ASPIRE
MINING LTD

ANNUAL REPORT

2013

CORPORATE INFORMATION

Aspire Mining Limited ABN 46 122 417 243

DIRECTORS

Mr David McSweeney (Non-Exec Chairman)

Mr David Paull (Managing Director)

Ms Hannah Badenach (Non-Exec Director)

Mr Andrew Edwards (Non-Exec Director)

Mr Neil Lithgow (Non-Exec Director)

Mr Mark Read (Non-Exec Director)

Mr Sado Demchigsuren Turbat (Non-Exec Director)

COMPANY SECRETARY

Mr Philip Rundell

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AUDITORS

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Deloitte Onch LLC

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Ulaanbaatar MONGOLIA

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www.aspiremininglimited.com

www.aspiremininglimited.mn

Northern Railways LLC:

www.northernrailways.mn

SECTION 1

SECTION 2

CHAIRMAN'S ADDRESS

The main goals during the year were designed to provide a high level of quality data as required by potential customers, regulators and financiers.

Dear Shareholders,

The year in review was notable for the difficult and frustrating macro environment which led to the decline of investment in the minerals sector and to the overall decrease in the Company's share price. However, despite the challenging market conditions and events during the year, I am pleased to report that the Company successfully made considerable progress in connection with the Ovoot Coking Coal Project ("Ovoot Project").

The main goals during the year were designed to provide a high level of quality data as required by potential customers, regulators and financiers. Aspire's important achievements during the year under review, as set out below, and in the Review of Operations, has provided the necessary information required for all these purposes and the Company is now advancing the Ovoot Project towards the final stages necessary to bring the Ovoot Project to fruition.

The success throughout the year resulted in the delivery of a significantly higher level of understanding, in not only the structure and size of the Ovoot Project, but also its coking properties, development and financing options. I am pleased to say that this increase in confidence and knowledge in the world class Ovoot Project is now being recognised and shared with our potential customers, partners, engineers and officials within the Government of Mongolia.

Looking back over the year, Aspire achieved the following important and value adding milestones;

- Increased the JORC Compliant Probable Coal Reserves from 178 Mt to 255 Mt, a 43% increase;
- Extended the mine life from 15 to 21 years;
- Completed a Mine Pre-Feasibility Revision which demonstrated a large and robust net present value for the Ovoot Project mine;
- Identified a significantly lower capital start up to enable production of 5Mtpa of washed coal for US$144 million including contingency and working capital and a feasible financing plan to follow;
- Achieved a mining licence;
- Received Mongolian Resource Authority approval for the Ovoot Project Mongolian Feasibility Study;
- Completed carbonisation testwork to test coking properties which identified the blend carrying capacity of the high vitrinite Ovoot Project coking coal;
- Started engaging with potential customers and signed up to 5.6mt/annum in non-binding offtake MOU's; and
- Identified the compatibility and value of blending indicative Ovoot Project coking coal with the Mongolian Government owned Tavan Tolgoi's non-coking coals.

This year's activity by the Company and its subsidiary Northern Railways LLC ("Nothern Railways"), has been achieved amidst Mongolian Government and Presidential elections, and implementation of changes to improve Mongolian legislation, in particular, the Foreign Investment Legislation ("FIL"). More recently it has been reported that the Mongolian Parliament is likely to review the FIL to relax certain requirements to ease foreign investment into strategic sectors including mining and infrastructure.

The revised development plan, adopted in August 2013, was instrumental in reducing mine site capital to US$144m as a result of the recognition of the amount of coal in the early years of production that does not require washing (bypass coal) together with several other important initiatives. The Company has also identified, and announced relevant potential sources of funding for the mine site capital. These initiatives, combined with the proposed outsourcing to Northern Railways as a specialist infrastructure company for the US$1.3 billion finance required for the proposed Erdenet to Ovoot railway, are important strategic developments and demonstrates that the company has a very realistic plan for the development of the Ovoot Project.

The Ovoot Project and the Northern Rail Line being developed by Aspire's wholly owned infrastructure subsidiary, Northern Railways, provides a unique opportunity for Mongolia to balance the ratio of economic and social development between the north and the south of Mongolia. So far most of Mongolia's development has taken place in the southern half of Mongolia and the Ovoot Project is now recognised as having the potential to provide an opportunity for the northern provinces of Mongolia to achieve similar levels of activity as in the south where the giant Oyu Tolgoi copper deposit controlled by Rio Tinto is situated.

Aspire's focus over the year in review has been towards the commercialisation of the Ovoot Project and Northern Rail Line and less on mineral exploration activities. We were pleased to further strengthen our existing relationship with the Noble Group earlier in the year, which saw their shareholding in the Company increase to just below 15%.

Aspire's shareholders have much to look forward to over the next 12 months as the Company continues to progress its infrastructure, permitting, marketing and financing activities. The success during the year under review has provided a strong foundation and basis for all of these undertakings and I expect that I will be reporting to you this time next year with a similarly impressive list of achievements. Hopefully, I will also be reporting about an overall improvement in market sentiment in the minerals sector and an improved share price for your Company.

I would like to take this opportunity to thank my fellow directors and the Aspire management team for their efforts during the year.

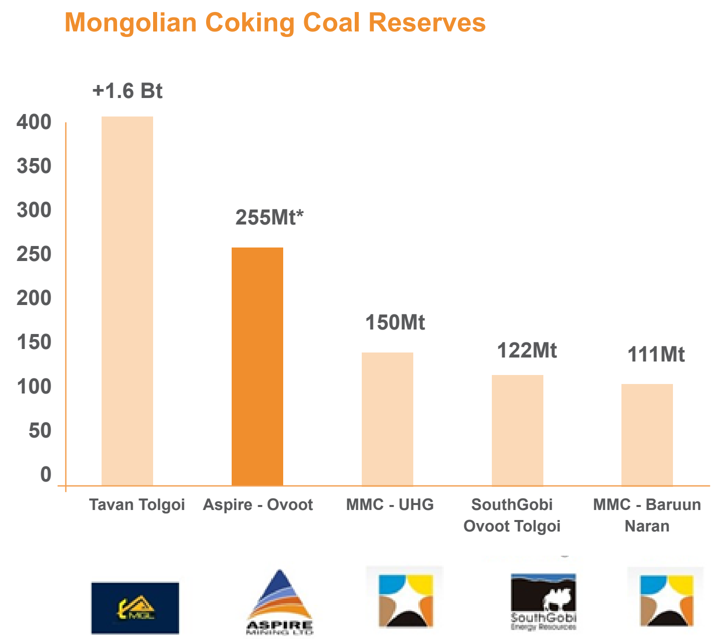
David McSweeney

Non-Executive Chairman

REVIEW OF OPERATIONS

OVOOT COKING COAL PROJECT (100%)

The Ovoot Project is wholly owned by Aspire Mining. With 255Mt Probable Coal Reserves, the Ovoot Project hosts the second largest coking coal Reserve by project in Mongolia, second to the Mongolian Government owned Tavan Tolgoi. The Ovoot Project is unique with 100% of its Coal Reserve attributable to a high quality premium coking coal.



*Mongolian Coking Coal Projects – Total Coking Coal Reserves Source: Company Reports. *Ovoot Project ROM Coal Reserves based on arb, 2% moisture*

JORC COAL RESOURCE AND RESERVES

The Ovoot Project received two updates to its JORC Coal Resource and Reserves Statement from Xstract Mining Consultants ("Xstract") during the period. The first was received in November 2012, the results of which were used to complete a Revised Mine Pre-Feasibility Study and extended life of mine ("Revised Mine PFS").

The second update was received in July 2013 and confirmed an increase (based on a combination of both updates) of 12% in ROM Coal Resources and 43% increase in ROM Coal Reserves (arb, 2% moisture) as compared to the start of the period.

The increase in Coal Resources and Reserves was the result of an extensive geological structural and seam reinterpretation undertaken by Aspire's geological team, which improved seam correlation and reduction in the number of seam PLY's.

The Ovoot Project Coal Resources are well defined with 96% registering in the Measured and Indicated categories.

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 JORC 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 JORC Coal Resources at 31 July 2013

MINING LICENCE GRANTED

Aspire was granted a Mining Licence (MV017098) for the Ovoot Project in August 2012. The 30 year Mining Licence covers 5,758Ha which includes the entire Coal Resource for both the Open Pit and Underground operations. The Company has also subsequently been granted approval of its Mongolian Reserves and Ovoot Feasibility Study from the Mineral Resource Authority of Mongolia ("MRAM").

This now allows the Company to enter into negotiations for land access agreements with local herder groups, and complete environmental impact assessments.

REVISED MINE PRE-FEASIBILITY STUDY RECEIVED

The Company completed a Revised Mine PFS in December 2012 following the receipt of the November 2012 update to its JORC Resource and Reserve Statement. The Revised Mine PFS was completed on the basis of a number of key assumptions including:

- Owner-Miner model which targeted the lowest possible operating costs; and
- The Ovoot Project would be developed in two stages which coincided with a phased construction of the Erdenet – Ovoot Project Railway to be constructed by Northern Railways.

Under the Revised Mine PFS, the Ovoot Project mine would produce a high quality, premium coking coal delivering half of its production to China, and half through Russian Far East Ports accessing north Asian coking coal markets. A large capital requirement is necessary to support an Owner-Miner first stage development to produce 6Mtpa of marketable coking coal.

Marketable Coal Reserves were subsequently upgraded to 188Mt (arb, 9.5% moisture) at approximately 10% ash in July 2013.

Aspire has since revised its strategy for the development of the Ovoot Project to comprise a low capital cost plan which would see production at the Ovoot Project mine commence with the commissioning of the entire alignment of the Northern Rail Line (refer discussion on the revised Ovoot Project Development Plan below). Relying on an initial high proportion of low ash coal in the mine plan, this strategy can produce 5Mtpa of marketable coking coal for initial capital expenditure of US$144million including contingencies.

MOVING AHEAD WITH A REVISED DEVELOPMENT PLAN FOR THE OVOOT COKING COAL PROJECT

A revised Ovoot Project Development Plan ("ODP") was adopted by the Board of Aspire in August 2013. The ODP provides a strategy for the Company to move ahead with the development of the Ovoot Project taking into account the current market situation, difficulty in accessing capital from equity markets, and the initial coal marketing success achieved by Aspire's marketing department to date. The ODP is a fundamental shift in strategy which assumes that the Northern Rail Line will be fully constructed to the Ovoot Project in 2017, contractors will be appointed where possible, and "off-the-shelf" modular washplants will be used.

ODP Highlights	
Ownership	100% Aspire Mining Limited
ROM	255 Mt
Initial Life of Mine	21 years
Total Saleable Product	188 Mt
Yield (LOM)	75%
Coal Type	100% High Quality Coking Coal
Average Strip Ratio (LOM)	7.7:1 bcm waste/t coal (excluding pre strip)
CAPEX[2]	US$144million
OPEX[1]	US$82-93t FOR China border US$72/t FOR Russian border

1. *Prices are in 2013 real dollars (excluding royalty), and includes all freight and border costs.*
2. *Based on internal company calculations and includes contingencies.*

PRODUCTION

The Ovoot Project mine would commence production of 5Mtpa saleable coking coal inline with commissioning of the Northern Rail Line (refer Note A). A ramp up in production would be considered by the Company provided markets support the increase in production.

Note A:

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

1. In the eight months prior to commencement of first year production, a 20 million BCM waste removal programme to pre-strip overburden to top of coal;
2. A strip ratio of 7.8:1 (BCM waste: tonne of coal);
3. Preferentially targeting the Upper Seam with a relatively high proportion of low ash coal;
4. Mining of 5.5Mt of 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.
5. Higher ash coal totalling 2.2Mt will be washed in a 300 tonne per hour wash plant to be constructed at the Ovoot Project;
6. Overall product yield of 90% to be achieved averaging 9% moisture for a less than 10% ash product; and
7. The mine design is that used to support the recently announced Coal Resource and Reserve update for the Ovoot Project (refer ASX announcement dated 31 July 2013).

FINANCING

Indicative sources of funding include:

- Mining Contractors: Preliminary discussions underway with two international firms to potentially fund pre-strip activities;
- Export Credit Agency Loans: two letters of intent received from Deutsche Bank and BHF for US$40 million and US$50 million respectively to potentially fund wash plants and associated site works;
- Working Capital Facility: As agreed in January 2013 with the Noble Group, the nominal value of this facility is US$20 million; and
- Customer Support: Negotiation of coal presales.

FURTHER SUPPORT FROM A MAJOR SHAREHOLDER – NOBLE GROUP

During the Period, Aspire and Singapore listed Noble Group ("Noble") agreed to expand upon an existing Strategic Alliance entered into in late 2011 (the "Agreement"). The Agreement provided further support from Noble which included, inter alia:

- Private placement raising AU$2.8million and increasing Noble's shareholding in the Company to 14.9%;
- Access to a working capital facility provided by Noble to support mine development;
- Rail pre-development contribution of 10% for Northern Railways; and
- Provision of US$5 million, 2 year, unsecured loan facility for Northern Railways.

The Company has granted Noble with marketing rights to 10% of coal produced from the Ovoot Project over 20 years, in addition to a right to market a minimum of 50% of the initial 5Mt of coal produced.

In the event that Noble contributes 10% of the rail capital expenditure, it will be granted a further 10% marketing right for Ovoot Project coal produced over 20 years.

Noble have significant experience in trading coal and other commodities globally and within the Asian market, and have agreed to assist the Company in providing supply chain management, in addition to working with Aspire and Northern Railways to facilitate the development of a viable funding plan for the Northern Rail Line. This plan is to include introduction to potential financiers, and access to Noble's logistic capabilities within Mongolia, Russia and China.

