ASPIRE MINING LTD

ABN 46 122 417 243

INTERIM FINANCIAL REPORT

31 DECEMBER 2013

CORPORATE INFORMATION

Directors

David McSweeney (Non-Executive Chairman)
David Paull (Managing Director)
Neil Lithgow (Non-Executive Director)
Mark Read (Non-Executive Director)
Andrew Edwards (Non-Executive Director)
Sado Demchigsuren Turbat (Non-Executive Director)
Hannah Badenach (Non-Executive Director)

Company secretary

Philip Rundell

Registered office and Australian principal place of business

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Telephone: (08) 9287 4555
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Principal place of business Mongolia
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Chinggis Avenue-8,
Atai Tower, 3RD Floor, Room 302
ULAANBAATAR

Share register

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: (08) 9315 2333

Solicitors

Corrs Chambers Westgarth Lawyers
Level 15, Woodside Plaza
240 St Georges Terrace
PERTH WA 6000

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Bankers

National Australia Bank
Level 1, 1238 Hay Street
WEST PERTH WA 6005

Auditors

Australia
HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Mongolia
Deloitte Onch LLC
6th Floor, Gurvan Gol Holding Company Building
Sukhbaatar District, 1st Horoo, Ulaanbaatar

Securities Exchange Listing

AKM

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DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity consisting of Aspire Mining Limited ('Aspire" or "Company") and its controlled entities ("Group") for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

David McSweeney	Non-Executive Chairman
David Paull	Managing Director
Neil Lithgow	Non-Executive Director
Mark Read	Non-Executive Director
Andrew Edwards	Non-Executive Director
Sado Demchigsuren Turbat	Non-Executive Director
Hannah Badenach	Non-Executive Director

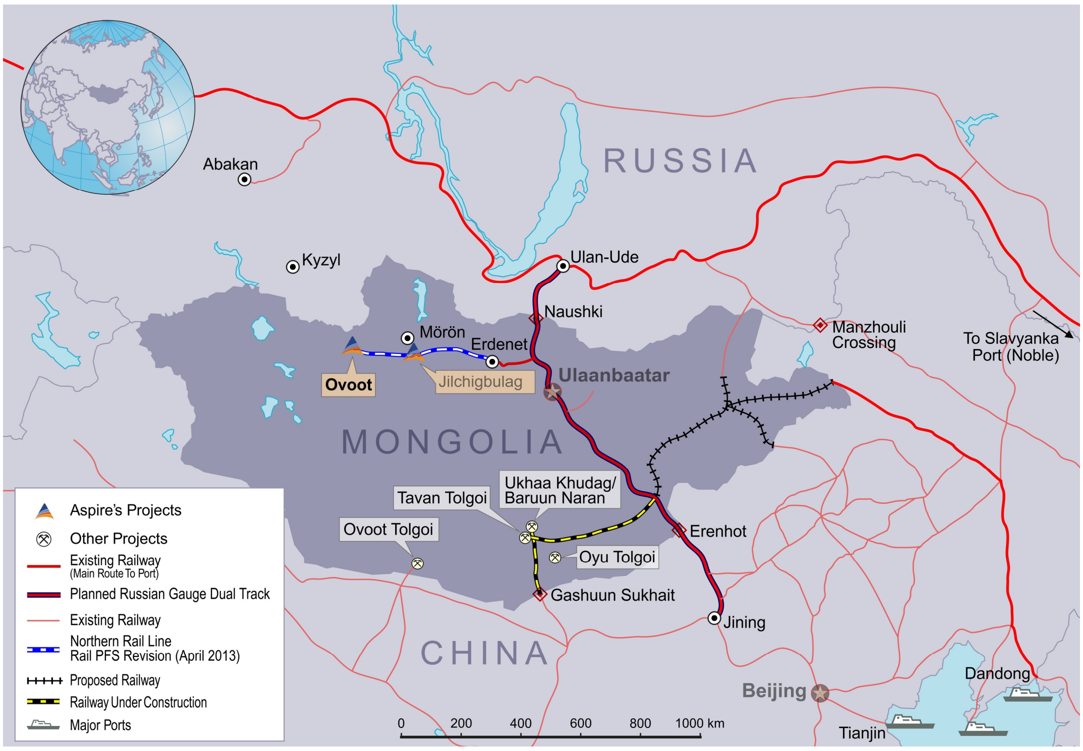
Operating Results

The loss of the consolidated entity for the half-year after income tax was $681,828 (2012: $4,854,946) after research and development tax claims of $2,486,581 (2012: $nil) for the 2012 and 2013 financial years received in the period and post-period end, respectively.

