Developing the Ovoot Coking Coal Project in Mongolia

Aspire Mining Limited (Formerly Windy Knob Resources Limited)

ABN 46 122 417 243

Annual Financial Report
30 June 2010

Contents **Page**

CORPORATE INFORMATION

ABN 46 122 417 243

Directors

Mr David McSweeney (Non Exec. Chairman)
Mr David Paull (Managing Director)
Mr Neil Lithgow (Non Exec. Director)
Mr Russell Lynton-Brown (Non Exec. Director)
Mr Gan-Ochir-Zunduisuren (Non Exec. Director)

Company secretary

Mr Philip Rundell

Registered office

Unit 2, Ground Floor, 454 Roberts Road,
SUBIACO WA 6008

Telephone: (08) 9381 1995
Fax: (08) 6380 2316
Email: info@aspiremininglimited.com

Principal place of business

Unit 2, Ground Floor, 454 Roberts Road,
SUBIACO WA, AUSTRALIA, 6008

Share register

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

Solicitors

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

Bankers

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

Auditors

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

Securities Exchange Listing

AKM

Website

www.aspiremininglimited.com

DIRECTORS' REPORT

Your directors submit the annual financial report of the consolidated entity consisting of Aspire Mining Limited ("Company") and the entity it controlled during the period for the financial year ended 30 June 2010. Pursuant to a resolution of shareholders at the General Meeting held on 8 February 2010 the Parent Company changed its name from Windy Knob Resources Limited to Aspire Mining Limited on 9 February 2010.

In order to comply with the provisions of the Corporations Act, 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 (appointed 12 February 2010)
Mr David Paull – Managing Director (appointed 12 February 2010)
Mr Neil Lithgow - Non Executive Director (appointed 12 February 2010)
Mr Gan-Ochir Zunduisuren - Non Executive Director (appointed 12 February 2010)
Mr Russell Lynton-Brown – Non Executive Director
Mr Klaus Eckhof – Non Executive Director (resigned 30 September 2009)
Mr Mathew Walker – Executive Chairman (resigned 12 February 2010)
Mr James Robinson – Non Executive Director (appointed 30 September 2009 and resigned 12 February 2010)

Names, qualifications, experience and special responsibilities

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

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

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

Mr McSweeney is also Executive Chairman of Avalon Minerals Ltd, a Non-Executive Director of Bauxite Resources Limited and Chairman of MSP Engineering Pty Ltd.

Mr McSweeney is a member of the Remuneration and Audit committees.

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. Over the last five years Mr Paull has worked as a business consultant to a number of large WA mining companies and private business interests, and worked on the recent relisting of Pacific Wildcat Resources Corp on the TSX Ventures Exchange.

Mr Paull has 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 Pacific Wildcat Resources Corp a company listed on the TSX Ventures Exchange.

DIRECTORS' REPORT (continued)

Mr Russell Lynton-Brown
Non-Executive Director - Independent
Qualifications: Nil

Mr Russell Lynton-Brown has 15 years experience in stock broking, both retail and corporate finance, and has specialised in the resources sector. Mr Lynton-Brown has worked with international and local stock broking companies.

During the last three years, Mr Lynton-Brown has served as a director of the following listed companies:

- Pacific Ore Ltd (appointed 9 February 2007)
- Pilbara Mining Limited formerly Fortuna Minerals Limited (appointed 21 November 2008 and resigned 30 September 2009)

Mr Lynton-Brown is a member of the Remuneration and Audit committees.

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, Eagle Mining Corporation NL and De Grey Mining Ltd, is currently a non executive director of Bauxite Resources Limited . He is a member of the Australian Institute of Mining and Metallurgy and the Financial Services Institute of Australia.

Mr Lithgow is a member of the Remuneration and Audit committees.

Mr Gan-Ochr Zunduisuren

Non-Executive Director

Qualifications: B.Eng, MSGF (Stern)

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

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

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

Company Secretary

Mr Philip Rundell
Company Secretary
Qualifications: Dip BS (Accounting) and is a Chartered Accountant.

Over the past 25 years he has specialised in company reconstructions and corporate recovery and has vast and diverse experience in many industries including technology, mining, earthmoving, construction, entertainment, financial services, retailing and manufacturing. For the last three years, he has provided management accounting and company secretarial services to a number of listed companies.

During the last three years, Mr Rundell has served as a director of TPL Corporation Limited (appointed 5 Feb 2008 and resigned 27 October 2009)

DIRECTORS' REPORT (continued)

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

The following relevant interests in shares and options of the Company were as follows:

Directors	Number of Fully Paid Ordinary Shares	Number of Options over Ordinary Shares	Number of Performance Options over Ordinary Shares
Mr David McSweeney	14,283,962	4,716,981	10,000,000
Mr David Paull (note 1)	1,886,792	49,943,396	69,000,000
Mr Neil Lithgow (note 1)	58,000,000	78,000,000	85,000,000
Mr Gan-Ochir Zunduisuren	48,000,000	-	10,000,000
Mr Russell Lynton-Brown	4,240,001	-	-

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 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.

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

Number of Shares Issued	Amount Paid Per Share
563,049	$0.05

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	99,436,951
Unlisted Options	31 December 2012	$0.15	6,000,000
Performance Options	12 February 2015	$0.05	150,000,000
Total			255,436,951

Dividends

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

Principal Activities

The principal activity of the Group during the year was the exploration for natural resources.

Review of operations

A detailed review of operations during the financial year is set out in the section titled "Review of Operations in this Annual Report

Operating results for the year

The total comprehensive income (loss) of the Group for the financial period, after providing for income tax amounted to ($856,966) (2009: ($5,263,242)).

DIRECTORS' REPORT (continued)

Review of financial conditions

The Group currently has $5,665,382 in cash assets which the Directors believe puts the Group in a sound financial position with sufficient capital to effectively explore the Ovoot Coking Coal Project and other coal projects in Mongolia. Additional capital will need to be raised to fund the final project acquisition payment of US$3 Million in February 2011.

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 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 annual 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 Statement in the Directors' Report.

Significant changes in the state of affairs

On 26 November 2009, the Company announced it had entered into a conditional agreement to acquire a 100% interest in the Ovoot Coking Coal Project, in the Khuvsgul Province in North-West Mongolia. The consideration for the acquisition included cash payments of US$700,000, A$100,000 and a one year deferred payment of US$3 million and the issue of 150 million fully paid shares, 50 million 5c five year options and a further 150 million 5c five year "Performance" options which will only be exercisable in the event that a 200 million tonne JORC Compliant Coal Resource is identified.

Related to this acquisition were:

- A reconstitution of the Board;
- A placement of 100 million shares at 2.65 cents and associated one for two option issue of a further 50 million five year options exercisable at 5 cents; and
- Change of the Company's name from Windy Knob Resources Limited to Aspire Mining Limited.

This transaction was subject to shareholder approval which was the subject of a General Meeting which was held on 8 February 2010. All resolutions concerning the transaction, the related placement and the change in the Company name were approved.

Full details of this transaction can be found in the Notice of Meeting which was sent to shareholders on 7 January 2010.

On 2 June 2010 the Group completed a placement to Australasian institutional and sophisticated investors placing 50 million shares and raising a total of $4.5 million before costs.

Significant events after balance date

There has not been any 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 besides those disclosed at Note 20 in the financial statements.

Likely developments and expected results

The Group will continue to explore the Ovoot Coking Coal Project along with its other coal projects in Mongolia. It is expected that an initial JORC Compliant Coal Resource for the Ovoot Coking Coal Project will be completed in the December Quarter 2010. Preliminary economic studies will commence soon after to identify key value drivers and risk areas for the Ovoot Coking Coal Project moving forward.

DIRECTORS' REPORT (continued)

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 significant breaches of these requirements during the period.