Paths to market for Ovoot Project coking coal

MARKETING EFFORTS WELL UNDERWAY

Indicative Ovoot Washed Coking Coal Specification	
Chinese Classification	(FM) Premium Fat Coal
Russian Classification	(Zh) Fat Coking Coal
Ash	9%
Volatiles	25-28%
CSN	9
Gray King	G11
RoMax	1.2
G Caking Index	+95
Y Index mm	+26

Carbonisation testwork was completed by the Company in early 2013 using a bulk sample of indicative Ovoot Project coking coal taken from the Mogoin Gol Mine, a neighbouring operating coal mine. Previous exploration work conducted by Aspire and data provided by Mogoin Gol had shown that the coal being mined from Mogoin Gol is an extension of the lower coal seam that is present at the Ovoot Project.

Test work confirmed that indicative Ovoot Project coking coal:

- Is a highly fluid, low ash, high ranking premium coking coal, and
- Has superior blend carrying capacity.

Initial coke oven testwork conducted in an Australian laboratory confirmed that indicative Ovoot Project coking coal could be used to replace hard coking coals within a coke batch when using lower quality coals, and improve overall final coke quality.

The reaction of blending indicative Ovoot Project coking coal with non-coking coals taken from the Government of Mongolia owned Tavan Tolgoi mine was also examined by an Independent Group of Researchers during the Period. The Researchers concluded that when Ovoot Project coking coal was blended with non-coking coals, which included thermal coal samples from Tavan Tolgoi, the blended product made a good quality coking coal. Under Chinese classification, non-coking and thermal Tavan Tolgoi coals were upgraded through blending with Ovoot Project coking coal, to a "Primary Coking Coal" (JM) or "1/3 Coking" coal product.

OVOOT COKING COAL QUALITY WELL RECEIVED BY POTENTIAL CUSTOMERS

The Company has signed four non-binding Memoranda of Understanding with Chinese customers for the potential commitment to purchase up to 5.6Mtpa. This interest exceeds the ODP initial production target.

The Company is following up on additional interest received from steel mills and coke producers located in Eastern Europe, Japan, China and Russia.

NORTHERN RAILWAYS LLC

NORTHERN RAILWAYS LLC

Aspire's wholly owned subsidiary, Northern Railways, made significant progress on the development of the Erdenet to Ovoot Project Railway ("Northern Rail Line') over the last 12 months with the completion of a Revised Rail Pre-Feasibility Study ("Revised Rail PFS") in April 2013. The Revised Rail PFS was completed by global rail infrastructure engineering group, SMEC International Limited ("SMEC"), over the western half of the original alignment and highlighted significant capital and operational cost savings as a result of a more agreeable terrain and confirmed a shorter alignment comprising 547km (or 595km including passing loops), designed to carry an annual capacity of up to 22Mt.

Additional advantages which contributed to the adoption of the rail alignment under the Revised Rail PFS included:

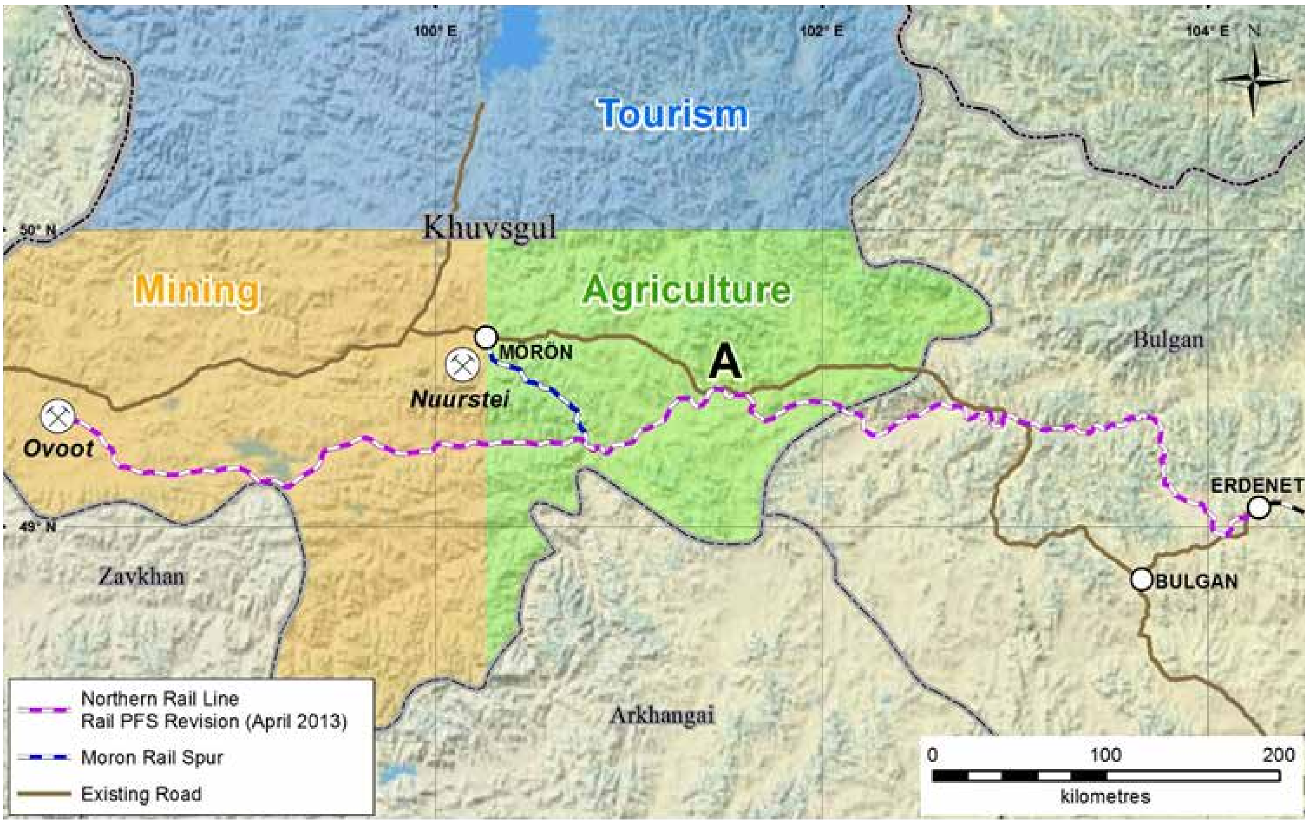
- Less risk from an environmental, geotechnical and hydrogeological perspective;
- Rail path lies approximately 220km south of the Lake Khuvsgul and passes through the Zavkhan province which could potentially have access to the railway;
- Alignment capacity could be de-rated from 22Mtpa to 10-12Mtpa which would result in further capital cost savings; and
- Longer trains could be run thereby reducing the per kilometre operating cost.

SMEC have subsequently been appointed as rail engineering partner to assist Northern Railways to complete a full re-optimisation of the entire rail path, inclusive of the eastern half of the alignment which will allow for an application for a rail concession to be submitted to the Government of Mongolia as well as EPC tendering and completion of a Bankable Feasibility Study.

	Rail PFS Feb 2012	SMEC Revised Rail PFS April 2013
Total Length of Track, km	628	547
US$ Million (Plus 20% Contingency)	1,500	1,300

Northern Railways has presented these studies to the Mongolian Ministry of Roads and Transport for the evaluation of the Northern Rail Line.

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-own-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 Mining. Certain activities to further progress the Ovoot Project and Northern Rail Line development, and which will follow the grant of the rail concession, include the completion of bankable feasibility studies to support definitive financing negotiations. The Company's development timeline to achieve first production by 2017 is indicative and contingent on the grant of a rail concession by the end of 2013.

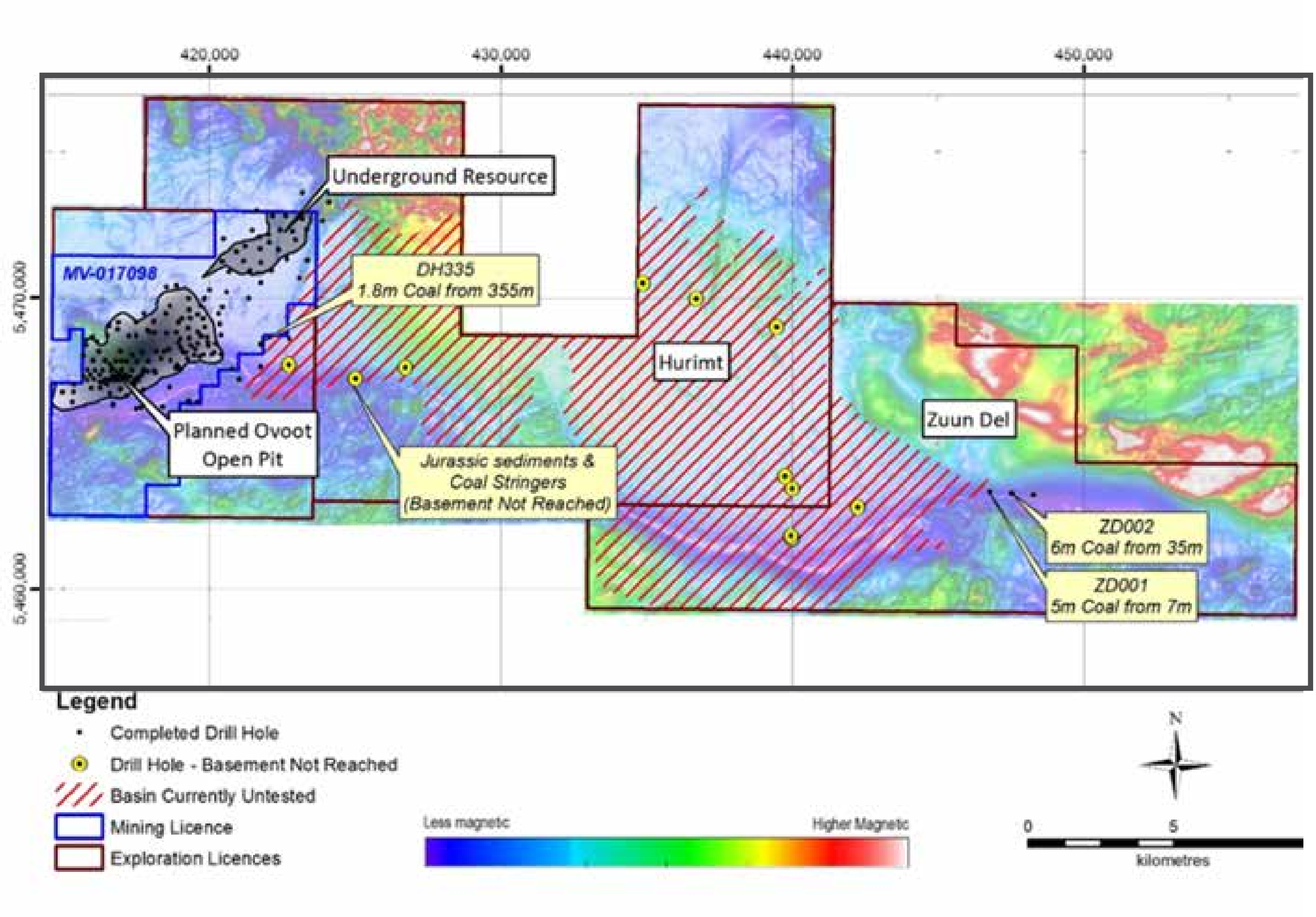


The Northern Rail Line

EXPLORATION ACTIVITIES

OVOOT BASIN

The Ovoot Basin spans over 430km² licence area and comprise three exploration tenements and one mining licence area: the Ovoot Project Mining Licence, Ovoot Resource, Hurimt, and Zuun Del.



Ovoot Basin Tenement Outline

The Company completed its exploration programme at the Ovoot Basin in the December 2012 Quarter, as it turned its focus to commercialisation activities in 2013.

There are over 25 kilometres of the Ovoot Basin between hole DH335 and holes ZD001 and ZD002 that intersected coal. This central area of the Ovoot Basin was drill tested but while drill holes between the Ovoot Resource and Zuun Del did intersect potentially coal bearing Jurassic sediments, due to either difficult drilling conditions or the Jurassic sediments being particularly thick, drilling to basement had not been successful. The Ovoot Project Lower Seam sits just above basement rock. As the potential to identify further occurrences of Lower Seam remains, the potential to find significant additional coal resources in the Ovoot Basin remains high.

JILCHIGBULAG

The Jilchigbulag Coal Project ("Jilchigbulag") is a 2.5km^2 exploration licence which surrounds an existing mine lease that supplies coal for thermal purposes to the town of Moron. No significant exploration activity was conducted at Jilchigbulag during the Period.

OTHER PROJECTS

During the period the Company relinquished licences held for two projects - the Nuramt Coal Project ("Nuramt") and the Zavkhan Iron Ore Project ("Zavkhan").

The Nuramt project is located approximately 100 kilometers to the east of the Ovoot Project and spanned across 200km^2 of licenced area. During its tenure, Aspire conducted a short exploration and 2D seismic programme, with drilling intersecting thin minor coal seams. The land area available for future drilling was limited as wider buffer zones were required under Mongolia's proposed Rivers and Forests Legislation. The Nuramt exploration licences were returned during the period.

The Zavkhan project is located to the west of the Ovoot Project for which the Company had the right to earn into a 70% interest. The Zavkhan project had potential to hold a direct shipping magnetite/hematite resource. No work was completed on the licence during the Period and the Company decided to not renew the earn-in agreement during the period.

COMMUNITY RELATIONS

HOSPITAL

New Tsetserleg Hospital

During the year, Aspire was proud to be involved in assisting the Khuvsgul provincial Government with funding to complete the construction of a new 20 bed hospital in the Tsetserleg soum, where the Ovoot Project is located.

Although construction of the hospital commenced in 2010, it was halted mid-2011 due to lack of funding. Aspire's contribution enabled the construction to recommence and the new hospital construction was finally completed in late 2012.

The new hospital provides much needed healthcare to the relatively remote Tsetserleg town and neighbouring communities, and is equipped with facilities to provide medical aid for special circumstances including ill children, maternity, pre and postnatal care, and quarantine for infectious diseases.

UNIVERSITY SCHOLARSHIP

The Company was pleased to provide another four successful candidates under its 2013 scholarship programme with a scholarship to attend a Mongolian University.