Review of Operations

Two coal projects in the north Mongolian province of Khuvsgul are owned within the Group. The Ovoot Coking Coal Project ("Ovoot Project") hosts a 255Mt JORC Coking Coal Reserve, whilst the Jilchigbulag Coal Project is at exploration stage. In addition, the Company, through its subsidiary, Northern Railways LLC, is seeking to develop a 547km railway line ("Northern Rail Line") to connect the Ovoot Project to Mongolia's national railway network.

During the period, the licences of the Nuramt Coal Project and the Zavkhan Iron Ore Project were relinquished.



Aspire Mining Project location

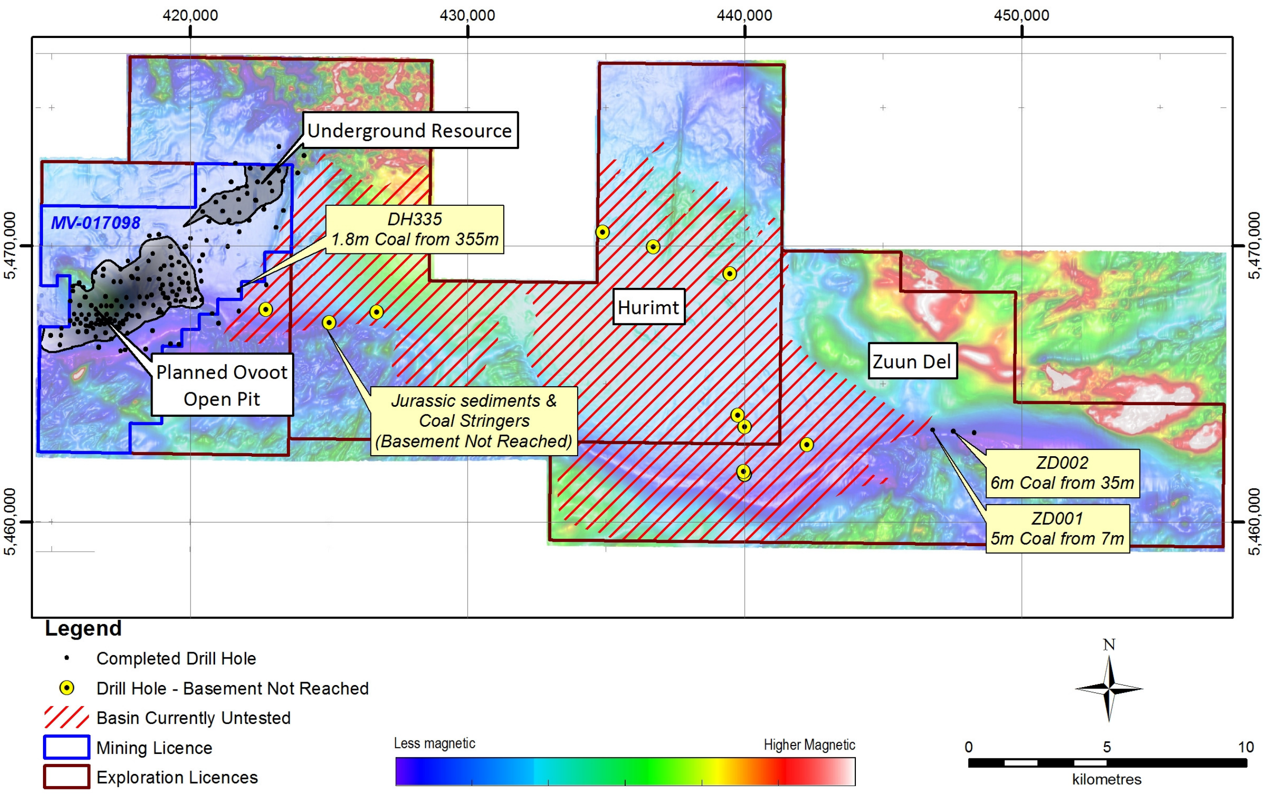
DIRECTORS' REPORT

Review of Operations (continued)
Ovoot Coking Coal Project (100%)