Indemnification and insurance of Directors and Officers

The Group has agreed to indemnify all the directors and officers of the Group for any liabilities to another person (other than the Group or related body corporate) that may arise from their position as directors of the Group and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Group 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.

Remuneration report (audited)

This report outlines the remuneration arrangements in place for directors and senior management of Aspire Mining Limited (the "Company" and its controlled entity) for the financial year ended 30 June 2010.

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

Mr David McSweeney	(Non-Executive Chairman – appointed 12 February 2010)
Mr David Paull	(Managing Director – appointed 12 February 2010)
Mr Neil Lithgow	(Non-Executive Director – appointed 12 February 2010)
Mr Gan-Ochir Zunduisuren	(Non-Executive Director – appointed 12 February 2010)
Mr Russell Lynton-Brown	(Non-Executive Director)
Mr Klaus Eckhof	(Non-Executive Chairman – resigned 30 September 2009)
Mr Mathew Walker	(Executive Chairman – resigned 12 February 2010)
Mr James Robinson	(Non-Executive Director – appointed 30 September 2009 and resigned 12 February 2010)

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, demanding performance hurdles for variable executive remuneration.

Remuneration committee

The Remuneration Committee of the Board of Directors of the Group is responsible for determining and reviewing compensation arrangements for the director and the senior management team.

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

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 18 November 2008 when shareholders approved an aggregate remuneration of up to $250,000 per year.

Remuneration report (continued)

Non-executive director remuneration (continued)

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

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

The remuneration of non-executive directors for the period ended 30 June 2010 is detailed in the Remuneration of directors and named executives section of this report on page 8 of this report.

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition the Company employees and directors, the Group has contracted key consultants on a contractual basis. These contracts stipulate the consideration to be paid to the consultants.

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 Company executives is detailed in Table 1.

Employment Contracts

The Company currently has a services agreement with Mr David Paull (Services Agreement) effective as from 1 July 2010. Under the Services Agreement, Mr Paull is engaged by the Group to provide services to the Group in the capacity of Managing Director. Mr Paull is to be paid an annual remuneration of $250,000 plus statutory superannuation. Mr Paull will also be reimbursed for reasonable expenses incurred in carrying out his duties.

The Services Agreement continues for a period of 1 year, with an option to extend for a further 1 year term, 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. In addition, Mr Paull is entitled to all unpaid remuneration and entitlements up to the date of termination.

The company also has a consulting contract with Bluesky Minerals LLC a company associated with Mr Gan-Ochir Zunduisuren, effective as from 1 July 2010. Under this consulting contract Mr Zunduisuren and others are to provide assistance with business development opportunities in Mongolia and general advice and support. Bluesky Minerals LLC is to be paid a monthly fee of US$7,000. This consulting Agreement continues for a period of 1 year.

Options

During the period ended 30 June 2010, there were no Options that were granted, vested or lapsed as part of director remuneration.

Remuneration of directors and named executives

Table 1: Directors' and named executives remuneration for the year ended 30 June 2010

	Short-term employee benefits	Post-employment benefits	Equity	Other	Total	%
	Salary & Fees	**Superannuation**	**Options**			**Performance Related**
Mr Klaus Eckhof	12,500	-	-	-	12,500	-
Mr Mathew Walker	61,913	5,571	-	-	67,484	-
Mr Russell Lynton-Brown	35,000	-	-	-	35,000	-
Mr David McSweeney	10,000	900	-	-	10,900	-
Mr James Robinson	35,319	-	-	-	35,319	-
Mr Neil Lithgow	7,500	675	-	-	8,175	-
Mr David Paull	50,000	-	-	-	50,000	-
Mr Gan-Ochir Zunduisuren	7,500	-	-	-	7,500	-
Total	**219,732**	**7,146**	**-**	**-**	**226,878**	**-**

Table 2: Directors' and named executives remuneration for the year ended 30 June 2009

	Short-term employee benefits	Post-employment benefits	Equity	Other	Total	%
	Salary & Fees	**Superannuation**	**Options**			**Performance Related**
Mr Klaus Eckhof	50,000	-	-	-	50,000	-
Mr Mathew Walker	90,750	19,500	-	-	110,250	-
Mr Russell Lynton-Brown	48,000	-	-	-	48,000	-
Mr Andrew McIlwain	78,092	-	-	-	78,092	-
Mr James Robinson	23,333	-	-	-	23,333	-
Mr David Parker	23,300	-	-	-	23,300	-
Total	**313,475**	**19,500**	**-**	**-**	**332,975**	**-**

DIRECTORS' REPORT (continued)

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Director Meetings		Remuneration Committee	
Director	**Attended**	**Eligible to Attend**	**Attended**	**Eligible to Attend**
Mr David McSweeney	5	5	1	1
Mr David Paull	5	5	0	0
Mr Neil Lithgow	5	5	1	1
Mr Russell Lynton Brown	3	5	1	1
Mr Gan-Ochir Zunduisuren	5	5	0	0
Mr Klaus Eckhof	0	0	0	0
Mr Mathew Walker	0	0	0	0
Mr James Robinson	0	0	0	0

In addition, 5 circular resolutions were signed by the board during the period.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 12 and forms part of this directors' report for the year ended 30 June 2010.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 21 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditors independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of these services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of the directors.

David Paull
Director

Dated this 28 September 2010

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 entity.

In carrying out the functions and exercising the powers set out in the 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 in August 2007.

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 implemented and complied with as they become applicable.

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

Main corporate governance practices

A description of the Company's current corporate governance practices are 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. Consistent with the limited size of the Company and its activities, the board is comprised of five (5) directors. Currently there are four non-executive directors and one executive director. However, only two of the non-executive directors are independent as the other two are substantial shareholders.

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

Board functions

The board is responsible for all functions which include responsibilities that may otherwise be delegated to other executive if that executive was in place. The functions of the board include:

1) Developing and implementing business plans, budgets and strategies for the Company;

2) Operating the Company’s business within the parameters set by the board from time to time;

3) Managing and monitoring operational and financial performance and controls;

4) Ensuring that financial and other reporting processes, procedures and systems result in adequate, accurate and timely information being provided to the board;

5) Identifying and managing operational and other principal risks faced and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;

6) Ensuring that shareholders and the financial market as a whole are fully informed of all material developments in relation to the Company and its operations;

7) If and when appropriate, appointing and removing the Chief Executive Officer (“CEO”), approving other key executive appointments including the Chief Financial Officer and Company Secretary, and planning for executive succession;

8) Overseeing and evaluating the performance of the CEO and other senior executives in the context of the Company’s strategies and objectives;

9) Ensuring processes and procedures are in place for evaluating the performance of the board and each director;

CORPORATE GOVERNANCE STATEMENT (continued)

10) Reviewing and approving executive remuneration and general salary and bonus policy;

11) Developing and approving budgets and business plans and monitoring the progress of major capital expenditures, capital management and acquisitions and divestitures;

12) Reviewing and approving internal compliance and control systems and codes of conduct;

13) Approving processes, procedures and systems to ensure the Company's compliance with all laws, governmental regulations and accounting standards; and

14) Approving processes, procedures and systems to ensure that the Company conducts its business openly and ethically in accordance with the Company's code of conduct.

Chairperson

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

Commitment

The number of meetings of the Company's board held during the year ended 30 June 2010, 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.

There were no conflicts of interest during the reporting period.

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

Given the changes to the Board during the year, the board did not undertake its annual self assessment of its collective and individual performance.

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 Company currently has one executive director and two non-executive directors that are remunerated at market rates for comparable companies for the time, commitment and responsibilities.

The board 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 fees currently paid to the three non-executive directors are $30,000 per annum plus employer superannuation contributions. The non-executive Chairman receives $40,000 per annum plus employer superannuation contributions.

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

CORPORATE GOVERNANCE STATEMENT (continued)

Trading in the Company's shares

A director 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.

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.