Aspire's scholarship programme is designed to assist Mongolian nationals with funding to obtain Bachelor degrees in any profession of their choosing.

The scholarship will cover the payment of tuition fees, accommodation and textbooks. Awardees are also provided the opportunity to gain practical work experience with Aspire whilst completing their studies.

The scholarship programme is now in its second year with a total of eight students selected from local soums (towns) surrounding the Ovoot Project, awarded scholarships.

Aspire Scholarship Awardees 2013

COMPETENT PERSONS STATEMENT

In accordance with the Australian Securities Exchange requirements, the technical information contained in this announcement in relation to the JORC Compliant Coal Reserves and JORC Compliant Coal Resource for the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Ian De Klerk and Mr Kevin John Irving of Xstract Mining Consultants Pty Ltd.

The Coal Resources documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004. They are based on information compiled and reviewed by Mr. Ian de Klerk who is a Member of the Australasian Institute of Mining and Metallurgy (Member #301019) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 20 years' experience in the evaluation of coal deposits and the estimation of coal resources. Mr. de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2004. Neither Mr. de Klerk nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis. Mr. de Klerk consents to the inclusion of the Coal Resources based on his information in the form and context in which it appears.

The Coal Reserves documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004. They are based on information compiled and reviewed by Mr. Kevin Irving who is a Fellow of the Australasian Institute of Mining and Metallurgy (Member #223116) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 35 years' experience in the mining of coal deposits and the estimation of Coal Reserves and the assessment of Modifying Factors. Mr. Irving has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2004. Neither Mr. Irving nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis. Mr. Irving consents to the inclusion of the Coal Reserves based on his information in the form and context in which it appears.

The technical information contained in this report 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.

SECTION **TWO**

Aspire Mining Limited

ABN 46 122 417 243

Annual Financial Report

30 June 2013

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CORPORATE INFORMATION

ABN 46 122 417 243

Directors
Mr David McSweeney (Non-Executive Chairman)
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Mr Mark Read (Non-Executive Director)
Mr Sado Demchingsuren Turbat (Non-Executive Director)
Ms Hannah Badenach (Non-Executive Director)

Company secretary
Mr Philip Rundell

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Securities Exchange Listing
AKM

Website
www.aspiremininglimited.com

DIRECTORS' REPORT

Your directors submit the annual financial report of the consolidated entity consisting of Aspire Mining Limited ("Aspire" or "Company") and the entities it controlled during the financial year ended 30 June 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 year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr David McSweeney	Non-Executive Chairman
Mr David Paull	Managing Director
Mr Neil Lithgow	Non-Executive Director
Mr Andrew Edwards	Non-Executive Director
Mr Mark Read	Non-Executive Director
Mr Sado Demchigsuren Turbat	Non-Executive Director (appointed 20 September 2012)
Ms Hannah Badenach	Non-Executive Director (appointed 18 April 2013)
Mr Gan-Ochir Zunduisuren	Non-Executive Director (resigned 20 September 2012)
Mr Tony Pearson	Non-Executive Director (resigned 6 November 2012)
Mr Ross Tromans	Non-Executive Director (appointed 30 November 2012; resigned 2 April 2013)

Names, qualifications, experience and special responsibilities

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Mr David McSweeney
Non-Executive Chairman
Qualifications: LLB, MAICD

Mr McSweeney is an experienced mining company executive who has worked in the resources sector for over 20 years. His direct responsibilities have ranged from exploration to project management, project finance, commercial and legal structuring and corporate development.

A founder of Gindalbie Metals Ltd, Mr McSweeney was the Managing Director from 1998 until December 2006. During his time at Gindalbie, he oversaw the discovery and commissioning of two successful gold production centres and the repositioning of the company as an emerging diversified Australian iron ore producer with a market capitalisation of ~$340 million.

Mr McSweeney is Chairman of FeCon Limited and Chairman of MSP Engineering Pty Ltd. He was a director of Bauxite Resources Limited from 20 November 2007 to 5 January 2011 and of Avalon Minerals Ltd from 20 December 2006 to 6 February 2012.

Mr McSweeney is a member of the Audit & Risk and Remuneration Committees.

DIRECTORS' REPORT (continued)

Mr David Paull
Managing Director
Qualifications: B.Com, FSIA, MBA (Cornell)

Mr Paull has over 20 years' experience in resource business development and industrial minerals marketing. For the past three years, Mr Paull has been Managing Director of Aspire 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 and as Managing Director on 1 July 2010

Prior to joining Aspire, Mr Paull was active in public and private resource companies exploring in Madagascar and Mozambique.

Mr Paull holds a Bachelor of Commerce from the University of Western Australia, is a Fellow of the Financial Services Institute of Australia and has an MBA with distinction from Cornell University New York.

He is a Non-Executive Director of Hunter Resources Corp, a gold copper explorer listed on London's AIM exchange. He was previously a Non-Executive Director of Pacific Wildcat Resources Corp (appointed in 2005 and resigned 1 April 2013), an industrial minerals explorer and developer listed on the TSX Ventures Exchange.

Mr Neil Lithgow
Non-Executive Director
Qualifications: MSc, F.Fin, M.AusIMM

Mr Lithgow is a geologist by profession with over 20 years' experience in mineral exploration, economics and mining feasibility studies, covering base metals, coal, iron ore and gold.

Mr Lithgow has previously worked for Aquila Resources Limited and Eagle Mining Corporation NL and is currently a Non-Executive Director of Bauxite Resources Limited (appointed 15 May 2006).

He is a member of the Australian Institute of Mining and Metallurgy and the Financial Services Institute of Australia.

Mr Andrew Edwards
Non-Executive Director
Qualifications: B. Com, FCA, SF Fin, GAICD

Mr Edwards is a former senior partner of PricewaterhouseCoopers (PwC). Mr Edwards had a distinguished career with PwC spanning 35 years in Perth, Auckland and Sydney. He served as Managing Partner of the Perth practice for five years and led the Perth Advisory business. Mr Edwards is a past National Vice President of the Financial Services Institute of Australasia (formerly Securities Institute of Australia) and past President of the Western Australian division of that Institute.

He currently serves as a Non-Executive Director of Mermaid Marine Australia Ltd (appointed 18 December 2009), Nido Petroleum Ltd (appointed 11 December 2009) and is Non-Executive Chairman of MACA Ltd (appointed 1 October 2010).

Mr Edwards is Chairman of the Audit & Risk Committee and a member of the Remuneration Committee.

DIRECTORS' REPORT (continued)

Mr Mark Read
Non-Executive Director
Qualifications: B. Eng, FAICD, FIEA, MBA (Harvard)

In September 2013 Mr Read was appointed Market Leader – Energy & Resources for GHD, an international network of engineers, architects and environmental scientists serving clients in the global markets of water, energy and resources, environment, property and buildings, and transportation.

Mr Read is a past CEO and Managing Director of ASX listed coal engineering and technology company Sedgman Ltd. Whilst at Sedgman, Mr Read was responsible for an overseas expansion strategy that led Sedgman to position itself in emerging high-grade coal regions including Mongolia and Mozambique. Prior to his appointment as chief of Sedgman, Mr Read was Global General Manager of Mining and Metals and Executive Director of engineering services firm Sinclair Knight Merz, where he was employed for 20 years. Mr Read has also served as President, Minerals, with KBR Inc, the multi-national engineering, procurement and construction company.

Mr Read is a member of the Audit & Risk Committee and Chairman of the Remuneration Committee.

Mr Sado Demchigsuren Turbat (Appointed 20 September 2012)
Non-Executive Director
Qualifications: BSc., MBA (Waseda, Leeds)

Mr. Turbat has over 12 years of experience in the resource sector of Mongolia. As one of the authors of the 1997 Minerals Law of Mongolia and as an Honorary Member of Mongolian National Mining Association, Mr Turbat is a key figure in the development of Mongolian mining industry policy and regulative framework. Mr Turbat is a founder of Mine Info LLC and the "Discover Mongolia" annual international mining forum. Currently Mr Turbat operates Mongolian Adviusory Services LLC.

Mr. Turbat holds an MBA degree from University of Waseda in Japan and Leeds University in UK.

Mr Turbat has had no other public company directorships in the last three years.

Ms Hannah Badenach (Appointed 18 April 2013)
Non-Executive Director
Qualifications: BA, LLB (Hons)

Ms Badenach is currently Vice President of Asset Development & Operations at Noble Resources Limited.

She 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. She was Managing Director of QGX Mongol LLC from 2006, where she was responsible for the general management of the company until it was sold in 2008.

She holds a Bachelor of Laws (Hons) and a Bachelor of Arts from the University of Tasmania.

Ms Badenach has had no other public company directorships in the last three years.

DIRECTORS' REPORT (continued)

Mr Gan-Ochir Zunduisuren (Resigned 20 September 2012)
Non-Executive Director
Qualifications: B.Eng, MSGF (Stern)

Mr Zunduisuren has over 10 years of experience in the resource sector in Mongolia and Canada where he worked as an underground mining engineer. Mr Zunduisuren is an Executive Director and co-founder of Altai Gold LLC which is a successful gold miner in Mongolia and was a key part of the syndicate that made the Ovoot Coking Coal Project discovery.

Mr Zunduisuren has had no other public company directorships in the last three years.

Mr Zunduisuren has a Degree in Mining Engineering from Mongolian University of Science and Technology and MSc in Global Finance from NYU Stern School of Business and HKUST.

Mr Tony Pearson (Resigned 6 November 2012)
Non-Executive Director
Qualifications: B.Com

Mr Pearson has approximately 15 years' experience in the resources, mining and infrastructure sectors. .

He is currently Managing Director and Head of Australian Metals & Mining at HSBC and has previously held senior positions with SouthGobi Resources Limited, a leading Mongolian coal producer listed on the Toronto and Hong Kong stock exchanges, the Australian Securities & Investments Commission, Citigroup's Metals and Mining Investment Banking team and Westpac Banking Corporation. During his time with Citigroup, Mr Pearson advised mining clients on capital raisings, mergers, acquisitions and divestitures, particularly for Asian and Australian mining companies. At Westpac, Mr Pearson was integral to the establishment of the bank's infrastructure and funds management business, focusing on financing and investment activities in the infrastructure and transportation sectors.

Mr Pearson has held no other public company directorships in the last three years.

Mr Pearson was a member of the Remuneration Committee.

DIRECTORS' REPORT (continued)

Mr Ross Tromans (appointed 30 November 2012; resigned 2 April 2013)
Non-Executive Director
Qualifications: B.Com

Mr Tromans has approximately 30 years sales and marketing experience in the coal and energy sector covering the Asian and North American markets.

Mr Tromans is an employee of Rio Tinto Services Limited, a subsidiary of Rio Tinto Plc, the ultimate controlling shareholder of SouthGobi Resources Limited. SouthGobi Resources Limited holds 18.76% of Aspire's issued capital.

On 17 September 2012, Mr Tromans was appointed President and Chief Executive Officer of SouthGobi Resources Limited. Effective 18 November 2012, he was also appointed to the Board of SouthGobi Resources Limited as Executive Director.

Previously, Mr Tromans was General Manager Marketing at Rio Tinto Coal Australia where he was responsible for the development and implementation of the overall marketing strategy for thermal, coking and semi-soft coal. Mr Tromans has also held senior roles at Rio Tinto including General Manager Marketing and Sales at Rio Tinto Alcan, Director New Markets and Service at Kennecott Energy and General Manager Marketing at Kaltim Prima Coal.

Mr Tromans has had no other public company directorships in the last three years.

Company Secretary

Mr Philip Rundell
Company Secretary
Qualifications: Dip BS (Accounting) ACA

Over the past 25 years Mr Rundell has worked at a Partner and Director level for Coopers & Lybrand and Ferrier Hodgson specialising in company reconstructions and corporate recovery. He has vast and diverse experience in many industries including technology, mining, earthmoving, construction, entertainment, financial services, retailing and manufacturing. He has provided management accounting and company secretarial services to a number of listed companies.

DIRECTORS' REPORT (continued)

Interests in the Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the relevant interests of the current directors in shares, options and rights of the Company are as follows:

Directors	Number of Fully Paid Ordinary Shares	Number of Class A Options over Ordinary Shares	Number of Performance Options over Ordinary Shares	Number of Performance Rights over Ordinary Shares
Mr David McSweeney	13,983,962	4,716,981	10,000,000	200,000
Mr David Paull (Note 1)	1,986,792	943,396	20,000,000	1,000,000
Mr Neil Lithgow (Note 1)	63,578,501	29,000,000	36,000,000	200,000
Mr Andrew Edwards	200,000	-	-	200,000
Mr Mark Read	200,000	-	-	200,000
Mr Sado Demchigsuren Turbat	2,416,609	-	-	-
Ms Hannah Badenbach	-	-	-	-

Note 1: Mr David Paull and Mr Neil Lithgow are directors of Red Island Resources Limited, a public unlisted company, which is a beneficial owner of 100,000 Ordinary Shares, 49 million 5c Class A Options over ordinary shares and 49 million 5c Performance Options over ordinary shares.

There were no options granted to directors or management of the Company during or since the end of the financial year as part of their remuneration.

At a General Meeting held on 19 August 2011, shareholders approved the Aspire Mining Limited Performance Rights Plan and the issue of Performance Rights to each of the executive and non-executive directors in office on 19 August 2011. The relief sought from ASIC for the issue of the Performance Rights did not extend to the non-executive directors. Accordingly, the issue of Performance Rights to those directors was outside of the Performance Rights Plan and required further approval by the shareholders at the Annual General Meeting held on 26 November 2012.

A total of 1,862,500 Performance rights were issued to the Executive Director, employees and contractors under the Performance Rights Plan and a total of 800,000 Performance Rights to the Non-Executive Directors on 24 December 2012.

Details of ordinary shares issued by the Company during or since the end of the financial as a result of the exercise of an option or performance right are:

Number of Shares Issued	Amount Paid Per Share
2,652,500	$nil

There are no unpaid amounts on the shares issued.

