Annual Report 2023

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Aspire Mining Limited · Annual Report ·

ASPIRE
MINING LTD

CORPORATE INFORMATION

ASPIRE MINING LIMITED

ABN 46 122 417 243

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Mr Achit-Erdene Darambazar (Managing Director)

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OPERATIONAL OVERVIEW

Implementation of responsible mining practices and support for sustainable development in the regions where our projects operate will deliver significant benefit to the local communities.

Aspire Mining Limited is focused on developing coking coal projects in Mongolia, where it owns 100% of the Ovoot Coking Coal Project and 90% of the Nuurstei Coking Coal Project.

Chairman's Letter

Dear Shareholders,

In what is my inaugural year as Chairman of the Company, I am pleased to update you on progress made and the remaining task ahead to bring the Ovoot Coking Coal Project into operation to the benefit of our shareholders and broader stakeholders.

The year has been transitional for the Company with changes made to Board and Management which have brought focused experience and expertise to strengthen our ability to deliver on what has long promised to be a rewarding project.

Minimal capital is currently being invested in developing or expanding coking coal projects in Australia and other locations around the world, where green policies are not differentiating from coking and thermal coals.

Demand for coking coal continues to increase globally. It remains an irreplaceable input into commercially viable processes of making steel, which is an essential material required to achieve many of the United Nations Sustainable Development Goals against which governments worldwide have aligned their goals and policies.

Mongolia is a young and vibrant democratic country, with a proud mining heritage. The Government has been proactive in recent years to encourage and support both foreign and domestic investment, in alignment with key strategic policies including the 'Vision 2050 Long-term Development Policy' and the 'New Revival Policy'.

In such context, as a veteran of the coal industry, the prospect of developing the Ovoot deposit excites me tremendously. There are few, if any greenfield coking coal deposits equal or better in terms of size, quality, or proximity to market.

The Management have been working diligently to obtain the necessary approvals required to develop the Ovoot Coking Coal Project. In the past year, the more significant milestones achieved in this regard included receiving final approvals for the:

- Detailed Environmental Impact Assessment prepared in relation to the planned Ovoot mining operations;
- Feasibility Study for construction and operation of a Coal Handling and Preparation Plant at Ovoot;

- Feasibility Study for construction of paved road to facilitate product coal haulage to rail terminal nearby Erdenet; and
- Feasibility Study for development of a new rail junction along the Salkhit – Erdenet rail line to facilitate rail terminal access.

The mandated processes for obtaining several of the required approvals necessitates consultation with local communities. That the planned mine, washplant, road and rail terminal infrastructure exist across a route of approximately 600 km means that there are multiple communities with which the Company has been liaising.

Currently, the Company is in possession of all major permits required to commencing mining, being a valid Mining License, approved Feasibility Study, and an approved Detailed Environmental Impact Assessment).

Work continues to progress to obtain the final key approvals necessary to develop the Ovoot project and raise funds to finance its development. These are primarily the:

- Approval of Detailed Design of the paved road planned to be constructed; and
- Approval of the Detailed Environmental Impact Assessments for the paved road and Coal Handling and Preparation Plant planned to be developed.

With these last major permissions in hand, and Independent Technical Report will be prepared in 2023/24 to satisfy due diligence requirements of the financing sought to bring the project into operation.

This Independent Technical Report will be based upon the updated JORC (2012) Resource and Reserve estimates currently under development, and finalised operating and capital cost inputs derived from completed studies in relation to mining, processing, transportation, and logistics.

Finally, I would like to thank my fellow Directors for their unified support to drive the Company forward, and our loyal shareholders for their ongoing support and belief in the successful development of the Ovoot Coking Coal Project.

Michael Avery

— Non-Executive Chairman

Operational Overview

STRATEGY

The Company remains focused on developing its wholly owned Ovoot Coking Coal Project ("**OCCP**"). This project entails development of a coal mine, coal processing facility, road to facilitate transportation by truck to Erdenet, and a coal unloading and loading terminal to facilitate onward railing to customers in China and beyond.

The OCCP is based upon extracting coking coal from the Ovoot mining license (MV-017098), granted in August 2012 for a minimum 30-year tenure with opportunity to extend twice for 20-year periods. Within this license a total Coal Resource of 280 Mt has previously been estimated in accordance with JORC (2012) standards, including 197 Mt Measured, 72 Mt Indicated and 12 Mt Inferred.

Combination of the large coal resource, low stripping ratio and unique 'fat' coking coal qualities underpin the Company's plans to develop a long life, world class operation. Onsite beneficiation and management of an integrated transportation and logistics chain will maximise the value added prior to export sale for the benefit of the Company, its shareholders as well as the community and government stakeholders.

Development of the OCCP will create wealth for shareholders, and through responsible mining practices supportive of sustainable development in the region, will provide significant benefits to the local communities in which the operations will exist, and more broadly to the people of Mongolia.

Efforts to develop the Company's 90% owned Nuurstei Coking Coal Project ("**NCCP**") remain on hold, whilst focus is concentrated on development of the OCCP. The NCCP is significantly smaller than the OCCP, with current total Coal Resource of 12.9 Mt previously estimated in accordance with JORC (2012) requirements.

EXPLORATION

Drilling was conducted within the Ovoot mining license in the December quarter with focus on improving the understanding of geological structure, coal qualities, hydrogeology environment and geotechnical conditions in the immediate vicinity of the planned Starter Pit where mining is expected to commence from. Some drilling was also conducted to refine understanding of coal seam correlation with the adjacent Mogoin Gol coal mine.

Based upon the results of rock strength testing, geotechnical design criteria relevant to the intended Starter Pit have been provided for inclusion in revised pit designs. Similarly, hydrogeological interpretation specific to the Starter Pit location has been received, which will support planning for pit water ingress pumping and utilisation.

Coal quality and coal washability testing was undertaken by International Standards Organisation ("ISO") accredited laboratories in Ulaanbaatar. The new raw coal quality information obtained is being incorporated into an updated JORC (2012) compliant Coal Resource model by SRK Consulting MGL LLC, along with new structural data collected from downhole geophysical surveys. Details of the updated Coal Resource estimate arising from this will be communicated once available.

MINING

After receiving approval of the Detailed Environmental Impact Assessment ("**DEIA**") for mining activities within the Ovoot mining license from the Ministry of Nature, Environmental and Tourism ("**MNET**"), the Company now possesses all major permits and approvals required to commence mining operations.

From commencement of topsoil stripping, the lead time to reach first coal could be as short as six months. Mining operations are not expected to commence, however, until significant progress has been made on the construction of both the Coal Handling and Preparation Plant ("**CHPP**") and paved road connection. The Company plans to sell only a beneficiated product, and Mongolian legislation requires that truck haulage of mine products be conducted across paved roads.

JORC RESERVES AND RESOURCES

Deposit	Probable Reserves	Measured Resource	Indicated Resource	Measured + Indicated	Inferred Resource
Ovoot Open Pit(2)	247	197.0	46.9	243.9	9.2
Ovoot Underground(2)	8	-	25.4	25.4	2.6
Nuurstei(3)	-	-	4.8	4.8	8.1
Total	**255**	**197.0**	**77.1**	**274.1**	**19.9**

Table 1: JORC Reserves and Resources.

Notes:

1. Ovoot's Resource and Reserve estimates have been estimated by independent third parties (Xstract Mining Consultants Pty Ltd) and are reported in accordance to the JORC 2012 Code.

2. For full JORC 2012 disclosure in relation to the Ovoot project JORC 2012 Coal Resources and Reserves, refer the Company's Quarterly Report for the period ended 31 December 2013, which is available to view on the Company's website and the ASX Announcements platform. The Company is not aware of any new information or data that materially affects the information included in this December 2013 Quarterly Report. All material assumptions and technical parameters underpinning the estimates in the December 2013 Quarterly Report continue to apply and have not materially changed.

3. Nuurstei's Resource and Reserve estimates have been estimated by independent third parties (McElroy Byran Geological Services) and are reported in accordance to the JORC 2012 Code.

4. The technical information and competent persons statements for the Ovoot Coal Reserves and Resources are reported in the Company's ASX announcements dated 2 November 2012, 31 July 2013 and 30 January 2013 (December 2013 Quarterly Activities Report) which are available to view on the Company's website and the ASX Announcements platform. At this time and other than the information from the CHPP and ERT FEED Studies announced on 19 May 2022 and 17 June 2022 respectively, the Company is not aware of any further new information or data that materially affects the information included in this presentation. The Company is progressing with various other studies and programs for completion of Independent Technical Report ("ITR"). On completion, the ITR will identify and report any new information, data or changes to material assumptions used in the Pre-feasibility Study.

Competent Persons Statement – Ovoot Coking Coal Project

In accordance with the Australian Securities Exchange requirements, the technical information contained in this announcement in relation to the JORC Code (2012) 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 at Ovoot Project documented in this release are stated in accordance to the JORC Code, 2012. 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, 2012. 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 at Ovoot Project documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2012. 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, 2012. 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.

Competent Persons Statement – Nuurstei Coking Coal Project

The information in this report that relates to Reporting of Coal Resources at Nuurstei Project, is based on information compiled under the supervision of, and reviewed by, the Competent Person, Mr Parbury, who is a full-time employee of McElroy Bryan Geological Services, is a Member of the Australasian Institute of Mining and Metallurgy (Member #101430) and who has no conflict of interest with Aspire Mining Limited. The reporting of Coal Resources for 13580X presented in this report has been carried out in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves', The JORC Code 2012 Edition prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). Mr Parbury has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Parbury consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

PROCESSING

The Feasibility Study for construction and operation of a CHPP within the Ovoot mining license, developed by local consultant Goldman Project LLC in accordance with requirements of the Mineral Resources and Petroleum Authority of Mongolia ("**MRPAM**"), was approved following review by the Minerals Resource Council ("**MRC**").

The plant design presented within this Feasibility Study was that previously developed in the Front End Engineering Design ("**FEED**") study prepared by Sedgman Pty Ltd, but translated and localised in accordance with Mongolian requirements. Nameplate capacity of this design is 350 tonnes per hour of raw coal feed, for up to 7,200 operating hours per annum, over a nominal lifespan of 20 years.

In recognition of concerns raised by the local and broader community, the design of the planned CHPP has been prepared with focus to prevent and capture potential dust emissions whilst minimising the raw water supply required.

The main control measures incorporated include:

- Dust controls such an enclosed raw coal receival hopper (meaning mine trucks will discharge loads within a building), enclosed conveyor systems, enclosed crushing and processing infrastructure, enclosed product stockpile and automated product and reject truck loadout bins. This infrastructure is also supportive of highly automated and productive operations.

- Incorporation of filter press technology for dewatering the fine reject material to minimise raw water consumption. Traditionally such fine reject material would be sent to a tailings dam, however doing this is inefficient (as result of evaporative losses) and creates avoidable environmental risk. Based upon the design, dewatered fine reject material will be co-disposed with coarse reject within the advance mined overburden dumps.

The last major permission required to progress with CHPP development is to obtain approval of a DEIA in relation to the construction and operation of the CHPP. On basis that onsite coal processing was included for in information submitted and approved in relation to the Mining DEIA, and that world class controls are planned to minimise dust generation and raw water use, the Company is confident of receiving such approval.

TRANSPORTATION

Washed coking coal produced at Ovoot will be transported by truck to a rail terminal to be established in Jargalant soum, nearby Erdenet city, where coal will be unloaded and transferred to rail wagons for onward delivery to customers in China and beyond.

The style of the trucking operations planned is significantly different in comparison with the practices typically associated with coal mines currently operating in the south of Mongolia, with more stringent consideration of control measures necessary for the protection of safety, environmental and community.

Road Development

The road that the Company is proposing to build is being designed to meet or exceed current Mongolian standards for public highway, and it is purposely being designed as suitable for mixed use with third party traffic. Most of the proposed new road alignment overlays a route already included for in existing government road development plans.

Approval of Feasibility Study for this road has been received from the Science and Technology Council ("**STC**") of the Road and Transport Development Centre ("**RTDC**") within the Ministry of Roads and Transportation Development ("**MRTD**"). The local consultants engaged to prepared this, ICT Sain Consulting LLC ("**ICT**") and Gobi Infrastructure Partners LLC ("**GIP**"), have since continued with development of Detailed Design for the new road proposed to be constructed and existing road proposed to be improved to facilitate the coal transportation. Much of this design has been completed, with remaining works underway now concentrated upon overcoming challenges posed by the natural topography and ensuring that potential hazards are eliminated in design.

Maximum gradient of 5 per cent has been incorporated into the road design. Whilst this is conservative in comparison to applicable Mongolian standards, it is important considering the gradeability of the planned vehicles and third-party traffic, and particularly in consideration of the safety of all vehicles during descents. The Khukh Khutul and Buren Mountain passes presented difficulties in this regard, however these have now been largely overcome.

Dedicated overtaking lanes are not currently common on 2-lane bidirectional highways in Mongolia. Due to the low density of traffic, there is risk of drivers attempting to overtake slow moving vehicles approaching crests where visibility is limited. In recognition of this, overtaking lanes have been incorporated into the design where simulated vehicle speeds drop and line-of-sight for overtaking vehicles is limited by the vertical curvature over hill crests.

The finalised design is expected to soon be presented to the Science and Technology Council within the Ministry of Roads and Transportation Development for approval. Considering that the design has purposefully addressed potential hazards identified, that it aligns with State plans, and that it will provide for safe and comfortable all-season trafficability for third party users, it is expected that this will receive approval.

Transportation Fleet

The trucks intended to be used to transport washed coking coal between the Ovoot CHPP and the rail terminal to be developed near Erdenet are distinctly different from the typical vehicles being used to haul mostly raw coal between mines in the south of Mongolia and the Chinese border.

