ASPIRE MINING LTD

ABN 46 122 417 243

INTERIM FINANCIAL REPORT

31 DECEMBER 2014

CORPORATE INFORMATION

Directors

David McSweeney (Non-Executive Chairman)
David Paull (Managing Director)
Neil Lithgow (Non-Executive Director)
Sado Demchigsuren Turbat (Non-Executive Director)
Hannah Badenach (Non-Executive Director)
Mark Read (Non-Executive Director) (resigned 28 January 2015)

Company secretary

Philip Rundell

Registered office and Australian principal place of business

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ULAANBAATAR

Share Registery

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

Solicitors

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

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

Bankers

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

Auditors

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

Mongolia
PriceWaterHouseCoopers Audit LLC
Central Tower, 6th Floor, Suite 601
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Securities Exchange Listing

AKM

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DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity consisting of Aspire Mining Limited ("Aspire" or "Company") and its controlled entities ("Group") for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

David McSweeney	Non-Executive Chairman
David Paull	Managing Director
Neil Lithgow	Non-Executive Director
Sado Demchigsuren Turbat	Non-Executive Director
Hannah Badenach	Non-Executive Director
Mark Read	Non-Executive Director (resigned 28 January 2015)

Operating Results

The loss of the Group for the half-year after income tax was $11,889,533 (2013: $681,828). The 2014 result is impacted by a $10.2 million write-down of the evaluation expenditure incurred on Northern Railways.

Review of Operations

Aspire Mining Limited (ASX: AKM, "Aspire" or the "Company") is focussed on the exploration and development of metallurgical coal assets in Mongolia. The Company is the largest coal tenement holder in the expansive Orkhon-Selenge Coal Basin in northern Mongolia. Aspire currently owns a 100% interest in the large scale, world class Ovoot Coking Coal Project ("Ovoot"), the second largest coking coal project by reported reserves in Mongolia, and a 100% interest in the Jilchigbulag Coal Project ("Jilchigbulag"). Through its 50% ownership in the Ekhgoviin Chuluu Joint Venture ("ECJV"), Aspire also holds an interest in the Nuurstei Coking Coal Project ("Nuurstei").

Northern Railways LLC ("Northern Railways") is Aspire's wholly owned Mongolian rail infrastructure subsidiary responsible for activities associated with the commercialisation and future development of the 547km Erdenet – Ovoot railway in northern Mongolia. The Erdenet – Ovoot railway is a Mongolian Government supported priority rail project representing the first phase of an important rail system which will link to Russia's Siberia and provide accessibility for coal and other exports from northern Mongolia and Russia. Singapore listed Noble Group have an option to earn a 10% interest in Northern Railways.

Aspire Mining Project location

DIRECTORS REPORT

Review of Operations (continued)

Ekhgoviin Chuluu Joint Venture (50%)

In June 2014, Aspire acquired a 50% interest in the Ekhgoviin Chuluu Joint Venture ("ECJV") with the Noble Group retaining its existing 50% interest. The ECJV main asset is a 60% interest in the Nuurstei Coking Coal Project ("Nuurstei"). There is an ability to increase the interest in Nuurstei to 90%.

During the period, the ECJV completed a successful exploration programme over Nuurstei which comprised 17 non-core rotary holes, seven (7) holes (from a 2011 exploration programme) were reopened and geophysically logged and one (1) PQ diamond drill hole on which coking coal analysis was conducted.

The 2014 exploration programmed confirmed the continuity of coal along a 1.2km strike, as well as the presence of hard coking coal in the single core hole.

Please refer to the Company's ASX announcements dated 15 October 2014 and 9 January 2015 for full JORC 2012 reporting in relation to the exploration programme and testwork conducted at Nuurstei during 2014.

Given its close proximity to existing road and other infrastructure, the ECJV believes that Nuurstei presents a possible road based production operation which could commence as early as 2016, pending results of a planned 2015 exploration programme which would allow the ECJV to make a development decision based on additional drilling targeting a JORC 2012 Compliant coal resource and quality confirmation over the deposit.

