ASPIRE
MINING LTD
ABN 46 122 417 243

INTERIM FINANCIAL REPORT
31 DECEMBER 2016

CORPORATE INFORMATION

Directors

David McSweeney (Non-Executive Chairman)
David Paull (Managing Director)
Neil Lithgow (Non-Executive Director)
Hannah Badenach (Non-Executive Director)
Gan-Ochir Zunduisuren (Non-Executive Director)

Company Secretary

Philip Rundell

Registered office and Australian principal place of business

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ULAANBAATAR

Share Registery

Security Transfer Registrars Pty Ltd
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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
KPMG
#602, Blue Sky Tower,
Peace Avenue 17,
1 Khoroo, Sukhbaatar District,
Ulaanbaatar 14240, Mongolia

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 2016. 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
Hannah Badenach	Non-Executive Director
Gan-Ochir Zunduisuren	Non-Executive Director

Operating Results

The loss of the Group for the half-year after income tax was $3,774,084 (2015: $1,271,699). The 2016 result was impacted by a $1,143,215 on write-down of the evaluation expenditure incurred on Northern Railways (2015: $307,565) and a $1,004,252 unrealised foreign exchange loss (2015: $62,545 gain).

Review of Operations

Aspire Mining Limited ("Aspire" or the "Company") is focused 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 owns a 100% interest in the large scale, world class Ovoot Coking Coal Project ("Ovoot Project"), the second largest coking coal project by reported reserves in Mongolia, and a 100% interest in the Jilchigbulag Coal Project.

Aspire holds a 50% interest in the Ekhgoviin Chuluu Joint Venture ("ECJV") with the Noble Group holding the other 50% interest. The ECJV's main asset is a 90% interest in the Nuurstei Coking Coal Project ("Nuurstei").

Northern Railways LLC is Aspire's wholly owned Mongolian rail infrastructure subsidiary responsible for activities associated with the commercialisation and future development of the 549km Erdenet to Ovoot Railway in northern Mongolia. The Erdenet to Ovoot Railway is a Mongolian Government supported priority rail project representing the first phase of an important rail system which will link to Russia and provide accessibility for coal and other exports from northern Mongolia and Russia.

Ovoot Coking Coal Project

During the period, the Company was focused on progressing the activities necessary to develop the Erdenet to Ovoot Railway that will provide the transport of the coal to markets and restricted the Ovoot Project to that required to meet the minimum expenditure requirements. A 3 hole drill programme was conducted for that purpose and to test a gravity target.

Ekhgoviin Chuluu Joint Venture

During the period, the ECJV:

1. Received an exploration plan and budget to improve deposit interpretation and provide additional samples with the objective of converting Inferred Resources to Indicated Resources and to support further economic studies; and

2. Progressed the application for a Mining Licence.

Rail Infrastructure – Northern Railways LLC

Significant achievements by or in relation to the Erdenet to Ovoot Railway by Northern Railways LLC continued during the period with:

1. The Mongolian Ministry of Roads and Transport, Mongolian Railways and Northern Railways LLC agreeing an alternate connection point at Erdenet to avoid a dual use issue;

2. Completion of the Rail Project First Stage Feasibility Study which concludes that the Erdenet to Ovoot Railway is economically and socially feasible;

3. Continued discussions with potential stakeholders and funders for the completion of further studies, approvals and rail development.

DIRECTORS' REPORT (continued)

Corporate

Aspire had 938,954,971 fully paid ordinary listed shares on issue at the end of the half-year (30 June 2016: 928,288,306 fully paid ordinary shares) and 185,529,167 listed Options (30 June 2015: 188,912,500 Options).

During the period, a small placement of 7,283,332 shares at 3 cents was completed to raise $218,500 before costs. Additional funding was provided by exercise of Options that converted to 3,383,333 Shares at 3 cents ($101,500) and a loan facility of US$2 million.

Cash at Bank

Cash and cash equivalents held by the consolidated entity at the end of the half-year was $1,081,831 (30 June 2016: $418,529).

Significant Subsequent Events

Subsequent to the balance date, announcements have been made informing the market that:

1) The Northern Railways First Stage Feasibility Study had been completed and had determined that the Erdenet to Ovoot Railway will be economically viable;

2) An 18 month extension of time within which to complete the Northern Railways Concession Agreement conditions precedent has been agreed; and

3) Northern Railways and UBTZ have entered into a Memorandum of Undertaking to cooperate and agree on matters relevant to the infrastructure development and operation of the Erdenet to Ovoot Railway.

In addition, the Company has agreed with Noble Resources International Pte Ltd that:

1. The due date for payment of the first payment of interest on the US$5 million loan facility is extended to 30 June 2017; and

2. The period for Aspire to exercise its option to acquire Noble's interest in the ECJV is extended to 30 June 2017.

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 3 and forms part of this directors' report for the half-year ended 31 December 2016.