The status quo of coal transportation by truck in Mongolia involves the use of 'heavy duty' trucks manufactured by Chinese original equipment manufacturers ("**OEMs**") that incorporate old technologies, are underpowered and overloaded, and are designed and operated with minimal concern for safety of road users or protection of the environment. These are used on privately owned 'special purpose roads', however these roads are also commonly used by third parties.

These 'heavy duty' trucks have extremely high axle loads, typically more than double the limits commonly regulated for use on public roads around the world and require significantly thicker and thus more expensive pavements upon which to operate. This equipment in use is operating at or beyond sustainable limits, and there is significant inefficiency as result of accidents and breakdowns.

In comparison to this, the Company plans to operate trucks supplied by Tier 1 OEMs that will be fitted with contemporary technologies including powerful, low emissions engines, advanced braking, and stability systems, and to operate these with axle loads that are compliant with Mongolian standards and international norms for use on public roads. Use of such vehicles will support high productivity, and thus low unit costs.

LOGISTICS

Following delivery of washed coal to rail terminal nearby Erdenet, there are multiple feasible paths to export markets heading both north and south along the trans-Mongolian railway. The principal target market regions are within China, but due to the expected high value of the coal, potential opportunities also exist elsewhere.

Terminal

The Company plans to construct a bespoke coal unloading and loading facility adjacent to the Erdenet – Sakhilt railway line, in Jargalant soum to east of the city of Erdenet. Land use permission has been acquired for this purpose, and a conclusion has been received from the national rail operator Ulaanbaatar Tumur Zam ("**UBTZ**") that it is possible to construct a branch railway to facilitate access to/from this facility. The Company has previously signed a Memorandum of Understanding ("**MoU**") with UBTZ regarding freight services.

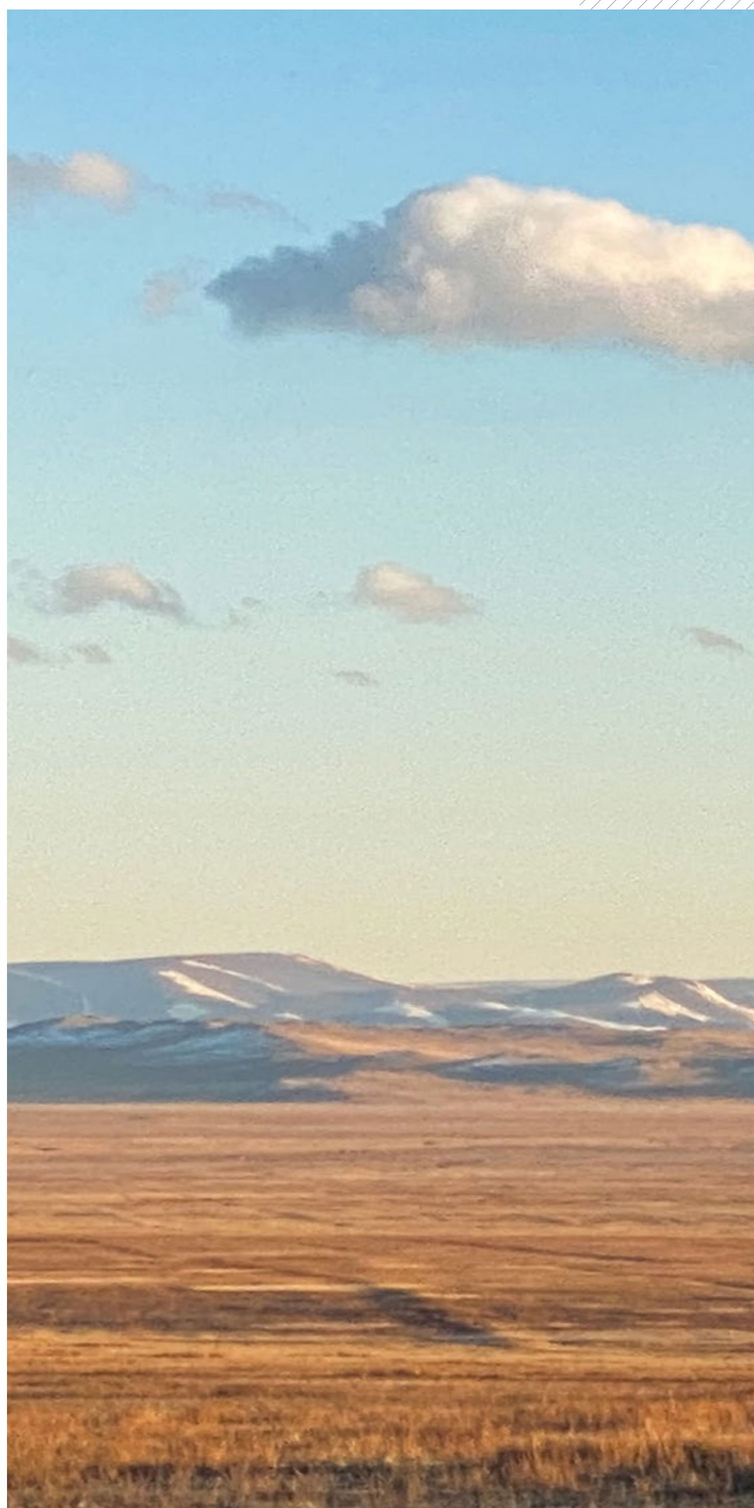
Design and cost estimate for the coal unloading and loading facility was previously prepared by O2 Mining Limited, who evaluated the capital costs, operating costs, operational efficiency, and environmental containment of several concepts. The chosen option was developed in more detail, and included for enclosed truck unloading station, enclosed product coal stockpile, enclosed conveyors, and enclosed train loadout bin capable of bulk loading trains. This design will ensure that potential dust emissions are contained, that the efficiency of the truck fleet delivering coal is not constrained and that trains can be loaded quickly and accurately.

Railing

Local freight logistics specialist Sunshine Peak LLC was engaged to analyse the currently available routes, plausible future routes, and potential improvements to existing and future routes to target market regions for Ovoot washed coal in China. The main target markets considered were in northeastern Inner Mongolia (entering via the port of Manzhouli), south central Inner Mongolia and Northern China on the shore of the Bohai Sea (entering via the ports of Erlian or Mandal).

All three routes are common from the planned terminal location to Salkhit, and the two routes to Erlian and Manzhouli share the same route between Salkhit and Sainshand traveling south along the trans-Mongolian railway. The analysis has determined the current wagon turnaround times in each direction, and identified areas where practical improvements can be made to reduce these times. Several of these are systematic only, and do not require capital expenditure or increased operating costs.

Whilst capacity on the trans-Mongolian railway is tight, improvements are planned that will alleviate this and increase overall cargo carrying capacity. Such improvements include expansion of stations to enable handing of more rolling stock, progressive double tracking, and development of the Bogd Khan railway around Ulaanbaatar to avoid congestion and gradient limiting sections of track.



Community Relations

The Company has continued to strengthen its relationship with the local government administrations and residents of the communities in which its current and planned activities are based. A key theme to this has been to highlight how responsible mining activities can exist side by side with the local traditional industries of agriculture and tourism, whilst simultaneously protecting the natural environment upon which these traditional industries are reliant.

As understanding of what responsible mining entails grows within the community, and members of the community begin to understand not only what the Company plans entail but also how these are often materially different from the status quo in other Mongolian mining operations, members of the community are starting to realise that development of the Ovoot project will be of significant net benefit to the region.

Scholarship Program

During the 2022-23 academic year, the Company provided 18 students from Tsetserleg soum with scholarships covering for annual tuition fees enabling them to undertake bachelor's degree programs at nationally accredited universities. Recipients will continue to be provided with scholarship funding until the completion of their bachelor's degrees, on meeting academic and administrative performance criteria each semester.

The Company's scholarship program is intended to contribute to the development of Tsetserleg soum by providing opportunity for youth to improve their skills and potentially return to contribute to development in the region. Further, the Company is interested to upskill residents of the local community in advance of future potential employment in technical and managerial roles at the OCCP.

Green Fodder Program

The Green Fodder Program continued in 2022 and 2023, as an important outreach project to the local herding community concerned about the potential impact of the Ovoot project on surrounding pastures. This program entails planting and harvesting 200 ha of land within the Ovoot mining license to produce bales of fodder which can be donated or sold at discounted prices to the local community.

Dry weather conditions in 2022 resulted in a much smaller harvest than during the inaugural year of the program. These conditions afflicted all pasture growth in the region, and difficult conditions were faced by most herders during 2022/23 winter as result. The Company supplemented its own fodder production with purchase of fodder produced elsewhere in Mongolia and spent wheat grain from breweries in Ulaanbaatar, which were provided to local herders in need and met with much gratitude.

Weather during summer 2023 were significantly wetter, and the growing season much longer on account of warmer conditions extending through until mid-October. As result of these conditions, a bumper harvest is expected to surpass the production from 2021. The success of this program is spurring discussion within the community to establish similar operations nearby, which is ideally what the Company wanted on basis that development of local agriculture will facilitate local supply of produce.

Supporting the Local Economy

Procuring goods and services from the local community in which the Company operates is an important mechanism for demonstrating the value that project development can have. In this regard, wherever possible that Company hires and purchases locally to the benefit of the community.

During 2022/23 there was increased activity within the Ovoot mining license area related to the 2022 exploration drilling campaign and the 2022 and 2023 green fodder planting and harvesting. During these times, effort was made to procure goods in support of accommodation and messing from local vendors, and temporary employment opportunities were provided to local community members.

During the course of the year the Company employed 68 people from Khuvsgul aimag. Total of net salary payments paid to these employees amounted to MNT 425 million (USD 123 thousand), and payroll taxes of MNT 173 million (USD 50 thousand) were generated.

Further, approximately MNT 587 million (USD 170 thousand) of goods and services were also procured from Khuvsgul businesses. This represents a significant contribution to the local economy and will increase as the OCCP develops and transitions into operations.

Sporting Events

Sports competitions provide opportunity for the Company to demonstrate good corporate citizenship by helping community members to participate in interesting and culturally important events. During 2022/23 the Company has provided sponsorship for the following community sports activities:

- A traditional youth wrestling intercity championship organized by the 'Hoimor Nutgiin Huchten', meaning the 'Northern Strongmen Wrestling Club', where 226 young wrestlers participated across four age categories.
- A traditional adult wresting championship in Khuvsgul in honour of wrestler Bayanmunkh.B, awarded the national title of 'Falcon'. A total of 128 wrestlers participated.
- The 19th National Adult Badminton Championship in Khuvsgul province, where 150 athletes from 14 provinces competed in men's, women's, and mixed events.
- The Mongolian Rugby Union, which is a member union with official rights to implement the policies and programs of the World Rugby and Asian Rugby organisations, and is promoting team sport in Mongolia by developing Rugby 15 Rugby 7 competitions.

Sustainable Development

'1 Billion Trees' National Campaign

In November 2021, at the United Nations climate change conference (COP26) in Glasgow, Scotland, the President of Mongolia committed the country to the '1 Billion Trees' initiative. In the following spring, the Company committed to support this by pledging to plant 10 million trees by 2030.

The pledge was signed by the Company's Managing Director and the Minister of Nature, Environment and Tourism in the presence of the President and Prime Minister of Mongolia. This pledge aligns with a comprehensive national campaign to combat climate change and desertification, and Company's policy to support achieving the United Nations Sustainable Development Goals.

In November 2021, at the United Nations climate change conference (COP26) in Glasgow, Scotland, the President of Mongolia committed the country to the '1 Billion Trees' initiative.

To achieve the pledge, the Company has established a tree nursery in Tsetserleg soum, in which the Ovoot project is located. Two greenhouses (total 180m^2) and two open fields (total 2,700m^2) have been planted with endemic species of trees such as poplar, larch, and elm as an initial trial, with growth rates, survival rates and unit cost to sapling being monitored for future expansion. When ready, the saplings will be planted in cooperation with local communities, and in aid for future site rehabilitation works.

Environmental Fellowship Program

The company is a proud sponsor of the Zorig Foundation’s Environmental Fellowship Program (“**EFP**”) and has recently committed to sponsoring this for the third year in succession. The EFP is an eight-month program designed for young professionals desiring to improve their knowledge on various environmental issues facing Mongolia and the world.

The program is open to university graduates under 26 years of age. Participants of the program can develop their leadership skills, expand their understanding on the pressing environmental issues, expand their professional network and learn to design and implement projects in a team setting.

During the program, Achit-Erdene.D, Managing Director of the Company, was invited to present to the program participants on ‘Sustainability in Business’ and ‘Sustainable Development Goals in the Local Community’. Following this, participants were able to understand how responsible mining is essential for achieving the United Nations Sustainable Development Goals.

Baseline Monitoring

To measure any impact of the Company’s future operations, quality baseline data is required against which to compare. The Company has engaged accredited third-party specialists to conduct air, soil, noise, surface water and groundwater periodic monitoring to build this baseline across all seasons in accordance with national standards.

Additional to this, the Company is working to procure and install permanently mounted air quality monitoring systems capable for continuously monitoring air quality around the Ovoot mining license. It is intended that all data captured be made available to the public with the accredited third-party monitoring results, to ensure that there is transparency regarding actual performance.

INDUSTRY OVERVIEW

Rail Sector Development

Following completion of the Tavantolgoi to Zuunbayan railway line in March 2022, two further significant developments were made increasing the Mongolian rail network in 2022/23, being the commissioning of the the 258 km Tavantolgoi to Gashuunsukhait railway on 09 September 2022, and commissioning of the 227 km Zuunbayan to Khangi railway on 25 November 2022.