Exploration Update

The Ovoot Project spans across 430km^2 and comprises three exploration tenements, and one mining licence area: the Ovoot Project Mining Licence, Ovoot Resource, Hurimt, and Zuun Del.

No exploration activities have been conducted at the Ovoot Project or Jilchigbulag Coal Project licences during the period, apart from the provision of additional quality data provided by the Company to Xstract Mining Consultants Pty Ltd ("Xstract") to prepare an updated JORC Resource and Reserve Statement as discussed below. The additional quality data provided was the result of a geological re-modelling conducted by Aspire's in-house team of geologists and completed in June 2013.



Ovoot Basin Tenement Outline

JORC Coal Resource and Reserve Update

Xstract provided the Company with an updated JORC Coal Resource and Reserve Statement dated 31 July 2013. Notwithstanding there were no new or material changes to the 31 July 2013 JORC Coal Resource and Reserve Statement, Xstract also provided the Company with additional disclosures to ensure compliance with JORC Code 2012, reported as part of the December Quarterly Activities report dated and announced on 31 January 2014.

With 255Mt attributable to a high fluidity, quality coking coal product, Aspire retains 100% ownership of Mongolia's second largest coking coal project by Reserves.

DIRECTORS' REPORT

Review of Operations (continued)

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

Ovoot Project Coal Reserves at 31 July 2013

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

Ovoot Project Coal Resources at 31 July 2013
(NB: Figures subject to rounding)

DIRECTORS' REPORT

Review of Operations (continued)

Ovoot Project Coal Marketing

Following the results of coke oven testwork conducted on a sample of Ovoot Project indicative coal in early 2013, the Company now has non-binding Memoranda of Understanding for future coal offtake totalling up to 6.9Mtpa. This offtake interest includes up to 5.6Mtpa to Chinese customers and up to 1.3Mtpa to Russian customers. Further interest is being followed up with potential customers located in Eastern Europe, Russia and China.

Ovoot Project coking coal is a highly fluid, low ash, high rank premium coking coal classified as a Fat Coal (FM) within China and a Fat Coking Coal (KZh) within Russian markets. Its quality attributes make Ovoot Project coking coal an excellent blending coal, and when used with lower quality and/or non-caking coals, can create a high quality end coke product. Ovoot Project coking coal has been blend tested with low coking, thermal and oxidised coals on both a 50% and 25% basis (percentage of Ovoot Project coking coal within the blend) using a number of suitable coals from Australia, Mongolia and Russia.

During the period, the Company entered into two non-binding Memoranda of Understanding for port capacity access of up to 2Mtpa at each the Far East Russian seaport of Nakhodka, and the Black Sea port of Taman.

Additionally, a non-binding Memorandum of Understanding has been entered into to secure up to 2Mtpa rail and port capacity through to Nakhodka Port at competitive tariffs.

Location of Nakhodka and Taman Seaports and access to Eastern Europe and Mediterranean Coking Coal Markets

DIRECTORS' REPORT

Review of Operations (continued)

New Development Plan Adopted for the Ovoot Project

Given the success of the Company's marketing to date, the Company revised its strategy toward the development of the Ovoot Project. The revised Ovoot Development Plan ("ODP") has initial production of 5Mtpa and relies on the construction completion of the Northern Rail Line allowing first production from the Ovoot Project to be placed on rail directly at the mine site for delivery to customers.

