rail Alignment (“Northern Rail Line”)

New Alignment Path

The proposed new rail path extending between Erdenet and the Ovoot Project passes through four northern Mongolian provinces of Orkhon, Bulgan, Zavkhan and Khuvsgul. The path lies approximately 220km south of the Khuvsgul Lake and more than 120km south of the Khuvsgul Tourism zone, as defined in the “Socio-Economic Development Program of the Khuvsgul Province for 2008-2015”. This same document also specified the need for existing Mongolian rail infrastructure, that currently terminates at Erdenet, to be extended to service the needs of Khuvsgul province.

Capital Expenditure

The RPFS Revision confirmed a revised capex estimate of US\$1,300 million to construct the entire 595km Erdenet – Ovoot rail-line with a capacity to carry 22 Mtpa. Further capex savings may be possible by de-rating the line capacity to 10-12 Mtpa to accommodate initial freight from the Ovoot Project. Upgrades to the line capacity can be increased over time as additional freight users are introduced.

RAIL CAPEX	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 Comparisons

The cost provisions (refer Table 1) in the SMEC RPFS Revision does not include a Moron rail spur, which could be completed by other parties if required.

Operating Expenditure

The redefining of the Northern Rail Line, shorter total kilometres along more agreeable terrain and the modelling of longer trains has resulted in a 30% reduction in the per kilometre rail operating cost. At full line capacity, this equates to a US\$50m per annum saving. The operating model defined by SMEC is based on global benchmarks and amended for Mongolian standards, policies and customs.

By incorporating the capex and opex savings into the economic analysis, the Northern Rail Line demonstrates an attractive economic return to future rail investors across a range of reasonable capacity charges and minimum committed volumes.

The completion of the RPFS Revision is a significant advancement for Northern Railways to now progress with the submission of an application for a rail concession to the Government of Mongolia.

In the June 2013 Quarter it is expected that:

1. A revised rail pre-feasibility study will be commenced for the eastern portion of the alignment (Point A – Erdenet) as shown in Figure 2;
2. Geotechnical and other ground proofing works will commence to better define the preferred alignment; and
3. There will be progression towards application for the permits and approvals to build, own and operate the Erdenet to Ovoot railway.

OVOOT COKING COAL PROJECT

Mineral Resource Authority of Mongolia Approval of Feasibility Study

Following the receipt of the Mining Licence in late 2012, the Mongolian Feasibility Study over the Ovoot Project was submitted to the Mineral Resource Authority of Mongolia (“MRAM”).

During the Quarter, confirmation was received that the Feasibility Study submitted meets the Mongolian requirements as being both technically and commercially feasible. This now allows Aspire to commence land access agreement negotiations and lodge environmental management plans.

Coke Oven Testwork

The Company received analysis results from a comprehensive carbonisation testwork programme undertaken using an Indicative Bulk Sample (“Bulk Sample”) taken from the nearby Mogoin Gol Mine, an operating coal mine adjacent to the Ovoot Project (refer ASX announcement dated 18 February 2013 for full results).

Work conducted by Aspire has recognised that the coal currently being mined from the Mogoin Gol Mine is an extension of a coal seam that is present at the Ovoot Project, and has similar quality characteristics.

Moisture	Ash	Volatiles	Sulphur	CSN	Max Fluidity Log	Max Dilation	Gray King	G Caking Index	Y Index mm	RoMax
9%	9.0%	25-28%	1.20%	9	4.1	+300%	G11	+95	30	1.2

Table 3: Indicative Ovoot Project Washed Coking Coal Specification

In the Chinese coking coal market, the world's largest, Ovoot coking coal falls within the classification of the fat coal specification "FM" due to its high "G Caking Index" of +95 and "Sapoznikov Y Index" of 30 mm. Fat coking coals trade at similar prices to hard coking coals in China. Ovoot coking coal is also categorised as a "Fat Coking Coal" ("Zh" and "KZh") under the Russian coal classification system.

Vitrocoal

Initial test results indicated that the washed Bulk Sample, when coked in isolation from other coals, produced a mechanically hard coke with relatively low wall pressures.

Ovoot Project coking coal has an extremely high vitrinite content, which provides the coal with high fluidity and plastic properties and one of the highest Gray King Coke types (G11) available in the market. These attributes indicate superior blend carrying capacity and when combined with its relatively high rank (RoMax) of 1.2, indicate that coke producers can use Ovoot Project coking coal in blends with hard coking and weakly caking coals to produce a quality coke.