Whilst the Tavantolgoi to Zuunbayan and Tavantolgoi to Gashuunsukhait railways do not have direct impact on the OCCP, overall, these developments are aiding to improve the focus on the importance of railway productivity and capacity in Mongolia, and their use to facilitate coal export from the Tavan Tolgoi coalfields to China is fostering the development of cross border rail logistics.

The commissioning of the Zuunbayan to Khangi railway will have direct and indirect benefits in relation to development of the OCCP. Zuunbayan is connected to the trans-Mongolian railway near Sainshand. Khangi is on the Mongolian side of the border to the Chinese port of Mandal. Development of this section provides for an alternative path to south central Inner Mongolia aside from utilising the trans-Mongolian railway to enter via the port of Erlian.

Transit of goods through Khangi – Mandal currently requires cross border transportation by truck, however there are plans to develop the port to allow more efficient handling from (Mongolian) broad gauge to Chinese (standard) gauge rail. Further, with some cargo being displaced from the Zamiin-Uud – Erlian crossing to the Khangi – Mandal crossing, additional opportunity for cargo will present through Zamiin-Uud – Erlian.

Commissioning of the Zuunbayan to Khangi railway achieves one of the development projects to be implemented by the Government of Mongolia under it's 'New Recovery Policy', which represent the short-term goals within its Vision 2050 policy. Other projects within this New Recovery Policy with potential to positively impact development of the OCCP include:

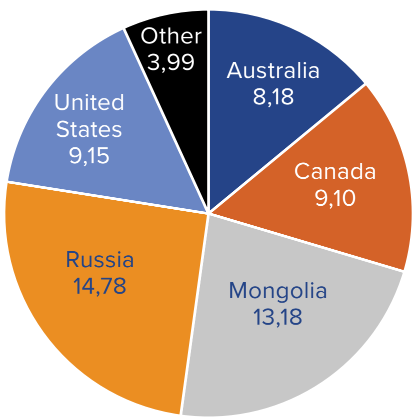
- The double tracking of the trans-Mongolian railway between Sukhbaatar and Zamiin-Uud;
- Construction of cargo terminals at Altanbulag and Zamiin-Uud to increase the handling capacity of these border ports;
- Implementation of the Bogdkhan Railway Project to facilitate the trans-Mongolian railway bypassing around Ulaanbaatar, for which Feasibility Study has already been developed, which will increase trans-Mongolian capacity on account of avoiding congestion and train weight limiting gradients; and
- Development of the Ereentsav-Choibalsan-Khuut-Bichigt railway corridor, which will provide an alternative rail corridor between Russia and China, for which Mongolia has signed an agreement with the concessionaire and is working to start the construction work in the near future.

Chinese Coal Market

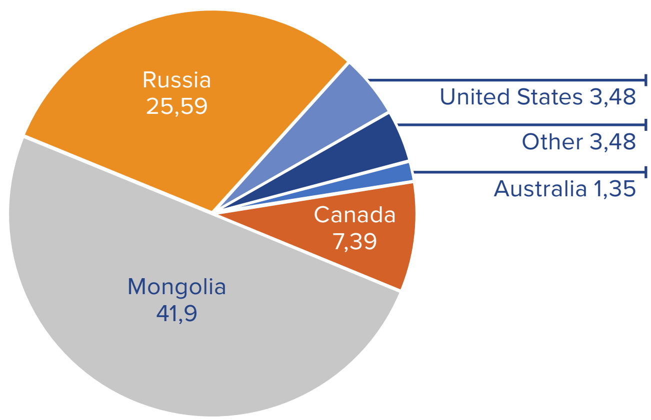
Imports of bituminous coking coal by China recovered strongly in 2022/23 following the impacts of COVID during 2021/22, with total imports increasing 44 per cent year-on-year ("**y-o-y**") from 58.4 million tonnes ("**Mt**") to 81.0 Mt according to official statistical data published by the General Administration of Customs of the People's Republic of China.

Mongolia was the most significant beneficiary of this, with imports from Mongolia increasing by 218 per cent y-o-y from 13.2 Mt to 41.9 Mt, representing an increase from 22.6 to 50.0 per cent of the total bituminous coking coal imported into China. This was helped in part by the introduction of additional rail capacity, but mainly on account of cross-border truck transportation returning to pre-pandemic levels.

2021/22 China Coking Coal Imports (Mt)



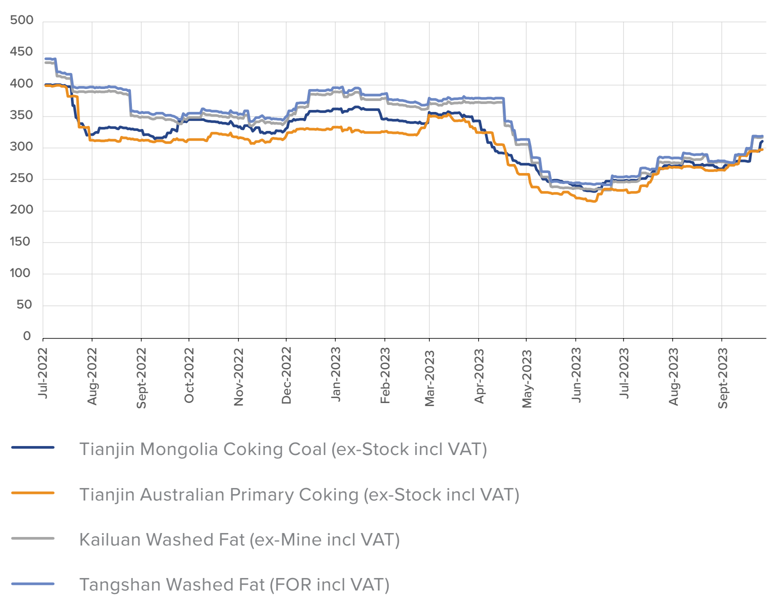
2022/23 China Coking Coal Imports (Mt)



Whilst prices for coking coals decreased in 2022/23 in comparison to the historical high prices seen in 2021/22 resulting from pandemic related supply chain constraints, pricing remains strong and has been improving into 2023/24 following recent lows at the end of 2022/23. Results from testing of raw coal, washed product coal, and pilot coke product by accredited laboratories in Ulaanbaatar and Tianjin, derived from samples collected during exploration conducted at Ovoot in 2022, have been provided to an independent panel of coal industry experts in China for assessment of its 'Value in Use'. Summary of findings will be published when available, and results of this will also be used as basis to update price forecast assumptions.

It is expected that unique fat coking coal to be produced at Ovoot will be valued by coke producers on basis that its properties will allow for incorporation of lower grade and thus lower cost coals into the coal blends used to produce coke. This is particularly advantageous when coal prices are strong, or when steel prices are low and coke production margins are being squeezed.

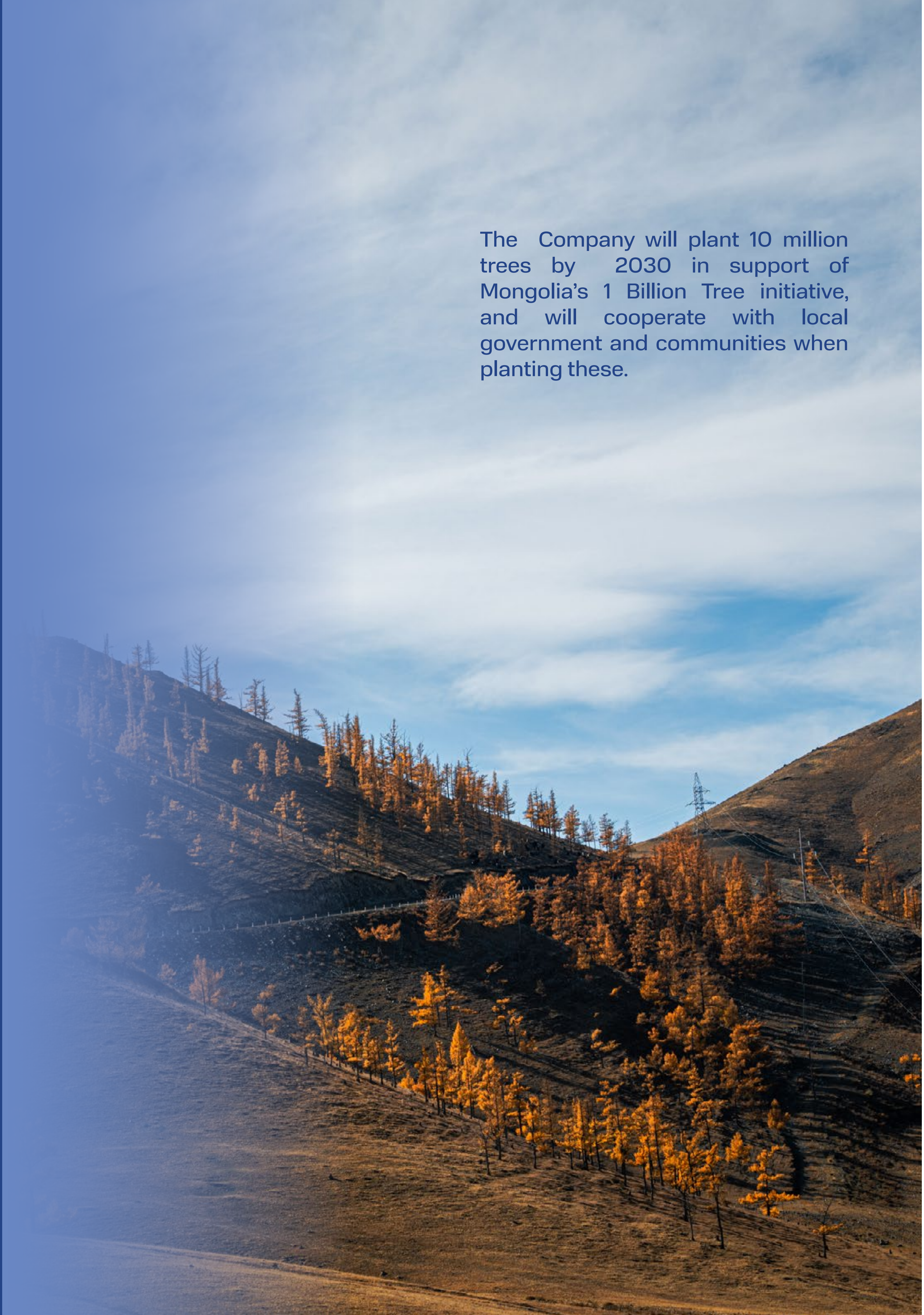
Comparable Coal Prices 01-Jul-2022 through 30-Sep-2023 (US$/t)



FINANCIAL & SHAREHOLDER REPORTING

Ovoot will produce a unique, rare, and high-quality coking coal, classified as a 'Fat Coking' coal under Chinese standard GB/T 5751-2009, which is highly valued on account of its fluidity, plastic range and dilation coking properties.

The Company will plant 10 million trees by 2030 in support of Mongolia's 1 Billion Tree initiative, and will cooperate with local government and communities when planting these.



Aspire Mining Limited

ABN 46 122 417 243

Annual Financial Report
30 June 2023

Aspire Mining Limited
Corporate directory
30 June 2023

Directors	Mr Achit-Erdene Darambazar (Managing Director) Mr Boldbaatar Bat-Amgalan (Non-Executive Director) Mr Michael Avery (Non-Executive Chairman) Mr Russell Taylor (Non-Executive Director)
Company Secretary	Ms Emily Austin
Registered office and principal place of business - Australia	Level 5, 126-130 Phillip Street, Sydney NSW 2000 AUSTRALIA Tel: +61 2 8072 1400
Registered office and principal place of business - Mongolia	JJ Tower, 9th Floor, Baga Toiruu-17 1st Khoroo, Chingeltei District Ulaanbaatar 15170 MONGOLIA
Share register	Automic Group Level 5, 126 Philip Street Sydney NSW 2000 AUSTRALIA Tel: +61 1300 288 664
Auditor - Australia	HLB Mann Judd (WA Partnership) Level 4, 130 Stirling Street Perth WA 6000 AUSTRALIA
- Mongolia	KPMG #602, Blue Sky Tower, Peace Avenue 17 1 Khoroo Sukhbaatar District Ulaanbaatar 14240 MONGOLIA
Solicitors	Corrs Chambers Westgarth Lawyers Level 6, Brookfield Place Tower 2, 123 St Georges Terrace Perth WA 6000 AUSTRALIA
Bankers	National Australia Bank Ground Floor, 100 St Georges Terrace, Perth WA 6000 AUSTRALIA
Stock exchange listing	Aspire Mining Ltd shares are listed on the Australian Securities Exchange (ASX: AKM)
Website	www.aspiremininglimited.com
ABN	46 122 417 243

Aspire Mining Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Aspire Mining Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors
The following individuals were directors of Aspire Mining Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Michael Avery	Non-Executive Chairman (appointed 27 March 2023, previously appointed Non-Executive Director on 29 November 2022)
Mr Achit-Erdene Darambazar	Managing Director
Mr Boldbaatar Bat-Amgalan	Non-Executive Director
Mr Russell Taylor	Non-Executive Director (appointed 29 November 2022)
Mr David Paull	Non-Executive Chairman (retired 29 November 2022)
Mr Neil Lithgow	Non-Executive Director (resigned 29 November 2022)
Ms Hannah Badenach	Non-Executive Director (resigned 31 January 2023)

Principal activities
Aspire Mining Limited is an Australian incorporated public company with its shares listed on the ASX under the code AKM. The principal activity of the Group during the year was progression for the approvals and studies towards the development of the Ovoot Coking Coal Project (Ovoot Project). The Company held interests in two tenements:

(a) a 100% interest in the large scale, world class Ovoot Coking Coal Project within mining license MV-017098; and
(b) a 90% interest in the Nuurstei Coking Coal Project within mining license MV-020941.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the Group after providing for income tax and non-controlling interest amounted to $557,162 (30 June 2022: profit of $428,433).

