ASPIRE
MINING LTD

ANNUAL REPORT 2014

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 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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West Perth WA 6005 AUSTRALIA

Auditors

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Perth WA 6000 AUSTRALIA

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Websites

Aspire Mining Limited:
www.aspiremininglimited.com
www.aspiremininglimited.mn

Northern Railways LLC:
www.northernrailways.mn

Contents

Chairman's Address

Dear Shareholders,

I am pleased to present our 2014 Annual Report. Over the year in review, the Company has made significant advancements in the commercialisation of its Ovoot Project, and also the Northern Rail Line underpinning the overall future development of this world class coking coal project.

As I write this, Mongolia has just entered into a number of inaugural agreements with both China and Russia to cooperate on infrastructure development, rail capacity access, seaport access and financing. This represents an exciting phase for Aspire, as we are uniquely positioned to capitalise on this increased level of interest from Mongolia's closest neighbours to significantly increase trade. It also means that northern Mongolia though landlocked and remote will benefit from Chinese seaport access and significant rail investment.

We are uniquely positioned to capitalise on this increased level of interest from Mongolia's closest neighbours to significantly increase trade.

The Northern Rail Line is a project which will not only deliver a transport solution for our Ovoot Project's coking coal, but also deliver lasting social and economic benefits to Mongolia. Its inclusion, as part of the north Mongolian railway corridor extending from Erdenet and connecting to Russia's main Trans-Siberian Railway, will see the Ovoot Project sitting along a key international railway route. With the inclusion of Russian transit freight and Mongolian commodities, and other freight, this will be a busy rail corridor, a successful outcome when remembering back to the original concept of the Northern Rail Line which was designed to support the Ovoot Coking Coal Project only.

Over the coming 12 months, our focus will be on the financing strategy and commencement of construction for the Northern Rail Line. I am encouraged by the interest already received to finance the Northern Rail Line and look forward to progressing these commercial negotiations in the future.

I am pleased to report that during the year, we brought our Reserves and Resources at the Ovoot Project into compliance with the new JORC 2012 rules. We have a robust project that will see up to 10 million tonnes per annum of blending coking coal produced over a 21 year life. Blending testwork completed earlier in the year identified the ability of Ovoot Project coking coal to carry low coking coals in a batch.

We have revised our development plan for the Ovoot Project looking at the lowest capital cost option to produce an initial 5 mtpa operation, commencing in-line with the commissioning of the Northern Rail Line. Mine rescheduling meant our mine plan targets low ash "bypass" coal and therefore enable operating costs to be kept low, below US$40/t ex mine gate in the early years.

On the exploration front, we have taken a 50% interest in the Ehkgoviin Chuluu Joint Venture, in which Noble Group own the remaining interest. I am excited to see the results of the exploration drilling programme just commenced at the Nuurstei Coal Project, and investigate its potential as a small scale pre-rail production project.

Chairman's Address

Ovoot Coking Coal Project Basin

Over the coming 12 months, our focus will be on the financing strategy and commencement of construction for the Northern Rail Line.

The last 12 months have seen significant weakness in the coking coal market largely due to seaborne oversupply. Benchmark prices dropped from US$172/t (June quarter 2013) to US$120/t (September quarter 2014). Although analysts believe that this oversupply has tightened, it will remain heading into 2015. However, with the expectation of more supply cuts being made from producers in North America, we are hopeful the coking coal market will improve, particularly once inventories are consumed.

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

Yours Sincerely

David McSweeney
Chairman

Review of Operations

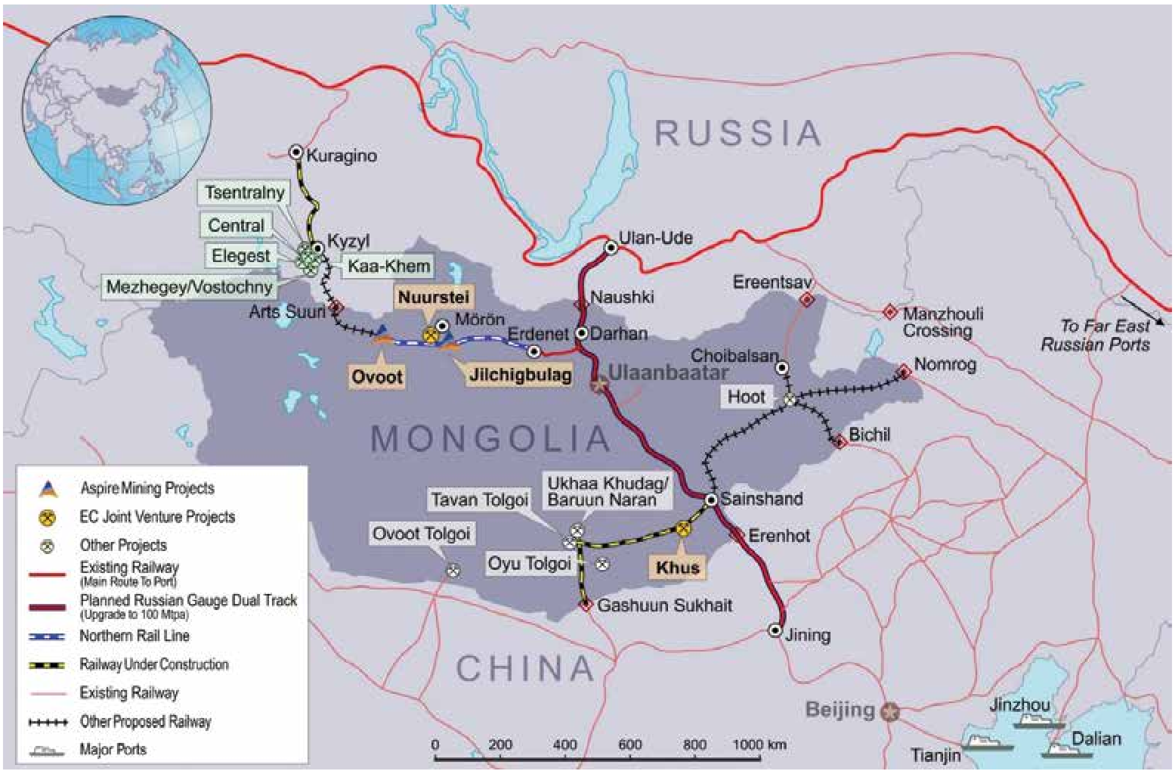
Aspire Mining Limited (ASX: AKM, "**Aspire**" or the "**Company**") is focussed on the exploration and future development of world class coking coal assets in Mongolia, in particular its flagship Ovoot Coking Coal Project ("**Ovoot Project**") acquired in early 2010.

Aspire currently owns 100% of the Ovoot Project and the Jilchigbulag Coal Project ("**Jilchigbulag**") in northern Mongolia. The Company, through a joint venture arrangement with Singapore listed Noble Group (SGX: N21), also owns interests in an additional two coal exploration projects – the Nuurstei Coal Project ("**Nuurstei**"), located in northern Mongolia and Khus Coal Project ("**Khus**"), located in southern Mongolia.

Aspire's Mongolian rail infrastructure subsidiary, Northern Railways LLC ("**Northern Railways**"), is also focussing on the future development of its Northern Rail Line project extending from the Ovoot Project to the town of Erdenet connecting with Mongolia's national rail network. The Northern Rail Line represents a section of a new Mongolian rail connection with Russia extending from Erdenet to the Russian border at Arts Suuri. The construction of this rail infrastructure is critical for the development of Aspire's coal projects located in northern Mongolia, and Northern Railways has completed a significant amount of work to support its application to build-own-operate this section of the railway connection with Russia.

Tenement	Location	Equity
Ovoot	Mongolia	
MV017098		100%
13636X		100%
017003X		100%
Hurimt	Mongolia	
14510X		100%
14637X		100%
Jilchigbulag	Mongolia	
12816X		100%
Nuurstei (EC JV)	Mongolia	
13958X		30%
13580X		30%
Khus (EC JV)	Mongolia	
15352X		25.5%

Aspire Attributable Interests in mining tenements at 30 June 2014



Aspire Mining and EC Joint Venture Coal Projects

Initial production is estimated to commence in 2018, producing 5mtpa of saleable coking coal and increasing in subsequent years to achieve full scale production of up to 10mtpa(i)(ii).

Coal Projects

Ovoot Coking Coal Project (100%)

The Ovoot Project is wholly owned by Aspire and with a JORC Probable Coal Reserve totalling 255mt, remains Mongolia's second largest coking Coal Reserve by project – the largest being the Mongolian Government owned Tavan Tolgoi. The Ovoot Project received its Mining Licence in 2012, and has a Mongolian approved Feasibility Study.

Access to power and water

During the Period, the Company entered into a non-binding Memorandum of Understanding with the Zavkhan Power Station, for the supply of 35 megawatts of power per annum to the Ovoot Project. The power station is currently being built by New Asia Group LLC, approximately 70km to the south of the Ovoot Project and is expected for completion in 2016.

The Memorandum of Understanding also covers cooperation between both Aspire and New Asia Group, to develop necessary transmission infrastructure from the power station and connecting with existing power grid running across the Ovoot Project tenements.

Significant ground water was intersected during exploration drilling and two bores were established. Preliminary water survey's have identified numerous water sources both on and adjacent to the Ovoot Project. Further water drilling will need to be conducted in support of and prior to submission of a water licence application.

