



ASX Announcement

25/10/2010

ASPIRE MINING LIMITED
ABN 46 122 417 243

Unit 2, 454 Roberts Road
Subiaco, WA, 6008

P.O. Box 1918
Subiaco, WA, 6904

Phone: (08) 9381 1995
Fax: (08) 6380 2316

Web:
www.aspiremininglimited.com

Email:
info@aspiremininglimited.com

Contact

David Paull
Managing Director

Email:
david@aspiremininglimited.com

ASX Symbol: AKM

Directors:

David McSweeney - Chairman

David Paull - Managing Director

Neil Lithgow - Non Exec Director

Russell Lynton-Brown - Non Exec
Director

Gan-Ochir Zunduisuren - Non
Exec Director

Phil Rundell - Company Secretary

FINANCING AND STRATEGIC PARTNERSHIP WITH SOUTHGOBI RESOURCES

- **19.9% placement to SouthGobi Resources to raise \$20.1 million**
- **SouthGobi Resources is a significant listed coal producer in Mongolia with a market capitalisation of US\$2.2 billion and is part of the Ivanhoe Group**
- **Placement pricing of 19 cents per share represents a 8% premium to the 7 day VWAP**
- **Funding will fast-track exploration and development of Aspire's Ovoot Coking Coal Project**
- **Strategic partnership to provide technical and logistical assistance to accelerate future production**
- **Retains unencumbered control of an emerging coking coal province**

Aspire Mining Limited (ASX:AKM) ("Aspire") is pleased to announce it has entered into a binding agreement with SouthGobi Resources (TSX: SGQ, HK:1878) ("SouthGobi"), a leading Mongolian coal producer, that encompasses a \$20.1 million placement and strategic partnership.

Under the agreement, SouthGobi will acquire a 19.9% strategic holding in Aspire through the issue of 105.7 million shares at \$0.19 per share, representing a premium of 8% to the 7-day VWAP of Aspire shares. The 7-day VWAP represents the trading period since Aspire released its maiden 330mt JORC Resource at its 100% owned Ovoot Coking Coal Project ("Ovoot").

The significant cash injection from SouthGobi will provide cornerstone funding and strategic partnership benefits to accelerate the exploration and development of Ovoot through to the 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. Its shareholders include Ivanhoe Mines and sovereign wealth fund China Investment Corporation.

Importantly Aspire has been able to attract significant financing while retaining unencumbered control of an emerging coking coal province. As a result, Aspire continues to own 100% of its exciting Ovoot project together with the valuable future marketing and off-take rights. At present only 10% of the existing Ovoot project area has been explored.

According to Mr. Alexander Molyneux, President and CEO of SouthGobi Resources, "SouthGobi's strong financial, technical and commercial capacities have enabled us to assess various growth opportunities. Aspire is an exciting strategic partner for SouthGobi given its large volume of potentially high quality coking coal in Mongolia. We look forward to sharing our in-country expertise to help fast-track Aspire's Ovoot coking coal project into production."

Mr. David McSweeney, Chairman of Aspire Mining Limited said "This transaction will directly accelerate the transformation of Aspire from a quality coal explorer to a world class coking coal mine developer. Aspire believes this strategic partnership with SouthGobi Resources will add value for shareholders of both companies, and we welcome SouthGobi management as our strategic partner."

Strategic Partnership

SouthGobi has agreed to enter into a strategic partnership with Aspire to assist it with the development of the Company's Ovoot project. The strategic partnership will involve SouthGobi providing technical and other assistance to further the development of Ovoot; assistance and advice in relation to governmental and regulatory issues; and other assistance as reasonably requested from time to time in order to fast-track the development of the Ovoot project. Aspire also expects to benefit from SouthGobi's Asian relationships and experience in developing and financing coal mines in Mongolia.

As part of this partnership SouthGobi will be granted the right to appoint a Non-Executive Director. It is expected that Mr Tony Pearson, SouthGobi's Vice President Corporate Development, will join the Aspire Board post the placement.

Transaction Rights & Obligations

▪ *Top Up Right*

Aspire has agreed to provide SouthGobi with a right to maintain its shareholding in Aspire if it is diluted under a placement or new issue. This right to top up will be on the same terms as the new issue and will last for a period of up to two years. SouthGobi also has a right to top up upon the exercise of options for a period up until February 12, 2015. The issue price for these top up shares is the 30 day weighted average closing price ending on the date of the exercise.

▪ *Standstill*

SouthGobi has agreed not to acquire shares which would result in voting power increasing to over 19.9% of Aspire for a period of up to 2 years. In return, Aspire has agreed not to issue shares to competitors except in limited circumstances for a period of up to 2 years.

Other Transaction Terms

The transaction is conditional on FIRB approval, Aspire shareholder approval as well as the granting of waivers from ASX in relation to the Top Up Rights. SouthGobi also has the right to terminate if an issue of shares is made to a competitor or there is a significant adverse change to our coal resource prior to completion of the placement.

Aspire has given usual no talk, no shop and notification undertakings in favour of SouthGobi and has agreed to pay SouthGobi a fee of \$300,000 in the event that these undertakings are breached or shareholders do not approve the transaction.

Next Steps

A shareholder meeting to approve the transaction will be convened as soon as practicable but in any event before the end of calendar year 2010.

Aspire has been advised by Argonaut and Corrs Chambers Westgarth in relation to the Transaction

For further information please contact:

David Paull

Managing Director

Aspire Mining Limited: +61 (0)407 22 5291

Kerry Griffin

Country Manager

Aspire Mining Limited Mongolia + 976 999 01301

Greg Southee

Argonaut Capital Limited: +61 (0)8 9224 6888

About Aspire Mining Limited

Aspire Mining Limited is an ASX listed resource company focused on developing world class quality coking coal projects in Mongolia. The Company acquired 100% of the Ovoot Coking Coal Project and the Nuramt Coal Project in February 2010. Drilling at the Ovoot Coking Coal Project commenced in April 2010 and has now established a significant maiden 330.7 million tonne JORC Resource.

The Company has three quality coal projects in Mongolia and is looking to aggressively develop this portfolio further in the coming year.

More information is available at www.aspiremininglimited.com.

About SouthGobi Resources

SouthGobi Resources is focused on exploration and development of its Permian-age metallurgical and thermal coal deposits in Mongolia's South Gobi Region. The company's flagship coal mine, Ovoot Tolgoi, is producing and selling coal to customers in China. The company plans to supply a wide range of coal products to markets in Asia.

SouthGobi Resources is listed on the Toronto (SGQ) and Hong Kong (1878) stock exchanges. Key shareholders include Ivanhoe Mines (57.2%) and China Investment Corporation (13.3%). Current market capitalisation exceeds US\$2.2 billion.

More information is available at www.southgobi.com.

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.