During the period, the Company completed the following main items in progressing development of the Ovoot Project:

- A small scale infill exploration drilling program was successfully completed in Q4 2022, which focused primarily on developing improved understanding of the coal structure, coal quality, geotechnical environment and hydrogeological environment in the immediate vicinity of the planned Starter Pit location where mining is intended to commence from.
- Feasibility Study was prepared for and approved by the Minerals Resource Council (MRC) of the Mineral Resources and Petroleum Authority of Mongolia (MRPAM) in relation to the Coal Handling and Preparation Plant (CHPP) proposed to be constructed within the Ovoot mining license, for which the underlying technologies and design were in alignment with those determined by the Front End Engineering Design (FEED) study previously prepared by Sedgman Pty Ltd.
- Feasibility Study was prepared for and approved by the Science and Technology Council (STC) of the Road and Transport Development Centre (RTDC), a division within the Ministry of Roads and Transportation Development (MRTD), for new paved road planned for construction to facilitate washed coking coal transportation by truck from the Ovoot minesite to a rail terminal proposed to be constructed adjacent to the Erdenet-Salkhit rail line.
- On basis of Terms of Reference obtained following approval of the Feasibility Study for new paved road construction, Detailed Design has been prepared for construction of new and repair, refurbishment and improvement of existing road infrastructure. This was almost complete within the year, with finalisation targeted within Q3 2023 for submission for approval, and to then enable bidding for construction pending approval of the related DEIA.
- Environmental Baseline Study (EBS) and Detailed Environmental Impact Assessment (DEIA) for the Ovoot mining operation was prepared, introduced to the host community and approved by Professional Council of the Ministry of Nature, Environment and Tourism (MNET).
- Draft EBS and DEIA reports were prepared in relation to the approved CHPP and Road Feasibility Studies, and introduced to host communities in advance of Orders and Conclusions being granted by the MNET in relation to the General Environmental Impact Assessment (GEIA) required in order to ensure that the final DEIA report addresses all necessary concerns.

Aspire Mining Limited
Directors' report
30 June 2023

- Logistics Study evaluating the plausibility, practicalities and economics of delivering coal by rail from the planned terminal facility on the Erdenet-Salkhit railway line to border ports in the main target market regions was materially completed within the year.
- The Company continued to strengthen its relationship with local communities nearby to the Ovoot mining license, with continued implementation of the Green Fodder Program in both 2H 2022 and 1H 2023. This program has been instrumental in improving relations with local community members, who benefit from resulting employment opportunities and subsidized and/or donate fodder, whilst also enjoying a sense of nostalgia for times past when the area was previously cultivated during the socialist period prior to the 1990 Democratic Revolution.

Review of financial conditions
At balance date, the Group had $12,922,521 (2022: $31,990,463) in cash assets and $15,093,654 (2022:nil) in investments.

A significant component within the reduction of cash assets is as result of the Company's actions to invest in a low risk but moderate to high yielding portfolio of major Australian bank senior debt and covered bonds. The intention of this is to generate interest to partially offset the costs being incurred investing in development of the Ovoot Project.

The cash on hand and convertible from this bond portfolio at maturity remains sufficient to meet required community relations activities, approvals, permits and evaluation activities to advance towards development of the Ovoot Project.

Further raisings or other means of funding will be required for the capital infrastructure requirements for full development of the Ovoot Project and the associated haul road.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
The Group will continue with activities towards meeting its objective of developing the Ovoot Project into production at the earliest opportunity.

Risk management
The Board of Directors (the 'Board') is responsible for ensuring that risks are identified on a timely basis and that activities are aligned with the risks identified by the Board. The Group believes that it is crucial for all Board members to be a part of this process and as such the Board has not established a separate risk management committee.

The Board has several mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the Board approval of strategic plans which includes initiatives designed to meet stakeholder needs and expectations and to manage business risk, and the implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

The key risks in developing the Ovoot Project are:

- obtaining the remaining permits and approvals necessary to develop the project as intended.
- raising the necessary project financing to implement the project development as intended;
- recruiting and/or training the required personnel in country with the necessary technical, operational, financial and/or managerial skills and experience to develop, operate and administer the Ovoot Project; and
- accessing sufficient and suitably efficient rail capacity to transport washed coal to customers.

Risk and uncertainties
The Group is subject to general risks as well as risks that are specific to the Group and the Group's business activities. The following is a list of risks which the Directors believe are or potentially will be material to the Group's business, however, this is not a complete list of all risks that the Group is or may be subject to.

Aspire Mining Limited
Directors' report
30 June 2023

Company specific risks

Political and legal risks
The Group's mineral projects are located in Mongolia, where mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, expropriation or nationalization of property and changes in government regulations such as foreign investment laws, tax laws, business laws, environmental laws and mining laws, affecting the Group's business in that country. Government policy may change to discourage foreign investment, nationalization of the mining industry may occur and other government limitations, restrictions or requirements may be implemented. There can be no assurance that the Group's assets will not be subject to nationalization, requisition, expropriation or confiscation, whether legitimate or not, by any authority or body. The regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. There can be no assurance that Mongolian laws protecting foreign investments will not be amended or abolished or that existing laws will be enforced or interpreted to provide adequate protection against any or all of the risks described above.

Licence risks
The Group has licenses covering the Ovoot Coking Coal Project and the Nuurstei Coking Coal Project. The Government of Mongolia could revoke either of these licenses if the Group fails to satisfy its obligations, including payment of royalties and taxes to the Government of Mongolia and the satisfaction of certain mining, environmental, health and safety requirements. A termination of the Group's mining licenses by the Government of Mongolia could materially and adversely affect the Group's reputation, business, prospects, financial conditions and results of operations. In addition, the Group would require additional licenses or permits to conduct the Group's mining or exploration operations in Mongolia. There can be no assurance that the Group will be able to obtain and maintain such licenses or permits on terms favourable to it, or at all, for the Group's future intended mining or exploration targets in Mongolia, or that such terms would not be subject to various changes.

Mineral Resource and Mineral Reserve estimation risk
The Group's estimates of Mineral Resources and Mineral Reserves for its projects are based on a number of assumptions. There are numerous uncertainties inherent in making such estimates, including for many factors beyond the control of the Group. Mineral Resource and Mineral Reserve estimates are inherently prone to variability. They involve expressions of judgment with regard to the presence and quality of mineralization and the ability to extract and process the mineralization economically. These judgments are based on a variety of factors, such as knowledge, experience and industry practice.

Logistics
The Group plans to export washed coking coal by combination of road and rail logistics. Road infrastructure required to facilitate transportation of coal between the Ovoot Coal Mine and Erdenet is planned for development, subject to obtaining necessary permits and approvals. If such permits and approvals are not obtained as intended, the planned methods for road transportation of washed coking coal product may not be feasible, or as economical. Access to existing rail infrastructure will be subject to the availability of capacity, and commercial contract negotiation. If insufficient capacity is available, production rates could be constrained. If commercial negotiations for rail freight transportation do not eventuate as anticipated, and/or changes made by Government to applicable tariffs occur, the planned rail transportation may not be feasible, or as economical as planned. The efficiency of export will be subject to the efficiency of freight handling at border ports of export and import, which has the potential to constrain and/or temporarily suspend freight movement, as occurred during the COVID-19 pandemic response measures.

Industry risks

Grant of future authorisations to explore and mine
Prior to, and if the Group discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Group will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Group's operational and financial performance may be materially adversely affected.

Aspire Mining Limited
Directors' report
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Environmental
The operations and proposed activities of the Group are subject to Mongolian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities may impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Uncontrollable events may impact on the Group's ongoing compliance with environmental legislation, regulations, and licences. Significant liabilities could be imposed on the Group for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Group's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

Regulatory compliance
The Group's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Group requires permits from regulatory authorities to authorise the Group’s operations. These permits relate to exploration, development, production and rehabilitation activities. While the Group believes that it will operate in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned activities. Obtaining necessary permits can be a time-consuming process and there is a risk that Group will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Group from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Group's activities or forfeiture of one or more of the tenements, the subject of the Projects.

Climate
There are a number of climate-related factors that may affect the operations and proposed activities of the Group. The climate change risks particularly attributable to the Group include:
(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Group and its business viability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and
(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Group operates.

Commodity markets
The Group intends to produce and sell washed coking coal products. The selling price for such commodities is subject to fluctuation of global, interconnected market prices. Producers of commodities face the risk that commodity prices will fall unexpectedly, which can lead to lower profits or even losses for producers. Any such unexpected falls in commodity prices could be outside the control of or ability of the Group to forecast, resulting from macroeconomic or political development. The principal target market regions for the Group are within China, which is currently host to globally systemic steelmaking capacity, however it is expected that target market regions in other nations will also be viable and targeted to provide for buy side competition and diversification of geopolitical risk.

Aspire Mining Limited
Directors' report
30 June 2023

General risks

Future funding requirements and the ability to access debt and equity markets
Should the Group consider that its exploration results justify commencement of production on any of its projects, additional funding will be required to implement the Group 's development plans, the quantum of which, remain unknown at the date of the prospectus. The Group may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Group 's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Group 's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Group and might involve substantial dilution to shareholders.

Reliance on key personnel
The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one or more of these employees cease their employment. The Group may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Group may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Group .

Competition
The industry in which the Group will be involved is subject to domestic and global competition. Although the Group will undertake all reasonable due diligence in its business decisions and operations, the Group will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Group 's projects and business.

Market conditions
Share market conditions may affect the value of the Group 's shares regardless of the Group's operating performance. Share market conditions are affected by many factors such as:
(a) general economic outlook;
(b) introduction of tax reform or other new legislation;
(c) interest rates and inflation rates;
(d) global health epidemics or pandemics;
(e) currency fluctuations;
(f) changes in investor sentiment toward particular market sectors;
(g) the demand for, and supply of, capital;
(h) political tensions; and
(i) terrorism or other hostilities.

The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Group nor the Directors warrant the future performance of the Group or any return on an investment in the Group . Potential investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Group 's performance. In addition, after the end of the relevant escrow periods affecting shares in the Group, a significant sale of then tradeable shares (or the market perception that such a sale might occur) could have an adverse effect on the Group 's share price.

Commodity price volatility and exchange rate
If the Group achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Group to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Group. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Group will be taken into account in Australian currency, exposing the Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Aspire Mining Limited
Directors' report
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Government policy changes
Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Group. It is possible that the current system of exploration and mine permitting in Mongolia may change, resulting in impairment of rights and possibly expropriation of the Group 's properties without adequate compensation.

Insurance
The Group intends to insure its operations in accordance with industry practice. However, in certain circumstances the Group 's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Group. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

Force majeure
The Group 's existing projects or projects acquired in the future may be adversely affected by risks outside the control of the Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Taxation
The acquisition and disposal of shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Group are urged to obtain independent financial advice about the consequences of acquiring shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Group, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for shares under the prospectus.

Litigation
The Group is exposed to possible litigation risks including environmental claims, occupational health and safety claims and employee claims. Further, the Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Group 's operations, reputation, financial performance and financial position. The Group is not currently engaged in any litigation.

Corporate governance
Details of the Company's Corporate Governance policies are contained within the Corporate Governance Plan adopted by the Board. The Corporate Governance Statement for the year ended 30 June 2021 can be found on the Company's website at www.aspiremininglimited.com. The Corporate Governance Statement for the year ended 30 June 2022 will be available on the Company's website and the ASX announcements platform following lodgement with the Company's Annual Report in October 2023.

Environmental regulation
The Group is subject to significant environmental and monitoring requirements in respect of its natural resources exploration activities. The Directors are not aware of any material breaches of these requirements during the year.