Ovoot Development Plan

The strategy to develop the Ovoot Project was prepared on the basis of initial marketing success of Ovoot coking coal with potential customers (refer detailed discussion under Marketing), and to align the mine development alongside the commissioning of the Northern Rail Line in order to provide the lowest delivered cost from the start of operations.

Initial production is estimated to commence in 2018, producing 5mtpa of saleable coking coal and increasing in subsequent years to achieve full scale production of up to 10mtpa from both the open pit and underground operations.

Development Timeline: *Aspire's development timeline for its Ovoot Project relies primarily on*

i. *the provision of a rail concession and other approvals from the Government of Mongolia for Northern Railways to build, and operate the Northern Rail Line, connecting the Ovoot Project to the Trans-Mongolian Railway at Erdenet; and*

ii. *financing of the Northern Rail Line. The timing with respect to the grant of a rail concession is outside of the control of Aspire. Certain activities to further progress the Ovoot Project and Northern Rail Line development, and which will follow the grant of the rail concession licences, include the completion of detailed engineering work to support definitive financing negotiations. The Company's development timeline to achieve first production by 2018 is indicative and assumes the grant of necessary Government licences, agreements and approvals in 2014.*

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

1. *In the eight months prior to commencement of first year ODP production, a 23 million BCM waste removal programme to pre-strip overburden to top of coal;*
2. *A strip ratio of 7.7:1 (BCM waste: tonne of coal);*
3. *Preferentially targeting the Upper Seam with a relatively high proportion of low ash coal;*
4. *Mining of 5.2Mt of ROM coal (at a 2% moisture on an as received basis) producing 5Mt of saleable coal. This is made up of 40% of washed coal and 60% of by-pass coal meeting a 13% ash cut-off;*
5. *Higher ash coal totalling 2.1Mt will be washed in a 300 tonne per hour wash plant to be constructed at the Ovoot Project; and*
6. *Overall product yield of 90% to be achieved averaging 9% moisture for a less than 10% ash product.*
7. *The mine design is that used to support the announced Coal Resource and Reserve update for the Ovoot Project (refer ASX announcement dated 31 July 2013).*
8. *All capital and operating costs are in 2013 dollars.*

Capital and operating cost estimates

The capital cost estimate to achieve initial production is estimated at US$144 million including contingencies. Further capital upgrades to support full scale production are envisaged to be funded from internal cashflow from the early years of operation.

During the Period, the Company completed detailed mine rescheduling resulting in lower estimated operating costs in the first five years of operation. The rescheduling assessed the best approach to mining the open pit with a focus on minimising waste removal, whilst achieving a high proportion of by-pass coal, which is characterised by its low ash content and therefore does not require washing. Operating costs are estimated at between US$76-US$86/t Free-On Rail at the Chinese border for the first two years of operation, and between US$82-US$92/t over the first five years, the range depending on rail tariffs to be negotiated along the Trans-Mongolian Railway following capacity upgrades.

Operating costs are estimated at between US$76-US$86/t Free-On Rail at the Chinese border for the first two years of operation

ODP Highlights	
Ownership	100% Aspire Mining Limited
ROM	255 Mt
Initial Life of Mine	21 years
Total Saleable Product[1]	191 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$144 million
OPEX[3] FOR China Border	US$76-US$86/t (first 2 years) US$82-US$92/t (first 5 years)

1. Includes Inferred Coal Resources that will be mined from the open pit.
2. Based on internal company calculations and includes contingencies
3. Prices are in 2013 real dollars (excluding royalty), and includes all freight and border costs.

JORC Coal Resource and Reserves

Ovoot Project Coal Resources and Reserves were updated during the period to comply with changes to JORC 2012 Reporting Standards implemented during the year. The update was completed by Xstract Mining Consultants ("**Xstract**").

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 (JORC 2012 Compliant)[1]

Seam	Resource Category	Total (Mt)	Ash (adb) (%)	Raw CSN
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 (JORC 2012 Compliant)[1]

1. For full JORC 2012 disclosure in relation to the Ovoot project JORC 2012 Coal Resource and Reserves, please refer the Company's Quarterly Report for the period ended 31 December 2013. The Company is not aware of any new information or data that materially affects the information included in this December 2013 Quarterly Report. All material assumptions and technical parameters underpinning the estimates in the December 13 Quarterly Report continue to apply and have not materially changed.

Review of Material Changes

There have been no changes to the JORC Coal Resource and Reserves reported in the Company's 2013 Annual Report, notwithstanding its update for the JORC 2012 Compliance.

Governance and Internal Controls

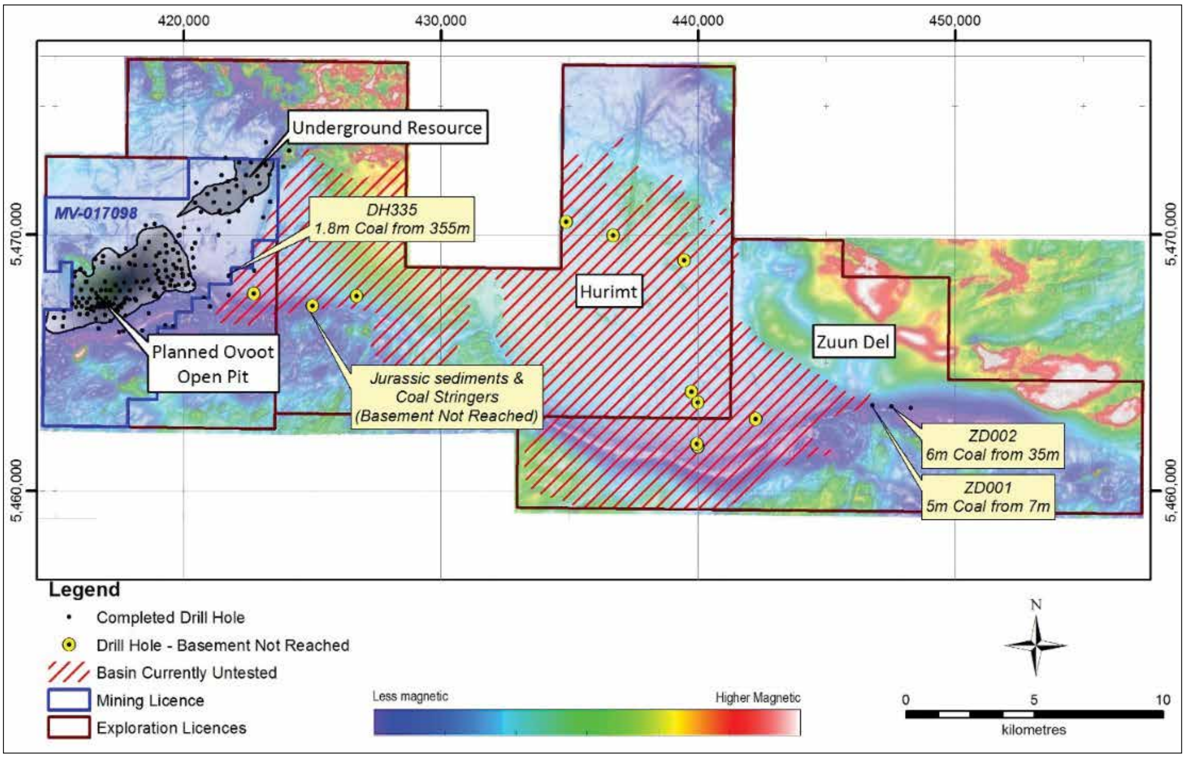
Resource and reserve estimates are calculated by independent third parties (Xstract Mining Consultants Pty Ltd), and reported under JORC 2012 rules. Various visual and statistical checks were made to validate the results.

Further Exploration Potential

The majority of work conducted to date by Aspire has been largely focussed on the western section of the Ovoot Basin which hosts the open pit and underground Coal Reserves. The exploration potential to find additional coal remains open to the east of the existing mining licence.

During the Period, the Company engaged McElroy Bryan Geological Services to reprocess and compare some of the existing seismic data generated in 2012 to see if the quality of the seismic data could be improved to assist in developing a targeted future exploration plan. This analysis is continuing.

The exploration potential to find additional coal remains open to the east of the existing mining licence.



Ovoot Basin highlighting area yet untested and potential to grow coal resource

Jilchigbulag Coal Project (100%)

The Jilchigbulag project is a 2.5km^2 exploration licence which surrounds an existing mine lease that supplies coal for thermal purposes to the town of Moron. Minimal work was conducted at the Jilchigbulag project during the Period.

Sainshand Blending Yard

During the Period, the Company entered into a non-binding Memorandum of Understanding with the developer of the Sainshand Industrial Park for the supply of Ovoot Project coking coal. The Sainshand Industrial Park is expected to house coke and steel plants in addition to other industries. The Ovoot Project, along with Tavan Tolgoi and other commodity producers, were named as key suppliers to the complex.

Aspire has subsequently completed a concept study to assess a potential blending operation at the Sainshand Industrial Park. The concept study assessed a 10mtpa operation with coal sourced from the Ovoot Project and various mines from the South Gobi region. The final product could be loaded onto the Trans-Mongolian Railway which runs directly through Sainshand and delivered to customers.

The blending facility is estimated to have a pre-contingency capital cost of €53 million (approximately US$70 million), and a two year construction timeline.

Location of the Sainshand Industrial Park and key suppliers

Ekhgoviin Chuluu Joint Venture (50%)

During the Period, Aspire acquired a 50% interest in the Ekhgoviin Chuluu Joint Venture ("**ECJV**"), from Xanadu Mines Limited (ASX: XAM). Noble Group are the continuing party to the ECJV retaining their 50% ownership following the transaction. The ECJV currently owns interests in two projects:

- 60% interest in the Nuurstei project, with the ability to raise this interest to 90%; and
- 51% in the Khus project.