DIRECTORS' REPORT (continued)

Interests in the Shares and Options of the Company and Related Bodies Corporate (continued)

At the date of this report, unissued ordinary shares of the Company under option are:

Type	Expiry Date	Exercise Price	Number of Shares
Class A Options	12 February 2015	$0.05	96,186,842
Performance Options	12 February 2015	$0.05	145,000,000
Performance Rights	Various	-	2,652,500
Total			243,839,342

6,000,000 unexercised options expired on 31 December 2012.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity of the Group during the year was the exploration for coal and progression of the approval process for the development of a rail line in northern Mongolia.

Review of Operations

The Company has two exploration projects in Mongolia with the wholly owned Ovoot Coking Coal Project and the Jilchigbulag Coal Project located in the Khuvsgul province in northern Mongolia. The interests and licenses for the Zavkhan Iron Ore Project and the Nuramt Coal Project have been or will be relinquished.

Ovoot Coking Coal Project (100%)

Exploration Update

The Ovoot Coking Coal Project ("**Ovoot Project**") comprises four exploration and one mining licence area spanning across 460km^2. The Company completed its exploration programme at the Ovoot Basin in the December 2012 Quarter, as it turned its focus to commercialisation activates in 2013. The potential to find significant additional coal resources in the Ovoot Basin remains high with the central part of the basin yet to be effectively explored.

JORC Resource & Reserve Statement

During the period, the Company announced two upgrades to the Ovoot JORC Compliant Coal Resource. At 31 July 2013, the Coal Resource totalled 281Mt (197Mt Measured, 72.3Mt Indicated, and 11.8Mt Inferred). Ovoot Coal Reserves were also updated during the period to 255Mt (ROM, arb, 2% Moisture).

Grant of Mining Licence

In August 2012, Aspire was awarded Mining Licence MV017098 from the Mongolian Resource Authority covering 5,758 hectares of the Ovoot Project, which includes the planned open pit and underground mining areas. The Company has also received approval from the Mongolian Resource Authority for its Mongolian Reserves and Ovoot Feasibility Study, allowing land access negotiations to commence and environmental impact assessments to be completed.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Revised Development Plan for Ovoot

A Revised Pre-Feasibility Study (PFS Revision) was received by the Company in December 2012, following an initial Pre-Feasibility Study which was completed in May 2012. The PFS Revision was completed by Xstract Mining Consultants Pty Ltd and based on an owner miner model.

Aspire has since revised its strategy for the development of the Ovoot Project to comprise a low capital cost plan which sees production at the Ovoot Project mine commence with the commissioning of the entire alignment of the Northern Rail. Relying on an initial high proportion of low ash coal in the mine plan, this strategy can produce 5Mtpa of marketable coking coal for capital expenditure of US$144million including contingencies.

The Ovoot Development Plan (ODP) provides a strategy for the Company to move ahead with the development of the Ovoot Project taking into account the current market situation, difficulty in accessing capital from equity markets, and the initial coal marketing success achieved by Aspire's Marketing Department to date. The ODP is a fundamental shift in strategy which assumes that the Northern Rail Line will be fully constructed to the Ovoot Project in 2017, contractors will be appointed where possible, and "off-the-shelf" modular washplants will be used.

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

1. In the eight months prior to commencement of first year production, a 20 million BCM waste removal programme to pre-strip overburden to top of coal;
2. A strip ratio of 7.8:1 (BCM waste: tonne of coal);
3. Preferentially targeting the Upper Seam with a relatively high proportion of low ash coal;
4. Mining of 5.5Mt of 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 2.2Mt will be washed in a 300 tonne per hour wash plant to be constructed at the Ovoot Project;
6. Overall product yield of 90% to be achieved averaging 9% moisture for a less than 10% ash product; and
7. The mine design is that used to support the recently announced Coal Resource and Reserve update for the Ovoot Project (refer ASX announcement dated 31 July 2013).

Rail Infrastructure

Aspire's wholly owned subsidiary Northern Railways LLC, made significant progress on the development of the Erdenet to Ovoot Project railway (Northern Rail Line) over the last 12 months with the completion of a Revised Rail Pre-Feasibility Study (Revised Rail PFS) in April 2013. The Revised Rail PFS was completed by global rail infrastructure engineering group, Snowy Mountains Engineering Corporation, over the western half of the original alignment identified in the initial February 2012 Rail Pre-Feasibility Study. The Revised Rail PFS highlighted significant capital and operational cost savings as a result of a more agreeable terrain and confirmed shorter alignment comprising 547km (or 595km including passing loops), designed to carry an annual capacity of up to 22Mt. The revised capital cost estimate for the Northern Rail Line is US$1.3 billion (plus contingencies), a reduction of US$200m from the Pre-Feasibility Study completed by Optimal Projects LLC in February 2012.

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-own-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 Northern Railways LLC.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Rail Infrastructure (continued)

Certain activities to further progress the Ovoot Project and Northern Rail Line development, and which will follow the grant of the rail concession, include the completion of bankable feasibility studies to support definitive financing negotiations. The Company's development timeline to achieve first production by 2017 is indicative and contingent on the grant of a rail concession by the end of 2013.

Noble Support for Ovoot Coking Coal Project Port and Rail Solutions

The Company concluded several Agreements in January 2013 (together the "Noble Agreement") with the Noble Group (Noble) covering a comprehensive package of initiatives to progress the development of the Ovoot Project by assisting to attain access to rail and port capacity, initial mine and rail pre-development funding and coal marketing. Noble has agreed to offer support for Northern Railways to assist with pre-development expenditures associated with completing the necessary assessment required by the Government of Mongolia.

Marketing

Carbonisation testwork was completed by the Company in early 2013 using a bulk sample of indicative Ovoot Project coking coal taken from the Mogoin Gol Mine, a neighbouring operating coal mine. Previous exploration work conducted by Aspire and data provided by Mogoin Gol had shown that the coal being mined from Mogoin Gol is an extension of the lower coal seam that is present at the Ovoot Project. Testwork confirmed that indicative Ovoot Project coking coal is a highly fluid, low ash, high ranking premium coking coal and has superior blend carrying capacity.

The Company received a report by a Mongolian independent group of researchers showing that when Ovoot Project coking coal was blended with non-coking coals from Tavan Tolgoi, the blended product made a good quality coking coal. Under Chinese classification, non-coking and thermal Tavan Tolgoi coals were upgraded through blending with Ovoot Project coking coal to a "Primary Coking Coal" (JM) or "1/3 Coking" coal product.

The Company has signed four non-binding Memoranda of Understanding with Chinese customers for the potential commitment to purchase up to 5.6Mtpa. This interest exceeds the ODP initial production target. The Company is following up on additional interest received from steel mills and coke producers located in Eastern Europe, Japan, China and Russia.

Community Relations

Aspire completed its 2013 Scholarship programme granting scholarships to four students to commence their studies at a Mongolian University. The Company Scholarship programme is now in its second year. A further eight scholarships are planned to be granted over the next two remaining years of the programme.

Extension of SouthGobi Strategic Alliance

During the period, Aspire received confirmation of an extension to the Strategic Alliance with SouthGobi Resources Ltd to 12 February 2015. SouthGobi is 57% owned by Turquoise Hill Resource Ltd (formerly Ivanhoe Mines Ltd) which in turn is a 51% owned subsidiary of Rio Tinto Limited.

Under the Strategic Alliance originally entered into in October 2010, SouthGobi will provide to Aspire:

1. Technical and other assistance to further the development of the Ovoot Coking Coal Project;
2. Assistance and advice in relation to governmental and regulatory issues; and
3. Assistance with the sourcing of funding for the Northern Raill Line from the Ovoot Project to connect with the trans-Mongolian Railway at Erdenet.

DIRECTORS' REPORT (continued)

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 Compliant Coal Reserves and JORC Compliant Coal Resource for the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Ian De Klerk and Mr Kevin John Irving of Xstract Mining Consultants Pty Ltd. The Coal Resources documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004. They are based on information compiled and reviewed by Mr. Ian de Klerk who is a Member of the Australasian Institute of Mining and Metallurgy (Member #301019) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 20 years' experience in the evaluation of coal deposits and the estimation of coal resources. Mr. de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2004. Neither Mr. de Klerk nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis.

Mr. de Klerk consents to the inclusion of the Coal Resources based on his information in the form and context in which it appears.The Coal Reserves documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004. They are based on information compiled and reviewed by Mr. Kevin Irving who is a Fellow of the Australasian Institute of Mining and Metallurgy (Member #223116) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 35 years' experience in the mining of coal deposits and the estimation of Coal Reserves and the assessment of Modifying Factors. Mr. Irving has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2004. Neither Mr. Irving nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis. Mr. Irving consents to the inclusion of the Coal Reserves based on his information in the form and context in which it appears.

The technical information contained in this report 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.

Review of financial conditions

At balance date, the Group had $7,917,391 (2012: $19,694,188) in cash assets which the directors believe provides the Group with a reasonable financial position. However, additional capital will need to be raised to fund the optimal exploration of the Ovoot Project and the Northern Rail Line development.

Operating results for the year

The Group made an operating loss after tax of $7,750,405 for the year ended 30 June 2013 (2012: Loss $5,237,743).

Significant changes in the state of affairs

Since the previous Annual Financial Report and during the financial year there has been no significant change in the state of affairs of the Group.

Significant events after balance date

There has not been any material matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods. Post balance date events are disclosed at Note 21 in the financial statements.

Likely developments and expected results

The Group will continue to maintain the Ovoot Project and advance the requirements for the development of the Northern Rail Line.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Risk management

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 function falls within the Charter of the Audit & Risk Committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of the strategic plan which includes initiatives designed to meet stakeholder needs and expectations and to manage business risk.
- The implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

Corporate governance

Details of the Company's Corporate Governance policies are contained within the Corporate Governance Plan adopted by the Board.

Environmental legislation

The Company 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.

Indemnification and insurance of directors and 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.

DIRECTORS' REPORT (continued)

Remuneration Report (audited)

This report outlines the remuneration arrangements in place for Key Management Personnel of the Company and its controlled entities for the financial year ended 30 June 2013.

The following persons acted as directors during or since the end of the financial year:

Mr David McSweeney	(Non-Executive Chairman)
Mr David Paull	(Managing Director)
Mr Neil Lithgow	(Non-Executive Director)
Mr Tony Pearson	(Non-Executive Chairman)
Mr Andrew Edwards	(Non-Executive Director)
Mr Mark Read	(Non-Executive Director)
Mr Gan-Ochir Zunduisuren	(Non-Executive Director – resigned 20 September 2012)
Mr Sado Demchigsuren Turbat	(Non-Executive Director – appointed 20 September 2012)
Mr Tony Pearson	(Non-Executive Director– resigned 6 November 2012)
Mr Ross Tromans	(Non-Executive Director– appointed 30 November 2012; resigned 2 April 2012)
Ms Hannah Badenach	(Non-Executive Director– appointed 18 April 2013)

The following person acted as an executive during the financial year:

Mr Fergus Campbell	(Chief Operating Officer)

Remuneration philosophy

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 employees;
- link executive rewards to shareholder value creation; and
- establish appropriate performance hurdles for variable executive remuneration.

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.

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.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of Non-Executive Director 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.

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

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.

Each director receives a fee for being a director of the Company.

The remuneration of non-executive directors for the year ended 30 June 2013 is detailed in the Remuneration of Key Management Personnel section of this report in Table 1.

The Non-Executive Directors agreed to a 10% reduction in their fees from 1 August 2012 in line with market. The Chairman has voluntarily taken a further fee reduction.

Senior manager and executive director remuneration
Remuneration consists of fixed remuneration and Performance Rights (as determined from time to time).

The executive director agreed to a 10% reduction in his fees from 1 August 2012 in line with market and has taken a further voluntary fee reduction.

Fixed Remuneration
Fixed remuneration is reviewed annually by the Remuneration Committee. 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 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 Table 1.

Employment Contracts
The Company has a Consultancy Agreement with 2Rs Pty Ltd, a company associated with Mr David Paull (Agreement) effective as from 1 July 2010. Under the Agreement, as varied, Mr Paull is engaged by the Company to provide services to the Group in the capacity of Managing Director. 2Rs Pty Ltd was being paid an annual fee of $500,000 from 1 January 2011 to 31 July 2012. From 1 August 2012, the fee was reduced by 10% to $450,000 per annum and again reduced by 20% from 1 July 2013 to $360,000 per annum. He was also issued 1,000,000 Performance Rights exercisable on achievement of performance milestones. The Consultancy Agreement continues unless terminated in accordance with the relevant provisions of the Service Agreement. The Services Agreement contains standard termination provisions under which the Group must give a minimum three months' notice of termination, or alternatively, payment in lieu of service.

The Company has an Employee Services Agreement with Mr Fergus Campbell. The agreement was initially for a two year term commencing on 7 February 2011 but was extended in accordance with the agreement for a further two (2) years. Mr Campbell is employed as Chief Operating Officer at an initial annual remuneration of $400,000, with tenure bonuses and 1,000,000 Performance Rights that vested on achievement of performance milestones. The agreement was terminated on three (3) months' notice and a new agreement negotiated at an annual remuneration from 1 September 2013 of $200,000 on a reduced time commitment.

Options
During the year ended 30 June 2013, there were no Options that were granted, vested or lapsed as part of Key Management Personnel remuneration.

Performance Rights
On 19 August 2011 shareholders approved the introduction of the Aspire Mining Limited Performance Rights Plan. During the year ended 30 June 2013, 1,000,000 Performance Rights were issued to the nominee of the Managing Director and 1,000,000 Performance Rights to the Chief Operating Officer. The 1,000,000 Performance Rights issued to the Chief Operating Officer were exercised on vesting and converted to Ordinary Shares as part of Key Management Personnel remuneration.

A total of 800,000 Performance Rights were issued to Non-Executive Directors or their nominees. 400,000 of those Performance Rights were exercised on vesting and converted to Ordinary Shares.