Laboratory work was conducted using a proportion of the washed bulk sample (up to 25%) with varying combinations of:

- An Australian hard coking coal,
- An Australian low volatile, low fluidity semi-soft coking coal, and
- Low caking semi-soft and coke breeze (recycled coke oven residue).

The testwork showed that in coke batches including coke breeze, the addition of the indicative Ovoot coking coal can be used to replace premium hard coking coal and improve overall coke quality. It is expected that Ovoot coking coal can be used in up to 15% of the batch.

In particular, a significant improvement in overall coke performance was achieved with blending semi-soft coking coal with relatively smaller proportions of indicative Ovoot coking coal. This provides the potential for Ovoot coking coal to be used in blends to upgrade similar rank thermal and low caking semi-soft coals from Mongolia's South Gobi region to improve the overall quality of Mongolia's coking coal exports.



Figure 3: Coke Produced from the Pilot Oven Before Mechanical Strength (drum index) Tests

MARKETING

With the results of the Coke Oven testwork now received, Aspire's marketing team commenced discussions with coking coal end users.

Feedback from North Asian potential customers has been very encouraging. Ovoot Project coking coal fits neatly into the clean fat coking coal category which is in high demand in China.

Indicative product samples are being prepared to send to a number of the larger steel mills and cokeries.

During the Quarter, a rail logistics study into the feasibility of railing coal from Mongolia into end markets in Western Russia, Ukraine and Eastern Europe was received. The study confirms that the foundry and steel blast furnace industries in these regions will be attractive markets for Aspire.

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).

During the Quarter, the exploration team lodged all of the necessary annual exploration reports and submitted work programmes for 2013. In order to assist with future exploration targeting, a gravity survey is planned for the Ovoot Basin during the Mongolian summer.

COMMUNITY RELATIONS

In 2012, Aspire commenced a Scholarship programme which would provide funding for a total of 16 Mongolian students (four selected each year for four years) to attend and study a Bachelor degree at a Mongolian University.

Applications for the 2013 Scholarship were received during the March 2013 Quarter, and a review process will commence for shortlisting in the June 2013 Quarter. All applications received have been from students residing in the Tsetserleg and Tsagaan Uul soums, the two closest located communities to the Ovoot Coking Coal Project.

CORPORATE

Mongolian Parliament Approves Changes to Foreign Investment Law

Following the implementation of the May 2012 Law on Regulation of Foreign Investment in Business Entities Operating in Sectors of Strategic Importance (“**Foreign Investment Law**” or “**FIL**”), the Mongolian Government submitted proposed changes for Mongolian Parliamentary consideration in March 2013.

The changes were approved by Parliament on 19 April 2013 were:

- Removal of the 100 billion tugrik (~US\$75m) threshold triggering Parliamentary approval for any foreign direct investment; and
- Removal of the requirement for Parliamentary approval for any private foreign direct investment (with exception to foreign Sovereign Owned Enterprises (“**SOE’s**”).

However, Cabinet approval is still required for private foreign direct investments which fall under the scope of the May 2012 FIL (refer ASX announcement dated 18 May 2012).

It has further been indicated that the Mongolian Government will submit a draft Investment Agreement for Parliamentary approval in the coming months. The Investment Agreement would aim to provide greater stability for foreign investments.

The recent FIL changes approved by Parliament and the submission of a proposed Investment Agreement by the Mongolian Government are a positive step forward in providing assurance to the global investment community that Mongolia is seeking to create stability, clarity of the law, and re-attract foreign direct investments into the Country.

Placement to Noble Group

In January, Aspire completed a placement of 35 million shares at AU\$0.08 to Noble, raising AU\$2.8 million and increasing the Noble Group’s equity holding in the Company to 14.9%. The placement to Noble follows the execution of several agreements (together the “Agreement”) in the December 2012 Quarter which outlined Noble’s support for the development of both the Ovoot Project and Northern Railway’s Erdenet – Ovoot Railway.

As part of the Agreement, Noble was provided a right to nominate a representative to the Aspire Board.

Board Movements

During the Quarter, Ms Hannah Badenach joined the Aspire Board of Directors as Non-Executive director. Ms Badenach is currently Vice President of Asset Development & Operations at Noble Resources Limited, a subsidiary of the Noble Group (SGX: N21).

Ms Badenach has significant experience in management and development within Mongolia, having held previous roles as a practicing lawyer with Lynch & Mahoney, and Managing Director for QGX Mongol LLC.

Cash Position

Aspire had AU\$10.2 million cash as at 31 March 2013, and an undrawn US\$5 million unsecured, two year loan facility provided by Noble Group for use by Northern Railways LLC.

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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 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.

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.

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.

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.