Noble Group is already a significant shareholder of Aspire and the ECJV fits neatly within Aspire's strategy to explore and develop Mongolian metallurgical coal projects.

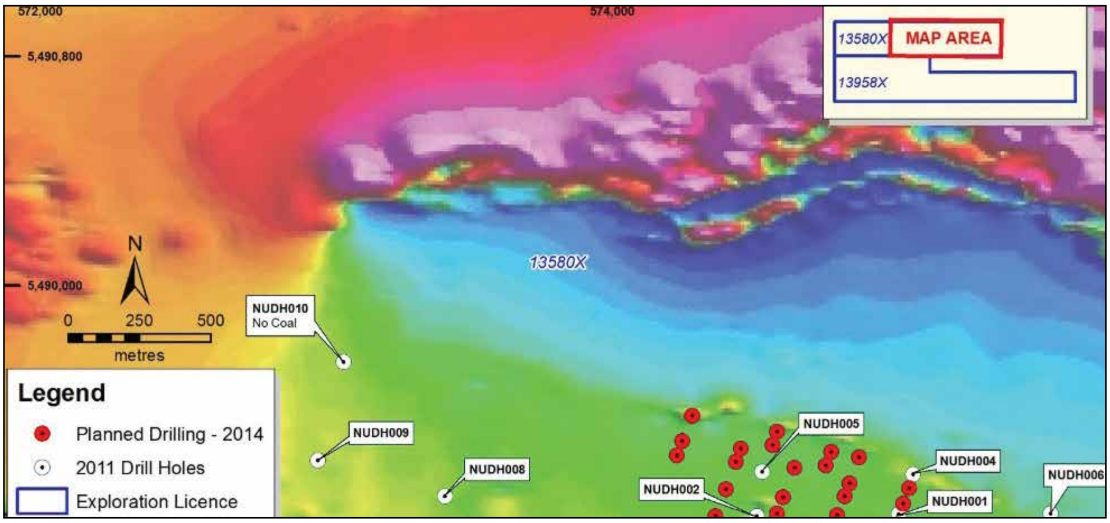
Nuurstei Coal Project

The Nuurstei project comprises two tenement areas spanning across 27 square kilometres. It is located approximately 10 kilometres from the capital of the Khuvsgul province (Moron), and 160 km east of the Ovoot Project.

The ECJV agreed an exploration plan at Nuurstei which commenced in September 2014. The programme includes an initial 20 hole drilling program to build on previous drillwork completed in 2011 and test resource continuity in the area.

Nuurstei's close proximity to existing infrastructure (town, road, rail and services) provides an excellent opportunity to assess the economics of a road based operation, prior to the completion of the Northern Rail Line construction. Access to a paved road from Moron to Erdenet will be available in 2015, and land available to Aspire at Erdenet could be used as a coal stockpile and train load-out area.

Nuurstei's close proximity to existing infrastructure (town, road, rail and services) provides an excellent opportunity to assess the economics of a road based operation, prior to the completion of the Northern Rail Line construction.



Nuurstei 2014 drill hole programme

Khus Coal Project

The Khus project is an early stage exploration project located in the Dornogovi province in southern Mongolian, and lies close to railway being constructed from the Mongolian Government owned Tavan Tolgoi mine to the Sainshand Industrial Park. The Tavan Tolgoi – Sainshand railway is approximately 40% complete and expected to be commissioned in 2017.

Marketing

Offtake Interest

During the Period, the Company entered into an additional number of non-binding Memoranda of Understanding covering a total offtake interest of up to 7.4mtpa, well in excess of the Company's initial production plan of 5mtpa. Approximately 82% of this interest is from Chinese customers and 18% Russian.

Seaport Access

During the Period, the Company entered into non-binding Memoranda of Understanding to secure up to 6mtpa of seaport capacity through the Nakhodka port in Russia's Far East and the Black Sea port of Taman.

In August 2014, following a visit by China's President Xi Jinping, an agreement was signed granting Mongolian coals access to six north Chinese seaports available for the export of Mongolian commodities including the major seaports of Dalian, Jinzhou and Tianjin.

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Routes to export markets for Ovoot coking coal

Coal Market Update

During the year, spot and contract coking coal prices reached six year lows with the benchmark price for premium hard coking coal dropping 30% from US$172/t mid-2013 to US$120/t for the September 2014 quarter.

The primary reason contributing to the decline in coking coal pricing relates to an oversupply in the seaborne metallurgical coal market which was exacerbated by a number of new coal projects being commissioned during this downturn.

However, significant supply cuts have recently been announced primarily from Canadian and US producers, and with more cuts expected to the end of 2014, the supply fundamentals are slowly shifting.

Analysts from major banks are reporting that the market is likely to start to see pricing improvements in 2015 as inventories are run down and demand increases incrementally.

Medium and longer term pricing estimates for coking coal remain more optimistic with analysts expecting a return to levels between US$150-US$190/t by 2018[1]. Given the size and life of mine profile of the Ovoot Project, a long term approach is adopted by the Company with respect to its future development planning.

Medium and longer term pricing estimates for coking coal remain more optimistic with analysts expecting a return to levels between US$150-US$190/t by 2018.

Note 1: Nominal Long Term price range publically reported by 9 analysts in 2014 including Goldman Sachs, Credit Suisse, Citi, Bank of America Merrill Lynch, BMO Capital Markets, Morgan Stanley, UBS, Wood Mackenzie and BHP Billiton.

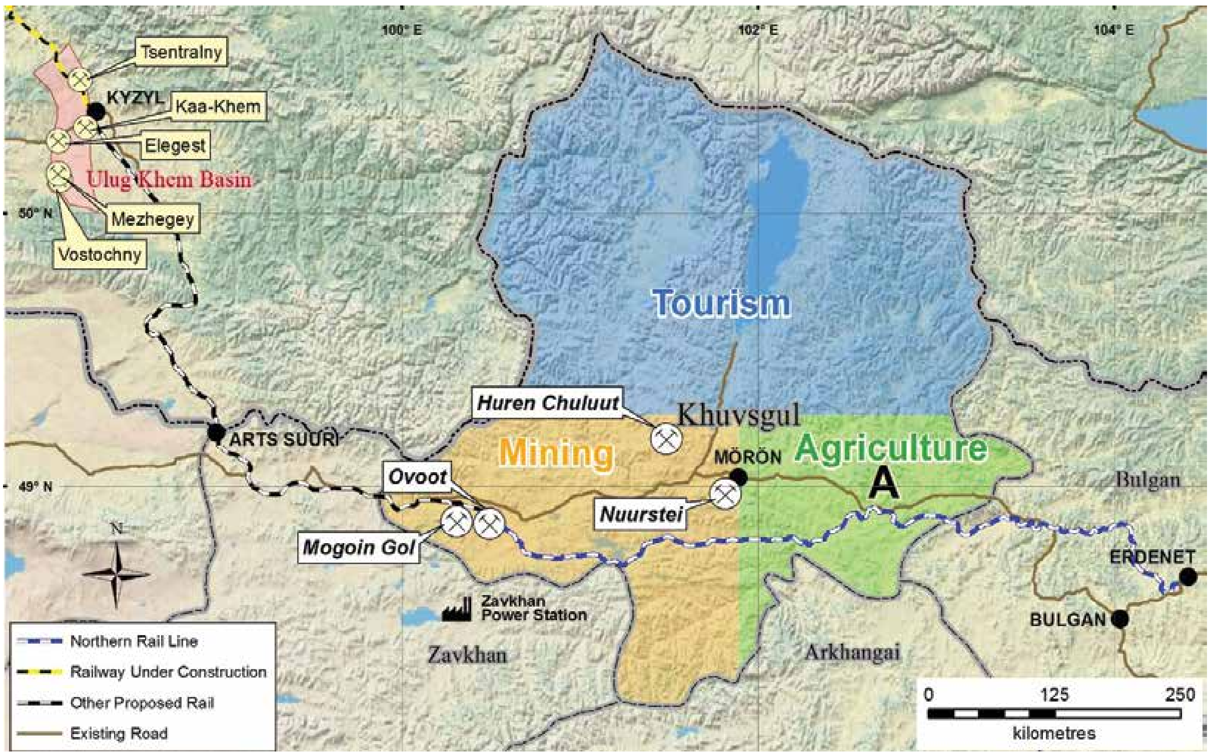
Northern Railways LLC

Northern Rail Line (Erdenet – Ovoot)

The Northern Rail Line is the railway project of Northern Railways – a wholly owned subsidiary of Aspire, for which Noble Group have an option to earn a 10% interest.

The Northern Rail Line:

- Covers 547km between Erdenet and the Ovoot Project
- Designed for total capacity to carry 22 mtpa
- Designed for multi-purpose use in line with Mongolian rail standards – to carry passengers, general freight, agricultural products and bulk commodities
- Deliver an environmentally friendly, sustainable long term viable transport option that supports local communities, providing economic and social benefits to the people of Mongolia
- Capital cost to construct estimated at US$1.3bn plus contingencies.



Northern Rail Line and proposed Mongolian-Russian rail corridor

In July 2013 following the completion of a Pre-Feasibility Study in April 2013, Northern Railways completed an on the ground field assessment, together with its Engineering Partners - SMEC International. The purpose of the physical assessment was to test and confirm the assumptions of the Pre-Feasibility Study. The field assessment confirmed the viability of the Northern Rail Line from both an operational and engineering perspective and encountered nothing that would hinder the construction of the railway or substantially add to the capital cost estimate.