There was no trading of the Company's securities in the period by directors whilst in that position.

Corporate reporting

The board has made the following certifications as to the Financial Report for the reporting period ended 30 June 2010:

(i) that 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) that 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.

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 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 standards for the operation of the committees.

Audit Committee

The Board in March 2010 established an Audit Committee, which 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 Committee.
The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the Audit Committee are non-executive directors.

The members of the Audit Committee during the year were:
Mr David McSweeney (Independent)
Mr Neil Lithgow
Mr Russell Lynton-Brown (Independent)

Remuneration Committee

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

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

For a full discussion of the company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained within the Directors' Report.
There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.
The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the Managing Director and executive team.

CORPORATE GOVERNANCE STATEMENT (continued)

The Board established a Remuneration Committee in March 2010 comprising three non-executive directors. Members of the Remuneration Committee throughout the year were:

Mr David McSweeney (Independent)
Mr Neil Lithgow
Mr Russell Lynton-Brown (Independent)
For details on the number of meetings of the Remuneration Committee held during the year and the attendees at those meetings, refer to the Directors' Report.

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 on listed companies at least every five years.

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 21 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Company.

The external auditor is requested to attend the annual general meeting 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 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 Company's risk management policy and the operation of the risk management and compliance system are managed by the board. Control procedures cover management accounting, financial reporting, compliance and other risk management issues.

The Company's current activities expose it to minimal risk. However, as activities increase there may be exposure to market, credit, and liquidity risks.

There is further commentary on financial risk management at Note 16 to the financial statements.

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.

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, analysts, brokers, shareholders, the media and the public.

CORPORATE GOVERNANCE STATEMENT (continued)

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

Corporate Governance Statement

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

Recommendation Ref	Notification of Departure	Explanation for Departure
1.2	Evaluation of the board and directors has not taken place	Due to the changes to the board in the year, no evaluation process occurred during the year. However, the Company will comply with its policy in 2011.
1.2 1.3	Evaluation of senior executive roles has not taken place	Due to the limited size and complexity of the Company and its operations, no senior executives are required or engaged during the period.
2.1	A majority of the board is not independent	A director is generally independent if the director is not a member of the management and there is no relationship affecting that status. Whilst no current director is a past or present employee, professional adviser, consultant, supplier or customer with or to the Company; or have any contractual relationship with the Company other than as a director, two non-executive directors are considered to be not independent as they are substantial shareholders and there is one executive director.
2.4	A separate nomination committee has not been formed.	The board considers that the Company is not currently of a size to justify the formation of a nomination committee. The board as a whole will undertake 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 may be engaged to identify possible new candidates for the board.

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Aspire Mining Limited for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

This declaration is in respect of Aspire Mining Limited.

Perth, Western Australia
28 September 2010

N G Neill
Partner, HLB Mann Judd

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated 2010 $	Company 2009 $
Other income	2	70,326	63,310
Consultants and corporate costs		(83,255)	(56,833)
Accounting and audit fees	2	(49,230)	(53,728)
Depreciation expense		(355)	-
Directors fees		(197,374)	(201,667)
Employee benefits expense		(11,853)	-
Exploration expenditure		(280,915)	-
Travel expenses		(40,963)	(6,162)
Other expenses	2	(285,812)	(103,423)
Loss before income tax expense		(879,431)	(358,503)
Income tax expense	3	-	-
Loss after tax from continuing operations		(879,431)	(358,503)
Loss from discontinued operation	6	-	(4,904,739)
Net loss for the year		(879,431)	(5,263,242)
Other comprehensive income			
Exchange differences on translation of foreign operations		22,465	-
Other comprehensive income for the year net of tax		22,465	-
Total comprehensive loss		(856,966)	(5,263,242)
Basic loss per share (cents per share)	4	(0.40)	(7.498)
Basic loss per share from continuing operations (cents per share)		(0.40)	(0.511)
Basic loss per share from discontinued operations (cents per share)		-	(6.988)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	Consolidated 2010 $	Company 2009 $
Current Assets			
Cash and cash equivalents	9	5,665,382	1,008,103
Trade and other receivables	10	99,919	35,117
Total Current Assets		5,765,301	1,043,220
Non-Current Assets			
Deferred exploration and evaluation expenditure	11	11,516,031	1,149,131
Property plant and equipment	14	5,625	-
Total Non-Current Assets		11,521,656	1,149,131
Total Assets		17,286,957	2,192,351
Current Liabilities			
Trade and other payables	12	311,260	48,446
Deferred settlement	13	3,368,430	-
Total Current Liabilities		3,679,690	48,446
Non-Current Liabilities		-	-
Total Liabilities		3,679,690	48,446
Net Assets		13,607,267	2,143,905
Equity			
Issued capital	7	19,258,064	7,331,631
Reserves	8	889,641	609,233
Accumulated losses	8	(6,540,438)	(5,796,959)
Total Equity		13,607,267	2,143,905

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Issued Capital	Accumulated losses	Foreign Currency Translation Reserve	Option Reserve	Total Equity
	$	$	$	$	$
Balance at 1 July 2008	6,100,116	(533,717)	-	572,312	6,138,711
Shares issued during the year	1,231,515	-	-	-	1,231,515
Loss for the period	-	(5,263,242)	-	-	(5,263,242)
Recognition of option based payments	-	-	-	36,921	36,921
Balance at June 2009	7,331,631	(5,796,959)	-	609,233	2,143,905
Balance at 1 July 2009	7,331,631	(5,796,959)	-	609,233	2,143,905
Shares issued during the year	11,453,152	-	-	-	11,453,152
Loss for the period	-	(879,431)	-	-	(879,431)
Exchange differences arising from translation of foreign operations	-	-	22,465	-	22,465
Expiry of options	473,281	135,952	-	(609,233)	-
Recognition of option based payments	-	-	-	867,176	867,176
Balance at 30 June 2010	19,258,064	(6,540,438)	22,465	867,176	13,607,267

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated 2010 $	Company 2009 $
Cash flows from operating activities			
Interest received		60,689	62,077
Payments to suppliers and employees		(312,652)	(616,221)
Net cash (used in) operating activities	9	(251,963)	(554,144)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(1,145,099)	(1,966,584)
Payments for acquisition of subsidiary	9	(892,831)	-
Purchase of non-current assets		(5,980)	-
Net cash (used in) investing activities		(2,043,910)	(1,966,584)
Cash flows from financing activities			
Net proceeds from issue of shares		6,953,152	1,231,515
Net cash provided by financing activities		6,953,152	1,231,515
Net increase/(decrease) in cash and cash equivalents		4,657,279	(1,289,213)
Cash and cash equivalents at the beginning of the period		1,008,103	2,297,316
Cash and cash equivalents at the end of the period	9	5,665,382	1,008,103

The accompanying notes from part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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 Australia. The Group's principal activity is mining exploration.

The financial report for the current year represents a consolidated Group due to the acquisition of Khurgatai Khairkhan LLC. The comparative information is for the Company only.

The Group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2010, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

During the year, certain accounting policies have changed as a result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

a. Segment reporting – new AASB 8 Operating Segments
b. Financial Instruments – revised AASB 7 Financial Instruments: Disclosures

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2010. 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 its business and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 25th of September 2010.

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).

(d) Basis of Consolidation

The consolidated financial statements comprise the separate financial statements of Aspire Mining Limited ("Company" or "Parent") and its subsidiary 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 subsidiary 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of Consolidation (continued)

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(n)).

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.

(e) 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, using the assumptions detailed in Note 8.

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 were granted, as discussed in Note 8.

Exploration and evaluation costs carried forward

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, the recoverable amount has been assessed by reference to the higher of "fair value less costs to sell" and "value in use". In determining value in use, future cash flows are based on:

- Estimates of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- Estimated production and sales levels;
- Estimate future commodity prices;
- Future costs of production;
- Future capital expenditure; and/or
- Future exchange rates

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) 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.