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

Remuneration of Key Management Personnel

Table 1: Key management personnel remuneration for the year ended 30 June 2013

	Short-term employee benefits	Post-employment benefits	Equity	Other	Total	%
	Salary & Fees	Superannuation	Options	Performance Rights		Performance Related
Mr David Paull[1]	454,167	-	-	48,100	502,267	9.58
Mr David McSweeney[2]	116,133	-	-	29,600	145,733	20.31
Mr Neil Lithgow	50,000	4,500	-	29,600	84,100	35.20
Mr Gan-Ochir Zunduisuren	12,500	-	-	-	12,500	-
Mr Tony Pearson	23,900	-	-	-	23,900	-
Mr Andrew Edwards	50,000	4,500		29,600	84,100	35.20
Mr Mark Read[3]	54,500	-	-	29,600	84,100	35.20
Mr Sado Demchigsuren Turbat	42,016	-	-	29,600	71,616	41.33
Mr Ross Tromans[4]	18,000	-	-	-	18,000	-
Ms Hannah Badenach	10,948	-	-	-	10,948	-
Mr Fergus Campbell[5]	441,136	8,864	-	70,000	520,000	19.81
Total	**1,273,300**	**17,864**	**-**	**266,100**	**1,557,264**	**17.09**

[1] Paid to 2Rs Pty Ltd, a company associated with Mr David Paull.

[2] Paid to DMcSweeney Consulting Pty Ltd, a company associated with Mr David McSweeney.

[3] Paid to Nevin Consulting Pty Ltd, a company associated with Mr Mark Read.

[4] Paid to SouthGobi Resources Limited at the direction of Mr Ross Tromans.

[5] $166,667 paid to Perlite and Vermiculite Pty Ltd, a company associated with Mr Fergus Campbell.

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

Remuneration of Key Management Personnel

Table 2: Key management personnel remuneration for the year ended 30 June 2012

	Short-term employee benefits	Post-employment benefits	Equity	Other	Total	%
	Salary & Fees	Superannuation	Options			Performance Related
Mr David Paull	500,000	-	-	-	500,000	-
Mr David McSweeney	119,266	10,734	-	-	130,000	-
Mr Neil Lithgow	55,046	4,954	-	-	60,000	-
Mr Gan-Ochir Zunduisuren	60,000	-	-	-	60,000	-
Mr Tony Pearson	60,000	-	-	-	60,000	-
Mr Andrew Edwards	55,046	4,954	-	-	60,000	-
Mr Mark Read	60,000	-	-	-	60,000	-
Mr Fergus Campbell	443,668	6,332	-	-	450,000	-
Total	**1,353,026**	**26,974**	**-**	**-**	**1,380,000**	**-**

DIRECTORS' REPORT (continued)

Directors' Meetings
The number of meetings of directors held during the year and those attended by each director were as follows:

	Director Meetings	
Director	**Attended**	**Eligible to Attend**
Mr David McSweeney	11	11
Mr David Paull	11	11
Mr Neil Lithgow	11	11
Mr Gan-Ochir Zunduisuren	2	2
Mr Tony Pearson	3	3
Mr Andrew Edwards	11	11
Mr Mark Read	11	11
Mr Sado Demchingsuren Turbat	7	9
Mr Ross Tromans	4	4
Ms Hannah Badenach	1	1

In addition, four (4) circular resolutions were signed by the board during the period.

Two (2) meetings of the Audit Committee and one (1) meeting of the Remuneration Committee were held during the year with all members of those committees present.

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.

Auditor Independence and Non-Audit Services
Section 307C of the Corporations Act 2001 requires the Company's auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 18 and forms part of this directors' report for the year ended 30 June 2013.

Non-Audit Services
Non-audit services were provided by the Mongolian auditor during the year. The services were for Mongolian tax advices.

Signed in accordance with a resolution of the directors.

David Paull
Managing Director
Dated this 27September 2013

HLB Mann Judd

Accountants | Business and Financial Advisers

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 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 audit; and

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

This declaration is in respect of Aspire Mining Limited and the entities it controlled during the year.

Perth, Western Australia	**W M Clark**
27 September 2013	**Partner**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Other income	2	557,956	1,001,483
Consultants and corporate costs		(898,225)	(972,747)
Accounting and audit fees		(143,047)	(102,032)
Amortisation expense		(61,068)	(50,507)
Depreciation expense		(280,739)	(149,699)
Directors' fees		(816,910)	(686,973)
Employee benefits expense		(1,829,391)	(1,634,300)
Exploration expenditure written off		(1,510,578)	(295,800)
Realised exchange gain/(loss)		(12,400)	-
Unrealised exchange gain/(loss)		(202,691)	345,005
Share based payments	7	(276,895)	-
Travel expenses		(302,379)	(742,415)
Other expenses	2	(1,961,637)	(1,931,778)
Loss before income tax expense		(7,738,004)	(5,219,763)
Income tax expense	3	(12,401)	(17,980)
Net loss for the year		(7,750,405)	(5,237,743)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		912,026	207,793
Net change in fair value of available-for-sale-assets		-	(16,000)
Other comprehensive income for the year net of tax		912,026	191,793
Total comprehensive loss		(6,838,379)	(5,045,950)
Basic loss per share (cents per share)	4	(1.22)	(0.88)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013	2012
		$	$
Current Assets			
Cash and cash equivalents	8	7,917,391	19,694,188
Trade and other receivables	9	485,275	1,103,982
Total Current Assets		8,402,666	20,798,170
Non-Current Assets			
Deferred exploration and evaluation expenditure	10	45,364,075	34,513,551
Property plant and equipment	12	795,370	966,591
Intangible asset	13	80,070	126,037
Total Non-Current Assets		46,239,515	35,606,179
Total Assets		54,642,181	56,404,349
Current Liabilities			
Trade and other payables	11	549,068	1,881,752
Interest payable	14	39,687	-
Finance lease	15	7,222	-
Total Current Liabilities		595,977	1,881,752
Non-Current Liabilities			
Loan	14	3,284,792	-
Finance lease	15	10,731	-
Total Non-Current Liabilities		3,295,523	-
Total Liabilities		3,891,500	1,881,752
Net Assets		50,750,681	54,522,597
Equity			
Issued capital	6	73,391,689	70,413,846
Reserves	7	1,251,963	377,038
Accumulated losses	7	(23,892,971)	(16,268,287)
Total Equity		50,750,681	54,522,597

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital	Accumulated losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Asset revaluation reserve	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2011	39,156,503	(11,030,544)	(669,658)	842,610	16,000	28,314,911
Shares issued during the year	31,253,636	-	-	-	-	31,253,636
Loss for the year	-	(5,237,743)	-	-	-	(5,237,743)
Exchange differences arising from translation of foreign operations	-	-	207,793	-	-	207,793
Transfer on exercise of options	3,707	-	-	(3,707)	-	-
Revaluation of available-for-sale assets	-	-	-	-	(16,000)	(16,000)
Balance at 30 June 2012	70,413,846	(16,268,287)	(461,865)	838,903	-	54,522,597
Balance at 1 July 2012	70,413,846	(16,268,287)	(461,865)	838,903	-	54,522,597
Shares issued during the year	2,977,843	-	-		-	2,977,843
Performance rights issued during the year	-	-	-	276,895	-	276,895
Performance rights vested and exercised	-	-	-	(188,275)	-	(188,275)
Loss for the year	-	(7,750,405)	-	-	-	(7,750,405)
Exchange differences arising from translation of foreign operations	-	-	912,026	-	-	912,026
Transfer on expiry of options	-	125,721	-	(125,721)	-	-
Balance at 30 June 2013	73,391,689	(23,892,971)	450,161	801,802	-	50,750,681

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		$	$
Cash flows from operating activities			
Interest received		637,456	892,057
Payments to suppliers and employees		(6,031,708)	(5,627,821)
Income tax paid		(16,077)	(14,304)
Net cash used in operating activities	8	(5,410,329)	(4,750,068)
Cash flows from investing activities			
Proceeds from sale of available-for-sale-asset		-	239,219
Payments for exploration and evaluation expenditure		(12,907,297)	(18,316,121)
Purchase of non-current assets		(158,586)	(756,506)
Purchase of intangible asset		(15,101)	(97,025)
Net cash used in investing activities		(13,080,984)	(18,930,433)
Cash flows from financing activities			
Net proceeds from issue of shares		2,789,569	31,253,636
Proceeds from borrowings		3,341,335	-
Net cash provided by financing activities		6,130,904	31,253,636
Net (decrease)/increase in cash and cash equivalents		(12,360,409)	7,573,135
Cash and cash equivalents at the beginning of the year		19,694,188	12,021,339
Effect of foreign exchange rate fluctuations on cash held		583,612	99,714
Cash and cash equivalents at the end of the year	8	7,917,391	19,694,188

The accompanying notes from part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report has also been prepared on a historical cost basis. 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 Group's principal activity is mineral exploration and development, and development of a railway in northern Mongolia.

(b) Going concern

The 30 June 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 year ended 30 June 2013 the Group recorded a net loss of $7,750,405 (2012 net loss: $5,237,743) and had a net working capital surplus of $7,806,689 (30 June 2012: surplus of $18,916,418).

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 24 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.

(c) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2013, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to the Group accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Statement of Compliance

The financial report was authorised for issue on 27 September 2013.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Aspire Mining Limited ("Company" or "Parent") and its subsidiaries as at 30 June each year (the "Group"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting (refer Note 1(o)).

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised 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.

(f) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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 an external valuer using a Black and Scholes model.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments are granted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Critical accounting judgements and key sources of estimation uncertainty (continued)

Exploration and evaluation costs carried forward

The Group's accounting policy for exploration and evaluation expenditure is set out at 1(w). 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 written off to the profit or loss.

(g) Segment Reporting

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.

(h) Revenue Recognition

Revenue is recognised to the extent that 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 revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(i) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) 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.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The amount of the impairment loss is recognised in the statement of 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 comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Derecognition of financial assets and financial liabilities

(i) 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.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(l) Foreign currency translation

The functional and presentation currency of Aspire Mining Limited is Australian dollars. 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.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

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.

The functional currency of the foreign operations, Khurgatai Khairkhan LLC is Mongolian Tugriks (MNT).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Foreign currency translation (continued)

As at the balance date the assets and liabilities of this subsidiary are translated into the presentation currency of Aspire Mining Limited at the rate of exchange ruling at the balance date and its statement of comprehensive income is translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to the foreign currency translation 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.

(m) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) 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.

(o) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expenses as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values 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 assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

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.

(p) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impairment of assets (continued)

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.

(q) 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.

(r) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over three (3) years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

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.

An 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Property, plant and equipment (continued)

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(t) Share-based payment transactions

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 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.

Cash settled transactions:

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) 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.

(v) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings 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.

(w) Exploration and evaluation

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 and an allocation of depreciation and amortisation of assets used in exploration and evaluation 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.

(x) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2: REVENUES AND EXPENSES

	2013 $	2012 $
(a) Revenue		
Interest income	555,632	1,001,483
Other sundry income	2,324	-
	557,956	1,001,483
(b) Other Expenses		
Company secretarial	173,303	200,715
Interest expense	43,218	19
Insurance	155,337	121,578
Legal fees	134,005	241,137
Office and administration costs	413,348	406,657
Share registry and listing expenses	70,742	100,369
Profit on sale of available-for-sale-assets	-	(88,219)
Loss on sale of property, plant and equipment	-	6,122
Media, promotion and investor relations	265,718	399,264
Recruitment fees	450	96,592
Rent & outgoings	413,414	351,847
Tenement costs	95,494	-
Other	196,608	95,697
	1,961,637	1,931,778

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 3: INCOME TAX

Income tax recognised in profit or loss

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:	2013 $	2012 $
Accounting loss before tax	(7,738,004)	(5,219,763)
Income tax benefit calculated at 30%	(2,321,401)	(1,565,929)
Accrued expenses	43,854	11,420
Other non-deductible expenses	40,812	90,321
Exploration and tenement expenses	(3,721,179)	(5,351,043)
Exploration and tenement expenses written off	58,247	88,740
Deductions available over more than one year	(183,218)	(184,874)
Income tax benefit not brought to account	6,095,286	6,893,385
Income tax expense	(12,401)	(17,980)

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.

The Group has a deferred tax asset of $3,790,865 (2012: $2,638,395) in respect to tax losses arising in Australia and of $6,871,700 (2012: $2,730,815) in respect to tax losses arising in Mongolia, the tax benefit of which has not been brought to account and are available subject to confirmation of the same business test. The Group has unrecorded deferred tax assets of $443,881 (2012: $620,413) relating to share issue costs and deferred tax liabilities of $8,294,306 (2012: $5,177,033) relating to capitalised exploration and evaluation expenditure.