The ODP has a low capital cost estimated internally by the Company at US$144million (including contingencies) to support the initial 5 Mtpa operation. Additional capital investment by the Company in later years would allow an increase in production to reach full scale capacity of up to 10 Mtpa, over a 21 year life of mine.

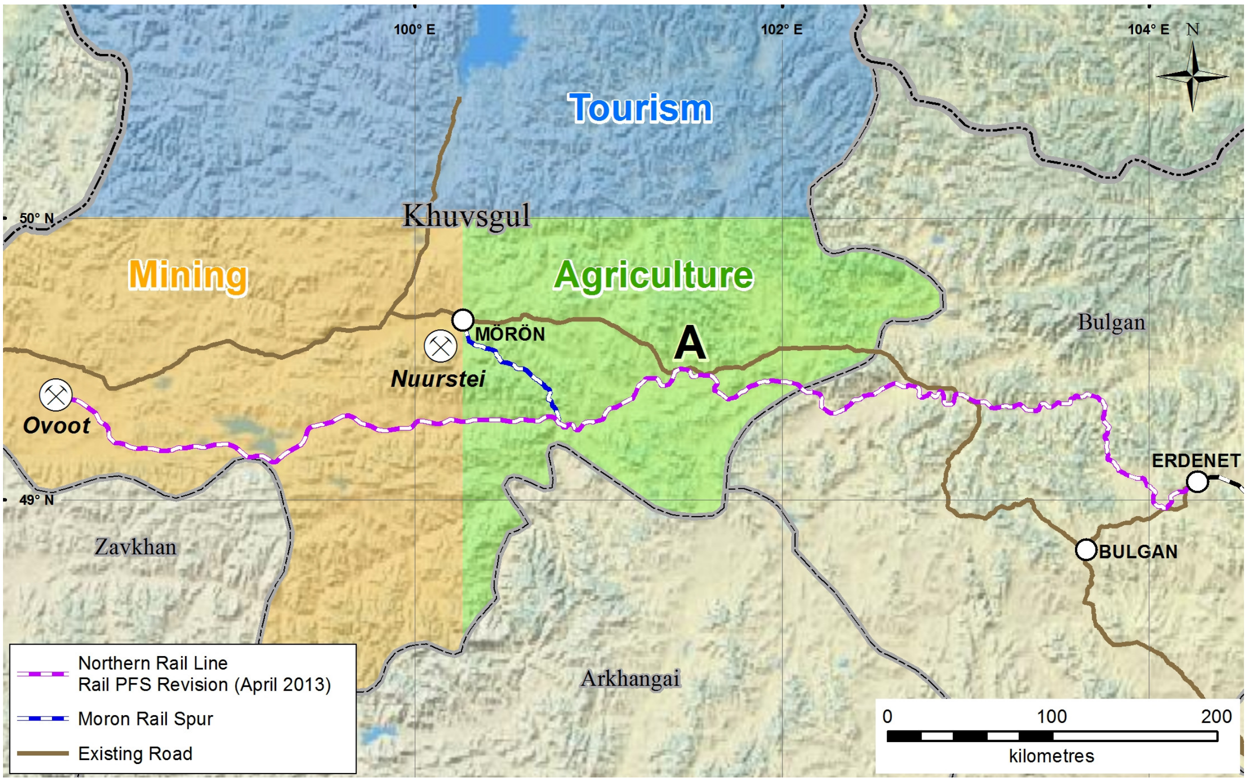
Importantly, the Company has identified several potential sources of funding which include mining contractors, export credit agency loans, working capital facility from major shareholder, Noble Group, and negotiation of coal pre-sales.

Detailed Mine Re-scheduling

Detailed mine re-scheduling was undertaken during the period, resulting in a revised mine plan with reduced operating expenditure estimates during the first two years of production. Forecast cash costs free-on-rail China border are estimated at US$76-86/t for first two years of production, or US$82-92/t for the first five years of production.