Aspire Mining Limited
Directors' report
30 June 2023

Information on directors

Name:	**Mr Michael Ross Avery**
Title:	**Non-Executive Chairman (appointed effective from 27 March 2023)**
Qualifications:	B.E., MBA
Experience and expertise:	Mr Avery was appointed as a Non-Executive Director effective from 29 November 2022, and Non-Executive Chairman of the Board effective from 27 March 2023. Mr Avery is a resident Australian and has been involved in the establishment and management of successful public and private companies in mining, exploration and development, mining consulting services and mining contractor services. He is a 30 year plus mining industry veteran with a Bachelor of Mining Engineering from the University of New South Wales and a Master of Business Administration from the University of Queensland. He is also a qualified Australian Coal Mine Manager and a member of the Australian Institute of Mining and Metallurgy. He has worked for blue-chip mining and contracting companies (including Rio Tinto, BHP Billiton and Brambles) at operations and projects both in Australia and internationally. These roles covered the full life cycle of open cut and underground mines from resource exploration and evaluation, through conceptual design, pre-feasibility, feasibility, construction, operation, and management.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	167,113
Interests in rights:	Nil

Name:	**Mr Achit-Erdene Darambazar**
Title:	**Managing Director**
Qualifications:	BEc, MIA
Experience and expertise:	Mr Achit-Erdene Darambazar was appointed Executive Director on 7 December 2018 and Managing Director on 5 December 2019. He has extensive experience in the establishment and financing of successful private and public companies mining, exploration and development, mining service companies in Mongolia and in the region. He also has long and established track record of advising and raising financing from in the capital markets of Canada, Australia and UK. In addition he frequently advises the government of Mongolia on the privatisation of large SOEs' and public market transactions.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in rights:	2,500,000

Aspire Mining Limited
Directors' report
30 June 2023

Name:	**Mr Boldbaatar Bat-Amgalan**
Title:	**Non-Executive Director**
Qualifications:	B.S, MSc,
Experience and expertise:	Mr Bat-Amgalan was appointed as a Non-Executive Director on 7 December 2018. He has had senior roles in public relations and publishing and was previously a director of Erdenet Mining Company. He also previously held senior roles in the Government of Mongolia, including the State Secretary for the Ministry of Foreign Affairs, and Chairman of the Communication Regulatory Commission.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in rights:	500,000

Name:	**Mr Russell Alan Taylor**
Title:	**Non-Executive Director (appointed effective from 29 November 2022)**
Qualifications:	MEngSc
Experience and expertise:	Mr Taylor was appointed as a Non-Executive Director on effective from 29 November 2022. Mr Taylor is a qualified and experienced Mining Engineer, Project Director, and Mining Executive with over 24 years' experience. His employment history is with both large global resource companies and international mining contractors. Mr Taylor has experience in multiple commodities including coking coal, thermal Coal, PCI coal, mineral sands, copper/gold, iron ore and lithium. He has led international teams commissioning several open cut mines and associated major infrastructure to world class standards in Australia, Mongolia and India.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in rights:	Nil

Name:	**Mr David Paull**
Title:	**Non-Executive Chairman** (**retired effective 29 November 2022**)
Qualifications:	B.Com, FSIA, MBA
Experience and expertise:	Mr Paull has over 30 years' experience in resource business development and industrial minerals marketing. He was appointed Managing Director on 1 July 2010, after being involved in the recapitalisation of the Company and redirection to targeting Mongolian coking coal assets. Mr Paull was appointed as Executive Director of the Company on 12 February 2010. With the retirement of the Non-Executive Chairman in March 2018, Mr Paull became the Executive Chairman. With the appointment of Mr Achit-Erdene Darambazar on 5 December 2019, Mr Paull transitioned to Non-Executive Chairman and Non-Executive Director on the 15 March 2020.

Aspire Mining Limited
Directors' report
30 June 2023

Name:	**Mr Neil Lithgow**
Title:	**Non-Executive Director** (**resigned effective from 29 November 2022**)
Qualifications:	MSc, M.AusIMM
Experience and expertise:	Mr Lithgow was appointed as a Non-Executive Director on 12 February 2010. He is a geologist by profession with over 30 years' experience in mineral exploration, economics and mining feasibility studies, covering base metals, coal, iron ore and gold. He is also a member of the Australian Institute of Mining and Metallurgy. Mr Lithgow has previously worked for Aquila Resources Limited and Eagle Mining Corporation NL and is currently a Non-Executive Director of Australian Silica Quartz Group Ltd (previously Bauxite Resources Limited, appointed on the 15 May 2006).

Name:	**Ms Hannah Badenach**
Title:	**Non-Executive Director (resigned effective from 31 January 2023)**
Qualifications:	BA, LLB (Hons)
Experience and expertise:	Ms Badenach was appointed as a Non-Executive Director on 18 April 2013. She is currently Executive Director Mongolia & Base Metals, Noble Resources Trading Holdings Limited. Ms Badenach is a lawyer, having practiced law for several years in Asia, including two years in Mongolia, starting in 2004 with Lynch & Mahoney. Ms Badenach has experience in management and development within Mongolia. Ms Badenach was Managing Director of QGX Mongol LLC from 2006, where Ms Badenach was responsible for the general management of the company until it was sold in 2008. Ms Badenach holds a Bachelor of Laws (Hons) and a Bachelor of Arts from the University of Tasmania.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Mr Philip Rundell (resigned 6 December 2022)
Qualifications: Dip BS (Accounting) CA

Mr Rundell has had over 25 years' experience as a Partner and Director of Coopers & Lybrand and Ferrier Hodgson, respectively, specialising in company reconstructions and corporate recovery. Mr Rundell has provided management accounting and company secretarial services over the last 13 years to a number of listed companies.

Ms Emily Austin (appointed 6 December 2022)
Qualifications: Postgraduate Degree – Graduate Diploma, Applied Corporate Governance and Risk Management; Diploma of Business Administration, Management and Operations.

Ms Austin is an experienced Company Secretary and Corporate Governance Advisor to a portfolio of companies including ASX & NSX listed, incorporated overseas and within Australia, Unlisted Public and Private companies, Not for Profits and Charities in range of industries including Technology, Education, Health, Funds and Insurance, Finance and Treasury and oil, gas and mining. Ms Austin is specialised in ASX listing, capital raising transactions, acquisitions and employee share schemes. Ms Austin is a member of the Governance Institute of Australia.

Aspire Mining Limited
Directors' report
30 June 2023

Meetings of directors
The number of meetings of the Board held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr Michael Avery	4	4	2	2	1	1
Mr Russell Taylor	4	4	2	2	1	1
Mr Achit-Erdene Darambazar	7	7	-	-	1	1
Mr Boldbaatar Bat-Amgalan	6	7	2	2	-	-
Mr David Paull	3	3	-	-	-	-
Mr Neil Lithgow	3	3	-	-	-	-
Ms Hannah Badenach	3	4	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Note: 'Held' represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Principles used to determine the nature and amount of remuneration
The performance of the Group depends upon the quality of the Directors and executives. The philosophy of the Group in determining remuneration levels is to set competitive remuneration packages to attract and retain high calibre executive; link executive rewards to shareholder value creation; and establish appropriate performance hurdles for variable executive remuneration.

In considering the Group's performance and returns on shareholder wealth, the Board has regard to the following indicators of performance in respect of the current financial year and the previous four financial years:

	2023 $	2022 $	2021 $	2020 $	2019[1] $
Revenue	764,992	51,855	175,554	425,330	325,741
Net profit/(loss) after tax	(559,962)	422,111	(5,176,364)	(5,488,200)	(6,200,307)
Basic earnings/(loss) $ per share	(0.11)	0.08	(0.01)	(0.01)	(0.02)
Share price at year-end	0.07	0.08	0.07	0.08	0.16

[1] A securities consolidation was completed on 5 December 2019. 2019 restated assuming 1:10 consolidation applied.

Remuneration committee

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Director and the senior management team. A Remuneration Committee was reformed in September 2018 and its current members are Mr Michael Ross Avery, Mr Achit-Erdene Darambazar and Mr Russell Alan Taylor.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Aspire Mining Limited
Directors' report
30 June 2023

Remuneration structure
In accordance with best practice Corporate Governance, the structure of Non-Executive Directors and executive remuneration is separate and distinct.

Non-Executive Director Remuneration
The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the General Meeting held on 19 August 2011 when shareholders approved an aggregate remuneration for Non-Executive Directors of up to $600,000 per year.

If and when applicable, the Board may consider advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual remuneration review process. No external consultants were engaged during the 2023 financial year.

Each Director is entitled to receive a fee for being a Director of the Company. The remuneration of the Non-Executive Chair has been set at $75,000 per annum and other Non-Executive Directors at $60,000 per annum. This level of remuneration was reviewed and agreed by the Board following recommendations from the Remuneration Committee.

The remuneration of Non-Executive Directors for the year ended 30 June 2023 is detailed in the Remuneration of Key Management Personnel section of this report in Table 1. Following shareholder approvals, performance rights have been issued to Non-Executive Directors or their nominees.

Following approval at the 2021 Annual General Meeting, performance rights were issued to Non-executive Directors (and the Executive Director and Chief Operating Officer - see Table 3) to vest in two tranches on achievement of the following milestones:

- Class A performance rights shall vest when the Company has announced that it has secured total funding for the Ovoot Project in Mongolia construction commencement.
- Class B performance rights shall vest when the Company has announced that commercial production has commenced at the Ovoot Project within 18 months of construction commencement.

The incentive offered under the STI will vary depending upon individual performance against key performance indicators ('KPIs') and any discretion employed by the Board. KPIs for Chief Executive Officer ('CEO') and CEO's direct reports are approved by the Board upon recommendation from the Nomination and Remuneration Committee. KPIs for all other employees are approved by the CEO. Depending on the individual's position, KPIs will include a range of metrics including health and safety, exploration results, corporate governance, financial stewardship, risk management, business development and leadership. Payment of STIs can be cash or shares which is also at the discretion of the Board.

Senior manager and executive Director Remuneration
Remuneration consists of fixed remuneration and performance rights (as determined from time to time).

Fixed Remuneration
Fixed remuneration is reviewed periodically by the Remuneration Committee or the Board. The process consists of a review of relevant comparative remuneration in the market and internally and where appropriate, external advice on policies and practices. The Committee and the Board has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments. The fixed remuneration component of the Group and the Company executive is detailed in the tables below.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

Aspire Mining Limited
Directors' report
30 June 2023

The key management personnel of the Group consisted of the following directors of Aspire Mining Limited:
- Mr Michael Avery
- Mr Achit-Erdene Darambazar
- Mr Boldbaatar Bat-Amgalan
- Mr Russell Taylor
- Mr David Paull (retired effective from 29 November 2022)
- Mr Neil Lithgow (resigned effective from 29 November 2022)
- Ms Hannah Badenach (resigned effective from 31 January 2023)

And the following person:
- Mr Samuel Bowles (Chief Executive Officer)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
30 Jun 2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr Michael Avery	43,750	-	-	-	-	-	43,750
Mr Boldbaatar Bat-Amgalan	79,767	-	-	-	-	9,845	89,612
Mr Russell Taylor	35,000	-	-	-	-	-	35,000
Mr David Paull	29,167	-	-	-	-	(8,679)	20,488
Mr Neil Lithgow	22,831	-	-	2,397	-	(5,786)	19,442
Ms Hannah Badenach	-	-	-	-	-	-	-
Executive Directors:							
Mr Achit-Erdene Darambazar	306,410	-	-	-	-	49,206	355,616
Other Key Management Personnel:							
Mr Samuel Bowles	545,781	-	-	-	-	41,585	587,366
	1,062,706	-	-	2,397	-	86,171	1,151,274

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
30 Jun 2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr David Paull	70,000	-	-	-	-	8,679	78,679
Mr Boldbaatar Bat-Amgalan	62,664	-	-	-	-	5,786	68,450
Mr Neil Lithgow	54,795	-	-	5,479	-	5,786	66,060
Ms Hannah Badenach	-	-	-	-	-	-	-
Executive Directors:							
Mr Achit-Erdene Darambazar	250,843	-	-	-	-	28,928	279,771
Other Key Management Personnel:							
Mr Samuel Bowles	413,358	-	-	-	-	-	413,358
	851,660	-	-	5,479	-	49,179	906,318

Aspire Mining Limited
Directors' report
30 June 2023

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - LTI	
Name	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Non-Executive Directors:				
Mr Michael Avery	100%	-	-	-
Mr Boldbaatar Bat-Amgalan	89%	92%	11%	8%
Mr Russell Taylor	100%	-	-	-
Mr David Paull	100%	89%	-	11%
Mr Neil Lithgow	100%	91%	-	9%
Ms Hannah Badenach	-	-	-	-
Executive Directors:				
Mr Achit-Erdene Darambazar	86%	90%	14%	10%
Other Key Management Personnel:				
Mr Samuel Bowles	93%	100%	7%	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Achit-Erdene Darambazar
Title:	Managing Director
Details:	Mr Darambazar is engaged as the Managing Director pursuant to an Executive Services Agreement (AD ESA) with the Company that sets out his duties, responsibilities and obligations. The AD ESA had an initial 2 year term from 2 December 2019 and has been updated in May 2023 after review by Remuneration Committee. The ADESA can be terminated by either party on 3 months' notice or other causes (breach of duty, incapacity, and insolvency. Remuneration under this AD ESA is US$220,000 per annum.

Name:	Mr Boldbaatar Bat-Amgalan
Title:	Non-executive Director
Details:	Mr Boldbaatar Bat-Amgalan has a non-executive director engagement letter that set out his duties and responsibilities and the causes for termination (breach of duty, incapacity and insolvency) or resignation from his appointment. The current remuneration to non-executive directors is A$60,000 per annum.

Name:	Mr Michael Avery
Title:	Non-Executive Director
Details:	Mr Avery has a non-executive director engagement letter that sets out his duties and responsibilities and the causes for termination (breach of duty, incapacity, and insolvency) or resignation from his appointment. The current remuneration to non-executive directors is A$75,000 per annum.

Name:	Mr Russell Taylor
Title:	Non-Executive Director
Details:	Mr Taylor has a non-executive director engagement letter that sets out his duties and responsibilities and the causes for termination (breach of duty, incapacity, and insolvency) or resignation from his appointment. The current remuneration to non-executive directors is A$60,000 per annum.

Name:	Samuel Bowles
Title:	Chief Executive Officer
Details:	Mr Bowles is engaged as the Chief Executive Officer pursuant to an Executive Services Agreement (SB ESA) with the Company that sets out his duties, responsibilities and obligations. The SB ESA can be terminated by either party with 3 months' notice or immediately for other causes (breach of duty, incapacity, and insolvency). Remuneration under this SB ESA is US$363,000 per annum.

Share-based compensation

Share based payments is the gross accounting value of performance rights brought to account in accordance with accounting standards.