Change in accounting policy

The Group has adopted AASB 8 *Operating Segments* from 1 July 2009. AASB 8 which replaced AASB 114 *Segment Reporting*. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change in the number of reportable segments presented by the Group as operating segments are reported in a manner that is consistent with internal reporting provided to the chief operating decision maker.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Derecognition of financial assets and financial liabilities (continued)

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.

(k) Foreign currency translation

The functional and presentation currency of Aspire Mining Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

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

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

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

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

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

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.

(l) 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income tax (continued)

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

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

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(m) 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.

(n) 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Business combinations (continued)

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.

(o) 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.

(p) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

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

Plant and equipment – over 3 to 5 years

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

(i) Impairment

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

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

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

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item.

(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.

Change in accounting policy

A revised AASB 3 *Business Combinations* became operative on 1 July 2009. While the revised standard continues to apply the acquisition method to business combinations, there have been some significant changes.

All purchase consideration is now recorded at fair value at the acquisition date. Contingent payments classified as debt are subsequently remeasured through profit or loss. Under the group’s previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

Non-controlling interests in an acquiree are now recognised either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Under the previous policy, the non-controlling interest was always recognised at its share of the acquiree’s net identifiable assets.

If the group recognises previous acquired deferred tax assets after the initial acquisition accounting is completed there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the group’s net profit after tax.

(r) 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 assets but only when the reimbursement is virtually certain.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Provisions (continued)

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.

(s) 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, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Aspire Mining Limited (market conditions) if applicable.

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

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

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

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

Cash settled transactions:
The Group also provides benefits to employees in its electronics segment in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of Aspire Mining Limited.

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.

(t) 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.

(u) 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;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Earning per share (continued)

- 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.

(v) 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 amortised 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.

(w) Going concern

The financial statements have been prepared on the going concern basis, the validity of which depends upon the positive cash position, reduced ongoing costs and the positive working capital position. The Group's existing projections show that it is able to fund its activities for at least the next twelve months from the date of signing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2: REVENUES AND EXPENSES

	Consolidated 2010 $	Company 2009 $
(a) Revenue		
Interest income	70,326	63,310
(b) Accounting and auditing fees	49,230	53,728
(c) Other Expenses		
Office fit out	18,116	-
Insurance	13,301	16,525
Legal fees	19,490	14,490
Project evaluation	9,684	1,800
Rental expenses	53,381	49,938
Share options issues for services	125,721	-
Tenement accruals reversed	-	(20,984)
Other	46,119	41,654
	285,812	103,423

NOTE 3: INCOME TAX

Income tax recognised in profit or loss

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated 2010 $	Company 2009 $
Accounting loss before tax	(879,431)	(5,263,242)
Income tax benefit calculated at 30%	(263,829)	(1,578,973)
Accrued expenses/(income)	(10,870)	6,000
Other non deductible expenses	37,612	112
Tenement expenses	(280,915)	(589,975)
Tenement expenses written off / Other	48,027	1,471,422
Income tax benefit not brought to account	469,975	691,414
Income tax expense	-	-

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 tax losses arising in Australia of $3,475,641 (2009: $3,005,666) that are available subject to confirmation of the same business test.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 4: EARNINGS PER SHARE

	Consolidated 2010 Cents per share	Company 2009 Cents per share
Basic loss per share:		
Continuing operations	(0.40)	(0.51)
Discontinued operations	-	(6.99)
Total loss per share	(0.40)	(7.50)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:	222,400,651	70,190,708

There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed.

NOTE 5: SEGMENT INFORMATION

Geographical segments

The Group currently operates in 2 distinct geographical segments, Australia and Mongolia. These segments were determined based on the location of the Group's assets. The Group's geographical segment in South America was terminated in the 2009 financial year. The following table presents expenditure and asset information regarding geographical segments for the years ended 30 June 2010 and 30 June 2009.

	Continuing operations		Discontinued operation	Consolidated
	Australia	Mongolia	South America	
	$	$	$	$
Year ended 30 June 2010				
Total segment revenue	70,326	-	-	70,326
Segment net operating loss after tax	(869,115)	(10,316)	-	(879,431)
Interest revenue	70,326	-	-	70,326
Depreciation and amortisation	355	-	-	355
Income tax expense	-	-	-	-
Discontinued operations after income tax	-	-	-	-
Segment assets	6,762,772	10,524,185	-	17,286,957
Segment liabilities	3,408,578	271,112	-	3,679,690
Cash flow information				
Net cash flow from operating activities	(241,647)	(10,316)	-	(251,963)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 5: SEGMENT INFORMATION (continued)
Geographical segments (continued)

	Continuing operations		Discontinued operation	Consolidated
	Australia	Mongolia	South America	
	$	$	$	$
Net cash flow from investing activities	(956,308)	(1,087,602)	-	(2,043,910)
Net cash flow from financing activities	6,953,152	-	-	6,953,152
Year ended 30 June 2009				
Total segment revenue	63,310	-	-	63,310
Segment net operating loss after tax	(358,503)	-	(4,904,739)	(5,263,242)
Interest revenue	63,310	-	-	63,310
Depreciation and amortisation	-	-	-	-
Income tax expense	-	-	-	-
Discontinued operations after income tax	-	-	(4,904,739)	(4,904,739)
Segment assets	2,192,351	-	-	2,192,351
Segment liabilities	48,446	-	-	48,446
Cash flow information				
Net cash flow from operating activities	(554,144)	-	-	(554,144)
Net cash flow from investing activities	(243,797)	-	(1,722,787)	(1,966,584)
Net cash flow from financing activities	1,231,515	-	-	1,231,515

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 6: DISCONTINUED OPERATION – TITRIBI PROJECT

On 2 April 2009 the Group announced that the Titribi Project agreement between the Group, De Beira Goldfields Inc, Goldplata Resources Inc, Goldplata Resources Sucursal-Colombia and Goldplata Mining International Corporation had been terminated. Pursuant to that agreement the Group had the right, but not the obligation, to earn a 65% interest in the Titiribi project in northern Colombia by spending US$4,500,000 by 6 May 2009.

The principal activity of the Titribi Project during the period was exploration for natural resources.

The loss for the period from the discontinued operation is as follows:

	10 months ended 2 April 2009 $
Loss of Titribi Project for the period	(4,904,739)
The components of the loss for the period from the discontinued operation are as follows:	
Loss – write off of Titribi Project	(4,904,739)
Income tax expense	-
Loss after income tax	(4,904,739)
Cash flows from discontinued operations:	
Net cash flows from operating activities	-
Net cash flows from investing activities	(1,722,797)
Net cash flows from financing activities	-
Net cash flows	(1,722,747)

NOTE 7: ISSUED CAPITAL AND RESERVES

	Consolidated 2010 $	Company 2009 $
Ordinary shares		
Issued and fully paid	20,094,407	8,416,254
Less share issue costs	(836,342)	(1,084,623)
	19,258,064	7,331,631

Movements in ordinary shares on issue

	2010 No	2010 $	2009 No	2009 $
At 1 July	125,000,000	7,331,631	54,230,421	6,100,116
Share issued at 8c on 10 July 2008	-	-	8,269,579	661,567
Share issued at 8c on 17 July 2008	-	-	500,000	40,000
Right issued at 1c on 5 May 2009	-	-	23,392,191	233,922
Right issued at 1 cent on 25 May 2009	-	-	38,607,809	386,078

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 7: ISSUED CAPITAL AND RESERVES (continued)

	2010 No	2010 $	2009	2009
Share issued at 2.65c on 12 February 2010	100,000,000	2,650,000	-	-
Share issued at 5c on 31 March 2010 upon the exercise of options	563,049	28,152	-	-
Share issued at 9c on 2 June 2010	50,000,000	4,500,000	-	-
Share issued at 3c on 12 February 2010	150,000,000	4,500,000	-	-
Share issue costs written back	-	473,281	-	(90,052)
Share issue costs	-	(225,000)	-	-
At 30 June 2010	425,563,049	19,258,064	125,000,000	7,331,631