Northern Rail Line – Railway Development

Aspire's Mongolian rail infrastructure subsidiary, Northern Railways LLC, is the entity in charge of the advancement of development of the Erdenet to Ovoot Railway ("Northern Rail Line"). The Northern Rail line is a 547km rail spur extending the Trans-Mongolian Railway from Erdenet town and extending toward the western Mongolian provinces, to terminate at the Ovoot Project. Once operational, the railway will be multi-use, available for use by other mineral companies in the region, as well as general and passenger freight from the local agricultural, manufacturing, and tourism industries.



The Erdenet to Ovoot Railway connecting to major rail networks in Mongolia, Russia and China

DIRECTORS' REPORT

Review of Operations (continued)

Northern Railways has been engaged with the Government of Mongolia ("GOM") with respect to the grant of a rail concession which will allow Northern Railways the right to build, own, operate the railway, transferring ownership back to the GOM at the end of the term. The timing of the grant of a rail concession remains uncertain.

The Northern Rail Line is estimated to cost US$1.3bn in capital following the completion of a Revised Rail Pre-Feasibility Study ("RPFS") in April 2013. Subsequently, a field study conducted by SMEC International ("SMEC") has confirmed, among other things, that the rail path is viable from both an engineering and operational aspect.

The Noble Group, one of Aspire's largest shareholders are supportive of the development of the Northern Rail Line, which includes their contribution of financing for pre-development activities, and the provision of a US$5million loan, amongst other arrangements (refer ASX Announcement dated 10 January 2013). Upon the grant of the rail concession, the Noble Group will own a 10% interest in Northern Railways.

Dependent on the receipt of the rail concession licences, Northern Railways will focus on completing a detailed engineering work to support contractors, progressing funding options, and appointing a contractor in the lead up to the targeted commencement of construction of the railway during 2015.

Development Timeline

Aspire's development timeline for its Ovoot Project relies primarily on i) the provision of a rail concession and other approvals from the Government of Mongolia for Northern Railways to build, and operate the Northern Rail Line, connecting the Ovoot Project to the Trans-Mongolian Railway at Erdenet; and ii) financing of the Northern Rail Line.

The timing with respect to the grant of a rail concession is outside of the control of Aspire. Certain activities to further progress the Ovoot Project and Northern Rail Line development, and which will follow the grant of the rail concession licences, include the completion of detailed engineering work to support definitive financing negotiations.

The Company's development timeline to achieve first production by 2017/18 is indicative and assumes the grant of necessary Government licences, agreements and approvals in 2014.

Production Target Assumptions

The following are key assumptions used to achieve the ODP first year target of 5Mtpa of marketable coking coal:

1. *In the eight months prior to commencement of first year ODP production, a 23 million BCM waste removal programme to pre-strip overburden to top of coal;*
2. *A strip ratio of 7.7:1 (BCM waste: tonne of coal);*
3. *Preferentially targeting the Upper Seam with a relatively high proportion of low ash coal;*
4. *Mining of 5.2Mt of ROM coal (at a 2% moisture on an as received basis) producing 5Mt of saleable coal. This is made up of 40% of washed coal and 60% of by-pass coal meeting a 13% ash cut-off;*
5. *Higher ash coal totalling 2.1Mt will be washed in a 300 tonne per hour wash plant to be constructed at the Ovoot Project; and*
6. *Overall product yield of 90% to be achieved averaging 9% moisture for a less than 10% ash product.*

The mine design is that used to support the announced Coal Resource and Reserve update for the Ovoot Project (refer ASX announcement dated 31 July 2013).

All capital and operating costs are in 2013 dollars.

DIRECTORS' REPORT

Review of Operations (continued)

Competent Persons Statement

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 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. 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 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.

The technical information contained in this announcement in relation to the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Neil Lithgow – Non-Executive Director for Aspire Mining Limited. Mr Lithgow is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Lithgow consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Corporate

Capital and Cash at Bank

The Company had 658,247,056 fully paid ordinary shares on issue at the end of the half-year (30 June 2013: 658,247,056 fully paid ordinary shares).

Cash and cash equivalents held by the consolidated entity at the end of the half-year was $5,015,842 (30 June 2013: $7,917,391).