Ovoot Coking Coal Project (100%)

The Ovoot Coking Coal Project is Aspire's largest and most advanced asset. Ovoot hosts a 255Mt JORC 2012 Coal Reserve and is planned to be developed initially producing 5 million tonnes per annum, with the ability to increase to full scale production of up to 10mtpa (saleable) coking coal. The detailed JORC 2012 Coal Resource and Reserve Report on the Ovoot Coking Coal Project is located in the Company's Quarterly Report for the period ending December 2013 released to the ASX on 31 January 2014.

Ovoot requires the construction of the Erdenet – Ovoot railway to be completed prior to commencement of production.

During the period, the Company entered into a non-binding memorandum of understanding with the nearby Zavkhan power plant for the future supply of up to 35 megawatts of power per annum to the Ovoot project; an intention of future cooperation with respect to the development of power transmission infrastructure between the power plant and Ovoot; and for the potential supply of oxidised coal to be produced from Ovoot (not included in Coal Reserves) to the power plant.

Aspire also received a Materials Handling Report and Modular Plant Study by Sedgman Limited which identified capital cost savings totalling US$127 million associated with the wash plant and materials handling component for the full mine site processing capability.

A gravity survey was completed over the entire Ovoot Basin which confirmed additional coal exploration potential ,particularly in the northwest, southwest and central area of the Basin.

A coal blending facility concept study was received by Aspire for a potential blending operation at the planned Mongolian Sainshand Industrial Park. The concept study identified a potential 10mpta blending operation could be conducted by blending 25% Ovoot coking coal and 75% other non-coking/oxidised coals sourced within Mongolia. The capital expenditure required is indicatively €53 million (~US$70m).

Notes

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

DIRECTORS REPORT

Review of Operations (continued)

2) *Aspire's development timeline for its Ovoot Project relies primarily on i) the provision of a rail concession and other approvals from the Government of Mongolia for Northern Railways to build, and operate the Erdenet – Ovoot railway, connecting the Ovoot Project to the Trans-Mongolian Railway at Erdenet; and ii) financing of the Erdenet – Ovoot railway. The timing with respect to the grant of a rail concession is outside of the control of Aspire. Certain activities to further progress the Ovoot Project and Erdenet – Ovoot railway development, and which will follow the grant of the rail concession licences, include the completion of detailed engineering work to support definitive financing negotiations. The Company's development timeline to achieve first production by 2019 is indicative and assumes the grant of necessary Government licences, agreements and approvals in 2015.*

Rail Infrastructure Investment – Northern Railways LLC (90%*)

Northern Railways is the Mongolian registered investment vehicle progressing the development of the Erdenet – Ovoot Railway in northern Mongolia ("**Railway**"). Although currently a wholly owned subsidiary, Singapore listed Noble Group, has the right to earn a 10% equity stake.

Significant achievements by or in relation to Northern Railways during the period have included:

1. Government of Mongolia parliamentary approval of the addition of the Northern Rail Line (Erdenet – Ovoot – Arts Suuri) to the Mongolian National Rail Policy;

2. Inclusion of Phase 1 of the Northern Rail Line (the Ovoot – Erdenet section) included on the official list of Concession Approved Projects;

3. EPC Framework Agreement signed with China Railway 20 Bureau Group Corporation (CR20G);

4. Commencement of the first phase of a Bankable Feasibility Study (BFS) being conducted by CR20G. The second phase can commence at the discretion of Northern Railways; and

5. Preliminary due diligence commenced by several large financiers in China with respect to rail construction financing.

These milestones fall in-line with recent tripartite government agreements entered into between the Governments of Russia, Mongolia and China with respect to trade, infrastructure developments and associated financing. Mongolia is placed to be the beneficiary of significant upgrades to its Trans-Mongolian Rail network to facilitate each nations trade targets to be achieved by 2020. Mongolia has also been granted access to rail and seaport capacity in China providing the ability of Mongolian products to be exported globally from Chinese seaports.