NOTE 8: ACCUMULATED LOSSES AND RESERVES

Accumulated losses

Movements in retained earnings were as follows:

	Consolidated 2010 $	Company 2009 $
Balance at beginning of financial year	(5,796,959)	(533,717)
Net profit for the year	(879,431)	(5,263,242)
Expiry of options transferred from revenue	135,952	-
Balance at end of financial year	(6,540,438)	(5,796,959)

Reserves		Consolidated	
	Unlisted option reserve $'000	Foreign currency translation reserve $'000	Total $'000
At 1 July 2008	572,312	-	572,312
Currency translation differences	-	-	-
Share-based payments	36,921	-	36,921
At 30 June 2009	609,233	-	609,233
Currency translation differences	-	22,465	22,465
Expiry of options transferred	(609,233)	-	(609,233)
Share-based payments	867,176	-	867,176
At 30 June 2010	867,176	22,465	889,641

Nature and purpose of reserves

Unlisted option reserve

The unlisted option reserve records items recognised on valuation of director, employee and contractor share options.

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. It is also used to record the effect of hedging net investments in foreign operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 8: ACCUMULATED LOSSES AND RESERVES (continued)

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

	2010 No.	2010 Weighted average exercise price	2009 No.	2009 Weighted average exercise price
Outstanding at the beginning of the year	45,499,995	0.20	37,230,416	0.20
Granted during the year	256,000,000	0.052	8,269,579	0.20
Exercised during the year	(563,049)	0.05	-	-
Expired during the year	(45,499,995)	0.20	-	-
Outstanding at the end of the year	255,436,951	0.052	45,499,995	0.20
Exercisable at the end of the year	225,436,951	0.052	45,499,995	0.20

	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $
Un-listed options at 1 July 2009[,3]	45,499,995		31/12/2009	0.20	609,233
Un-listed options	6,000,000	28/06/2010	31/12/2012	0.15	125,721
Class A options[1,4]	100,000,000	12/02/2010	12/02/2015	0.05	741,455
Performance Options[1,2]	150,000,000	12/02/2010	12/02/2015	0.05	-

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

[2]No value was attached to these options on settlement of this transaction as the likelihood that they would vest was remote.

[3]Expired unexercised on 31 December 2009

[4]563,049 options were exercised on 31 March 2010

The following table lists the inputs to the model used for the years ended 30 June 2009 and 30 June 2010:

Expiry Date	31/12/2009	12/02/2015
Dividend yield (%)	-	-
Expected volatility (%)	75%	60%
Risk-free interest rate (%)	6.66%	6.5%
Expected life of option (years)	1.5	2.6
Exercise price (cents)	20	15
Grant date share price (cents)	75	10

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 9: CASH AND CASH EQUIVALENTS

	Consolidated 2010 $	Company 2009 $
Cash at bank and on hand	1,665,382	258,103
Short-term deposits	4,000,000	750,000
	5,665,382	1,008,103

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.

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

Loss for the year	(879,431)	(5,263,242)
Change in net assets and liabilities:		
Change in trade and other receivables	(64,802)	14,860
Changes in trade and other payables	262,814	(247,422)
Depreciation Expense	355	-
Increase in share option reserve	-	36,921
Tenements written off	280,915	4,904,739
Share options issued for services	125,721	-
Movement in foreign currency translation reserve	22,465	-
Net cash used in operating activities	(251,963)	(554,144)

Acquisition of Entity

During the year a 100% interest in Khurgatai Khairkhan LLC was acquired. Details of this transaction are:

	Consolidated 2010 $
Purchase consideration	
Consisting of:	
Cash consideration	892,831
Convertible notes	5,238,739
Deferred settlement consideration	3,368,430
Total consideration	9,500,000
Cash consideration	892,831
Cash outflow	892,831
Assets and liabilities held at acquisition date:	
Total assets	341,727
Total liabilities	(2,066)
	339,661
Revaluation of Exploration Expenditure Reserve	9,160,339
	9,500,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 9: CASH AND CASH EQUIVALENTS (Continued)

Non-cash Financing and Investing Activities:

Share issue as part of consideration for the purchase of Khurgatai Khairkhan LLC;

- 150,000,000 shares were issued at $0.03,
- 50,000,000 Class A Options exercisable at $0.05 on or before 12/2/15
- 120,000,000 Performance Options with exercise price of 5 cents and an expiry date of 5 years were issued. The options will vest following the estimation of a 200Mt JORC Compliant Coal Resource. No value has been attached to these options as the likelihood that they will vest is remote,
- 30,000,000 Performance Options with exercise price of 5 cents and an expiry date of 5 years escrowed for 12 months were issued. The options will vest following the estimation of a 200Mt JORC Compliant Coal Resource. No value was attached to these options at settlement as the likelihood that they would vest was considered remote.

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 10: CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated 2010 $	Company 2009 $
GST recoverable	64,102	12,471
Prepayments – other	24,947	21,413
Accrued Interest	10,870	1,233
	99,919	35,117

NOTE 11: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2010 $	Company 2009 $
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	1,149,131	4,087,287
Expenditure incurred / (written off)		
Ovoot Coking Coal Project	10,559,722	-
Windy Knob Tenement	2,163	143,702
Honeymoon Well Tenement	(169,139)	9,435
Tuckanarra Tenement	23,305	33,637
Titibiri Project	-	1,722,797
Titibiri Project write off	-	(4,904,739)
Hood Tenement	(56,830)	56,830
Mt Way	(182)	182
Black Tank Well	7,861	-
Total exploration expenditure	11,516,031	1,149,131

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 11: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE (Continued)

	Consolidated 2010 $	Company 2009 $
Total expenditure incurred and carried forward in respect of specific projects -		
Ovoot Coking Coal	10,559,722	-
Windy Knob Tenement	823,301	821,138
Honeymoon Well Tenement	-	169,139
Tuckanarra Tenement	125,147	101,842
Hood Tenement	-	56,830
Mt Way	-	182
Black Tank Well	7,861	-
Total exploration expenditure	11,516,031	1,144,131

Refer to subsequent event Note 20

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.

NOTE 12: TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated 2010 $	Company 2009 $
Trade payables *	11,765	28,446
Accrued expenses **	299,495	20,000
	311,260	48,446

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

** Accrued expenses includes $268,921 relating to exploration expenditure on the Ovoot Coking Project

NOTE 13: DEFERRED SETTLEMENT (CURRENT)

	Consolidated 2010 $	Company 2009 $
Acquisition cost Ovoot Coking Coal Project*	3,368,430	-
	3,368,430	-

* As part of the purchase price for the Ovoot Coking Coal Project a deferred payment of US$3 million is payable on or before 12 February 2011. No interest accrues on the outstanding balance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

	Consolidated		
	Office Equipment $	Furniture & Fittings $	Total $
Year ended 30 June 2010			
At 1 July 2009, net of accumulated depreciation and impairment	-	-	-
Additions	2,309	3,671	5,980
Depreciation charge for the year	(111)	(244)	(355)
At 30 June 2010, net of accumulated depreciation and impairment	2,198	3,427	5,625

At 30 June 2010	
Cost	5,980
Accumulated depreciation	(355)
Net carrying amount	5,625

NOTE 15: FINANCIAL INSTRUMENTS

	Consolidated 2010 $	Company 2009 $
Financial assets		
Receivables	99,919	35,117
Cash and cash equivalents	5,665,382	1,008,103
	5,765,301	1,043,220
Financial liabilities		
Trade Creditors	311,260	48,446
Deferred Settlement	3,368,430	-
	3,679,690	48,446

The following table details the expected maturity/s for the Group's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those 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
2010	%	$	$	$	$	$
Non-interest bearing	-	287,301	-	-	-	-
Variable interest rate instruments	3.25	1,478,000	-	-	-	-
Fixed interest rate instruments	5.25	1,000,000	2,000,000	1,000,000	-	-
		2,765,301	2,000,000	1,000,000	-	-
2009						
Non-interest bearing	-	63,220	-	-	-	-
Variable interest rate instruments	3.25	230,000	-	-	-	-
Fixed interest rate instruments	4	-	750,000	-	-	
		293,220	750,000	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15: FINANCIAL INSTRUMENTS (continued)

The following table details the Group's remaining contractual maturity/s 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. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	%	$	$	$	$	$
2010						
Non-interest bearing	-	311,260	-	3,368,430	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		311,260	-	3,368,430	-	-
2009						
Non-interest bearing		48,446	-	-	-	-
Variable interest rate instruments		-	-	-	-	-
Fixed interest rate instruments		-	-	-	-	
		48,446	-	-	-	-

NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

- Credit risk
- Liquidity 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, and the management of capital.