Significant Subsequent Events

There have been no significant events subsequent to the reporting date requiring disclosure in this report.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 9 and forms part of this directors' report for the half-year ended 31 December 2013.

DIRECTORS' REPORT

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

David Paull
Managing Director
14 March 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated interim financial report of Aspire Mining Limited for the half-year ended 31 December 2013, 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 review; and

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

Perth, Western Australia
14 March 2014

W M Clark
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Interest revenue		93,198	373,263
Foreign exchange losses		(89,422)	(7,459)
Exploration expenditure		-	(1,623,863)
Employee benefits expense		(797,581)	(1,020,137)
Share based payments		(80,189)	(208,370)
Interest expense		(289,435)	-
Other expenses		(2,003,755)	(2,356,619)
Loss before income tax expense		**(3,167,184)**	**(4,843,185)**
Income tax benefit/(expense)	3	2,485,356	(11,761)
Net loss for the period		**(681,828)**	**(4,854,946)**
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(2,325,853)	(1,384,996)
Other comprehensive loss for the period, net of tax		**(2,325,853)**	**(1,384,996)**
Total comprehensive loss		**(3,007,681)**	**(6,239,942)**
Basic loss per share (cents per share)		(0.10)	(0.78)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	Consolidated 31 Dec 2013 $	Consolidated 30 June 2013 $
Assets			
Current Assets			
Cash and cash equivalents		5,015,842	7,917,391
Trade and other receivables		1,639,534	485,275
Total Current Assets		**6,655,376**	**8,402,666**
Non-Current Assets			
Deferred exploration and evaluation expenditure	4	46,812,734	45,364,075
Property, plant and equipment		633,137	795,370
Intangible asset		48,618	80,070
Total Non-Current Assets		**47,494,489**	**46,239,515**
Total Assets		**54,149,865**	**54,642,181**
Liabilities			
Current Liabilities			
Trade and other payables		620,740	549,068
Interest payable		70,863	39,687
Finance lease		-	7,222
Total Current Liabilities		**691,603**	**595,977**
Non-Current Liabilities			
Loan	5	5,635,073	3,284,792
Finance lease		-	10,731
Total Non-Current Liabilities		**5,635,073**	**3,295,523**
Total Liabilities		**6,326,676**	**3,891,500**
Net Assets		**47,823,189**	**50,750,681**
Equity			
Issued capital	6	73,391,689	73,391,689
Reserves		(993,701)	1,251,963
Accumulated losses		(24,574,799)	(23,892,971)
Total Equity		**47,823,189**	**50,750,681**

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Issued capital	Accumulated losses	Share based payments reserve	Currency translation reserve	Total equity
	$	$	$	$	$
Balance at 1 July 2012	70,413,846	(16,268,287)	838,903	(461,865)	54,522,597
Transfer on expiry of options	-	125,721	(125,721)	-	-
Performance rights issued	-	-	208,370	-	208,370
Exchange differences arising on translation of foreign operations	-	-	-	(1,384,996)	(1,384,996)
Loss for the period	-	(4,854,946)	-	-	(4,854,946)
Balance at 31 December 2012	**70,413,846**	**(20,997,512)**	**921,552**	**(1,846,861)**	**48,491,025**
Balance at 1 July 2013	73,391,689	(23,892,971)	801,802	450,161	50,750,681
Performance rights value brought to account	-	-	80,189	-	80,189
Exchange differences arising on translation of foreign operations	-	-	-	(2,325,853)	(2,325,853)
Loss for the period	-	(681,828)	-	-	(681,828)
Balance at 31 December 2013	**73,391,689**	**(24,574,799)**	**881,991**	**(1,875,692)**	**47,823,189**