NOTE 4: EARNINGS PER SHARE

	2013 Cents per share	2012 Cents per share
Basic loss per share:		
Continuing operations	(1.22)	(0.88)
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Earnings used in calculation of basic earnings per share	(7,750,405)	(5,237,743)
Weighted average number of ordinary shares for the purpose of basic earnings per share	633,344,727	596,617,823

As losses have been incurred to date, no dilutive earnings per share has been disclosed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 5: SEGMENT INFORMATION

	Continuing operations		Total
	Australia	Mongolia	
	$	$	$
Year ended 30 June 2013			
Total segment revenue	433,737	124,219	557,956
Segment net operating loss after tax	(3,855,400)	(3,895,005)	(7,750,405)
Interest revenue	433,737	124,219	557,956
Depreciation and amortisation	(50,260)	(291,546)	(341,806)
Segment assets	8,039,830	46,602,351	54,642,181
Segment liabilities	(451,073)	(3,440,427)	(3,891,500)
Capital expenditure during the year	1,979,184	11,101,799	13,080,983
Cash flow information			
Net cash flow from operating activities	(3,530,215)	(1,880,114)	(5,410,329)
Net cash flow from investing activities	(1,979,185)	(11,101,799)	(13,080,984)
Net cash flow from financing activities	2,789,569	3,341,335	6,130,904
Year ended 30 June 2012			
Total segment revenue	839,193	162,290	1,001,483
Segment net operating loss after tax	(3,382,504)	(1,855,239)	(5,237,743)
Interest revenue	839,193	162,290	1,001,483
Interest expenses	(19)	-	(19)
Depreciation and amortisation	(89,993)	(110,213)	(200,206)
Segment assets	17,040,456	39,363,893	56,404,349
Segment liabilities	(1,170,606)	(711,147)	(1,881,753)
Capital expenditure during the year	114,259	19,202,372	19,316,631
Cash flow information			
Net cash flow from operating activities	(3,769,903)	(980,165)	(4,750,068)
Net cash flow from investing activities	175,859	(19,106,292)	(18,930,433)
Net cash flow from financing activities	31,253,636	-	31,253,636

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6: ISSUED CAPITAL AND RESERVES

	2013 $	2012 $
Ordinary shares		
Issued and fully paid	76,955,330	73,967,055
Less share issue costs	(3,563,641)	(3,553,209)
	73,391,689	70,413,846

Movements in ordinary shares on issue

	2013 No.	2013 $
At 1 July 2012	620,594,556	70,413,846
Shares issued at 8c on 21 February 2013 pursuant to a placement	35,000,000	2,800,000
Shares issued on vesting and exercise of Performance Rights	2,652,500	188,275
Share issue costs	-	(10,432)
At 30 June 2013	658,247,056	73,391,689

	2012 No.	2012 $
At 1 July 2011	539,971,483	39,156,503
Share issued at 5c on 17 August 2011 upon the exercise of options	500,000	25,000
Share issued at 49.61c on 30 August 2011[1]	123,073	61,057
Shares issued at 41c on 18 October 2011 pursuant to a placement	80,000,000	32,800,000
Share issue costs	-	(1,632,421)
Transfer from Option Premium Reserve on exercise of options	-	3,707
At 30 June 2012	620,594,556	70,413,846

[1] Issued pursuant to the top-up provisions of the Placement Agreement between SouthGobi Resources Limited and the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 7: ACCUMULATED LOSSES AND RESERVES

Accumulated losses

Movements in accumulated losses are as follows:

	2013 $	2012 $
Balance at beginning of financial year	(16,268,287)	(11,030,544)
Net loss for the year	(7,750,405)	(5,237,743)
Transfer on expiry of options	125,721	-
Balance at end of financial year	(23,892,971)	(16,268,287)

Reserves

	Option reserve $	Foreign currency translation reserve $	Asset revaluation reserve $	Share Based Payments Reserve $	Total $
At 30 June 2011	842,610	(669,658)	16,000	-	188,952
Currency translation differences	-	207,793	-	-	207,793
Exercise of options transferred	(3,707)	-	-	-	(3,707)
Revaluation of available for sale assets	-	-	(16,000)	-	(16,000)
At 30 June 2012	838,903	(461,865)	-	-	377,038
Currency translation differences	-	912,026	-	-	912,026
Issue of Performance Rights	-	-	-	276,895	276,895
Transfer on exercise of Performance Rights	-	-	-	(188,275)	(188,275)
Transfer on expiry of Options	(125,721)	-	-	-	(125,721)
At 30 June 2013	713,182	450,161	-	88,620	1,251,963

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 7: ACCUMULATED LOSSES AND RESERVES (continued)

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Asset revaluation reserve

The asset revaluation reserve was used to record changes in the fair value of available-for-sale-assets before realisation of those assets.

Share based payments reserve

The share based payments reserve is used to record the value of equity instruments issued to directors, employees and qualifying contractors as part of their remuneration.

Performance Rights

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. 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.

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. The cumulative expense that will be recorded will equate to the Performance Rights that ultimately vest.

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

	2013 No.	2013 Weighted average exercise price	2012 No.	2012 Weighted average exercise price
Outstanding at the beginning of the year	247,186,842	0.052	247,686,842	0.052
Granted during the year	-	-	-	-
Exercised during the year	-	-	(500,000)	0.05
Expired during the year	(6,000,000)	0.002	-	-
Outstanding at the end of the year	241,186,842	0.050	247,186,842	0.052
Exercisable at the end of the year	241,186,842	0.050	247,186,842	0.052

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 7: ACCUMULATED LOSSES AND RESERVES (continued)
Nature and purpose of reserves (continued)

The number and details of the options unexercised at 30 June 2013 are:

	Number	Grant date	Expiry date	Exercise price $ per option	Fair value at grant date $ per option
Class A options[1]	96,186,842	12/02/2010	12/02/2015	0.05	0.007
Performance Options[1,2]	145,000,000	12/02/2010	12/02/2015	0.05	-

[1] These options form part of acquisition costs of Khurgatai Khairkhan LLC. The share issue was based on the fair value of the asset which was determined by an independent valuation of Zephyr Consulting Group Pty Ltd.

[2] No value was attached to these options on settlement of this transaction as the likelihood that they would vest was then considered remote. The options vested following the announcement in October 2010 of a JORC Compliant Coal Resource.

NOTE 8: CASH AND CASH EQUIVALENTS

	2013 $	2012 $
Cash at bank and on hand	1,751,409	2,551,460
Short-term deposits	6,165,982	17,142,728
	7,917,391	19,694,188

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

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term 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 $105,000 (2012: $105,000) is on deposit as cash backed security against business use credit card limit and office rental.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 8: CASH AND CASH EQUIVALENTS (Continued)

Reconciliation of loss for the year to net cash flows from operating activities

	2013 $	2012 $
Loss for the year	(7,750,405)	(5,237,743)
Change in net assets and liabilities:		
Change in trade and other receivables	271,823	(508,932)
Changes in trade and other payables	(263,718)	927,703
Profit on sale of investments	-	(88,219)
Loss on sale of property, plant and equipment	-	6,122
Amortisation	61,068	50,507
Depreciation expense	280,739	149,699
Share based payments	276,895	-
Tenements/exploration written off	1,510,578	295,800
Unrealised exchange gain/(loss)	202,691	(345,005)
Net cash used in operating activities	(5,410,329)	(4,750,068)

NOTE 9: CURRENT TRADE AND OTHER RECEIVABLES

	2013 $	2012 $
GST recoverable	87,085	149,745
Prepayments	261,440	698,291
Accrued interest	38,843	154,837
Tenant overhead contribution	20,245	28,530
Other	77,662	72,579
	485,275	1,103,982

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2013 $	2012 $
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	34,513,551	16,379,283
Expenditure incurred / (written-off)		
Ovoot Coking Coal Project	7,725,899	16,854,830
Ovoot Coking Coal Project – written-off	(156,502)	(26,883)
Nuramt	27,172	268,917
Nuramt write-off	(27,172)	(268,917)
Jilchigbulag	(49,306)	686,530
Jilchigbulag – written-off	(1,047,976)	-
Zavkhan	16,971	26,533
Zavkhan – written-off	(278,928)	-
Railway evaluation	4,640,366	593,258
Total exploration and evaluation expenditure	45,364,075	34,513,551

Total expenditure incurred and carried forward in respect of specific projects -		
Ovoot Coking Coal	40,130,451	32,561,054
Jilchigbulag	-	1,097,282
Zavkhan	-	261,957
Rail evaluation	5,233,624	593,258
Total exploration and evaluation expenditure	45,364,075	34,513,551

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. The expenditure incurred on the Nuramt, Zavkhan and Jilchigulag interests has been written-off as it is not expected to be recouped through successful development and exploration of the area of interest, or by its sale of those interests.

NOTE 11: TRADE AND OTHER PAYABLES (CURRENT)

	2013 $	2012 $
Trade payables	182,592	1,502,418
Accrued expenses	281,848	218,225
Corporate credit card	16,409	22,929
Income tax	-	3,676
Payroll accruals	44,303	108,634
Annual leave	23,916	25,870
	549,068	1,881,752

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Property	Plant & Equipment	Furniture & Fittings	Office equipment	Motor Vehicles	Total
	$	$	$	$	$	$
Year ended 30 June 2013						
Carrying value at 1 July 2012	356,056	159,209	83,426	145,463	222,437	966,591
Additions	-	27,321	22,331	41,746	29,671	121,069
Disposals	-	(11,273)	-	(278)	-	(11,551)
Depreciation charge for the year	-	(58,187)	(50,215)	(74,801)	(97,536)	(280,739)
Carrying value at 30 June 2013	356,056	117,070	55,542	112,130	154,572	795,370
30 June 2013						
Cost						1,240,686
Accumulated depreciation						(445,316)
Net carrying amount						795,370
Year ended 30 June 2012						
Carrying value at 1 July 2011	-	-	34,627	90,422	102,948	227,997
Additions	356,056	188,906	74,231	109,982	165,240	894,415
Disposals	-	-	-	(6,122)	-	(6,122)
Depreciation charge for the year	-	(29,697)	(25,432)	(48,819)	(45,751)	(149,699)
Carrying value at 30 June 2012	356,056	159,209	83,426	145,463	222,437	966,591
30 June 2012						
Cost						1,131,168
Accumulated depreciation						(164,577)
Net carrying amount						966,591

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 13: INTANGIBLE ASSET

	Exploration software
	$
Year ended 30 June 2013	
At 1 July 2012, net of accumulated amortisation and impairment	126,037
Additions	15,101
Amortisation for the year	(61,068)
At 30 June 2013, net of accumulated amortisation and impairment	80,070
At 30 June 2013	
Cost	199,092
Accumulated amortisation	(119,022)
Net carrying amount	80,070
Year ended 30 June 2012	
At 1 July 2011, net of accumulated amortisation and impairment	78,704
Additions	97,840
Amortisation for the year	(50,507)
At 30 June 2012, net of accumulated amortisation and impairment	126,037
At 30 June 2012	
Cost	183,991
Accumulated amortisation	(57,954)
Net carrying amount	126,037

NOTE 14: LOAN

In January 2013, Noble Group confirmed its support for the development of the Ovoot Coking Coal Project by a series of agreements with the Company and/or certain of its subsidiaries. The agreements were implemented on 21 February 2013 and include a Facility Agreement to provide on commercial terms a US$5m unsecured loan to assist with rail pre-development expenditures. The Facility Agreement was entered into on 21 February 2013 and the first drawdown of USD3,000,000 was made on 10 May 2013. The second drawdown of USD2,000,000 was made post-balance date on 8 July 2013 . The loan is repayable two (2) years from the date of the Facility Agreement. Interest is payable quarterly in arrears at 9% per annum.

NOTE 15: FINANCE LEASE

	2013	2012
	$	$
Current Liability	7,222	-
Non-current liability	10,731	-
Lease liability	17,953	-

A Company subsidiary entered into a finance lease on a motor vehicle in September 2012 for a three year term for a total principal consideration of approximately $30,000, with an advance payment of approximately $10,000 and interest of 2%pa on the outstanding liability.

Post-balance date, the vehicle was returned to the finance company and the lease terminated on payment of a fee.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 16: FINANCIAL INSTRUMENTS

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.

	2013 $	2012 $
Financial assets:		
Receivables	223,835	405,691
Cash and cash equivalents	7,917,390	19,694,188
	8,141,225	20,099,878
Financial liabilities:		
Trade and other creditors	549,068	1,881,752
Interest payable	39,687	-
Loan	3,284,792	-
Finance lease	17,953	-
	3,891,500	1,881,752

The following table details the expected maturities for the Group's non-derivative financial assets. These have been drawn up based on contractual maturities of the financial assets except where the Group anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	%	$	$	$	$	$
2013						
Non-interest bearing		521,323	-	-	-	-
Variable interest rate instruments	0.03	1,453,921	-	-	-	-
Fixed interest rate instruments	3.44	4,560,982	1,605,000	-	-	-
		6,536,226	1,605,000	-	-	-
2012						
Non-interest bearing		405,691	-	-	-	-
Variable interest rate instruments	0.05	2,027,891	-	-	-	-
Fixed interest rate instruments	6.78	10,019,504	6,541,793	1,105,000	-	-
		12,453,086	6,541,793	1,105,000	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 16: FINANCIAL INSTRUMENTS (continued)

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Weighted average effective interest rate	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	%	$	$	$	$	$
2013						
Non-interest bearing	-	549,068	39,687	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	9%	-	-	7,222	3,284,790	-
		549,068	39,687	7,222	3,284,790	-
2012						
Non-interest bearing	-	1,881,753	-	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		1,881,753	-	-	-	-

NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has exposure to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Market risk

This note presents the information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below. The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as receivables and creditors which arise directly from its operations. For the years ended 30 June 2012 and 2013, it has been the Group's policy not to trade in financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Other than the facility referred to in Note 14, the Group did not have any undrawn facilities at its disposal as at balance date.

(c) Interest rate risk management

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in Term Deposits with the National Australia Bank ("NAB"). The risk is managed by the Group by maintaining an appropriate mix between short term and medium-term Deposits. The Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity
At 30 June 2013, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	2013	2012
Change in Loss	$	$
Increase in interest rate by 1%	17,898	28,423
Decrease in interest rate by 1%	(17,898)	(28,423)
Change in Equity		
Increase in interest rate by 1%	17,898	28,323
Decrease in interest rate by 1%	(17,898)	(28,423)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies hence exposures to exchange rate fluctuations arise. The Group does not manage these exposures with foreign currency derivative products. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Liabilities		Assets	
	2013	2012	2013	2012
	$	$	$	$
US Dollars	3,324,479	90,058	1,535,305	1,729,504
Mongolian Tugriks	106,255	707,470	324,563	3,080,057

Foreign currency sensitivity analysis

The Group is exposed to US Dollar (USD) and Mongolian Tugrik currency fluctuations.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit and equity where the Australian Dollar weakens against the respective currency. For a strengthening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and equity and the balances below would be negative.