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

Performance rights

There were no new performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023. See note 30 for details of all outstanding performance rights as at 30 June 2023.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Purchase/ on Open Market	Balance on resignation/ retirement	Balance at the end of the year
Ordinary shares					
Mr Michael Ross Avery	-	-	167,113	-	167,113
Mr Achit-Erdene Darambazar	-	-	-	-	-
Mr Boldbaatar Bat-Amgalan	-	-	-	-	-
Mr Russell Alan Taylor	-	-	-	-	-
Mr David Paull (retired 29 November 2022)	2,705,280	-	-	(2,705,280)	-
Mr Neil Lithgow (resigned 29 November 2022)	23,727,851	-	-	(23,727,851)	-
Ms Hannah Badenach (resigned 31 January 2023)	1,095,392	-	-	(1,095,392)	-
Mr Samuel Bowles	-	-	-	-	-
	27,528,523	-	167,113	(27,528,523)	167,113

Aspire Mining Limited
Directors' report
30 June 2023

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Rights over ordinary shares					
Mr Achit-Erdene Darambazar	2,500,000	-	-	-	2,500,000
Mr David Paull (retired 29 November 2022)	750,000	-	-	(750,000)	-
Mr Boldbaatar Bat-Amgalan	500,000	-	-	-	500,000
Mr Neil Lithgow (resigned 29 November 2022)	500,000	-	-	(500,000)	-
Ms Hannah Badenach (resigned 31 January 2023)	-	-	-	-	-
Mr Samuel Bowles	2,000,000	-	-	-	2,000,000
	6,250,000	-	-	(1,250,000)	5,000,000

Related Party Transactions
In 2023, Kingsland Corporate Pty Ltd (formerly 2R's Pty Ltd), a company associated with Mr David Paull, was paid $7,563 at market rates for the services provided by David Paull beyond his NED Chair role (2022: $14,000).

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers
The Company has agreed to indemnify all the Directors and Officers of the Group for any liabilities to another person (other than the Group or related bodies corporate) that may arise from their position as Directors or Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. During the financial year the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company
No person has applied to the court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under Section 237.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 21 to the financial statements. No non-audit services were provided by the auditors during the year.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

Aspire Mining Limited
Directors' report
30 June 2023

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Achit-Erdene Darambazar
Managing Director

29 September 2023

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Aspire Mining Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
29 September 2023

B G McVeigh
Partner

hlb.com.au

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Aspire Mining Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Revenue	4	764,992	51,855
Other income	5	1,278,696	2,763,876
Expenses			
Employee benefits expense	6	(720,006)	(542,035)
Share-based payments expense	30	(86,171)	(49,179)
Depreciation and amortisation expense	6	(64,713)	(205,965)
Other expenses	6	(1,708,563)	(1,587,240)
Finance costs		-	(4,664)
(Loss)/profit before income tax expense		(535,765)	426,648
Income tax expense	7	24,197	4,537
(Loss)/profit after income tax expense for the year		(559,962)	422,111
Other comprehensive (loss)/profit			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(1,195,734)	(329,352)
Other comprehensive (loss)/profit for the year, net of tax		(1,195,734)	(329,352)
Total comprehensive (loss)/profit for the year		(1,755,696)	92,759
(Loss)/profit for the year is attributable to:			
Non-controlling interest		(2,800)	(6,322)
Owners of Aspire Mining Limited		(557,162)	428,433
		(559,962)	422,111
Total comprehensive (loss)/profit for the year is attributable to:			
Non-controlling interest		(2,800)	(163,570)
Owners of Aspire Mining Limited		(1,752,896)	256,329
		(1,755,696)	92,759
		Cents	**Cents**
Basic (loss)/earnings per share	29	(0.11)	0.08
Diluted (loss)/earnings per share	29	(0.11)	0.08

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Aspire Mining Limited
Consolidated statement of financial position
As at 30 June 2023

	Note	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Assets			
Current assets			
Cash and cash equivalents	8	12,922,521	31,990,463
Trade and other receivables	9	1,032,017	654,819
Investments	10	15,093,654	-
Total current assets		29,048,192	32,645,282
Non-current assets			
Property, plant and equipment	11	361,227	389,875
Intangibles	12	9,266	28,009
Deferred exploration and evaluation expenditure	13	39,237,316	37,434,836
Total non-current assets		39,607,809	37,852,720
Total assets		68,656,001	70,498,002
Liabilities			
Current liabilities			
Trade and other payables	14	206,044	378,520
Total current liabilities		206,044	378,520
Total liabilities		206,044	378,520
Net assets		68,449,957	70,119,482
Equity			
Issued capital	15	150,026,408	150,026,408
Reserves	16	(11,762,391)	(10,652,828)
Accumulated losses		(69,282,968)	(68,725,806)
Equity attributable to the owners of Aspire Mining Limited		68,981,049	70,647,774
Non-controlling interest	17	(531,092)	(528,292)
Total equity		68,449,957	70,119,482

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Aspire Mining Limited
Consolidated statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital $	Foreign currency translation reserve $	Share-based payments reserves $	Contribution reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2021	150,026,408	(12,335,205)	-	1,805,302	(69,154,239)	(364,722)	69,977,544
(Loss)/profit after income tax expense for the year	-	-	-	-	428,433	(6,322)	422,111
Other comprehensive (loss)/profit for the year, net of tax	-	(172,104)	-	-	-	(157,248)	(329,352)
Total comprehensive (loss)/profit for the year	-	(172,104)	-	-	428,433	(163,570)	92,759
Transactions with owners:							
Share-based payments (note 30)	-	-	49,179	-	-	-	49,179
Balance at 30 June 2022	150,026,408	(12,507,309)	49,179	1,805,302	(68,725,806)	(528,292)	70,119,482

Consolidated	Issued capital $	Foreign currency translation reserve $	Share-based payments reserves $	Contribution reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2022	150,026,408	(12,507,309)	49,179	1,805,302	(68,725,806)	(528,292)	70,119,482
Loss after income tax expense for the year	-	-	-	-	(557,162)	(2,800)	(559,962)
Other comprehensive (loss)/profit for the year, net of tax	-	(1,195,734)	-	-	-	-	(1,195,734)
Total comprehensive (loss)/profit for the year	-	(1,195,734)	-	-	(557,162)	(2,800)	(1,755,696)
Share-based payments (note 30)	-	-	86,171	-	-	-	86,171
Balance at 30 June 2023	150,026,408	(13,703,043)	135,350	1,805,302	(69,282,968)	(531,092)	68,449,957

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Aspire Mining Limited
Consolidated statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 30 Jun 2023 $	30 Jun 2022 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,588,516)	(2,006,702)
Interest received		438,267	57,210
Income taxes paid		(10,549)	(4,537)
Net cash used in operating activities	28	(2,160,798)	(1,954,029)
Cash flows from investing activities			
Payments for investments	10	(14,813,562)	-
Payments for property, plant and equipment	11	(89,561)	(187,697)
Payments for exploration and evaluation expenditure	13	(2,865,933)	(2,715,444)
Net cash used in investing activities		(17,769,056)	(2,903,141)
Cash flows from financing activities			
Repayment of borrowings		-	(53,489)
Net cash used in financing activities		-	(53,489)
Net decrease in cash and cash equivalents		(19,929,854)	(4,910,659)
Cash and cash equivalents at the beginning of the financial year		31,990,463	34,173,866
Effects of exchange rate changes on cash and cash equivalents		861,912	2,727,256
Cash and cash equivalents at the end of the financial year	8	12,922,521	31,990,463

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The 30 June 2023 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and discharge of its liabilities as and when they fall due, in the ordinary course of business.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The Company is a listed public Company, incorporated in Australia and operating in Mongolia. The principal activity of the Group during the year was the progression for the approvals, completion of studies, and funding towards the development of the Ovoot Coking Coal Project.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Aspire Mining Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Aspire Mining Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Aspire Mining Limited.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Aspire Mining Limited's functional and presentation currency. The functional currency of the Company's Mongolian subsidiaries is the Mongolian Tughrik ('MNT') with the exception of Ovoot Coking Coal Pte Ltd, Northern Railways Pte Ltd Northern Railways Holdings LLC and Northern Infrastructure Limited (formerly Northern Mongolian Railways Limited) whose functional currency is USD. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Revenue recognition
Revenue is recognised to the extent that control of the goods or service has passed and it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade and other receivables are estimated with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis over the three (3) year estimated useful life of the assets. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Property, plant and equipment is subject to impairment or adjusted for any remeasurement of value.

Deferred exploration and evaluation assets
Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Impairment of assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Derecognition of financial assets and financial liabilities
Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:

  (a) has transferred substantially all the risks and rewards of the asset, or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Trade and other payables
Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

Note 1. Significant accounting policies (continued)

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Leases

Where the Company is the lessee, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of purchase options, if the Group is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Extension options are included in a number of property leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there is a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, the provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Share-based payments
The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. In valuing equity-settled transactions, account is taken of any performance conditions, and conditions linked to the price of the shares of Aspire Mining Limited (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired, and (ii) the Group’s best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Cash settled transactions:
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model for unlisted options and the market traded price for listed options and performance rights that are bought to account, having regard to the terms and conditions upon which the instruments are granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is re-measured to fair value at each balance date up to and including the settlement date with changes in fair value recognised in profit or loss.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Parent entity financial information

The financial information for the parent entity, Aspire Mining Limited, disclosed in note 25 has been prepared on the same basis as the consolidated financial statements, other than investments in subsidiaries are accounted for at cost.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net identifiable

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Note 1. Significant accounting policies (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Aspire Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings/loss per share is calculated as net profit or loss attributable to members of the parent, adjusted for: costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions:
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model for unlisted options and the market traded price for listed options and performance rights that are bought to account, having regard to the terms and conditions upon which the instruments are granted.

Exploration and evaluation costs
The Group's accounting policy for exploration and evaluation expenditure is set out at note 1. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of the expectation that exploration costs incurred can be recouped through the successful development of the area (unless activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves). The estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditure incurred is unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be impaired or written off through the statement of profit or loss and other comprehensive income.

Note 3. Operating segments

Identification of reportable operating segments
The Group is organised into 3 operating segments: Australia, Mongolia and Singapore. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and determining the allocation of resources. There is no aggregation of operating segments.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 30 Jun 2023	Australia $	Mongolia $	Singapore $	Total $
Revenue				
Interest Income	523,023	241,969	-	764,992
Total revenue	523,023	241,969	-	764,992
EBITDA	22,273	(463,732)	(29,590)	(471,049)
Depreciation and amortisation	-	(64,716)	-	(64,716)
(Loss)/profit before income tax expense	22,273	(528,448)	(29,590)	(535,765)
Income tax expense				(24,197)
Loss after income tax expense				(559,962)
Assets				
Segment assets	25,370,950	43,272,038	13,013	68,656,001
Total assets				68,656,001
Liabilities				
Segment liabilities	97,105	105,604	3,335	206,044
Total liabilities				206,044
Capital expenditure during the year	72,262	2,900,996	-	2,973,258

Consolidated - 30 Jun 2022	Australia $	Mongolia $	Singapore $	Total $
Revenue				
Interest revenue	6,487	45,368	-	51,855
Total revenue	6,487	45,368	-	51,855
EBITDA	1,082,717	(832,324)	(29,710)	220,683
Depreciation and amortisation	-	205,965	-	205,965
(Loss)/profit before income tax expense	1,082,717	(626,359)	(29,710)	426,648
Income tax expense				(4,537)
Profit after income tax expense				422,111
Assets				
Segment assets	27,368,151	43,120,341	9,510	70,498,002
Total assets				70,498,002
Liabilities				
Segment liabilities	(327,790)	(50,730)	-	(378,520)
Total liabilities				(378,520)
Capital expenditure during the year	-	2,674,922	-	2,674,922

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 4. Revenue

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Interest income from term deposits	488,688	51,855
Interest income from investment in bond	276,304	-
Revenue	764,992	51,855

Note 5. Other income

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Net foreign exchange gain	1,278,696	2,763,876

Note 6. Expenses

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
(Loss)/profit before income tax includes the following specific expenses:		
Depreciation		
Property, Plant and equipment	64,713	205,965
Other expenses		
Accounting and audit fees	120,252	120,790
Company secretarial	86,355	82,178
Directors Fees	494,094	443,781
Insurance	215,942	205,180
Legal fees	38,028	13,119
Office, corporate and administration costs	354,574	386,146
Share registry and listing expenses	63,179	54,591
Media, promotion and investor relations	42,332	42,879
Short term lease rent and outgoings	80,911	101,693
Other expenses	212,896	136,883
	1,708,563	1,587,240
Employment and consultancy expenses		
Wages & Salaries	720,006	542,035

Aspire Mining Limited
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Note 7. Income tax expense

	Consolidated	
	30 Jun 2023	**30 Jun 2022**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss)/profit before income tax expense	(535,765)	426,648
Income tax benefit/(expense) at the statutory tax rate of 30%	(160,730)	127,994
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Accrued expenses	(9,074)	12,344
Other expenses not deductible for tax purposes	164,098	(157,851)
Income tax not brought to account	21,167	22,050
Deductions available for greater than 1 year	(15,461)	-
Income tax expense on Mongolian operations	24,197	4,537
Income tax expense	24,197	4,537

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

As at 30 June 2023, Aspire Mining Limited has carried forward tax losses with a tax effect of $6,555,753 (30 June 2022: $6,485,195) in respect to tax losses arising in Australia and $157,516 (30 June 2022: $717,470) in respect of tax losses arising in Mongolia, the tax benefit of which has not been brought to account and are available subject to confirmation of the continuity of ownership test or the same business test.

These losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The Group has an unrecorded deferred tax asset of Nil (2022: Nil) relating to share issue and other costs, and deferred tax liabilities of $2,302,335 (2022: $2,280,549) relating to capitalised exploration and evaluation expenditure arising in Australia for which an offsetting deferred tax asset has been recognised.

The recovery of the carried forward tax losses is subject to the applicable Group companies continuing to satisfy the continuity of ownership test or the similar business test or other tax legislation requirements or limitations.