During the period, the Company received several non-binding financing Expressions of Interest from a number of parties totalling the full capital estimate to construct the Northern Rail Line. This potential financing interest formed part of Northern Railways application with the Mongolian Government for the necessary licencing to build, own and operate the Northern Rail Line.

Mongolian Rail Network Update and Tie in of the Northern Rail Line

Subsequent to the reporting Period the Mongolian Government has agreed with the Governments of China and Russia to upgrade the Trans-Mongolian Railway network capacity which will allow additional freight from the Northern Rail Line, and other planned railways feeding into the main line. This additional access to capacity will not only facilitate increased transit freight from Russia to China but also accounts for future Mongolian export growth including from the development of the resources industry.

The upgrade of the Trans-Mongolian Railway will see capacity almost doubled from a current level of 20mtpa to 34mtpa in 2015.

The Governments of Russia and Mongolia have also recently agreed to study a further upgrade the Trans-Mongolian Railway to a dual track accommodating up to 100mtpa in freight.

Northern Rail Line to form part of an international rail network

The Northern Rail Line represents a section of a new rail connection with Russia extending from Erdenet to the Russian/Mongolian border at Arts Suuri, which would service northern Mongolia and southern Siberia in Russia's Tuva region. A number of resource deposits, agricultural and service industries would benefit from having a direct transit route from this region to access Chinese markets.

During the Period, Northern Railways completed preliminary modelling of a possible alignment between the Ovoot Project and Arts Suuri (which would complete the full rail connection with Russia) as well as a potential route from Arts Suuri to connect to the town of Kyzyl in Russia where railway is already under construction to connect with the Trans-Siberian Railway. Further work is required to be completed along both of these potential routes.

The operating cost model for the Northern Rail Line was also updated by SMEC International to assess the operating cost at varying levels of freight carried including both Mongolian and Russian transit freight. In addition to Aspire's projects, other potential Mongolian users include iron ore, molybdenum and coal projects, and agricultural products. Russian potential users include several large scale coal deposits owned by Severstal, En+ Group, Evraz and Tuva Energy Industrial Corporation which together host over 2.5 billion tonnes of coal reserves.

The upgrade of the Trans-Mongolian Railway will see capacity almost doubled from a current level of 20mtpa to 34mtpa in 2015.

Social Investment Activities

University Scholarship

The Company was pleased to provide another four successful candidates under its 2014 Scholarship Programme with a scholarship to attend a Mongolian University.

The Scholarship Programme is now in its third year with a total of 12 students selected from local soums (towns) surrounding Ovoot to receive funding to study a Bachelor degree.

2014 Scholarship winners presented by Aspire's Country Director, Mr Ganbat Badarch

Bright Blue has raised over AU$1.5 million towards children's charities in Australia and aims to continue organising Mongolian charity rides as an annual event.

Mongolian charities to benefit from fundraising bike ride through Northern Mongolia

Aspire is pleased to have contributed as the founding sponsor to the Bright Blue inaugural charity ride taking place in September 2014 riding through Mongolia's northern provinces including Khuvsgul where the Ovoot Project is located. The ride has been organised by the Western Australian Police Commissioners Fund "Bright Blue" and includes seven riders braving temperatures reaching as low as -20 degrees celcius to raise money for the Mongolian based Association of Parents with Disabled Children ("**APDC**"). APDC's work in Mongolia aims to protect the rights of children with special needs and to support their development into mainstream society. APDC relies on donations, without any Government funding currently allocated.

Bright Blue has raised over AU$1.5 million towards children's charities in Australia and aims to continue organising Mongolian charity rides as an annual event.

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Corporate

Mongolian Investment Law

Effective 1st November 2013, Mongolia enacted a new Investment Law which repealed the existing Strategic Foreign Investment Legislation which had been implemented in mid-2012.

Under the Investment Law there is no distinguishment between Mongolian nationals and foreign investors, and provided an investor is not 50% or more owned by a foreign government (otherwise considered a Sovereign Owned Entity), there are no restrictions on the level of investment.

The Investment Law includes provisions that regulate future changes to the law and ensures investors a more stable, legal investment environment and better protection of their assets.

Mongolian Minerals Legislation

During June 2014, the Mongolian Government approved changes to its State Policy on the Minerals Sector ("**Minerals Law**") which indicate a clear direction of the Government of Mongolia to ensure a stable investment environment and promote long term growth within its minerals sector. The 2014 Minerals Law includes provisions that ensure no discrimination toward investors; limit state participation in mining; to support projects that operate to international environmental, health and safety standards; and support value-adding operations, secondary processing, and production of end materials.

The key amendment included the lifting of a moratorium placed on exploration licences since 2010 as well as increasing the proportion of land available for mineral exploration by 150%, extending the term of licences from 9 to 12 years and places no restriction on junior explorers to use the licences as security for raising capital.

Competent Persons Statement

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

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

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

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

ASPIRE MINING LTD

FINANCIAL REPORT 2014

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 2014.

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 Mark Read	Non-Executive Director
Mr Sado Demchigsuren Turbat	Non-Executive Director
Ms Hannah Badenach	Non-Executive Director
Mr Andrew Edwards	Non-Executive Director (resigned 8 May 2014)

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 25 years. Over this period, Mr McSweeney has overseen the discovery of a number of gold, copper and iron ore deposits in Western Australia and Europe. As the founder and CEO of ASX listed Gindalbie Metals Ltd from 1994 to 2006, Mr McSweeney oversaw the discovery and development of 2 gold mining production centres and the discovery and outline of the development of the Karara iron ore mining centre in the midwest region of Western Australia. He was the founding director of Exco Resources Ltd and was the founding Chairman of Avalon Minerals Ltd.

Mr McSweeney is currently Chairman of FeCon Limited and Chairman of MSP Engineering Pty Ltd and MSP Capital 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 four 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 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. He is also a director of Austmine Limited, the body dedicated to the advancement of the Australian mining, equipment, technology and services sector. Mark is also a Director of Austmine Limited, the peak body dedicated to the advancement of the Australian Mining Equipment Technology and Services sector of Australia.

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

DIRECTORS' REPORT (continued)

Mr Sado Demchigsuren Turbat
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 Advisory 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
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 is also a Director of ASX listed and Mongolian focussed explorer, Xanadu Mines Limited (appointed 4 October 2011).

She is a member of both the Audit & Risk Committee and a member of the Remuneration Committee.

Mr Andrew Edwards (Resigned 8 May 2014)
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).

Until his resignation as a director, Mr Edwards was Chairman of the Audit & Risk Committee and a member of the Remuneration Committee.

DIRECTORS' REPORT (continued)

Company Secretary

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

Mr Rundell has had over 25 years' experience as a Partner and Director of 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.

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 Mark Read	200,000	-	-	200,000
Mr Sado Demchigsuren Turbat	2,415,109	-	-	400,000
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.

There are no unpaid amounts on the shares issued.

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	-	3,827,500
Total			245,014,342

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.

DIRECTORS' REPORT (continued)

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

Aspire has a principal focus on coking coal assets in Mongolia, with current ownership of the Ovoot Coking Coal Project (Ovoot Project) and the Jilchigbulag Coal Project.

During the period, Aspire acquired a 50% interest in the Ekhgoviin Chuluu Joint Venture ("**ECJV**"), with Noble Group owning the remaining 50%. ECJV currently holds a 60% interest in Nuurstei Coal Project, with the ability to increase interest to 90%, and a 51% interest in the Khus Coal Project.

A rail infrastructure solution is required for the transport of coal from the Ovoot Project to markets. Northern Railways LLC ("Northern Railways") is Aspire's Mongolian rail infrastructure subsidiary tasked with progressing the development of the Northern Rail Line, the rail section required for connection from the Ovoot Project to the existing Trans Mongolian Railway.

Highlights and activities undertaken in the period and to the date of this report are the subject of ASX announcements and include:

Ovoot Project operating cost review: Detailed mine rescheduling focussing on waste minimisation and targeting higher proportions of low ash coking coal to bypass washing operations to mitigate initial capital investment.

Reserves and Resources: Updating of the JORC Coal Resources and Reserves for compliance with the JORC 2012 Code.

Exploration: Appointing Consultants to reinterpret seismic data across the Ovoot Basin to provide further data for use in developing future targeted exploration programmes.

Exploration: Approving an exploration programme for the ECJV Nuurstei Project to assess the project as a potential small road based operation prior to the commissioning of the Northern Rail Line and development of the Ovoot Project.

Ovoot site infrastructure: Entering into a non-binding Memorandum of Understanding for the potential supply of power to the Ovoot Project, and joint cooperation to build necessary transmission infrastructure from the power plant to the Ovoot Project.

Rail: Northern Railway completing an on-the-ground field assessment to confirm the operational and engineering viability assumptions included in the 2013 Pre-Feasibility Study.

Rail financing: Obtaining several non-binding expressions of interest from parties sufficient to meet the rail capital cost, with definitive financing discussions to be held with those parties following the receipt of a rail concession from the Government of Mongolia.

Port access: Entering into non-binding Memoranda of Understanding to secure seaport capacity through the Nakhodka port in Russia's Far East and the Blacksea port of Taman.

Offtake: Signing further non-binding Memoranda of Understanding for coking coal offtake with potential customers in both China and Russia that together with all indicative offtake exceeds the planned initial production from the Ovoot Project.