The Directors reviewed the carrying value of the Group assets post balance date. Despite the progress and achievements made in the period, there remains a disparity between the carrying value of the Group's assets and the market capitalisation of the Company on the Australian Stock Exchange. Whilst significant progress has been made on the rail project, as Northern Railways LLC does not currently have in place the funding or a Concessions Agreement to build and operate the railway, the Group has written-off the evaluation expenditure incurred on Northern Railways of $10.2 million.

Competent Persons Statements
Ovoot:
In accordance with the Australian Securities Exchange requirements, the technical information contained in this announcement in relation to the JORC code (2012) Compliant Coal Reserves and JORC Compliant Coal Resource for the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Ian De Klerk and Mr Kevin John Irving of Xstract Mining Consultants Pty Ltd.

The Coal Resources documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2012. They are based on information compiled and reviewed by Mr. Ian de Klerk who is a Member of the Australasian Institute of Mining and Metallurgy (Member #301019) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 20 years' experience in the evaluation of coal deposits and the estimation of coal resources. Mr. de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2012.

Neither Mr. de Klerk nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis. Mr. de Klerk consents to the inclusion of the Coal Resources based on his information in the form and context in which it appears.

DRECTORS REPORT

Review of Operations (continued)

The Coal Reserves documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2012. They are based on information compiled and reviewed by Mr. Kevin Irving who is a Fellow of the Australasian Institute of Mining and Metallurgy (Member #223116) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 35 years' experience in the mining of coal deposits and the estimation of Coal Reserves and the assessment of Modifying Factors. Mr. Irving has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2012. Neither Mr. Irving nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis. Mr. Irving consents to the inclusion of the Coal Reserves based on his information in the form and context in which it appears.

The technical information contained in this announcement in relation to the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Neil Lithgow – Non Executive Director for Aspire Mining Limited. Mr Lithgow is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Lithgow consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Nuurstei:
The information in this report that relates to Reporting of Exploration Results, is based on information compiled under the supervision of, and reviewed by, the Competent Person, Mr. Parbury, who is a full time employee of McElroy Bryan Geological Services, is a Member of the Australasian Institute of Mining and Metallurgy and who has no conflict of interest with Aspire Mining Limited.

The reporting of exploration results for 13580X presented in this report has been carried out in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves', The JORC Code 2012 Edition prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Mr. Parbury has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Parbury consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Reporting of Exploration Results for core hole NUDH012, is based on information compiled under the supervision of, and reviewed by, the Competent Person, Mr. Neil Lithgow a Non-Executive Director for Aspire Mining Limited.

The reporting of exploration results for 13580X presented in this report has been carried out in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves', The JORC Code 2012 Edition prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Mr Lithgow is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Lithgow consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

DIRECTORS REPORT

Review of Operations (continued)

Corporate

During the period, the Company successfully raised $2.3 million before fees from a placement to sophisticated investors and from the exercise of options.

The Company also appointed Argonaut Securities as its corporate advisor in relation to debt and equity financing options for Northern Railways.

Capital and Cash at Bank

The Company had 703,463,306 fully paid ordinary shares on issue at the end of the half-year (30 June 2014: 658,247,056 fully paid ordinary shares).

Cash and cash equivalents held by the consolidated entity at the end of the half-year was $1,917,738 (30 June 2014: $3,543,945).

Significant Subsequent Events

Subsequent to the balance date, the Company agreed with Noble that the repayment date for the US$5 million loan granted by the Noble Group to Aspire in 2013 be extended by 12 months to 15 March 2016, with security against the Company's 50% interest in the ECJV.

In addition, the Company has also agreed with Noble under a binding Term Sheet:

1. That Noble grant Aspire a 12 month Option to acquire Noble's 50% interest in the ECJV;
2. A commitment by both parties to accelerate the development of the Nuurstei coking coal project, which includes the provision of marketing and logistics services by Noble in relation to coal produced at Nuurstei;
3. That Aspire grant to Noble additional marketing rights over Ovoot project coking coal sold bringing Noble's total marketing rights to 40% over a 20 year period; and
4. That Aspire agree to issue options to Noble in the event that additional capital is raised in the next 12 months so that the shareholding interest of Noble in Aspire is maintained at 13.8% on a diluted basis.