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 trade debtors and creditors which arise directly from its operations. For the year ended 30 June 2010, it has been the Group's policy not to trade in financial instruments.

(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 and its own trading record to rate its major customers. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, 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, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. 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 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 2010, 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:

	2010	2009
Change in Loss Change	$	$
Increase in interest rate by 1%	19,000	9,800
Decrease in interest rate by 1%	(19,000)	(9,800)
Change in Equity Change		
Increase in interest rate by 1%	19,000	9,800
Decrease in interest rate by 1%	(19,000)	(9,800)

(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 explained in Australian dollars are as follows:

	Liabilities		Assets	
	2010	2009	2010	2009
	$	$	$	$
US Dollars	3,368,430	-	-	-
Mongolian Tugriks	-	-	159,158	-

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 or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	USD Impact	
	Consolidated	**Company**
	2010	**2009**
	$	$
Profit or Loss (i)	336,843	-

(i) This is attributable to the exposure outstanding on USD payables at year end. The Groups sensitivity to foreign currency during the period has increased due to the purchase of the Ovoot Coking Coal Project in Mongolia.

(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 deposit. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long-term debt, and therefore this risk is minimal. The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

	Mongolian Tugriks Impact	
	Consolidated	**Company**
	2010	**2009**
	$	$
Profit or Loss	15,160	-

NOTE 17: COMMITMENTS AND CONTINGENCIES

Remuneration Commitments
The Group has entered into remuneration commitments with all the directors of the Group which were in effect throughout the financial year. The Group also employs consultants who are contracted under standard consultancy rates.
There were no other remuneration commitments made.

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:

	Consolidated 2010	Company 2009
Within a year *	79,000*	191,000
Later than one year but not later than five years*	21,000*	64,000

* Excludes commitments in relation to Tuckanarra and Black Tank Well which were sold on 27 August 2010. Refer Note 20.

NOTE 18: DIVIDENDS

The directors of the Group have not declared any dividend for the year ended 30 June 2010.

NOTE 19: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2010.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

On 27 August 2010 it was announced that Agreement had been reached with Doray Minerals Limited to purchase the Group's Tuckanarra and Black Tank Well Projects. Consideration was 200,000 fully paid shares in Doray Minerals Limited. These shares were issued on 31 August 2010. The closing price of Doray Minerals Limited on this date was $0.75 giving a value of $150,000. This is in excess of the carrying values for these projects as at 30 June 2010.

NOTE 21: AUDITOR'S REMUNERATION

The auditor of Aspire Mining Limited is HLB Mann Judd.

	Consolidated 2010 $	Company 2009 $
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial reports	20,700	19,800
Other Services	8,000	-
	28,700	19,800

Other services provided by HLB Mann Judd relate to the preparation of the Independent Experts Report included in the 7 January 2010 Notice of Meeting to Shareholders to approve the Ovoot Coking Coal Project Acquisition.

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES

(a) Details of Key Management Personnel

Mr David McSweeney	(Non-Executive Chairman – appointed 12 February 2010)
Mr David Paull	(Managing Director – appointed 12 February 2010)
Mr Neil Lithgow	(Non-Executive Director – appointed 12 February 2010)
Mr Gan-Ochir Zunduisuren	(Non-Executive Director – appointed 12 February 2010)
Mr Russell Lynton-Brown	(Non- Executive Director)
Mr Klaus Eckhof	(Non- Executive Chairman – resigned 30 September 2009)
Mr Mathew Walker	(Executive Chairman – resigned 12 February 2010)
Mr James Robinson	(Non- Executive Director – resigned 12 February 2010)

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

(b) Option holdings of Key Management Personnel – Options are exercisable at 20 cents on or before 31 December 2009.

	Balance at beginning of period	Granted as remuneration	Options exercised	Options Expired 31-Dec-09	Balance at End of Period
2010					
Mr David Paull	-	-	-	-	-
Mr Gan-Ochir Zunduisuren	-	-	-	-	-
Mr David McSweeney	-	-	-	-	-
Mr Neil Lithgow	-	-	-	-	-
Mr Klaus Eckhof	1,000,000	-	-	(1,000,000)	-
Mr Mathew Walker	3,000,000	-	-	(3,000,000)	-
Mr Russell Lynton-Brown	4,060,000	-	-	(4,060,000)	-
Mr James Robinson	450,000	-	-	(450,000)	-
Total	8,510,000	-	-	(8,510,000)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(b) Option holdings of Key Management Personnel – Options are exercisable at 20 cents on or before 31 December 2009. (continued)

2009	Balance at beginning of period	Granted as remuneration	Options exercised	Net change Other #	Balance at end of period
Mr Klaus Eckhof	1,000,000	-	-	-	1,000,000
Mr Mathew Walker	3,000,000	-	-	-	3,000,000
Mr Russell Lynton-Brown*	4,060,000	-	-	-	4,060,000
Mr Andrew McIlwain**	1,120,000	-	-	-	1,120,000
Mr James Robinson***	-	-	-	450,000^	450,000
Mr Michael Montgomery****	500,000	-	-	(500,000)	-
Total	9,680,000	-	-	(50,000)	9,630,000

Options purchased as part of the purchases of the non-renounceable rights issue at $0.08

*1. 20,000 options held in the Name of Russell Lynton Brown.

2. 4,020,000 options held in the name of Husif Nominees Pty Ltd <RC Lynton-Brown Family A/c>; Mr Lynton-Brown is a director and controlling shareholder.

3. 10,000 options held in the name of Mrs Joanne Marie Lynton-Brown, a spouse of Mr Lynton-Brown and an associate for this purpose.

4. 10,000 options held in the name of Mr Russell Lynton-Brown & Mrs Rosemary Beeck ATF R Lynton-Brown Super A/c. Mr Lynton-Brown is a beneficiary.

** 1,120,000 options held in Macfac Pty Ltd ATF the McIlwain Family S/F A/c. Mr McIlwain is a director of Macfac Pty Ltd and a beneficiary of the Super Fund.

***450,000 options held in the name of Sabreline Pty Ltd ATF <JPR Investment A/c>. Mr Robinson is a director and controlling shareholder.