Blending opportunities: Commissioning of a scoping study investigating a potential blending operation to be located at Mongolia's Sainshand Industrial Park to blend Ovoot Project coking coal with other coals from the South Gobi region of Mongolia to add value to low value coking coals.

Further detail on these activities is available on the Aspire website, ASX announcements platform and in the Company's Annual Report.

DIRECTORS' REPORT (continued)

Review of financial conditions

At balance date, the Group had $3,543,945 (2013: $7,917,391) in cash assets which the directors believe requires the Group to raise capital and/or obtain project funding 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 $2,840,015 for the year ended 30 June 2014 (2013: Loss $7,750,405).

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

On 19 September 2014, the Company completed a placement to sophisticated investors, issuing 38,700,000 ordinary shares at $0.05 raising $1,935,000. In addition, the Company issued 5,400,000 ordinary shares at $0.05 on the exercise of options by non-executive directors, raising $270,000.

Other than the capital raising, 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.

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.

DIRECTORS' REPORT (continued)

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.

Remuneration Report (audited)

This report outlines the remuneration arrangements in place for the Key Management Personnel of the Company and its controlled entities for the financial year ended 30 June 2014, as follows:

Mr David McSweeney	(Non-Executive Chairman)
Mr David Paull	(Managing Director)
Mr Neil Lithgow	(Non-Executive Director)
Mr Mark Read	(Non-Executive Director)
Mr Sado Demchigsuren Turbat	(Non-Executive Director)
Ms Hannah Badenach	(Non-Executive Director)
Mr Andrew Edwards	(Non-Executive Director - resigned 8 May 2014)
Mr Fergus Campbell	(Chief Operating Officer – service finished on 30 October 2013)

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.

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

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.

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 is entitled to receive a fee for being a director of the Company.

The remuneration of non-executive directors for the year ended 30 June 2014 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 had an Employee Services Agreements 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 was employed as Chief Operating Officer at an 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, with Mr Campbell completing his tenure on 30 October 2013.

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

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

	2014 $	2013 $
Short-term employee benefits	887,396	1,273,300
Post-employment benefits	14,286	17,864
Share-based payments	-	266,100
	901,682	1,557,264

The shares, options and rights held by key management personnel in the year ended 30 June 2014 is detailed in Table 3, 4, 5 and 6.

Options
During the year ended 30 June 2014, 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 2,000,000 Performance Rights were issued to Non-Executive Directors or their nominees. 800,000 of those Performance Rights were exercised on vesting on 31 December 2012 and converted to Ordinary Shares. The remaining Performance Rights have vested but are yet to be exercised.

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

Remuneration of Key Management Personnel

Table 1: Key management personnel remuneration for the year ended 30 June 2014

	Short-term employee benefits	Post-employment benefits	Equity	Other	Total	%
	Salary & Fees	Superannuation	Options	Performance Rights		Performance Related
Mr David Paull[1]	360,000	-	-	-	360,000	-
Mr David McSweeney[2]	90,048	-	-	-	90,048	-
Mr Neil Lithgow	50,000	4,500	-	-	54,500	-
Mr Andrew Edwards	41,285	3,810		-	45,095	-
Mr Mark Read[3]	54,500	-	-	-	54,500	-
Mr Sado Demchigsuren Turbat	54,500	-	-	-	54,500	-
Mr Fergus Campbell	237,063	5,976	-	-	243,039	-
Ms Hannah Badenach	-	-	-	-	-	-
Total	**887,396**	**14,286**	**-**	**-**	**901,682**	**-**

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

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

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

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

Remuneration of Key Management Personnel

Table 2: 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 D McSweeney 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)

Key Management Personnel Equity Holdings

Table 3 - Fully Paid Ordinary Shares

	Balance at beginning of period	Granted	On- and off-Market movements	Balance on appointment/ retirement	Balance at end of period
2014					
Mr David Paull Note 1	1,986,792	-	-	-	1,986,792
Mr David McSweeney	13,983,962	-	-	-	13,983,962
Mr Neil Lithgow Note 1	63,578,501	-	-	-	63,578,501
Mr Andrew Edwards	200,000	-	-	(200,000)	-
Mr Mark Read	200,000	-	-	-	200,000
Mr Sado Demchingsuren Turbat	2,415,109	-	-	-	2,415,109
Ms Hannah Badenach	-	-	-	-	-
Mr Fergus Campbell	2,656,329	-	-	(2,656,329)	-
Total	85,020,693	-	-	(2,856,329)	82,164,364
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	-	-	-	2,415,109	2,415,109
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	(36,884,891)	85,020,693

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.

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

Key Management Personnel Equity Holdings

Table 4 - 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
2014					
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 Mark Read	-	-	-	-	-
Mr Andrew Edwards	-	-	-	-	-
Mr Sado Demchigsuren Turbat	-	-	-	-	-
Ms Hannah Badenach	-	-	-	-	-
Mr Fergus Campbell	-	-	-	-	-
Total	34,660,377	-	-	-	34,660,377
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 Andrew Edwards	-	-	-	-	-
Mr Mark Read	-	-	-	-	-
Mr Sado Demchigsuren Turbat	-	-	-	-	-
Ms Hannah Badenach	-	-	-	-	-
Mr Fergus Campbell	-	-	-	-	-
Total	34,660,377	-	-	-	34,660,377

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.

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

Key Management Personnel Equity Holdings

Table 5 - 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
2014						
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 Andrew Edwards	-	-	-	-	-	-
Mr Mark Read	-	-	-	-	-	-
Mr Sado Demchingsuren Turbat	-	-	-	-	-	-
Ms Hannah Badenach	-	-	-	-	-	-
Mr Fergus Campbell	-	-	-	-	-	-
Total	66,000,000	-	-	-	-	66,000,000
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

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.

DIRECTORS' REPORT (continued)

Remuneration Report (audited) (continued)

Key Management Personnel Equity Holdings

Performance Rights exercisable at no consideration on achievement of tenure or other performance milestones

	Balance at beginning of period	Granted	Exercised	Expired	Balance on resignation	Balance at end of period
2014						
Mr David Paull	1,000,000	-	-	-	-	1,000,000
Mr David McSweeney	200,000	-	-	-	-	200,000
Mr Neil Lithgow	200,000	-	-	-	-	200,000
Mr Andrew Edwards	200,000	-	-	-	(200,000)	-
Mr Mark Read	200,000	-	-	-	-	200,000
Mr Sado Demchingsuren Turbat	400,000	-	-	-	-	400,000
Ms Hannah Badenbach	-	-	-	-	-	-
Mr Fergus Campbell	-	-	-	-	-	-
Total	2,200,000	-	-	-	(200,000)	2,000,000
2013						
Mr David Paull	-	1,000,000	-	-	-	1,000,000
Mr David McSweeney	-	400,000	(200,000)	-	-	200,000
Mr Neil Lithgow	-	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	-	400,000	-	-	-	400,000
Mr Ross Tromans	-	-	-	-	-	-
Ms Hannah Badenbach	-	-	-	-	-	-
Mr Fergus Campbell	-	1,000,000	(1,000,000)	-	-	-
Total	-	4,000,000	(1,800,000)	-	-	2,200,000

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	7	7
Mr David Paull	7	7
Mr Neil Lithgow	5	7
Mr Andrew Edwards	7	7
Mr Mark Read	7	7
Mr Sado Demchingsuren Turbat	2	7
Ms Hannah Badenach	6	7

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 2014.

Non-Audit Services
No non-audit services were provided by the auditors during the year.

Details of the auditors' remuneration are set out in Note 23.

Signed in accordance with a resolution of the directors.

David Paull
Managing Director
Dated this 23 September 2014

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 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia
23 September 2014

W M Clark
Partner

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Other income	2	178,848	557,956
Employee benefits expense		(1,312,224)	(1,829,391)
Exploration expenditure written off		(10,931)	(1,510,578)
Foreign exchange gain/(loss)		(260,622)	(215,091)
Interest expense		(492,386)	(43,218)
Share based payments	7	(97,917)	(276,895)
Other expenses	2	(3,317,686)	(4,420,787)
Loss before income tax expense		(5,312,918)	(7,738,004)
Income tax benefit/(expense)	3	2,472,903	(12,401)
Net loss for the year		(2,840,015)	(7,750,405)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		(6,698,368)	912,026
Other comprehensive (loss)/income for the year net of tax		(6,698,368)	912,026
Total comprehensive loss		(9,538,383)	(6,838,379)
Basic loss per share (cents per share)	4	(0.43)	(1.22)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 $	2013 $
Current Assets			
Cash and cash equivalents	8	3,543,945	7,917,391
Trade and other receivables	9	314,485	485,275
Total Current Assets		3,858,430	8,402,666
Non-Current Assets			
Deferred exploration and evaluation expenditure	10	42,647,350	45,364,075
Property plant and equipment	12	351,165	795,370
Intangible asset	13	26,174	80,070
Investment accounted for using the equity method	26	1	-
Total Non-Current Assets		43,024,690	46,239,515
Total Assets		46,883,120	54,642,181
Current Liabilities			
Trade and other payables	11	196,422	549,068
Loan	14	5,308,419	-
Interest payable	14	68,064	39,687
Finance lease	15	-	7,222
Total Current Liabilities		5,572,905	595,977
Non-Current Liabilities			
Loan	14	-	3,284,792
Finance lease	15	-	10,731
Total Non-Current Liabilities		-	3,295,523
Total Liabilities		5,572,905	3,891,500
Net Assets		41,310,215	50,750,681
Equity			
Issued capital	6	73,391,689	73,391,689
Reserves	7	(5,348,488)	1,251,963
Accumulated losses	7	(26,732,986)	(23,892,971)
Total Equity		41,310,215	50,750,681