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

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2014.

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

David Paull
Managing Director
16 March 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Aspire Mining Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia	**W M Clark**
16 March 2015	**Partner**

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Interest revenue		56,773	93,198
Foreign exchange gain/(loss)		72,384	(89,422)
Exploration expenditure written off	4	(10,268,970)	-
Employee benefits expense		(521,529)	(797,581)
Share based payments reversal/(expense)		114,091	(80,189)
Interest expense		(258,256)	(289,435)
Other expenses		(1,451,354)	(2,003,755)
Loss before income tax expense		**(12,256,861)**	**(3,167,184)**
Income tax benefit	3	481,419	2,485,356
Net loss for the period		**(11,775,442)**	**(681,828)**
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		2,922,942	(2,325,853)
Other comprehensive income/(loss) for the period, net of tax		**2,922,942**	**(2,325,853)**
Total comprehensive result for the period		**(8,852,500)**	**(3,007,681)**
Basic loss per share (cents per share)		(1.72)	(0.10)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	Consolidated 31 Dec 2014 $	Consolidated 30 June 2014 $
Assets			
Current Assets			
Cash and cash equivalents		1,917,738	3,543,945
Trade and other receivables		836,542	314,485
Total Current Assets		**2,754,280**	**3,858,430**
Non-Current Assets			
Deferred exploration and evaluation expenditure	4	37,866,559	42,647,350
Property, plant and equipment		371,248	351,165
Intangible asset		17,968	26,174
Investment accounted for using the equity method		1	1
Total Non-Current Assets		**38,255,776**	**43,024,690**
Total Assets		**41,010,056**	**46,883,120**
Liabilities			
Current Liabilities			
Trade and other payables		363,472	196,422
Loan		6,130,456	5,308,419
Interest payable		78,604	68,064
Total Current Liabilities		**6,572,532**	**5,572,905**
Total Liabilities		**6,572,532**	**5,572,905**
Net Assets		**34,437,524**	**41,310,215**
Equity			
Issued capital	6	75,598,074	73,391,689
Reserves		(2,652,122)	(5,348,488)
Accumulated losses		(38,508,428)	(26,732,986)
Total Equity		**34,437,524**	**41,310,215**

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued capital	Accumulated losses	Share based payments reserve	Currency translation reserve	Total equity
	$	$	$	$	$
Balance at 1 July 2013	73,391,689	(23,892,971)	801,802	450,161	50,750,681
Performance rights value brought to account	-	-	80,189	-	80,189
Exchange differences arising on translation of foreign operations	-	-	-	(2,325,853)	(2,325,853)
Loss for the period	-	(681,828)	-	-	(681,828)
Balance at 31 December 2013	**73,391,689**	**(24,574,799)**	**881,991**	**(1,875,692)**	**47,823,189**
Balance at 1 July 2014	73,391,689	(26,732,986)	899,719	(6,248,207)	41,310,215
Shares issued during the period	2,093,900	-	-	-	2,093,900
Share based payment (reversal)/expense	-	-	(114,091)	-	(114,091)
Transfer on issue of shares on vested performance rights	72,447	-	(72,447)	-	-
Transfer on exercise of options	40,038	-	(40,038)	-	-
Exchange differences arising on translation of foreign operations	-	-	-	2,922,942	2,922,942
Loss for the period	-	(11,775,442)	-	-	(11,775,442)
Balance at 31 December 2014	**75,598,074**	**(38,508,428)**	**673,143**	**(3,325,265)**	**34,437,524**