^ Balance at appointment (appointed 3 December 2008)

****500,000 options held in the name of Melissa Jane Montgomery, the spouse of Michael Montgomery.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(c) Class A Option holdings of Key Management Personnel - Options are exercisable at 5 cents on or before 12 February 2015

2010	Balance at Beginning of Period	Issued through Placement Entitlement	Options Exercised	Balance at End of Period
Mr David McSweeney		4,716,981	-	4,716,981
Mr David Paull (Note 1)	-	943,396	-	943,396
Mr Neil Lithgow (Note 1)	-	29,000,000	-	29,000,000
Mr Russell Lynton- Brown	-	-	-	-
Mr Gan-Ochir Zunduisuren	-	-	-	-
Mr Klaus Eckhof	-	-	-	-
Mr Mathew Walker	-	-	-	-
Mr James Robinson	-	-	-	-
Total	-	34,660,377	-	34,660,377

2009	Balance at Beginning of Period	Issued through Placement Entitlement	Options Exercised	Balance at End of Period
Mr David McSweeney	-	-	-	-
Mr David Paull (Note 1)	-	-	-	-
Mr Neil Lithgow (Note 1)	-	-	-	-
Mr Russell Lynton- Brown	-	-	-	-
Mr Gan-Ochir Zunduisuren	-	-	-	-
Mr Klaus Eckhof	-	-	-	-
Mr Mathew Walker	-	-	-	-
Mr James Robinson	-	-	-	-
Total	-	-	-	-

Note 1 - In addition Mr David Paull and Mr Neil Lithgow are directors of Red Island Resources Limited, a public unlisted company. Red Island Resources Limited is the beneficial owner of 49 million Class A options

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(d) Performance Option holdings of Key Management Personnel - Options are exercisable at 5 cents on or before 12 February 2015 and vest once a JORC Compliant Coal Resource of in excess of 200 million tonnes is determined.

2010	Balance at Beginning of Period	Issued Via Acquisition Of Ovoot Coking Coal Project	Options Exercised	Balance at End of Period
Mr David McSweeney	-	10,000,000	-	10,000,000
Mr David Paull (Note 1)	-	20,000,000	-	20,000,000
Mr Neil Lithgow (Note 1)	-	36,000,000	-	36,000,000
Mr Russell Lynton- Brown	-	-	-	-
Mr Gan-Ochir Zunduisuren	-	10,000,000	-	10,000,000
Mr Klaus Eckhof	-	-	-	-
Mr Mathew Walker	-	-	-	-
Mr James Robinson	-	-	-	-
Total	-	76,000,000	-	76,000,000

2009	Balance at Beginning of Period	Issued Via Acquisition Of Ovoot Coking Coal Project	Options Exercised	Balance at End of Period
Mr David McSweeney	-	-	-	-
Mr David Paull (Note 1)	-	-	-	-
Mr Neil Lithgow (Note 1)	-	-	-	-
Mr Russell Lynton- Brown	-	-	-	-
Mr Gan-Ochir Zunduisuren	-	-	-	-
Mr Klaus Eckhof	-	-	-	-
Mr Mathew Walker	-	-	-	-
Mr James Robinson	-	-	-	-
Total	-	-	-	-

Note 1- In addition Mr D avid Paull and Mr Neil Lithgow are directors of Red Island Resources Limited, a public unlisted company. Red Island Resources Limited is the beneficial owner of 49 million Performance option

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(e) Shareholdings of Key Management Personnel

Shares held in Aspire Limited (number)

	Balance at beginning of period	Granted as remuneration	Initial director shareholding declaration	Balance held on retirement	Balance at end of period
2010	Ord	Ord	Ord		Ord
Mr Klaus Eckhof	-	-	-	-	-
Mr Mathew Walker***	1,000,000	-	-	(1,000,000)	-
Mr Russell Lynton-Brown (Note 1)	4,240,001	-	-	-	4,240,001
Mr David McSweeney (Note 2)	-	-	14,283,962 (2)	-	14,283,962
Mr James Robinson	2,337,809	-	-	(2,337,809)	-
Mr David Paull (Note 3)	-	-	1,886,792 (3)	-	1,886,792
Mr Neil Lithgow (Note 4)	-	-	58,000,000 (4)	-	58,000,000
Mr Gan-Ohir Zunduisuren (Note 5)	-	-	48,000,000 (5)	-	48,000,000
Total	7,577,810	-	122,170,754	(3,337,809)	126,410,755

Shares purchased as part of the non-renounceable rights issue at $0.01.

	Balance at beginning of period	Granted as remuneration	Net change other ##	Balance held on retirement	Balance at end of period
2009	Ord	Ord	Ord		Ord
Mr Klaus Eckhof	-	-	-	-	-
Mr Mathew Walker***	75,000	-	925,000	-	1,000,000
Mr Russell Lynton-Brown (Note 1)	2,120,001	-	2,120,000	-	4,240,001
Mr Andrew McIlwain**	120,000	-	120,000	(240,000)	-
Mr James Robinson***	-	-	2,337,809	-	2,337,809
Total	2,315,001	-	5,502,809	(240,000)	7,577,810

Note 1:

(a) 40,001 shares held in the Name of Russell Lynton Brown.

(b) 2,040,000 shares held in the name of Husif Nominees Pty Ltd <RC Lynton-Brown Family A/c>; Mr Lynton-Brown is a director and controlling shareholder.

(c) 20,000 shares held in the name of Mrs Joanne Marie Lynton-Brown, a spouse of Mr Lynton-Brown and an associate for this purpose.

(d) 20,000 shares held in the name of Mr Russell Lynton-Brown & Mrs Rosemary Beeck ATF R Lynton-Brown Super A/c. Mr Lynton-Brown is a beneficiary.

Note 2: 4,500,000 shares held in the name of Brookman Resources Pty Ltd ATF David McSweeney Superannuation Fund. Mr McSweeney is a Director of Brookman Resources Pty Ltd and is a beneficiary of the David McSweeney Superannuation Fund.

Note 3: Shares held in 2Rs Pty Ltd ATF The Paull Family Trust. Mr Paull is a Director of 2Rs Pty Ltd.

Note 4: Shares held in Spectral Investments Pty Ltd. Mr Lithgow is a director of Spectral Investments Pty Ltd.

Note 5: 46,000,000 shares held in GZ Capital LLC of which Mr Zunduisuren is the sole director and 2,000,000 shares in the name of Dorisuren Bayambatseren, a spouse of Mr Zuinduisuren.

** Shares held in Macfac Pty Ltd ATF the McIlwain Family S/F A/c. Mr McIlwain is a director of Macfac Pty Ltd and a beneficiary of the Super Fund.

*** 2,337,809 shares held in the name of Sabreline Pty Ltd ATF <JPR Investment A/c>. Mr Robinson is a director and controlling shareholder.

****75,000 shares were held in the name of Mathew Donald Walker as trustee for the Isabella Margaret Davis Trust. These were transferred to the name of Mathew Donald Walker during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(f) Related Party Disclosures

1. Disclosure of interest in Administration Agreement with Cicero Corporate Services Pty Ltd
   - Mathew Walker and David Parker are the joint owners and controllers of Cicero Corporate Services Pty Ltd.
   - Services provided include office rent of the Group's principle place of business, bookkeeping, boardroom facilities and reimbursements,
   - Cicero Corporate Services Pty Ltd was contracted to provide administration services on an ongoing basis, of approximately $4,500 plus reimbursements per month. This agreement was terminated 28 February 2010.
   - Cicero Corporate Services Pty Ltd provided administration services to the Group on commercial terms during the year. The Group made payments during the year on commercial terms totalling $40,992 (2009 - $65,680) to Cicero Corporate Services Pty Ltd for administration services.
2. Disclosure of interest in rental services agreement with DAPRB Pty Ltd
   - David Paull is a director and part owner of DAPRB Pty Ltd
   - Services provided include office space, stationary and telecommunication services.
   - DAPRB Pty Ltd supplies an office and support services on a monthly bases. The amounts charged are on a cost recovery basis based on proportion of office used. The rental agreement can be terminated at 30 days notice. The Group is currently paying $2.909 a month in rent including all outgoings. The Group made payments during the year on commercial terms totalling $17,937.
3. Disclosure of interest in Administration Support Agreement with Bluesky Minerals LLC
   - Gan-Ochir Zunduisuren is a director and owner of Bluesky Minerals LLC.
   - Services provided include, office space, bookkeeping, tenement management in Ulaanbaatar in Mongolia.
   - Services are provided on a month to month basis for US$2,000 a month plus reimbursements on an ongoing basis.
   - The Group had paid US$7,666 for these services during the year.