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Consolidated 2013 $	Consolidated 2012 $
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(2,490,175)	(3,501,854)
Interest received	109,721	474,784
Interest paid	(258,259)	-
Income tax paid	(1,225)	-
Research and development tax incentives	1,314,366	-
Net cash used in operating activities	**(1,325,572)**	**(3,027,070)**
Cash flows from investing activities		
Exploration and evaluation expenditure	(3,890,660)	(6,014,530)
Payments for fixed assets	-	(294,559)
Proceeds from sale of property, plant & equipment	25,989	-
Payment on behalf of related party	-	(50,264)
Net cash used in investing activities	**(3,864,671)**	**(6,359,353)**
Cash flows from financing activities		
Proceeds from borrowings	2,350,281	-
Reduction in finance lease	(17,953)	-
Net cash provided by financing activities	**2,332,328**	**-**
Net decrease in cash held	(2,857,915)	(9,386,423)
Cash and cash equivalents at the beginning of the period	7,917,391	19,694,188
Effects of exchange rate fluctuations on cash held	(43,634)	(228,962)
Cash and cash equivalents at the end of the period	**5,015,842**	**10,078,803**

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Aspire Mining Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Basis of preparation

The interim report has been prepared on a historical cost basis, except for the valuation of share based payments. Cost is based on the fair value of the consideration given in exchange for assets. The consolidated entity is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Going concern

The 31 December 2013 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. For the period ended 31 December 2013, the Group recorded a net loss of $681,828 (30 June 2013 net loss: $4,854,946) and had a net working capital surplus of $5,963,773 (30 June 2013: surplus of $7,806,689).

Based on the Group's cash flow forecast, which is dependent on results from planned activity, it is likely that the Group will need to access additional working capital in the coming 18 months to continue its activities and to ensure the realisation of assets on an orderly basis and the discharge of its liabilities as and when they fall due.

The directors are confident that the Company will be successful in raising additional funds through the issue of new equity, or sale of assets, should the need arise. The directors are also aware that the Group has the option, if necessary, to defer expenditure or relinquish certain projects and reduce administration costs in order to minimise its capital raising requirements. Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report.

Should the need arise and the Company be unsuccessful in raising additional funds either through the issue of new equity, or by the sale of assets, there is a material uncertainty as to whether or not the Group will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities as and when they fall due and in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2013.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
The following expense items are relevant in explaining the financial performance for the half-year:		
Accountancy and audit fees	69,400	78,625
Consultants' fees	281,712	418,479
Directors' fees	299,019	416,628
Insurance	72,647	83,291
Legal fees	17,468	62,527
Media and marketing	40,175	202,446
Rent & outgoings	185,262	230,492
Research and development tax fees	518,778	-
Travel and accommodation	79,387	174,213

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 3: INCOME TAX BENEFIT/(EXPENSE)

	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
Research and development tax incentive 2012	1,314,366	-
Research and development tax incentive 2013	1,172,215	-
	2,486,581	-
Income tax expense on Mongolian operations	(1,225)	(11,761)
Income Tax Benefit/(Expense)	**2,485,356**	**(11,761)**

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Six Months Ended 31 December 2013 $	Consolidated Year Ended 30 June 2013 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of the period	45,364,075	34,513,551
• Expenditure incurred in the period	3,757,154	11,915,937
• Foreign exchange differences	(2,308,495)	494,471
• Expenditure written-off in the period	-	(1,559,884)
Total exploration and evaluation expenditure	**46,812,734**	**45,364,075**

Exploration expenditure incurred on projects other than the Ovoot Coking Coal Project and associated infrastructure has been written-off or expensed as that expenditure is not expected to be recouped through successful development and exploration of the areas of interest, or alternatively, by sale. The recoupment of the expenditure that has been carried forward is dependent upon the successful development and commercial exploitation or sale of the respective areas.

	Consolidated 31 December 2013 $	Consolidated 30 June 2013 $
Exploration and evaluation phase – by area of interest at cost		
• Ovoot Coking Coal Project	38,413,604	40,130,451
• Railway Evaluation	8,399,130	5,233,624
Total exploration and evaluation expenditure	**46,812,734**	**45,364,075**

NOTE 5: LOAN

A Facility Agreement was entered into on 21 February 2013 with the Noble Group to provide, on commercial terms, a US$5m unsecured loan to assist with rail pre-development expenditures. At 31 December 2013 the facility was fully drawn. The loan is repayable two (2) years from the date of the Facility Agreement. Interest is payable quarterly in arrears at 9% per annum.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 6: ISSUED CAPITAL