Note 8. Cash and cash equivalents

	Consolidated	
	30 Jun 2023	**30 Jun 2022**
	$	**$**
Current assets		
Cash at bank	3,278,979	27,266,140
Short term interest bearing deposits	9,643,542	4,724,323
	12,922,521	31,990,463

Cash at bank earns interest at floating rates based on daily bank deposit rates.

All cash was available for use and no restrictions were placed on the use of it at any time during the period, other than a short term deposit of $10,000 (2022: $10,000) is on deposit as cash backed security against a business use credit card limit and office rental.

Aspire Mining Limited
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Note 9. Trade and other receivables

	Consolidated 30 Jun 2023 $	30 Jun 2022 $
Current assets		
Other receivables	369,417	141,196
Prepayments	644,741	511,136
GST recoverable	17,859	2,487
	1,032,017	654,819

There were no credit losses in the current or the prior year.

Other receivables relate to security and environmental deposits paid, refund of goods and services tax payments due and other current loans. Balances within other receivables do not contain impaired assets and are not past due. It is expected that these balances will be received in full. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables.

Note 10. Investments

	Consolidated 30 Jun 2023 $	30 Jun 2022 $
Current assets		
Short term interest bearing bond	15,093,654	-

During the year A$14.8 million was invested into portfolio of major Australian bank senior debt and covered bonds, to generate strong and secure yields for offset against operating costs whilst continuing to develop the Ovoot Coking Coal Project. This portfolio is comparable in risk profile to Australian bank fixed term deposits, but able to generate return on US$ denominated holdings.

Note 11. Property, plant and equipment

	Consolidated 30 Jun 2023 $	30 Jun 2022 $
Non-current assets		
Plant and equipment - at cost	1,171,530	1,135,673
Less: Accumulated depreciation	(810,303)	(745,798)
	361,227	389,875

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Note 11. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Right-of-use property $	Furniture and Fittings $	Plant and Equipment & Motor Vehicles $	Office Equip ment $	Total $
Balance at 1 July 2021	315,770	21,738	58,022	26,138	421,668
Additions	-	88,874	-	7,307	96,181
Disposals	-	(16,964)	(941)	(1,922)	(19,827)
Exchange differences	(2,469)	(3,092)	912	1,061	(3,588)
Depreciation expense	(31,481)	(24,592)	(26,003)	(22,483)	(104,559)
Balance at 30 June 2022	281,820	65,964	31,990	10,101	389,875
Additions	-	42,711	715	7,412	50,838
Disposals	-	-	-	(9,976)	(9,976)
Exchange differences	(14,404)	(1,251)	49,096	8,527	41,968
Depreciation expense	(29,205)	(37,372)	(32,887)	(12,014)	(111,478)
Balance at 30 June 2023	238,211	70,052	48,914	4,050	361,227

Note 12. Intangibles

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Non-current assets		
Software - at cost	277,482	255,486
Less: Accumulated amortisation	(268,216)	(227,477)
	9,266	28,009

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration Software $	Total $
Balance at 1 July 2021	76,905	76,905
Additions	52,239	52,239
Exchange differences	271	271
Amortisation expense	(101,406)	(101,406)
Balance at 30 June 2022	28,009	28,009
Additions	37,102	37,102
Exchange differences	(2,812)	(2,812)
Amortisation expense	(53,033)	(53,033)
Balance at 30 June 2023	9,266	9,266

Aspire Mining Limited
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Note 13. Deferred exploration and evaluation expenditure

	Consolidated	
	30 Jun 2023 **$**	**30 Jun 2022** **$**
Non-current assets		
Deferred exploration and evaluation expenditure – Ovoot Coking Coal Project	38,678,708	36,865,397
Deferred exploration and evaluation expenditure - Nuurstei Coking Coal Project	558,608	569,439
	39,237,316	37,434,836

Exploration expenditure incurred on the Ovoot Coking Coal Project and Nuurstei Coking Coal Project mining licences has been carried forward as that expenditure is expected to be recouped through successful development and exploration of the areas of interest, or alternatively, by sale.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration and evaluation $
Balance at 1 July 2021	35,043,789
Additions	2,741,771
Research and development grant received	(66,850)
Exchange differences	(283,874)
Balance at 30 June 2022	37,434,836
Additions	2,973,258
Exchange differences	(1,170,778)
Balance at 30 June 2023	39,237,316

The Company held interests in two tenements during 2023:
(a) Ovoot Coking Coal Project; and
(b) Nuurstei Coking Coal Project.

Note 14. Trade and other payables

	Consolidated	
	30 Jun 2023 **$**	**30 Jun 2022** **$**
Current liabilities		
Trade payables	16,200	270,407
Accrued expenses	151,196	-
Employee liabilities	3,886	-
Personal income tax	34,492	-
Corporate credit card	270	-
Other payables	-	108,113
	206,044	378,520

Refer to note 19 for further information on financial risk management objectives and policies.

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Note 14. Trade and other payables (continued)

Trade payables and other creditors are non-interest bearing and are normally settled on 30 day terms.

Note 15. Issued capital

	Consolidated			
	30 Jun 2023 Shares	30 Jun 2022 Shares	30 Jun 2023 $	30 Jun 2022 $
Ordinary shares - fully paid (net of transaction costs)	507,636,985	507,636,985	150,026,408	150,026,408

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 16. Reserves

	Consolidated	
	31 Dec 30 Jun 2023 $	30 Jun 2022 $
Foreign currency translation reserve	(13,703,043)	(12,507,309)
Contribution reserve	1,805,302	1,805,302
Share-based payments reserve	135,350	49,179
	(11,762,391)	(10,652,828)

Foreign currency translation reserve
This reserve is used to accumulate the changes in the value investments in subsidiaries that arise from changes in the exchange rates.

Share-based payments reserve
This reserve is used to record the value of equity benefits provided to directors and employees as part of their fees and remuneration, and external service providers for goods and services provided (including acquisition of tenements).

Contribution Reserve
The contribution reserve is used to record the value which arises as a result of transactions with non-controlling interests that do not result in a loss of control.

Note 17. Non-controlling interest

There is a 10% non-controlling interest in subsidiary Blackrock LLC, which holds the Nuurstei Coking Coal Project mining license.

There is a 20% non-controlling interest in subsidiary Northern Infrastructure Limited (formerly Northern Mongolian Railways Limited), which pertains to potential rail infrastructure.

In 2018, the gain on divestment of the shares held by the Company in NRIPL of $1,805,302 was reclassified to a contribution reserve on consolidation.

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Note 17. Non-controlling interest (continued)

	Consolidated	
	30 Jun 2023 $	**30 Jun 2022 $**
Non-controlling interest	(531,092)	(528,292)

Non-controlling interest summary	Blackrock LLC	Northern Infrastructure Limited	Total
Balance at 30 June 2022	(182,740)	(345,552)	(528,292)
Loss allocated to non-controlling interest	(62)	(2,738)	(2,800)
	(182,802)	(348,290)	(531,092)

	Blackrock	**LLC**	**Northern**	**Infrastructrue Ltd**
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Current Assets	31,514	31,357	11,788	11,880
Non-Current Assets	558,608	569,931	-	-
Total Assets	590,122	601,288	11,788	11,880
Current Liabilities	(38,908)	(17,151)	(3,222)	(8,454)
Net Assets	551,214	584,137	8,566	3,426
Revenue	-	-	-	-
Loss for the year	(44,758)	(27,665)	(3,899)	(17,777)
	(44,758)	(27,665)	(3,899)	(17,777)
Total comprehensive profit/(loss) for the year	-	(97,923)	-	(768,888)

Note 18. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 19. Financial risk management objectives and policies

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings. Working capital, cash and cash equivalents and capital requirements are reviewed by the Board on a regular basis.

The Board of Directors is responsible for the determination of the Group's risk management objectives and policies. The Board has delegated to the Group's management, the authority for designing and operating processes that ensure the effective implementation of the objectives and policies.

The overall objective of the Board is to set policies that seek to reduce risk as much as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

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Note 19. Financial risk management objectives and policies (continued)

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, commodity price risk, equity price risk and interest rate risk.

Foreign currency risk
The Group is exposed to foreign exchange fluctuations with respect to Australian Dollars ('A$'), US Dollars ('US$') and Mongolian Tughrik ('MNT'). The Group's financial results are reported in A$. Salaries for certain local employees in Mongolia may be paid in MNT. The Group's operations are in Mongolia and some of its payment commitments and exploration expenditures under the various agreements governing its rights are denominated in MNT and US$. As a result, the Group's financial position and results are impacted by the exchange rate fluctuations among A$, US$ and MNT. Such fluctuations may materially affect the Group's financial position and results.

The Group's currency risk to US$ and MNT foreign denominated financial assets and liabilities at the end of the reporting period, expressed in Australian Dollars, was as follows:

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**30 Jun 2023 $**	**30 Jun 2022 $**	**30 Jun 2023 $**	**30 Jun 2022 $**
Cash and cash equivalents denominated in US$	11,859,264	31,922,931	-	-
Cash and cash equivalents denominated in MNT	14,160	391,786	-	-
Financial assets denominated in USD	15,093,654	-	-	-
Financial liabilities denominated in MNT	-	-	191,730	49,360
	26,967,078	32,314,717	191,730	49,360

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date:

Consolidated - 30 Jun 2023		% change	A$ strengthened Effect on profit before tax	Effect on equity	% change	A$ weakened Effect on profit before tax	Effect on equity
A$/US$	'000	10%	2,695,292	2,695,292	(10%)	(2,695,292)	(2,695,292)
A$/MNT	'000	10%	1,416	1,416	(10%)	(1,416)	(1,416)
			2,696,708	2,696,708		(2,696,708)	(2,696,708)

Consolidated - 30 Jun 2022		% change	A$ strengthened Effect on profit before tax	Effect on equity	% change	A$ weakened Effect on profit before tax	Effect on equity
A$/US$	'000	10%	2,902,085	2,902,085	(10%)	(2,902,085)	(2,902,085)
A$/MNT	'000	10%	59,429	59,429	(10%)	(59,429)	(59,429)
			2,961,514	2,961,514		(2,961,514)	(2,961,514)

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Note 19. Financial risk management objectives and policies (continued)

Commodity price risk
Even if commercial quantities of mineral deposits are discovered, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Group may affect the marketability of any minerals discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Group, including, among other things, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The Group is particularly exposed to the risk of movement in the price of coal.

Equity price risk
Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Group does not hold equity in any publicly listed companies.

Interest rate risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Group does not have any borrowings at variable rates and the Group's investments in bonds have fixed interest rates. Interest rate risk is limited to potential decreases on the interest rate offers on cash and cash equivalents held with chartered financial institutions. The Group considers this risk to be immaterial.

The Group’s exposure to market risk for changes in interest rates relates primarily to its cash held in variable interest accounts.

As at the reporting date, Group had the following cash and cash equivalents and variable rate borrowings outstanding:

	30 Jun 2023		30 Jun 2022	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Cash and cash equivalents	3.64%	12,922,521	0.50%	31,990,463
Net exposure to cash flow interest rate risk		12,922,521		31,990,463

The following sensitivity is based on the interest rate risk exposures in existence at the balance date:

	Basis points increase			Basis points decrease		
Consolidated - 30 Jun 2023	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Net interest rate risk exposure	100	129,225	129,225	(100)	(129,225)	(129,225)

	Basis points increase			Basis points decrease		
Consolidated - 30 Jun 2022	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Net interest rate risk exposure ($'000)	100	272,332	272,332	(100)	(272,332)	(272,332)

The movements in post-tax profit are due to the movements in interest amounts from lower cash balances held that balance date in comparison to the prior period.

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Note 19. Financial risk management objectives and policies (continued)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which are potentially subject to credit risk for the Group consist primarily of cash and amounts receivable. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand.

The Group's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents of $12,922,521 (30 June 2022 $31,990,463). The Group also holds $15,093,654 in short term interest bearing deposit investments.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The primary source of funds available to the Group is from equity financing. The Group has in place a planning and budgeting process to help determine the funds required to support the Group's normal operating requirements on an ongoing basis, to support its exploration plans, and to ensure that it will have sufficient liquidity to meet its liabilities when due. To the extent the Group does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity or debt transactions. The Group does not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available to the Group or its direct and indirect subsidiaries on acceptable terms, or at all, for further exploration or development of its properties or to fulfil its obligations under any applicable agreements.

Failure to obtain such additional funding could result in the delay or indefinite postponement of the exploration and development of the Group's properties.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 Jun 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	16,200	-	-	-	16,200
Total non-derivatives		16,200	-	-	-	16,200

Consolidated - 30 Jun 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	270,407	-	-	-	270,407
Other payables	-	108,113	-	-	-	108,113
Total non-derivatives		378,520	-	-	-	378,520

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

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Note 19. Financial risk management objectives and policies (continued)

Other business risks
Political and legal risks
The Group's mineral projects are located in Mongolia, where mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, expropriation or nationalization of property and changes in government regulations such as foreign investment laws, tax laws, business laws, environmental laws and mining laws, affecting the Group's business in that country. Government policy may change to discourage foreign investment, nationalization of the mining industry may occur and other government limitations, restrictions or requirements may be implemented. There can be no assurance that the Group's assets will not be subject to nationalization, requisition, expropriation or confiscation, whether legitimate or not, by any authority or body.

The regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. There can be no assurance that Mongolian laws protecting foreign investments will not be amended or abolished or that existing laws will be enforced or interpreted to provide adequate protection against any or all of the risks described above.