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital $	Accumulated losses $	Foreign Currency Translation Reserve $	Share Based Payments Reserve $	Total Equity $
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
Balance at 1 July 2013	73,391,689	(23,892,971)	450,161	801,802	50,750,681
Performance rights vested and exercised	-	-	-	97,917	97,917
Loss for the year	-	(2,840,015)	-	-	(2,840,015)
Exchange differences arising from translation of foreign operations	-	-	(6,698,368)	-	(6,698,368)
Balance at 30 June 2014	73,391,689	(26,732,986)	(6,248,207)	899,719	41,310,215

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Interest received		200,680	637,456
Payments to suppliers and employees		(4,369,236)	(6,031,708)
Income tax paid		-	(16,077)
Interest paid		(464,009)	-
Research & development tax incentives		2,472,903	-
Net cash used in operating activities	8	(2,159,662)	(5,410,329)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(3,915,555)	(12,907,297)
Proceeds from sale of property, plant and equipment		65,058	-
Purchase of non-current assets		(15,880)	(158,586)
Purchase of intangible asset		-	(15,101)
Net cash used in investing activities		(3,866,377)	(13,080,984)
Cash flows from financing activities			
Net proceeds from issue of shares		-	2,789,569
Proceeds from borrowings		2,023,627	3,341,335
Repayments of finance lease		(17,953)	-
Net cash provided by financing activities		2,005,674	6,130,904
Net decrease in cash and cash equivalents		(4,020,365)	(12,360,409)
Cash and cash equivalents at the beginning of the year		7,917,391	19,694,188
Effect of foreign exchange rate fluctuations on cash held		(353,081)	583,612
Cash and cash equivalents at the end of the year	8	3,543,945	7,917,391

The accompanying notes from part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 activities are mineral exploration and evaluation, and progressing the approval process for the development of a railway in northern Mongolia.

(b) Going concern

The 30 June 2014 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. The Group does not generate revenues to fund operations and ongoing investment in exploration activities. The ability of the Group to continue as a going concern is dependent on its ability to raise additional equity or farm in arrangements on exploration assets.

The Group recorded a net loss of $2,840,015 (2013 net loss: $7,750,405) for the year ended 30 June 2014 and had a net working capital deficiency of $1,714,475 (30 June 2013: surplus of $7,806,689) at balance date with the US$5million loan to Noble due within the next 12 months.

Based on the Group's cash flow forecast, it is evident that the Group will need to access additional working capital in the coming 12 months to continue its activities and to ensure 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 divest an interest in its projects. Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report.

Should the Company be unsuccessful in raising additional funds either through the issue of new equity, or by the sale of an interest in 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 2014, 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 2014. 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 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Statement of Compliance

The financial report was authorised for issue on 23 September 2014.

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 2014

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.

Obligation to issue ordinary shares

The Company has an obligation to issue 15 million shares in respect to the acquisition of Coalridge Limited, subject to achievement of certain criteria as set out in Notes 20 and 26. Australian Accounting Standard AASB2 *Share Based Payments* requires the Company to account for this transaction based on the best available estimate of the number of shares expected to vest and revise that estimate, if necessary, if subsequent information indicates that the number of shares expected to vest differs from previous estimates. The application of this requirement requires significant judgement by the directors. The directors have assessed that, as at the date of issue of the financial report, the likelihood of shares being issued by the Company under the above obligation is less likely than more likely, and accordingly, no accounting transaction has been recorded for this obligation.

(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 2014

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Foreign currency translation (continued)

The functional currency of the Mongolian incorporated subsidiaries, Khurgatai Khairkhan LLC, Northern Railways LLC, Ovoot coal mining LLC and Chilchig Gol LLC is Mongolian Tugriks (MNT), Ovoot Coking Coal Pte Ltd and Northern Mongolian Railways Limited is USD and Northern Railways LLC is Singaporean Dollars (SGD).

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Income tax (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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 three (3) year estimated useful life of the assets.

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

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Property, plant and equipment (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Share-based payment transactions (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Parent entity financial information

The financial information for the parent entity, Aspire Mining Limited, disclosed in Note 24 has been prepared on the same basis as the consolidated financial statements, other than investments in subsidiaries are accounted for at cost.

(y) Interest in joint venture

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is an arrangement where the parties have joint control of the arrangement and have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position and adjusted thereafter to recognise the Groups' share of the profit or loss in other comprehensive income. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of ASSB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate or joint venture. When necessary, the entire carrying amount if the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Interest in joint venture (continued)

Therefore, if a gain or loss recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and loss resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

NOTE 2: REVENUES AND EXPENSES

	2014	2013
	$	$
(a) Revenue		
Interest income	178,848	555,632
Other sundry income	-	2,324
	178,848	557,956

	2014	2013
(b) Other Expenses		
Accounting and audit fees	127,361	143,047
Amortisation expense	45,406	61,068
Company secretarial	112,272	173,303
Consultants and corporate costs	1,008,966	898,225
Depreciation expense	278,850	280,739
Directors' fees	541,691	816,910
Insurance	131,449	155,337
Legal fees	44,802	134,005
Office and administration costs	276,678	413,348
Share registry and listing expenses	49,205	70,742
Profit on sale of plant and equipment	(17,049)	-
Media, promotion and investor relations	145,154	265,718
Recruitment fees	-	450
Rent & outgoings	310,855	413,414
Tenement costs	-	95,494
Travel expenses	197,557	302,379
Other	64,489	196,608
	3,317,686	4,420,787

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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:	2014 $	2013 $
Accounting loss before tax	(5,312,918)	(7,738,004)
Income tax benefit calculated at 30%	(1,593,875)	(2,321,401)
Accrued expenses	(63,704)	43,854
Other non-deductible expenses	121,616	40,812
Deductions available over more than one year	(192,682)	(183,218)
Exploration and tenement expenses	(50,140)	(348,748)
Research and development tax incentive rebate 2012	(1,314,366)	-
Research and development tax incentive rebate 2013	(1,172,215)	-
Income tax benefit not brought to account	1,792,463	2,781,102
Income tax (benefit)/expense	(2,472,903)	12,401
Made up of:		
Research and development tax incentive rebate 2012	(1,314,366)	-
Research and development tax incentive rebate 2013	(1,172,215)	-
	(2,486,581)	-
Income tax expense on Mongolian operations	13,678	12,401
Income tax (benefit)/expense	(2,472,903)	12,401

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 $3,643,404 (2013: $3,391,894) in respect to tax losses arising in Australia and $1,627,647 (2013: $6,871,700) 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 $287,240 (2013: $443,881) relating to share issue costs and unrecorded tax liabilities of $1,282,570 (2013: $1,232,429) relating to capitalised exploration and evaluation expenditure arising in Australia.

NOTE 4: EARNINGS PER SHARE

	2014 Cents per share	2013 Cents per share
Basic loss per share:	(0.43)	(1.22)
Continuing operations		
The earnings and weighted average number of ordinary shares used in the basic earnings per share is as follows:		
Earnings used in calculation of basic earnings per share	(2,840,015)	(7,750,405)
Weighted average number of ordinary shares for the purpose of basic earning per share	658,247,056	633,344,727

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 2014

NOTE 5: SEGMENT INFORMATION

	Continuing operations Australia $	Mongolia $	Total $
Year ended 30 June 2014			
Total segment revenue	151,852	26,996	178,848
Segment net operating loss after tax	(723,551)	(2,116,464)	(2,840,015)
Interest revenue	151,852	26,996	178,848
Depreciation and amortisation	(47,818)	(276,438)	(324,256)
Segment assets	7,793,040	39,090,079	46,883,119
Segment liabilities	(149,599)	(5,423,305)	(5,572,904)
Capital expenditure during the year	167,134	3,764,301	3,931,435
Cash flow information			
Net cash flow from operating activities	135,105	(2,294,767)	(2,159,662)
Net cash flow from investing activities	(167,134)	(3,699,243)	(3,866,377)
Net cash flow from financing activities	-	2,005,674	2,005,674

	Continuing operations Australia $	Mongolia $	Total $
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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: ISSUED CAPITAL AND RESERVES

	2014 $	2013 $
Ordinary shares		
Issued and fully paid	76,955,330	76,955,330
Less share issue costs	(3,563,641)	(3,563,641)
	73,391,689	73,391,689

Movements in ordinary shares on issue

	2014 No.	2014 $
At 1 July 2013	658,247,056	73,391,689
At 30 June 2014	658,247,056	73,391,689

	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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 7: ACCUMULATED LOSSES AND RESERVES

Accumulated losses

Movements in accumulated losses are as follows:

	2014 $	2013 $
Balance at beginning of financial year	(23,892,971)	(16,268,287)
Net loss for the year	(2,840,015)	(7,750,405)
Transfer on expiry of options	-	125,721
Balance at end of financial year	(26,732,986)	(23,892,971)

Reserves

	Option reserve $	Foreign currency translation reserve $	Share Based Payments Reserve $	Total $
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
Currency translation differences	-	(6,698,368)	-	(6,698,368)
Issue of Performance Rights	-	-	97,917	97,917
At 30 June 2014	713,182	(6,248,207)	186,537	(5,348,488)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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:

	2014 No.	2014 Weighted average exercise price	2013 No.	2013 Weighted average exercise price
Outstanding at the beginning of the year	241,186,842	0.050	247,186,842	0.052
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	(6,000,000)	0.002
Outstanding at the end of the year	241,186,842	0.050	241,186,842	0.050
Exercisable at the end of the year	241,186,842	0.050	241,186,842	0.050

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 7: ACCUMULATED LOSSES AND RESERVES (continued)

Nature and purpose of reserves (continued)

The number and details of the options unexercised at 30 June 2014 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]	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.