	2013	2012
	$	$
Profit/(loss) and equity – US dollar exposure	(198,797)	163,945
Profit/(loss) and equity – Mongolian Tugrik	(19,846)	237,259

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or value of the holdings of financial instruments. The Group is exposed to movements in market interest rates on short term deposits. The Group does not have short or long-term debt, and therefore this risk is minimal. The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

NOTE 18: COMMITMENTS AND CONTINGENCIES

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

	2013	2012
	$	$
Within a year	55,378	113,793
Later than one year but not later than five years	143,742	686,423

NOTE 19: DIVIDENDS

The directors of the Group have not declared any dividend for the year ended 30 June 2013.

NOTE 20: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2013.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any material matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Announcements made to the ASX subsequent to the end of the financial year end advised that:

1. The Company had entered into non-binding Memoranda of Understanding with North Asian coking coal buyers for a significant portion of the initial Stage 1 production from the Ovoot Coking Coal Project;

2. The sample testwork on blending indicative Ovoot coking coal with Tavan Tolgoi non-coking coals was successful in that it upgrades and adds value to the Tavan Tolgoi coal; and

3. From data remodelling, there is an upgrade to Ovoot Coking Coal Project Coal Resource and Probable Coal Reserve.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 22: AUDITOR'S REMUNERATION

The auditor of Aspire Mining Limited is HLB Mann Judd.

	2013 $	2012 $
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial reports	42,485	38,470
Other services	-	-
	42,485	38,470

The auditor of Khurgatai Khairkhan LLC, its direct subsidiaries and Northern Railways LLC is Deloitte Onch Audit LLC, Mongolia.

	2013 $	2012 $
Amounts received or due and receivable by Deloitte Onch Audit LLC for:		
An audit or review of the financial reports	68,410	36,125
Other services	12,707	-
	81,117	36,125

NOTE 23: DIRECTORS AND EXECUTIVES DISCLOSURES

(a) Details of Key Management Personnel

Mr David McSweeney	(Non-Executive Chairman)
Mr David Paull	(Managing Director)
Mr Neil Lithgow	(Non-Executive Director)
Mr Andrew Edwards	(Non-Executive Director)
Mr Mark Read	(Non-Executive Director)
Mr Sado Demchigsuren Turbat	(Non-Executive Director - appointed 20 September 2012)
Mr Ross Tromans	(Non-Executive Director - appointed 30 November 2012; resigned 2 April 2013)
Ms Hannah Badenach	(Non-Executive Director - appointed 18 April 2013)
Mr Gan-Ochir Zunduisuren	(Non-Executive Director - resigned 20 September 2012)
Mr Tony Pearson	(Non-Executive Director - resigned 6 November 2012)
Mr Fergus Campbell	(Chief Operating Officer)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 23: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

Key management personnel remuneration is included in the Remuneration Report section of the Directors' Report.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2013 $	2012 $
Short-term employee benefits	1,273,300	1,353,026
Post-employment benefits	17,864	26,974
Share-based payments	266,100	-
	1,557,264	1,380,000

(b) Option holdings of Key Management Personnel – Class A Options exercisable at 5 cents on or before 12 February 2015.

	Balance at beginning of period	Granted	Exercised	Expired	Balance at end of period
2013					
Mr David Paull [Note 1]	943,396	-	-	-	943,396
Mr David McSweeney	4,716,981	-	-	-	4,716,981
Mr Neil Lithgow [Note 1]	29,000,000	-	-	-	29,000,000
Mr Gan-Ochir Zunduisuren	-	-	-	-	-
Mr Tony Pearson	-	-	-	-	-
Mr Andrew Edwards	-	-	-	-	-
Mr Mark Read	-	-	-	-	-
Mr Sado Demchigsuren Turbat	-	-	-	-	-
Mr Ross Tromans	-	-	-	-	-
Ms Hannah Badenach	-	-	-	-	-
Mr Fergus Campbell	-	-	-	-	-
Total	34,660,377	-	-	-	34,660,377
2012					
Mr David Paull [Note 1]	943,396	-	-	-	943,396
Mr David McSweeney	4,716,981	-	-	-	4,716,981
Mr Neil Lithgow [Notes 1]	29,000,000	-	-	-	29,000,000
Mr Gan-Ochir Zunduisuren	-	-	-	-	-
Mr Tony Pearson	-	-	-	-	-
Mr Andrew Edwards	-	-	-	-	-
Mr Mark Read	-	-	-	-	-
Mr Fergus Campbell	-	-	-	-	-
Total	34,660,377	-	-	-	34,660,377

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 23: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(c) Option holdings of Key Management Personnel – Performance Options exercisable at 5 cents on or before 12 February 2015

	Balance at beginning of period	Granted	Exercised	Expired	Balance on resignation	Balance at end of period
2013						
Mr David Paull[Note 1]	20,000,000	-	-	-	-	20,000,000
Mr David McSweeney	10,000,000	-	-	-	-	10,000,000
Mr Neil Lithgow[Note 1]	36,000,000	-	-	-	-	36,000,000
Mr Gan-Ochir Zunduisuren	10,000,000	-	-	-	(10,000,000)	-
Mr Tony Pearson	-	-	-	-	-	-
Mr Andrew Edwards	-	-	-	-	-	-
Mr Mark Read	-	-	-	-	-	-
Mr Sado Demchingsuren Turbat	-	-	-	-	-	-
Mr Ross Tromans	-	-	-	-	-	-
Ms Hannah Badenach	-	-	-	-	-	-
Mr Fergus Campbell	-	-	-	-	-	-
Total	76,000,000	-	-	-	(10,000,000)	66,000,000
2012						
Mr David Paull[Note 1]	20,000,000	-	-	-	-	20,000,000
Mr David McSweeney	10,000,000	-	-	-	-	10,000,000
Mr Neil Lithgow[Note 1]	36,000,000	-	-	-	-	36,000,000
Mr Gan-Ochir Zunduisuren	10,000,000	-	-	-	-	10,000,000
Mr Tony Pearson	-	-	-	-	-	-
Mr Andrew Edwards	-	-	-	-	-	-
Mr Mark Read	-	-	-	-	-	-
Mr Fergus Campbell	-	-	-	-	-	-
Total	76,000,000	-	-	-	-	76,000,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 23: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(d) Performance Rights holdings of Key Management Personnel – Performance Rights exercisable at no consideration on achievement of tenure or other performance milestones

	Balance at beginning of period	Granted	Exercised	Expired	Balance at end of period
2013					
Mr David Paull[Note 1]	-	1,000,000	-	-	1,000,000
Mr David McSweeney	-	400,000	(200,000)	-	200,000
Mr Neil Lithgow[Note 1]	-	400,000	(200,000)	-	200,000
Mr Gan-Ochir Zunduisuren	-	-	-	-	-
Mr Tony Pearson	-	-	-	-	-
Mr Andrew Edwards	-	400,000	(200,000)	-	200,000
Mr Mark Read	-	400,000	(200,000)	-	200,000
Mr Sado Demchingsuren Turbat	-	-	-	-	-
Mr Ross Tromans	-	-	-	-	-
Ms Hannah Badenbach	-	-	-	-	-
Mr Fergus Campbell	-	1,000,000	(1,000,000)	-	-
Total	-	3,600,000	(1,800,000)	-	1,800,000

There were no performance rights on issue in 2012.

(e) Shareholdings of Key Management Personnel

	Balance at beginning of period	Granted	On- and off-Market movements	Balance on appointment retirement	Balance at end of period
2013					
Mr David Paull[Note 1]	1,986,792	-	-	-	1,986,792
Mr David McSweeney	13,783,962	-	200,000	-	13,983,962
Mr Neil Lithgow[Note 1]	61,830,000	-	1,748,501	-	63,578,501
Mr Gan-Ochir Zunduisuren	39,300,000	-	-	(39,300,000)	-
Mr Tony Pearson	-	-	-	-	-
Mr Andrew Edwards	-	-	200,000	-	200,000
Mr Mark Read	-	-	200,000	-	200,000
Mr Sado Demchingsuren Turbat[Note 6]	-	-	-	2,416,609	2,416,609
Mr Ross Tromans	-	-	-	-	-
Ms Hannah Badenach	-	-	-	-	-
Mr Fergus Campbell	1,656,329	-	1,000,000	-	2,656,329
Total	118,557,083	-	3,348,501	(36,883,391)	85,022,193

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 23: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(e) Shareholdings of Key Management Personnel

	Balance at beginning of period	Granted	On- and off-Market movements	Balance on appointment retirement	Balance at end of period
2012					
Mr David Paull[Note 1]	1,886,792	-	100,000	-	1,986,792
Mr David McSweeney	14,283,962	-	(500,000)	-	13,783,962
Mr Neil Lithgow[Note 1]	60,000,000	-	1,830,000	-	61,830,000
Mr Gan-Ochir Zunduisuren	39,000,000	-	300,000	-	39,300,000
Mr Tony Pearson	-	-	-	-	-
Mr Andrew Edwards	-	-	-	-	-
Mr Mark Read	-	-	-	-	-
Mr Fergus Campbell	592,326	-	1,064,003	-	1,656,329
Total	115,763,080	-	2,794,003	-	118,557,083

Note 1: Mr David Paull and Mr Neil Lithgow are directors of Red Island Resources Limited, a public unlisted company, which is a beneficial owner of 49 million 5c Class A Options, 49,000,000 5c Performance Options over ordinary shares and 100,000 Ordinary Shares.

(f) Related Party Disclosure

There are no agreements with related parties, other than as disclosed in the Remuneration Report contained within the Directors' Report.

NOTE 24: SUBSIDIARIES

The consolidated financial statements include the financial statements of Aspire Mining Limited and the subsidiaries noted in the following table:

		% Equity Owned		Investment	
Name	**Country of incorporation**	**2013**	**2012**	**2013**	**2012**
Khurgatai Khairkhan LLC	Mongolia	100%	100%	-	-
Northern Railways LLC	Mongolia	100%	100%	-	$97,408
Ovoot coal mining LLC	Mongolia	100%	100%	-	-
Chilchig Gol LLC	Mongolia	100%	100%	-	-
Ovoot Coking Coal Pte Ltd	Singapore	100%	100%	$9,428,158	$9,428,158
Northern Railways Pte Ltd	Singapore	100%	-	1	-
Northern Mongolian Railways Limited	Mongolia	100%	-	$97,408	-

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 2013, amounts of $30,213,631 (2012: $23,294,856), $952,504 (2012: $593,256), $9,641,768 (2012: $9,433,772) and $2,389 (2012: Nil) were owed by Khurgatai Khairkhan LLC, Northern Railways LLC, Ovoot Coking Coal Pte Ltd and Northern Mongolian Railways Limited to the parent entity, respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 24: SUBSIDIARIES (continued)

Northern Railways Pte Ltd and Northern Mongolian Railways Limited were incorporated on 6 May 2012 and 2 May 2013 respectively. The shares held by the parent entity in Northern Railways LLC were transferred to Northern Mongolian Railways Limited for strategic reasons.

Ovoot Coking Coal Pte Ltd was incorporated on 8 May 2012 and the shares held by the parent entity in Khurgatai Khairkhan LLC were transferred to Ovoot Coking Coal Pte Ltd on that date for strategic reasons.

NOTE 25: PARENT ENTITY DISCLOSURES

Financial position

	2013 $	2012 $
Assets		
Current assets	7,962,767	16,922,123
Non-current assets[1]	40,984,765	33,537,625
Total assets	48,947,532	50,459,748
Liabilities		
Current liabilities	451,074	1,170,606
Non-current liabilities	-	-
Total liabilities	451,074	1,170,606
Net assets	48,496,458	
Equity		
Issued capital	73,391,689	70,413,846
Reserves	801,802	838,903
Accumulated losses	(25,697,033)	(21,963,607)
Total equity	48,496,458	49,289,142

[1] Included in non-current assets are the investments in and loans to subsidiaries of $40,810,293 (2012: $33,321,884), the recoverability of which is dependent on the successful exploitation of the subsidiaries' exploration and evaluation assets.

Financial performance

	Year ended 30 June 2013 $	Year ended 30 June 2012 $
Loss for the year	(3,859,147)	(3,180,407)
Transfer on expiry of options	125,721	-
Other comprehensive income	-	(16,000)
Total comprehensive loss	(3,733,426)	(3,164,407)

Parent Company Capital Commitments

The parent entity currently has no capital commitments for the acquisition of property, plant and equipment.

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 19 to 53, are 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 2013 and of its performance for the year then ended; and

   b. complying with Accounting Standards and Corporations Regulations 2001.

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.

3. The financial statements and notes are in accordance with International Financial Standards issued by the International Accounting Standards Board.

4. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

This declaration is signed in accordance with a resolution of the Board of Directors.

David Paull
Managing Director
27 September 2013

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Aspire Mining Limited

Report on the Financial Report

We have audited the accompanying financial report of Aspire Mining Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 is free from material misstatement, whether due to fraud or error.

In Note 1(d), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Aspire Mining Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(d).

Emphasis of Matter

Without qualification to the opinion expressed above, we draw attention to Note 1(b) to the financial statements 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.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2013. 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.

Auditor's opinion

In our opinion the remuneration report of Aspire Mining Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

W M Clark
Partner

Perth, Western Australia
27 September 2013

CORPORATE GOVERNANCE STATEMENT

Introduction

The Board of Directors (“Board”) of Aspire Mining Limited (“Company”) is responsible for the performance of the Company and for the overall corporate governance of the Company and its controlled entities.

In carrying out the functions and exercising the powers set out in the Board’s Charter, the Board will at all times act to protect and build sustainable value for the shareholders and other stakeholders, and to conduct and manage the Company's business properly, ethically and in accordance with the law.

Compliance with the corporate governance council recommendations

The Company’s corporate governance framework is reported against the good corporate governance and best practice recommendations released by the Australian Securities Exchange Corporate Governance Council.

Whilst the Board is committed to its adoption, generally the structure of the Board, the size of the Company and the scale of its activities does not require full adoption of the policies and recommendations at this time. However, when the circumstances require it, policies will be and have been implemented and complied with as and when they become applicable.

The corporate governance charters and policies adopted by the Board are available from the Company’s registered office and website www.aspiremininglimited.com.