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Consolidated 2014 $	Consolidated 2013 $
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(2,147,643)	(2,490,175)
Interest received	67,087	109,721
Interest paid	(247,715)	(258,259)
Income tax paid	-	(1,225)
Research and development tax incentives	-	1,314,366
Net cash used in operating activities	**(2,328,271)**	**(1,325,572)**
Cash flows from investing activities		
Exploration and evaluation expenditure	(1,268,280)	(3,890,660)
Payments for fixed assets	(52,369)	-
Proceeds from sale of property, plant & equipment	-	25,989
Net cash used in investing activities	**(1,320,649)**	**(3,864,671)**
Cash flows from financing activities		
Proceeds from issue of shares	2,093,900	2,350,281
Reduction in finance lease	-	(17,953)
Net cash provided by financing activities	**2,093,900**	**2,332,328**
Net decrease in cash held	(1,555,020)	(2,857,915)
Cash and cash equivalents at the beginning of the period	3,543,945	7,917,391
Effects of exchange rate fluctuations on cash held	(71,187)	(43,634)
Cash and cash equivalents at the end of the period	**1,917,738**	**5,015,842**

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Aspire Mining Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

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

Basis of preparation

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

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

Going concern

The 31 December 2014 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and discharge of its liabilities as and when they fall due, in the ordinary course of business. For the period ended 31 December 2014, the Group recorded a net loss of $11,775,442 (30 June 2014 net loss: $2,840,015) and has a net working capital deficiency of $3,668,610 (30 June 2014: deficiency of $1,714,475). The Group has a loan of US$5 million to Noble Resources. Subsequent to balance date, the loan repayment date has been extended from 21 February 2015 to 15 March 2016.

Based on the Group's cash flow forecast, which is dependent on results from planned activity, it is likely that the Group will need to access additional working capital in the coming 12 months to continue its activities and to ensure the realisation of assets on an orderly basis and the discharge of its liabilities as and when they fall due.

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

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

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting judgments and key estimates

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

The significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2014.

Accounting policies and methods of computation

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

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

	Consolidated 31 December 2014 $	Consolidated 31 December 2013 $
The following expense items are relevant in explaining the financial performance for the half-year:		
Accountancy and audit fees	24,906	69,400
Consultants' fees	468,751	281,712
Directors' fees	268,991	299,019
Insurance	32,672	72,647
Legal fees	31,342	17,468
Media and marketing	-	40,175
Rent & outgoings	241,887	185,262
Research and development tax incentive fees	101,385	518,778
Travel and accommodation	71,306	79,387

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 3: INCOME TAX BENEFIT

	Consolidated 31 December 2014 $	Consolidated 31 December 2013 $
Research and development tax incentive 2012	-	1,314,366
Research and development tax incentive 2013	-	1,172,215
Research and development tax incentive 2014	482,788	-
	482,788	2,486,581
Income tax expense on Mongolian operations	(1,369)	(1,225)
Income Tax Benefit	**481,419**	**2,485,356**

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Six Months Ended 31 December 2014 $	Consolidated Year Ended 30 June 2014 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of the period	42,647,350	45,364,075
• Expenditure incurred in the period	1,417,922	3,758,399
• Foreign exchange differences	4,070,257	(6,464,193)
• Expenditure written-off in the period	(10,268,970)	(10,931)
Total exploration and evaluation expenditure	**37,866,559**	**42,647,350**

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

NOTE 5: LOAN

In January 2013, Noble Group confirmed its support for the future development for the Ovoot Coking Coal Project by a series of agreements with the Company and/or certain of its subsidiaries. The agreements were implemented on 21 February 2013 and include a Facility Agreement to provide on commercial terms a US$5m unsecured loan to assist with rail pre-development expenditures. The Facility Agreement was entered into on 21 February 2013 and drawdowns of USD3,000,000 and USD2,00,000 were made on 10 May 2013 and 8 July 2013, respectively. The loan was initially repayable on 21 February 2015, two (2) years from the date of the Facility Agreement. Subsequent to balance date, the Company has agreed with Noble that the repayment date be extended to15 March 2016 on the same terms other than the Company's 50% ownership interest in the ECJV be provided as security.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 6: ISSUED CAPITAL

	Consolidated 31 December 2014 $	Consolidated 30 June 2014 $
Ordinary shares		
Issued and fully paid	**75,598,074**	**73,391,689**