(g) Subsidiary

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

Name	Country of Incorporation	% Equity Owned		Investment ($)	
		2010	2009	2010	2009
Khurgatai Khairkhan LLC	Mongolia	100%	Nil	$9,500,000	Nil

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 2010 an amount of $740,922 was owing by the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 23: PARENT ENTITY DISCLOSURES

Financial position

	30 June 2010 $'000	30 June 2009 $'000
Assets		
Current assets	5,626,635	1,043,220
Non-current assets	11,377,059	1,149,131
Total assets	17,003,694	2,192,351
Liabilities		
Current liabilities	3,408,577	48,446
Non-current liabilities	-	-
Total liabilities	3,408,577	48,446
Equity		
Issued capital	19,258,065	7,331,631
Accumulated losses	867,176	609,233
Reserves	(6,530,124)	(5,796,959)
Total equity	13,595,117	2,143,905

Financial performance

	Year ended 30 June 2010 $'000	Year ended 30 June 2009 $'000
Profit/(loss) for the year	(869,117)	(5,263,242)
Other comprehensive income	-	-
Total comprehensive income/(loss)	(869,117)	(5,263,242)

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 16 to 48, are in accordance with the Corporations Act 2001 including:

   a. giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year then ended; and

   b. complying with Accounting Standards and Corporations Regulations 2001; and

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 2010.

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

David Paull
Managing Director
28 September 2010

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of
ASPIRE MINING LIMITED (FORMERLY WINDY KNOB RESOURCES LIMITED)

Report on the Financial Report

We have audited the accompanying financial report of Aspire Mining Limited (formerly Windy Knob Resources Limited) ("the company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 16 to 49.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial statements comply 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. These Auditing 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 the company's 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 opinions.

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

HLB Mann Judd

Accountants | Business and Financial Advisers

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 (formerly Windy Knob Resources 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 2010 and of its performance for the year ended on that date; and
   - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the directors' report for the year ended 30 June 2010.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 (formerly Windy Knob Resources Limited) for the year ended 30 June 2010 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Norman Glasd

Perth, Western Australia
28 September 2010

N G NEILL
Partner

ADDITIONAL SHAREHOLDER INFORMATION

1. Substantial Shareholders

There are four substantial shareholders listed on the Company's register as at 24 September 2010:

a. Spectral Investments Pty Ltd, a company controlled by Mr Neil Lithgow, 58,000,000 shares or 13.63% f the company on an undiluted basis.
b. Khadbaasan Bat Erdene, 50,000,000 shares or 11.75% of the company on an undiluted basis.
c. Badamdamdin Battuvshin, 50,000,000 shares or 11.75% of the company an undiluted basis.
d. GZ Capital LLC, a company controlled by Gan-Ochir Zunduisuren, 46,000,000 shares or 10.81% of the company on an undiluted basis.

2. Number of holders in each class of equity securities and the voting rights attached (as at 2 September 2010)

Ordinary Shares

There are 975 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 number present in person or by proxy or attorney or duly authorized representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorized representative has one vote for every fully paid ordinary share held.

Options

There are 21 holders of Class A in two traders and 9 holders of Performance options. There are no voting rights attached to these options.

3. Distribution schedule of the number of holders in each class of equity security as at 2 September 2010.

a) Fully Paid Ordinary Shares

SPREAD OF HOLDINGS	HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	23	2,143	0.00 %
1,001 - 5,000	42	159,222	0.04 %
5,001 - 10,000	98	867,709	0.20 %
10,001 - 100,000	484	24,173,418	5.68 %
100,001 -	328	400,360,557	94.089 %
TOTAL ON REGISTER	975	425,563,049	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
NIL HOLDING			
1 - 1,000	-	-	0.00 %
1,001 - 5,000	-	-	0.00 %
5,001 - 10,000	-	-	0.00 %
10,001 - 100,000	4	244,449	0.25 %
100,001 -	16	99,192,502	99.75 %
TOTAL ON REGISTER	20	99,436,951	100.00 %

c) Unlisted performance options exercisable at $0.05 on or before 12 February 2015, There are 9 holders of performance options totalling 150,000,000. These options will only rest once a JORC Compliant resource of at least 200 million tonnes is established

d) Unlisted Class A options exercisable at $0.15 on or before 31 December 2012.

There are a total of 6 million of these options owned by one holder, of these 4 million options remain to be vested.

ADDITIONAL SHAREHOLDER INFORMATION (Continued)

4. Marketable Parcel

There are 39 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 2 September 2010) is as follows:

Ordinary Shares Top 20 holders and percentage held.

	Holder Name	Units	% of Issued
1	SPECTRAL INV PL	58,000,000	13.63%
2	BADAMDAMDIN BATTUVSHIN	50,000,000	11.75%
3	KHADBAASAN BAT-ERDENE	50,000,000	11.75%
4	GZ CAP LLC	46,000,000	10.81%
5	MCSWEENEY DAVID	9,433,962	2.22%
6	MARINE INV WA PL	8,000,000	1.88%
7	AVATAR EQUITIES PL	5,660,377	1.33%
8	LUJETA PL	5,183,683	1.22%
9	TOWNSEND DARREN PAUL	5,038,485	1.18%
10	HSBC CUSTODY NOM AUST LTD	4,961,668	1.17%
11	BROOKMAN RES PL	4,500,000	1.06%
12	BENETTI CAROLINE M	4,400,000	1.03%
13	COLORADO CONVERSIONS PL	4,300,000	1.01%
14	HUSIF NOM PL	4,040,000	0.95%
15	TWO TOPS PL	3,944,444	0.93%
16	GOLDCREST CORP PL	3,200,000	0.75%
17	SAVANNAH ENGINEERS PL	3,000,000	0.73%
18	ARREDO PL	3,000,000	0.70%
19	JP MORGAN NOM AUST LTD	2,077,778	0.49%
20	EDMONDSON FIONNUALA C	2,042,778	0.48%
	Total	**276,883,175**	**65.06%**

6. Company Secretary

The name of the Company's secretary is Philip Rundell.

7. Address and telephone details of the Company's registered administrative office and principle place of business:

Suite 2, 454 Roberts Road
SUBIACO PERTH WA 6008
Telephone: (08) 9381 1195
Fax: (08) 6380 2316

8. Address and telephone details of the office at which a registry of securities is kept:

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

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

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

ADDITIONAL SHAREHOLDER INFORMATION (Continued)

10. Restricted Securities

A total of 150 million fully paid shares and 30 million Performance Options issued pursuant to the purchase of the Ovoot Coking Coal Project are escrowed through to 12 February 2011.

11. Review of Operations

A review of operations is contained in the Annual Report.

12. Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily exploration for natural resources and acquisition of resource based projects. The Company believes it has used its cash in a consistent manner to which was disclosed under the prospectus dated 19 December 2006.

13. Schedule of Tenements

Exploration Licenses

The following tenements are registered in the name of Aspire Mining Limited or it's 100% owned subsidiary Khurgatai Khairkhua LLC as at 24 September 2010.

Tenement
Mongolia

Tenement	Status	Equity
13636x	Granted	100%
14973x	Granted	100%
14499x	Granted	100%
14810x	Granted	100%
14636x	Granted	100%
14639x	Granted	100%

Western Australia (Note 1)
Windy Knob Joint Venture

Tenement	Status	Equity
E51/900	Granted	49%
E51/1300	Application	49%
P51/2596	Granted	49%
P51/2597	Application	49%
P51/2603	Application	49%
P51/2604	Application	49%

Note 1: Tuckanarra and Black Tank Well Projects were sold in August 2010.