Main corporate governance practices

A description of the Company's current corporate governance practices is set out below.

Board composition

The Board operates in accordance with the broad principles set out in its Charter. The Charter details the Board’s composition and functions. The Board is now comprised of seven (7) directors, a majority of which are independent non-executive directors. Currently there are six non-executive directors and one executive director. During the year, there were and remains a majority of independent non-executive directors.

Details of the members of the Board, their experience, expertise, qualifications, term of office and status are set out in the Directors’ Report within the Annual Financial Report under the heading "Directors".

Board functions

The Board is responsible for supervising the conduct of the Company’s affairs and management of its business.

Although The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management personnel, the Board retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business.

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

1. appointment of the Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination;
2. driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management’s performance;
3. reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
4. approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
5. approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
6. approving the annual, half yearly and quarterly accounts;
7. approving significant changes to the organisational structure;
8. approving the issue of any shares, options, equity instruments or other securities in the Company;
9. ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;

CORPORATE GOVERNANCE STATEMENT (continued)

Main corporate governance practices (continued)

Board functions (continued)

10. recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and

11. meeting with the external auditor, at the request of either the auditor or the non-executive directors, without management being present.

Chairperson

The Company has appointed the non-executive director, Mr David McSweeney, as Chairperson. The Chairperson is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, and facilitating Board discussions. The Chairperson is independent.

Commitment

The number of meetings of the Company's Board held during the year ended 30 June 2013, and the number of meetings attended by each director is disclosed in the Directors' Report, under the heading "Directors' Meetings".

Conflict of interests

Directors must keep the Board advised of any interest that could potentially conflict with those of the Company.

Independent professional advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, subject to the approval of the Board to the incurrence of the expense, the director has the right to seek that independent professional advice at the Company's expense.

Performance assessment

The Board did undertake an annual assessment of the performance of the Managing Director/Chief Executive Officer, and Chief Operating Officer. Both the Managing Director and Chief Operating Officer have volunteered a reduction in their remuneration in line with the market and notwithstanding their performance has been in accordance with their role and responsibilities.

Remuneration

The Remuneration Report outlines the director remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and the *Corporations Regulations*. It also provides the remuneration disclosure required by AASB124 Related Party Disclosures.

The Board generally determines the remuneration paid to directors having regard to market practices, the size and nature of the Company and its operations, the prevailing general economic conditions, and the maximum aggregate remuneration approved by the shareholders at a general meeting.

The Board collectively and unanimously agreed in July 2012 that directors' remuneration be reduced by 10% as a demonstration for the need for fiscal constraint given the decline in market conditions. Other than the Chairman, the fee paid to each non-executive director was reduced from $60,000 to $54,000 per annum. The fee payable to the non-executive Chairman was reduced from $130,000 to $117,000.

No bonuses or retirement benefits were paid during the financial year to any director.

The Company's shareholders approved the adoption of the Aspire Mining Limited Performance Rights Plan on 19 August 2011. Pursuant to the Plan, directors and employees can will be and have been issued performance rights exercisable into ordinary shares in the Company on satisfaction of performance milestones determined by the Board.

Trading in the Company's shares

The Company adheres to its adopted Share Trading Policy. Directors and key management personnel must not trade in any securities of the Company at any time when they are in possession of unpublished price sensitive information in relation to those securities. There are also closed periods set out in the Policy.

As required by the ASX Listing Rules, the Company is to notify the ASX of any transaction conducted by any director in the listed securities of the Company.

CORPORATE GOVERNANCE STATEMENT (continued)

Main corporate governance practices (continued)

Board committees

The Board's charter allows it to establish committees if and when required to assist in the execution of the duties of the Board. As at the date of this report, the Company has established a Remuneration Committee and an Audit and Risk Committee. When the circumstances require it, further committees will be instituted with each having its own charter approved by the Board that will set the scope and operational arrangements for the committees.

Audit and Risk Committee

The Audit and Risk Committee operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The members of the Audit and Risk Committee are:

Mr Andrew Edwards (Independent Chairman)
Mr David McSweeney (Independent)
Mr Mark Read (Independent)

All members of the Audit and Risk Committee are non-executive directors.

For details on the number of meetings of the Audit and Risk Committee held during the year and the attendees at those meetings, refer to the Directors' Report.

Remuneration Committee

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee links the nature and amount of executive directors' and officers' emoluments to the Company's financial and operational performance.

The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the Company; and
- performance incentives that allow executives to share the success of the Company.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period, refer to the remuneration report contained within the Directors' Report.

There is no scheme to provide retirement benefits, other than any applicable statutory superannuation, to non-executive directors.

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the Managing Director.

The Board has established a Remuneration Committee comprising non-executive directors and its members are currently:

Mr Mark Read (Independent Chairman)
Mr David McSweeney (Independent)
Mr Andrew Edwards (Independent)

For details on the number of meetings of the Remuneration Committee held during the year and the attendees at those meetings, refer to the Directors' Report.

CORPORATE GOVERNANCE STATEMENT (continued)

Main corporate governance practices (continued)

Remuneration Committee (continued)

External auditors

The Company policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services will be requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

HLB Mann Judd is the appointed external auditor of the Company. It is the Company's policy to rotate audit engagement partners at least every five years. The engagement partner was changed for and from 2012.

An analysis of fees paid to the external auditors, including a break-down of any fees for any non-audit services, is provided in the Directors' Report and in Note 22 to the financial statements. It is a requirement for the external auditors to provide an annual declaration of their independence to the Company.

The external auditor is required to attend annual general meetings and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Risk assessment and management

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

The Board oversees the establishment and implementation of risk management. The Audit and Risk Committee is delegated the function and responsibility to establish, implement and maintain risk management systems and frameworks. The Company's senior management are delegated the tasks of management of operational risk and implementation of risk management strategies.

The principal activities of the Group are the exploration for coal and progression of the approval process for the development of a rail line in northern Mongolia, and the risks associated with that activity and jurisdiction include operating, currency, market and sovereign risk.

Control procedures cover management accounting, financial reporting, compliance, adoption of a delegation and approval policy including expenditure and execution limits and other risk management issues.

There is commentary on financial risk management at Note 17 to the financial statements.

Corporate reporting

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer by way of the declarations provided in accordance with section 295A of the Corporations Act that for the period ended 30 June 2013:

(i) the Company's Financial Report is complete and presents a true and fair view, in all material respects, of the financial condition and operational results of the Company; and

(ii) the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board or where those policies are not adhered to that fact is stated in the Annual Report and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Code of Conduct

The Company has a statement of values and a code of conduct endorsed by the Board that applies to all directors and any employees if and when they are engaged. The code is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity. In summary, the code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies.

The directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

CORPORATE GOVERNANCE STATEMENT (continued)

Main corporate governance practices (continued)

Diversity

The Company has adopted a Diversity Policy in recognition of the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

The Board is responsible for developing measurable objectives and strategies to meet the objectives of the Diversity Policy and monitoring the progress of the measurable objectives through the monitoring, evaluation and reporting mechanisms listed below. The Board is yet to develop and define the measurable objectives but the strategies include:

a. recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
b. reviewing succession plans to ensure an appropriate focus on diversity;
c. identifying specific factors to take account of in recruitment and selection processes to encourage diversity; and
d. developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development.

The current gender representation is:

Gender representation	Female%	Male %
Board representation	14	86
Key management personnel	0	100
Employees	40	60

Continuous disclosure and shareholder communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material affect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX. The Managing Director is responsible for communications with analysts, brokers, shareholders, the media and the public.

Shareholders that have made an election, receive a copy of the Company's Annual Report by mail. Otherwise, the Annual Report is available on the Company's website.

Corporate Governance Statement

ASX Principles and Recommendations not followed by the Company and the reasons for non-compliance are as follows.

Recommendation Ref	Notification of Departure	Explanation for Departure
2.4	A separate nomination committee has not been formed.	The Board as a whole undertakes the process of reviewing the skill base and experience of existing directors to enable identification or attributes required in new directors. Where appropriate, independent consultants are engaged to identify possible new Board candidates.
2.5	Assessment of Board Performance did not occur.	The Board would ordinarily undertake a self-assessment, an assessment of its committees and individual directors by agenda item at a Board meeting during the period. However, with the changes to the Board and the Committees during the year, the assessments were not required. The Board continued to include persons with the required industry and professional experience including financial, accounting, geological, mining and legal backgrounds.
3.2	The Board has not established measurable objectives for achieving greater diversity for annual assessment and progress achievement.	The recruitment policy for required employees considers diversity. However, the Board has not to date formally established measurable objectives for gender and other diversity given the nature of the Company's current and planned activities over the foreseeable future. This position will continue to be reviewed as the Company's development plan is implemented. Consistent with the Company's aim to appoint people who possess the required skills to perform the role, the Board now includes a female with such requisite experience.

ADDITIONAL SHAREHOLDER INFORMATION

1. Substantial Shareholders

There are six substantial shareholders as at 1 October 2013:

- SouthGobi Resources Limited, 123,498,316 shares or 18.76% on an undiluted basis.
- Lanzoni Limited, 97,680,052 shares or 14.84% on an undiluted basis.
- Spectral Investments Pty Ltd, a company controlled by Mr Neil Lithgow, 63,578,501 shares or 9.63% on an undiluted basis.
- Khadbaasan Bat Erdene, 40,000,000 shares or 6.08% on an undiluted basis.
- Badamdamdin Battuvshin, 49,800,000 shares or 7.57% on an undiluted basis.
- Gan-Ochir Zunduisuren, 35,800,000 shares or 5.44% on an undiluted basis.

2. Number of holders in each class of equity securities and the voting rights attached (as at 1 October 2013)

Ordinary Shares
There are 2,885 holders of ordinary shares. Each shareholder is entitled to one vote per share held. In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options
There are 15 holders of Class A Options, and 7 holders of Performance Options. There are no voting rights attached to these options.

Performance Rights
There are no voting rights attached to the performance rights.

3. Distribution schedule of the number of holders in each class of equity security as at 1 October 2013.

a) Fully Paid Ordinary Share

SPREAD OF HOLDINGS	HOLDERS	UNITS	% OF ISSUED CAPITAL
1 – 1,000	253	56,226	0.01%
1,001 – 5,000	411	1,359,599	0.21%
5,001 – 10,000	463	3,980,051	0.60%
10,001 – 100,000	1,398	56,910,850	8.65%
100,001 –	360	595,940,330	90.53%
TOTAL ON REGISTER	2,885	658,247,056	100.00%

b) Unlisted Class A Options exercisable at $0.05 on or before 12 February 2015

SPREAD OF HOLDINGS	HOLDERS	UNITS	Class A Options
1 – 1,000	-	-	0.00 %
1,001 – 5,000	-	-	0.00 %
5,001 – 10,000	-	-	0.00 %
10,001 – 100,000	3	206,950	0.22 %
100,001 –	12	95,979,892	99.78 %
TOTAL ON REGISTER	15	96,186,842	100.00 %

c) Unlisted Performance Options exercisable at $0.05 on or before 12 February 2015

SPREAD OF HOLDINGS	HOLDERS	UNITS	Class A Options
1 – 1,000	-	-	0.00 %
1,001 – 5,000	-	-	0.00 %
5,001 – 10,000	-	-	0.00 %
10,001 – 100,000	-	-	0.00 %
100,001 –	7	145,000,000	100.00 %
TOTAL ON REGISTER	7	145,000,000	100.00 %

ADDITIONAL SHAREHOLDER INFORMATION (continued)

3. Distribution schedule of the number of holders in each class of equity security as at 1 October 2013 (continued)

d) Unlisted Performance Rights

Type	Expiry Date	Exercise Price	Number of Shares
Performance Rights	Various	-	2,652,500

4. Marketable Parcel

There are 886 shareholders with less than a marketable parcel.

5. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 1 October 2013) is as follows:

Ordinary Shares Top 20 holders and percentage held.

	Holder Name	Units	% of Issued
1	SouthGobi Resources Limited	109,199,137	16.59%
2	Lanzoni Limited	97,680,052	14.84%
3	HSBC Custody Nominees Australia Limited	90,426,500	13.74%
4	JP Morgan Nominees Limited	59,146,761	8.99%
5	Spectral Investments Pty Ltd	58,000,000	8.81%
6	SouthGobi Resources Limited	14,299,179	2.17%
7	David Lesley McSweeney	8,783,962	1.33%
8	Custodial Services Limited	6,381,520	0.97%
9	YF Finance Limited	6,000,000	0.91%
10	Alistair Robert G Paton	5,877,151	0.89%
11	Citicorp Nominees Pty Ltd	5,624,593	0.85%
12	Spectral Investments Pty Ltd	5,378,501	0.82%
13	Brookman Resources Pty Ltd	5,000,000	0.76%
14	ABN Amro Clearing Sydney	3,258,781	0.50%
15	Avatar Equities Pty Ltd	2,696,924	0.41%
16	Carmen Kingston	2,548,165	0.39%
17	Jeema Limited	2,035,925	0.31%
18	2Rs Pty Ltd	1,986,792	0.30%
19	Caroline M Benetti	1,894,499	0.29%
20	Investment Custodial Services Limited	1,658,885	0.25%
	Total	**487,877,327**	**74.12%**

ADDITIONAL SHAREHOLDER INFORMATION (continued)

9. Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Stock Exchange.

10. Restricted Securities

There are no restricted securities.

11. Review of Operations

A review of operations is contained in the Annual Report and Directors' Report within the Annual Financial Report.

12. Schedule of Tenements

Mining & Exploration Licenses

The following tenements are registered in the name of Aspire Mining Limited or its 100% owned subsidiaries at 1 October 2013.

Mongolia

Tenement	Status	Equity
Ovoot		
MV017098	Granted	100%
017003X	Granted	100%
13636X	Granted	100%
Hurimt		
14510X	Granted	100%
14637X	Granted	100%
Jilchigbulag		
12816X	Granted	100%

Aspire Mining Limited ABN 46 122 417 243

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