	No.	$.
Movements in ordinary shares on issue		
1 July 2014	658,247,056	73,391,689
Exercise of Class A Options at 5 cents per option	5,400,000	270,000
Transfer from the share based payments reserve on exercise of the options	-	40,038
Placement at 5 cents per share	38,700,000	1,935,000
Issue of shares on vested performance rights at nil consideration	1,116,250	-
Transfer from the share based payments reserve on vesting of the rights	-	72,447
Costs of issues	-	(111,100)
31 December 2014	**703,463,306**	**75,598,074**

NOTE 7: OPTIONS AND PERFORMANCE RIGHTS ON ISSUE

	Consolidated 31 December 2014 No	Consolidated 30 June 2014 No
Options		
Class A options exercisable at 5 cents per option before 12 February 2015	90,786,842	96,186,842
Performance options exercisable at 5 cents per option before 12 February 2015	145,000,000	145,000,000
Performance Rights	2,711,250	3,827,500

The Class A options and Performance options expired unexercised on 12 February 2015.

The value of the Performance Rights is based on the number of Performance Rights granted multiplied by the prevailing share price at the date of the grant of the Performance Rights. The number of Performance Rights issued and the prevailing share price are known variables. All of these options expired on 12 February 2015 unexercised.

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

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

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 8: SEGMENT REPORTING

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

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

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

Geographical segments

	Australia $	Mongolia $	Unallocated $	Total $
31 December 2013				
Segment income	80,947	12,251	-	93,198
Segment expenses	(2,099,798)	(764,476)	(396,108)	(3,262,382)
Segment income tax	2,486,581	(1,225)	-	2,485,356
Segment result	467,730	(753,450)	(396,108)	(681,828)
Loss from ordinary activities after related income tax expense				(681,828)
Segment assets	6,211,601	47,938,264	-	54,149,865
Segment liabilities	567,275	53,465	5,705,936	6,326,676

	Australia $	Mongolia $	Unallocated $	Total $
31 December 2014				
Segment income	43,080	13,693	-	56,773
Exploration expenditure written off	-	(10,268,970)	-	(10,268,970)
Segment expenses	(865,567)	(11,189,814)	(258,253)	(12,313,634)
Segment income tax	482,788	(1,369)	-	481,419
Segment result	(339,699)	(11,177,490)	(258,253)	(11,775,442)
Loss from ordinary activities after related income tax expense				(11,775,442)
Segment assets	2,322,930	38,687,126	-	41,010,056
Segment liabilities	222,890	140,582	6,209,060	6,572,532

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 9: FINANCIAL INSTRUMENTS

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

NOTE 10: CONTINGENT LIABILITIES

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

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to balance date, the Company agreed with Noble that the repayment date for the US$5 million loan granted by the Noble Group to Aspire in 2013 be extended by 12 months to 15 March 2016, with security against the Company's 50% interest in the ECJV.

In addition, the Company has also agreed with Noble under a binding Term Sheet:

1. That Noble grant Aspire a 12 month Option to acquire Noble's 50% interest in the ECJV;
2. A commitment by both parties to accelerate the development of the Nuurstei coking coal project, which includes the provision of marketing and logistics services by Noble in relation to coal produced at Nuurstei;
3. That Aspire grant to Noble additional marketing rights over Ovoot project coking coal sold bringing Noble's total marketing rights to 40% over a 20 year period; and
4. That Aspire agree to issue options to Noble in the event that additional capital is raised in the next 12 months so that the shareholding interest of Noble in Aspire is maintained at 13.8% on a diluted basis.

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

DIRECTORS' DECLARATION

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

1. The financial statements and notes thereto, as set out on pages 7 to 16, are in accordance with the Corporations Act 2001 including:

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

   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year then ended.

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

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

David Paull
Managing Director
16 March 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Aspire Mining Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aspire Mining Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

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

Emphasis of Matter

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

W M Clark
Partner

Perth, Western Australia
16 March 2015