	Consolidated 31 December 2013 $	Consolidated 30 June 2013 $
Ordinary shares		
Issued and fully paid	**73,391,689**	**73,391,689**
	No.	No.
Movements in ordinary shares on issue		
1 July 2013	658,247,056	658,247,056
31 December 2013	**658,247,056**	**658,247,056**

NOTE 7: OPTIONS AND PERFORMANCE RIGHTS ON ISSUE

	Consolidated 31 December 2013 No	Consolidated 30 June 2013 No
Options		
Class A options exercisable at 5 cents per option before 12 February 2015	96,186,842	96,186,842
Performance options exercisable at 5 cents per option before 12 February 2015	145,000,000	145,000,000
Performance Rights	3,827,500	3,827,500

The value of the Performance Rights is based on the number of Performance Rights granted multiplied by the prevailing Share price at the date of the grant of the Performance Rights multiplied by the probability that the vesting requirements will be met. The number of Performance Rights issued and the prevailing Share price are known variables.

The vesting requirements applicable to the issued Performance Rights are based either on achievement of operational and strategic milestones for management personnel or tenure based for administrative employees and non-executive directors.

There is an expectation of employment and board stability and therefore the probability of achieving the tenure vesting requirement is considered to be 100%. The probabilities of achievement of the operational and strategic milestones have been considered individually and are assessed to be less than 100%.

The value of the Performance Rights is taken to the Share Based Payments Reserve progressively over the period the Performance Rights are expected to vest.

NOTE 8: SEGMENT REPORTING

Segment information is presented in the interim financial statements in respect of the consolidated entity's geographical segments, which are the primary basis for segment reporting. The consolidated entity operates in a single business segment, namely natural resources exploration.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income earning assets, interest income, corporate assets and corporate expenses.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 8: SEGMENT REPORTING (Continued)

The consolidated entity operated in two distinct geographical segments, Australia and Mongolia. These segments were determined based on the location of the consolidated entity's assets.

Geographical segments

	Australia $	Mongolia $	Total $
Consolidated			
31 December 2012			
Segment income	255,439	117,824	373,263
Segment expenses	(2,400,140)	(2,816,308)	(5,216,448)
Segment income tax	-	(11,761)	(11,761)
Segment result	(2,144,701)	(2,710,245)	(4,854,946)
Loss from ordinary activities after related income tax expense			(4,854,946)
Segment assets	9,644,443	39,924,568	49,569,011
Segment liabilities	648,529	429,457	1,077,986

	Australia $	Mongolia $	Unallocated $	Total $
Consolidated				
31 December 2013				
Segment income	80,947	12,251	-	93,198
Segment expenses	(2,099,798)	(764,476)	(396,108)	(3,260,382)
Segment income tax	2,486,581	(1,225)	-	2,485,356
Segment result	467,730	(753,450)	(396,108)	(681,828)
Loss from ordinary activities after related income tax expense				(681,828)
Segment assets	6,211,601	47,938,264	-	54,149,865
Segment liabilities	567,275	53,465	5,705,936	6,326,676

NOTE 9: FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and liabilities as recognised in the Condensed Statement of Financial Position approximate their fair values.

NOTE 10: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events subsequent to the reporting date requiring disclosure in this report.

DIRECTORS' DECLARATION

In the opinion of the Directors of Aspire Mining Limited ('the company'):

1. The financial statements and notes thereto, as set out on pages 10 to 18, are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year then ended.

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

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.

David Paull
Managing Director
14 March 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aspire Mining Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Aspire Mining Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Aspire Mining Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 to the interim financial report which indicates that the ability of the Group to continue as a going concern and, therefore, meet its liabilities as and when they fall due may be dependent on a successful capital raising or sale of assets. Should the need arise and the Group be unsuccessful in the raising of capital or the sale assets, there is a material uncertainty as to whether or not the Group will continue as a going concern and, therefore, whether it will realise its assets, and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

W M Clark
Partner

Perth, Western Australia
14 March 2014