NOTE 8: CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank and on hand	532,029	1,751,409
Short-term deposits	3,011,916	6,165,982
	3,543,945	7,917,391

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 (2013: $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 2014

NOTE 8: CASH AND CASH EQUIVALENTS (continued)

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

	2014 $	2013 $
Loss for the year	(2,840,015)	(7,750,405)
Change in net assets and liabilities:		
Change in trade and other receivables	170,323	271,823
Changes in trade and other payables	(166,647)	(263,718)
Profit on sale of property, plant and equipment	(17,049)	-
Amortisation	45,406	61,068
Depreciation expense	278,850	280,739
Share based payments	97,917	276,895
Tenements/exploration expenditure written off	10,931	1,510,578
Foreign exchange loss	260,622	202,691
Net cash used in operating activities	(2,159,662)	(5,410,329)

NOTE 9: CURRENT TRADE AND OTHER RECEIVABLES

	2014 $	2013 $
GST recoverable	50,560	87,085
Prepayments	202,781	261,440
Accrued interest	17,011	38,843
Tenant overhead contribution	17,761	20,245
Other	26,372	77,662
	314,485	485,275

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2014 $	2013 $
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	45,364,075	34,513,551
Expenditure incurred / (written-off)		
Ovoot Coking Coal Project	488,591	7,363,398
Ovoot Coking Coal Project – written-off	(6,479)	(156,502)
Nuramt	-	27,172
Nuramt write-off	-	(27,172)
Jilchigbulag	4,452	(49,306)
Jilchigbulag – written-off	(4,452)	(1,047,976)
Zavkhan	-	16,971
Zavkhan – written-off	-	(278,928)
Railway evaluation	3,265,356	4,508,396
Foreign exchange loss	(6,464,193)	494,471
Total exploration and evaluation expenditure	42,647,350	45,364,075

Total expenditure incurred and carried forward in respect of specific projects -		
Ovoot Coking Coal	34,458,777	40,130,451
Rail evaluation	8,188,573	5,233,624
Total exploration and evaluation expenditure	42,647,350	45,364,075

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)

	2014 $	2013 $
Trade payables	112,820	182,592
Accrued expenses	54,141	281,848
Corporate credit card	9,608	16,409
Payroll accruals	8,308	44,303
Annual leave	11,545	23,916
	196,422	549,068

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 2014

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Plant & Equipment	Furniture & Fittings	Office equipment	Motor Vehicles	Total
	$	$	$	$	$	$
Year ended 30 June 2014						
Carrying value at 1 July 2013	356,056	117,070	55,542	112,130	154,572	795,370
Additions	-	13,225	842	1,813	-	15,880
Disposals	-	-	(11,015)	(531)	(37,632)	(49,178)
Depreciation charge for the year	(45,066)	(69,851)	(27,674)	(64,724)	(71,535)	(278,850)
Exchange rate movement	(72,104)	(15,068)	(10,446)	(12,210)	(22,229)	(132,057)
Carrying value at 30 June 2014	238,886	45,376	7,249	36,478	23,176	351,165
30 June 2014						
Cost						1,074,831
Accumulated depreciation						(723,666)
Net carrying amount						351,165
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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 13: INTANGIBLE ASSET

	Exploration software $
Year ended 30 June 2014	
At 1 July 2013, net of accumulated amortisation and impairment	80,070
Additions	-
Amortisation for the year	(45,406)
Exchange rate movement	(8,490)
At 30 June 2014, net of accumulated amortisation and impairment	26,174
At 30 June 2014	
Cost	190,602
Accumulated amortisation	(164,428)
Net carrying amount	26,174
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

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 drawdowns of USD3,000,000 and USD2,000,000 were made on 10 May 2013 and 8 July 2013, respectively . The loan is repayable on 21 February 2015, two (2) years from the date of the Facility Agreement. Interest is payable quarterly in arrears at 9% per annum.

NOTE 15: FINANCE LEASE

	2014 $	2013 $
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. During the year, 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 2014

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.

	2014 $	2013 $
Financial assets:		
Receivables	111,704	223,835
Cash and cash equivalents	3,543,945	7,917,390
	3,655,649	8,141,225
Financial liabilities:		
Trade and other creditors	196,421	549,068
Interest payable	68,064	39,687
Loan	5,308,419	3,284,792
Finance lease	-	17,953
	5,572,904	3,891,500

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
	%	$	$	$	$	$
2014						
Non-interest bearing		484,716	-	-	-	-
Variable interest rate instruments	0.03	265,933	-	-	-	-
Fixed interest rate instruments	3.61	1,300,000	1,605,000	-	-	-
		2,050,649	1,605,000	-	-	-
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	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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
	%	$	$	$	$	$
2014						
Non-interest bearing	-	196,421	68,064	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	9%	-	-	5,308,419	-	-
		196,421	68,064	5,308,419	-	-
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	-

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 2013 and 2014, it has been the Group's policy not to trade in financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 2014, 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:

	2014	2013
Change in Loss	$	$
Increase in interest rate by 1%	36,303	17,898
Decrease in interest rate by 1%	(36,303)	(17,898)
Change in Equity		
Increase in interest rate by 1%	36,303	17,898
Decrease in interest rate by 1%	(36,303)	(17,898)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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	
	2014	2013	2014	2013
	$	$	$	$
US Dollars	5,376,483	3,324,479	300,899	1,535,305
Mongolian Tugriks	40,872	106,255	320,203	324,563

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.

	2014	2013
	$	$
Profit/(loss) and equity – US dollar exposure	(563,954)	(198,797)
Profit/(loss) and equity – Mongolian Tugrik	31,037	(19,846)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 with variable interest rates, 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.

The carrying value of the financial assets and liabilities in the financial statements approximates their fair value.

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:

	2014	2013
	$	$
Within a year	150,916	55,378
Later than one year but not later than five years	1,861,443	143,742

NOTE 19: DIVIDENDS

The directors of the Group have not declared any dividend for the year ended 30 June 2014.

NOTE 20: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as at 30 June 2014, other than in respect to the acquisition of the 50% interest in Coalridge Limited that owns the Ekhgoviin Chuluu Joint Venture ("ECJV") that has a 60% interest in the Nuurstei Coking Coal Project (Nuurstei Project) (see Note 26) and Aspire's agreement to issue:

1. 10 million shares in Aspire to the vendor upon the ECJV entering into an agreement to undertake feasibility studies on the Nuurstei Project area or upon the Mineral Resource Authority of Mongolia granting a mining license over all or part of the Nuurstei Project area; and
2. a further 5 million shares in Aspire in the event that 30 million tonnes of JORC compliant resources are identified in the Nuurstei Project area.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

On 19 September 2014, the Company completed a placement to sophisticated investors, issuing 38,700,000 ordinary shares at $0.05 raising $1,935,000. In addition, the Company issued 5,400,000 ordinary shares at $0.05 on the exercise of options by non-executive directors, raising $270,000.

Other than the above capital raising, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 22: DIRECTORS AND EXECUTIVE DISCLOSURES

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

	2014 $	2013 $
Short-term employee benefits	887,396	1,273,300
Post-employment benefits	14,286	17,864
Share-based payments	-	266,100
	901,682	1,557,264

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 2,000,000 Performance Rights were issued to Non-Executive Directors or their nominees. 800,000 of those Performance Rights were exercised on vesting on 31 December 2012 and converted to Ordinary Shares. The remaining Performance Rights have vested but are yet to be exercised.

NOTE 23: AUDITOR'S REMUNERATION

The auditor of Aspire Mining Limited is HLB Mann Judd.

	2014 $	2013 $
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial reports	38,000	42,485
Other services	-	-
	38,000	42,485

The auditor of Khurgatai Khairkhan LLC, its direct subsidiaries and Northern Railways LLC to 31 December 2013 was Deloitte Onch Audit LLC, Mongolia. The auditor from 1 January 2014 is PricewaterhouseCoopers.

	2014 $	2013 $
Amounts received or due and receivable by Deloitte Onch Audit LLC for:		
An audit or review of the financial reports	29,985	68,410
Other services	-	12,707
	29,985	81,117
Amounts received or due and receivable by PricewaterhouseCoopers Audit LLC for:		
An audit or review of the financial reports	32,955	-
Other services	-	-
	32,955	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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**	**2014**	**2013**	**2014**	**2013**
Khurgatai Khairkhan LLC	Mongolia	100%	100%	-	-
Northern Railways LLC	Mongolia	100%	100%	-	-
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%	100%	1	1
Northern Mongolian Railways Limited	British Virgin Islands	100%	100%	$97,408	$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 2014, amounts of $37,997,247 (2013: $30,213,631), $1,817,258 (2013: $952,504), $10,149,420 (2013: $9,641,768), $15,222 (2013: $Nil) and $3,648 (2013: $2,389) were owed by Khurgatai Khairkhan LLC, Northern Railways LLC, Ovoot Coking Coal Pte Ltd, Northern Railways Pte Ltd, and Northern Mongolian Railways Limited to the parent entity, respectively.