Licence risks
The Group has licenses covering the Ovoot Coking Coal Project and the Nuurstei Coking Coal Project. The Government of Mongolia could revoke either of these licenses if the Group fails to satisfy its obligations, including payment of royalties and taxes to the Government of Mongolia and the satisfaction of certain mining, environmental, health and safety requirements. A termination of the Group's mining licenses by the Government of Mongolia could materially and adversely affect the Group's reputation, business, prospects, financial conditions and results of operations. In addition, the Group would require additional licenses or permits to conduct the Group's mining or exploration operations in Mongolia. There can be no assurance that the Group will be able to obtain and maintain such licenses or permits on terms favourable to it, or at all, for the Group's future intended mining or exploration targets in Mongolia, or that such terms would not be subject to various changes.

Mineral resource assumptions risk
The Group's Mineral Resource Estimate and Mineral Reserve Estimate for the projects are based on several assumptions. There are numerous uncertainties inherent in estimating quantities of mineral reserves and grades of mineralization, including many factors beyond the control of the Group.

Mineral Resource and Mineral Reserve estimates are inherently prone to variability. They involve expressions of judgment with regard to the presence and quality of mineralization and the ability to extract and process the mineralization economically. These judgments are based on a variety of factors, such as knowledge, experience and industry practice.

Environmental risk
Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Group, the extent of which cannot be predicted and which may well be beyond the capacity of the Group to fund. Failure to comply with applicable environmental laws and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Operational risk
The Group's activities are subject to a number of operational risks and hazards, some of which are beyond its control. These risks and hazards include unexpected maintenance or technical problems, periodic interruptions due to inclement or hazardous weather conditions, natural disasters such as earthquakes, industrial accidents, power, water or fuel supply interruptions or the increase in the price of such supplies, critical equipment failure, malfunction and breakdowns of information management systems, fires, and unusual or unexpected variations in mineralization, geological or mining conditions.

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Note 20. Key management personnel disclosures

Directors
The following persons were directors of Aspire Mining Limited during the financial year:

Mr Michael Avery	Independent Non-Executive Chairman (appointed 29 November 2022)
Mr Achit-Erdene Darambazar	Managing Director
Mr Boldbaatar Bat-Amgalan	Independent Non-Executive Director
Mr Russel Taylor	Independent Non-Executive Director (appointed 29 November 2022)
Mr David Paull	Non-Executive Chairman (retired 29 November 2022)
Mr Neil Lithgow	Independent Non-Executive Director (resigned 29 November 2022)
Ms Hannah Badenach	Independent Non-Executive Director (resigned 31 January 2023)

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Mr Samuel Bowles	Chief Executive Officer

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Short-term employee benefits	1,062,706	851,660
Post-employment benefits	2,397	5,479
Share-based payments	86,171	49,179
	1,151,274	906,318

Note 21. Remuneration of auditors

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Auditors of the Group - HLB Mann Judd		
Audit and review of financial statements		
Group	48,000	49,000
Total services provided by HLB Mann Judd	48,000	49,000

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Note 21. Remuneration of auditors (continued)

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Other auditors and their related network firms		
Audit and review of financial statements		
Controlled entities and joint operations (Mongolian Subsidiaries - KPMG)	60,225	73,360
Controlled entities and joint operations (Mongolian Subsidiaries - Ulziit Account Audit)	4,816	-
	65,041	73,360
Total services provided by other auditors (excluding HLB Mann Judd)	65,041	73,360

Note 22. Contingent liabilities

There are no material contingent liabilities relating to the Group.

Note 23. Commitments

Remuneration Commitments
The Group has entered into remuneration commitments with all the Directors and other key management personnel of the Group which were in effect throughout the financial year. The Group also employs consultants who are contracted under standard consultancy rates.

Exploration Commitments
The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	2,890
One to five years	-	11,560
	-	14,450

Investment Consideration Commitments
Pursuant to the initial acquisition from Xanadu Limited of the 50% interest in Coalridge Limited that owns 90% interest in the Nuurstei Coking Coal Project (Nuurstei Project), 500,000 shares in Aspire are to be issued to Xanadu in the event that 30 million tonnes of JORC compliant resources are identified in the Nuurstei Project area.

Note 24. Related party transactions

Parent entity
Aspire Mining Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Key management personnel
Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

Aspire Mining Limited
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Note 24. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Payment for goods and services:		
Consulting fees, paid to Kingsland Corporate Pty Ltd (i)	7,563	14,000

(i) The Company sources consulting services from Kingsland Corporate Pty Ltd, an entity related to Mr David Paull. These services are provided on normal commercial terms and conditions, no more or less favourable than those available to other parties.

Please refer to the Remuneration Report for salaries and compensation paid to Company Directors.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 Jun 2023 $	30 Jun 2022 $
Loss after income tax	(9,084,975)	(1,796,383)
Total comprehensive (loss)/profit	(9,084,975)	(1,796,383)

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Note 25. Parent entity information (continued)

Statement of financial position

	Parent	
	30 Jun 2023 $	30 Jun 2022 $
Total current assets	19,698,091	27,368,152
Total assets	25,674,000	34,903,491
Total current liabilities	97,105	327,789
Total liabilities	97,105	327,789
Equity		
Issued capital	150,026,408	150,026,408
Reserves	135,347	49,179
Accumulated losses	(124,584,860)	(115,499,885)
Total equity	25,576,895	34,575,702

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2023.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1 to the financial statements:

		Ownership interest	
Name	Principal place of business / Country of incorporation	30 Jun 2023 %	30 Jun 2022 %
Khurgatai Khairkhan LLC	Mongolia	100.00%	100.00%
Ovoot Coal Mining LLC	Mongolia	100.00%	100.00%
Chilchig Gol LLC	Mongolia	100.00%	100.00%
Ovoot Coking Coal Pte Ltd	Singapore	100.00%	100.00%
Northern Railways LLC	Mongolia	80.00%	80.00%
Northern Railways Holdings LLC	Mongolia	80.00%	80.00%
Northern Railways Pte Ltd	Singapore	80.00%	80.00%
Northern Infrastructure Limited	British Virgin Islands	80.00%	80.00%
Coalridge Limited	British Virgin Islands	100.00%	100.00%
Ekhgoviin Chuluu LLC	Mongolia	100.00%	100.00%
Black Rock LLC	Mongolia	90.00%	90.00%
Urnuun Elbeg LLC	Mongolia	100.00%	100.00%

Aspire Mining Limited is the ultimate Australian parent entity and ultimate parent of the Group. Transactions between these parties involved the provision of funding for operations. As at 30 June 2023 and before impairment, amounts of $71,466,895 (2022: $63,996,123), $20,950,383 (2022: $20,934,810), $138,409 (2022: $138,409), $1,320,490 (2022: $1,307,908), $29,558 (2022: $25,486) and $511,616 (2022: $511,616) were owed by Khurgatai Khairkhan LLC, Ovoot Coking Coal Pte Ltd, Northern Railway Holdings LLC, Northern Railways Pte Ltd, Northern Infrastructure Limited (formerly Northern Mongolian Railways Limited) and Ekhgoviin Chuluu LLC to the parent entity, respectively. The loans have been impaired.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 28. Reconciliation of (loss)/profit after income tax to net cash used in operating activities

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
(Loss)/profit after income tax expense for the year	(559,962)	422,111
Adjustments for:		
Depreciation and amortisation	64,713	205,965
Net gain on disposal of property, plant and equipment	-	(2,679)
Share-based payments	86,171	49,179
Foreign exchange differences	(1,278,696)	(2,763,876)
Change in operating assets and liabilities:		
Change in operating assets and liabilities	(473,024)	135,271
Net cash used in operating activities	(2,160,798)	(1,954,029)

Note 29. (Loss)/Earnings per share

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
(Loss)/profit after income tax	(559,962)	422,111
Non-controlling interest	2,800	6,322
(Loss)/profit after income tax attributable to the owners of Aspire Mining Limited	(557,162)	428,433
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	507,636,985	507,636,985
Weighted average number of ordinary shares used in calculating diluted earnings per share	507,636,985	507,636,985
	Cents	Cents
Basic (loss)/earnings per share	(0.11)	0.08
Diluted (loss)/earnings per share	(0.11)	0.08

Note 30. Share-based payments

There were no new share based payments granted to management personnel or employees in the period. In the prior year, 4,250,000 performance rights were issues to Directors with shareholder approval given at the annual general meeting held on 30 November 2021 and 2,000,000 performance rights to the Chief Operating Officer. The vesting expense recognised in the current period totalled $86,171.

Aspire Mining Limited
Notes to the consolidated financial statements
30 June 2023

Note 30. Share-based payments (continued)

Set out below are summaries of rights granted under the plan:

	Number of rights 30 Jun 2023	Weighted average exercise price 30 Jun 2023	Number of rights 30 Jun 2022	Weighted average exercise price 30 Jun 2022
Outstanding at the beginning of the financial year	6,250,000	$0.000	-	$0.000
Granted	-	$0.000	6,250,000	$0.000
Forfeited	(1,250,000)	$0.000	-	$0.000
Outstanding at the end of the financial year	5,000,000	$0.000	6,250,000	$0.000

30 Jun 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/06/2022	30/06/2025	$0.000	4,250,000	-	-	(1,250,000)	3,000,000
30/06/2022	30/06/2025	$0.000	2,000,000	-	-	-	2,000,000
			6,250,000	-	-	(1,250,000)	5,000,000

30 Jun 2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/06/2022	30/06/2025	$0.000	-	4,250,000	-	-	4,250,000
30/06/2022	30/06/2025	$0.000	-	2,000,000	-	-	2,000,000
			-	6,250,000	-	-	6,250,000

Performance rights outstanding at the end of the financial period have the following expiry date and exercise prices:

Option	Class	Exercise price	Balance of rights
Unlisted Director Options, issued as part of share-based compensation for remuneration	Vesting in two tranches : 1,500,000 performance rights shall vest when the Company has announced that it has secured total funding for the Ovoot Project construction commencement; and 1,500,000 performance rights shall vest when the Company has announced that commercial production has commenced at the Ovoot Project within 18 months of construction commencement.	$0.000	3,000,000
Unlisted Executive Director Options, issued as part of share-based compensation for performance	Vesting in two tranches : 1,000,000 performance rights shall vest when the Company has announced that it has secured total funding for the Ovoot Project construction commencement; and 1,000,000 performance rights shall vest when the Company has announced that commercial production has commenced at the Ovoot Project within 18 months of construction commencement.	$0.000	2,000,000
			5,000,000

Aspire Mining Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Achit-Erdene Darambazar
Managing Director

29 September 2023

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the Members of Aspire Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aspire Mining Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the key audit matter
Deferred exploration and evaluation expenditure Refer to Note 13	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises acquisition costs of rights to explore as well as subsequent exploration and evaluation expenditure and applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset. We considered this to be a key audit matter because this is one of the most significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values; • We verified a sample of the exploration additions; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2024 and discussed with management the nature of planned ongoing activities; and • We examined the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Aspire Mining Limited for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
29 September 2023

Aspire Mining Limited
Shareholder information

The shareholder information set out below was applicable as at 27 September 2023.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Share rights over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total share rights issued
1 to 1,000	724	-	-	-
1,001 to 5,000	459	0.20	-	-
5,001 to 10,000	246	0.38	-	-
10,001 to 100,000	557	4.34	-	-
100,001 and over	253	95.08	3	100.00
	2,239	100.00	3	100.00
Holding less than a marketable parcel	1,209	0.32	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MR TSERENPUNTSAG TSERENDAMBA	222,542,060	43.84
NOBLE RESOURCES INTERNATIONAL	66,401,758	13.08
MICC LLC	43,834,410	8.63
SPECTRAL INVESTMENTS PTY LTD	23,727,851	4.67
CITICORP NOMINEES PTY LIMITED	11,419,513	2.25
QUAM SECURITIES LIMITED	9,736,492	1.92
BNP PARIBAS NOMINEES PTY LTD	7,669,010	1.51
CUSTODIAL SERVICES LIMITED	5,610,050	1.11
HSBC CUSTODY NOMINEES	4,888,270	0.96
HUROSE PTY LTD	2,902,806	0.57
MR STEPHEN RONALD HOBSON	2,129,833	0.42
MISS YIDI REN	1,867,206	0.37
MR PETER JOSEPH MCGUIRE	1,700,000	0.33
SANDWICH HOLDINGS PTY LTD	1,700,000	0.33
A G E DEVELOPMENTS PTY LTD	1,572,927	0.31
2 R'S PTY LTD	1,557,013	0.31
ISTABRAQ PTY LIMITED	1,508,419	0.30
MENTOK PTY LTD	1,500,000	0.30
SAI HOLDINGS (WA) PTY LTD	1,460,000	0.29
MR JOSEPH WARREN	1,400,238	0.28
	415,127,856	81.78

Aspire Mining Limited
Shareholder information
30 June 2023

	Share rights over ordinary shares	
	Number held	% of total Share rights issued
ACHIT-ERDENE DARAMBAZAR	2,500,000	50.00
SAMUEL JAMES BOWLES	2,000,000	40.00
BOLDBATAAR BAT-AMGALAN	500,000	10.00
	5,000,000	100.00

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
MR TSERENPUNTSAG TSERENDAMBA	266,376,470	52.47
NOBLE RESOURCES INTERNATIONAL	66,401,758	13.08

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share rights
Share rights holders do not have any voting rights on the share rights held by them.

There are no other classes of equity securities.

Licenses and projects held by Aspire

Description	Tenement Name	Tenement number	Interest owned %	Location
Ovoot Coking Coal Project	Ovoot		100.00%	Mongolia, Khuvsgul Province
Nuurstei Coal Project	Nuurstei		90.00%	Mongolia, Khuvsgul Province

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