NOTE 25: PARENT ENTITY DISCLOSURES

Financial position

	2014 $	2013 $
Assets		
Current assets	3,372,284	7,962,767
Non-current assets[1]	44,648,139	40,984,765
Total assets	48,020,423	48,947,532
Liabilities		
Current liabilities	149,599	451,074
Non-current liabilities	-	-
Total liabilities	149,599	451,074
Net assets	47,870,824	48,496,458
Equity		
Issued capital	73,391,689	73,391,689
Reserves	899,719	801,802
Accumulated losses	(26,420,584)	(25,697,033)
Total equity	47,870,824	48,496,458

[1] Included in non-current assets are the investments in and loans to subsidiaries of $40,343,661 (2013: $40,810,293), the recoverability of which is dependent on the successful exploitation of the subsidiaries' exploration and evaluation assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 25: PARENT ENTITY DISCLOSURES (continued)

Financial performance

	Year ended 30 June 2014 $	Year ended 30 June 2013 $
Loss for the year	(723,551)	(3,859,147)
Transfer on expiry of options	-	125,721
Other comprehensive income	-	-
Total comprehensive loss	(723,551)	(3,733,426)

Parent Company Capital Commitments

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

Aspire has agreed to issue shares to the vendor of the interest acquired in the Ekhgoviin Chuluu Joint Venture ("ECJV") that has a 60% interest in the Nuurstei Coking Coal Project ("Nuurstei Project") if and when milestones are achieved in respect to the Nuurstei Project (see Notes 20 and 26).

NOTE 26: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

On 13 June 2014, Ovoot Coking Coal Pte Ltd (OCC),100% owned subsidiary of Aspire, acquired the 50% interest held by Xanadu Limited (Xanadu) in Coalridge Limited. Noble Group retained its 50% ownership. Coalridge Limited owns the entities that operate the Ekhgoviin Chuluu Joint Venture ("ECJV"). The ECJV currently has a 60% interest in the Nuurstei Coking Coal Project ("Nuurstei Project") in Northern Mongolia, with the ability to raise the interest to 90%. ECJV also holds a 51% interest in the Khurs Project.

The loan owed to Xanadu by Coalridge Limited (which has been fully provisioned) has been assigned to Aspire. Aspire has agreed to issue 10 million shares in Aspire to Xanadu upon the ECJV entering an agreement to undertake feasibility studies in the Nuurstei Project area or upon the Mineral Resource Authority of Mongolia granting a mining license over all or part of the Nuurstei Project area. Aspire has agreed to issue a further 5 million shares in Aspire in the event that 30 million tonnes of JORC compliant resources are identified in the Nuurstei Project area.

No value has been recorded to these shares as the directors consider it to be less likely than more likely that the performance milestones will be met.

Aspire will take on Xanadu's obligation to pay for an additional interest in the Nuurstei Project and will pay the minority vendors in the Nuurstei Project US$200,000 on the grant of a Mining License over the project area. The ECJV will then hold a 90% interest in the Nuurstei Project. The minority interest of 10% will be free carried through to production.

	2014 $
Investment in jointly controlled entity	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 26: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The summarised financial information of Ekhgoviin Chuluu LLC at 30 June 2014 is:

	2014 $
Assets	
Current assets	7,325
Non-current assets	2,038,051
Total assets	2,045,376
Liabilities	
Current liabilities	924,989
Non-current liabilities	13,474,834
Total liabilities	14,399,823
Net liabilities	12,354,446

The liabilities include principal and interest owing to the OCC of $7.19 million, which has been fully impaired by the Group.

Exploration Commitments

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

	2014 $
Within a year	64,073
Later than one year but not later than five years	373,716

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 52, 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 2014 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 2014.

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

David Paull
Managing Director
23 September 2014

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 2014, 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.

HLB Mann Judd

Accountants | Business and Financial Advisers

Independence

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

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 2014 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 indicate that the ability of the Group to continue as a going concern and, therefore, meet its liabilities as and when they fall due is dependent on raising additional funds through the issue of new equity or sale of assets. Should the Company be unsuccessful in the raising additional funds either through the issue of new equity or by sale of an interest in 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.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. 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 2014 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

W M Clark
Partner

Perth, Western Australia
23 September 2014

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 under the Company Profile – Corporate Governance tab.

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 six (6) directors, a majority of which are independent non-executive directors including Mr Mr David McSweeney, Mr Mark Read, Mr Sado D. Turbat, and Ms Hannah Badenach. Currently there are five 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".

The Board comprises a broad spectrum mix of skills and diversity which includes legal, financial, accounting, technical, geological and commercial backgrounds.

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;

CORPORATE GOVERNANCE STATEMENT (continued)

Main corporate governance practices (continued)

Board functions (continued)

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;
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 and does not hold the position as CEO/Managing Director.

Commitment

The number of meetings of the Company's Board held during the year ended 30 June 2014, 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. The Managing Director volunteered a reduction in salary at the commencement of the Period which is considered in line with the market, notwithstanding his performance has been in accordance with his role and responsibilities. The Chief Operating Officer completed his tenure with the Company on 30 October 2013.

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 restraint 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. The Chairman has taken further voluntary reductions in remuneration and is currently paid \$84,000 per annum.

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.

CORPORATE GOVERNANCE STATEMENT (continued)

Main corporate governance practices (continued)

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.

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:

Ms Hannah Badenach (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, operating under a Charter approved by the Board, 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)
Ms Hannah Badenach (Independent)

CORPORATE GOVERNANCE STATEMENT (continued)

Main corporate governance practices (continued)

Remuneration Committee (continued)

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.

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 23 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 future 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.

Throughout the reporting period, the effectiveness of the Company's management in relation to its material business risk is reported to the Board by the Managing Director.

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 2014:

(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	16	84
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. Shareholders are welcome to join the Company's email distribution list to receive notice of ASX announcements following their release and other Company updates by contacting the Company at its Registered Office or following the links provided on the Company's website. The Company places all ASX releases, and other relevant updates onto the Company's website, most of which can be sourced under the Investor Relations tab.

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 continues to include persons with the required industry and professional experience including financial, accounting, geological, mining and legal backgrounds.
3.3	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 24 September 2014:

- SouthGobi Resources Limited, 123,498,316 shares or 17.59% on an undiluted basis.
- Noble Resources International Pte Ltd, 97,680,052 shares or 13.91% on an undiluted basis.
- Spectral Investments Pty Ltd, a company controlled by Mr Neil Lithgow, 68,578,501 shares or 9.76% on an undiluted basis.
- Khadbaasan Bat Erdene, 40,000,000 shares or 5.70% on an undiluted basis.
- Badamdamdin Battuvshin, 49,800,000 shares or 7.09% on an undiluted basis.
- Gan-Ochir Zunduisuren, 38,300,000 shares or 5.45% on an undiluted basis.

2. Number of holders in each class of equity securities and the voting rights attached (as at 24 September 2014)

Ordinary Shares
There are 2,663 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 24 September 2014.

a) Fully Paid Ordinary Share

SPREAD OF HOLDINGS	HOLDERS	UNITS	% OF ISSUED CAPITAL
1 – 1,000	256	55,323	0.01%
1,001 – 5,000	377	1,243,485	0.18%
5,001 – 10,000	392	3,353,770	0.48%
10,001 – 100,000	1,259	52,241,105	7.44%
100,001 –	379	645,453,373	91.90%
TOTAL ON REGISTER	2,663	702,347,056	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	0.23 %
100,001 –	12	90,579,892	99.77 %
TOTAL ON REGISTER	15	90,786,842	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 24 September 2014 (continued)

d) Unlisted Performance Rights

Type	Expiry Date	Exercise Price	Number of Shares
Performance Rights	Various	-	3,827,500

4. Marketable Parcel

There are 828 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 24 September 2014 is as follows:

Ordinary Shares Top 20 holders and percentage held.

	Holder Name	Units	% of Issued
1	SouthGobi Resources Limited	109,199,137	15.55%
2	Noble Resources International Pte Ltd	97,680,052	13.91%
3	HSBC Custody Nominees Australia Limited	89,471,581	12.74%
4	JP Morgan Nominees Limited	66,251,800	9.43%
5	Spectral Investments Pty Ltd	63,000,000	8.97%
6	Christopher Kingsman	30,000,000	4.27%
7	SouthGobi Resources Limited	14,299,179	2.04%
8	Custodial Services Limited	9,493,195	1.35%
9	Citicorp Nominees Pty Ltd	8,005,710	1.14%
10	Brookman Resources Pty Ltd	7,000,000	1.00%
11	David Lesley McSweeney	6,783,962	0.97%
12	Spectral Investments Pty Ltd	5,378,501	0.77%
13	Colorado Conversions Pty Ltd	4,985,916	0.71%
14	ABN Amro Clearing Sydney	3,675,137	0.52%
15	Thomas J & Ponniah I R	2,552,473	0.36%
16	Carmen Kingston	2,548,165	0.36%
17	Avatar Equities Pty Ltd	2,546,924	0.36%
18	2Rs Pty Ltd	1,986,792	0.28%
19	Caroline M Benetti	1,894,499	0.27%
20	Snowleigh Investments Pty Ltd	1,656,329	0.24%
	Total	**528,409,352**	**75.24%**

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 24 September 2014

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%
Nuurstei (ECJV)[1]		
13958X	Granted	30%
13580X	Granted	30%
Khus (ECJV)[1]		
15352X	Granted	25.5%

1: Aspire Mining Limited, through its wholly owned subsidiary, owns a 50% interest in the Ekhgoviin Chuluu Joint Venture (ECJV), the other party being the Noble Group.

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