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 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Aspire Mining Limited for the half-year ended 31 December 2016, 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	**N G Neill**
16 March 2017	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Interest revenue		3,116	25,232
Foreign exchange (losses)/gains		(1,004,252)	62,545
Exploration and evaluation expenditure impaired	4	(1,143,215)	(307,565)
Recovery of exploration and evaluation expenditure previously impaired		-	909,064
Employee benefits expense		(211,446)	(292,015)
Share based payments		(111,612)	(47,638)
Interest expense		(364,091)	(318,207)
Borrowing costs		(294,954)	-
Other expenses	2	(647,511)	(1,302,672)
Loss before income tax expense		**(3,773,965)**	**(1,271,256)**
Income tax expense	3	(119)	(443)
Net loss for the period		**(3,774,084)**	**(1,271,699)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(4,047,218)	256,605
Other comprehensive result for the period, net of tax		**(4,047,218)**	**256,605**
Total comprehensive result for the period		**(7,821,302)**	**(1,015,094)**
Basic loss per share (cents per share)		(0.41)	(0.10)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	Consolidated 31 Dec 2016 $	Consolidated 30 June 2016 $
Assets			
Current Assets			
Cash and cash equivalents		1,081,831	418,529
Trade and other receivables		319,695	299,695
Total Current Assets		**1,401,526**	**718,224**
Non-Current Assets			
Deferred exploration and evaluation expenditure	4	36,416,080	40,826,207
Property, plant and equipment		211,381	284,171
Intangible asset		684	1,677
Total Non-Current Assets		**36,628,145**	**41,112,055**
Total Assets		**38,029,671**	**41,830,279**
Liabilities			
Current Liabilities			
Trade and other payables		1,128,012	543,200
Borrowings	5	2,778,897	-
Total Current Liabilities		**3,906,909**	**543,200**
Non- Current Liabilities			
Borrowings		6,947,243	6,719,527
Total Non-Current Liabilities		**6,947,243**	**6,719,527**
Total Liabilities		**10,854,152**	**7,262,727**
Net Assets		**27,175,519**	**34,567,552**
Equity			
Issued capital	6	80,182,807	79,865,150
Reserves		(5,866,643)	(1,931,037)
Accumulated losses		(47,140,645)	(43,366,561)
Total Equity		**27,175,519**	**34,567,552**

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued capital	Accumulated losses	Share based payments reserve	Foreign Currency translation reserve	Total equity
	$	$	$	$	$
Consolidated					
Balance at 1 July 2015	79,900,851	(41,054,081)	793,366	(2,808,755)	36,831,381
Share issue costs	(10,778)	-	-	-	(10,778)
Performance rights value brought to account	-	-	47,638	-	47,638
Exchange differences arising on translation of foreign operations	-	-	-	256,605	256,605
Loss for the period	-	(1,271,699)	-	-	(1,271,699)
Balance at 31 December 2015	**79,890,073**	**(42,325,780)**	**841,004**	**(2,552,150)**	**35,853,147**
Consolidated					
Balance at 1 July 2016	79,865,150	(43,366,561)	833,496	(2,764,533)	34,567,552
Shares issued net of costs	317,657	-	-	-	317,657
Performance rights value brought to account	-	-	111,612	-	111,612
Exchange differences arising on translation of foreign operations	-	-	-	(4,047,218)	(4,047,218)
Loss for the period	-	(3,774,084)	-	-	(3,774,084)
Balance at 31 December 2016	**80,182,807**	**(47,140,645)**	**945,108**	**(6,811,751)**	**27,175,519**

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Consolidated 2016 $	Consolidated 2015 $
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(866,978)	(1,793,884)
Interest received	1,776	28,386
Interest paid	(150,745)	(314,213)
Income tax paid	(119)	(443)
Net cash used in operating activities	**(1,016,066)**	**(2,080,154)**
Cash flows from investing activities		
Exploration and evaluation expenditure	(1,305,277)	(1,487,275)
Recovery of exploration and evaluation expenditure previously impaired	-	909,064
Payments for property, plant & equipment	-	(13,424)
Proceeds from sale of property, plant & equipment	-	24,430
Net cash used in investing activities	**(1,305,277)**	**(567,205)**
Cash flows from financing activities		
Net proceeds from /(costs of) the issue of shares	317,247	(32,196)
Proceeds from borrowing	2,641,308	-
Net cash (used in)/provided by financing activities	**2,958,555**	**(32,196)**
Net increase/(decrease) in cash held	637,212	(2,679,555)
Cash and cash equivalents at the beginning of the period	418,529	4,036,016
Effects of exchange rate fluctuations on cash held	26,090	66,146
Cash and cash equivalents at the end of the period	**1,081,831**	**1,422,607**

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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 2016 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.

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 2016 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 2016, the Group recorded a net loss of $3,774,086 and has a net working capital deficiency of $2,505,383 (30 June 2016: surplus of 175,024). The Group has a US$2 million current liability loan payable to the lenders on 17 August 2017 and a US$5 million non-current loan payable to Noble Resources International Pte Ltd on 15 March 2018.

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, exercise of Options, further borrowings, or should the need arise, the sale of assets. The directors are also aware that the Group has the option, if necessary, to divest interest in projects. Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report.

If the Company is unsuccessful in raising additional funds, there is a material uncertainty which may cast doubt 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.

Adoption of new and revised standards

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current period. The Directors have also reviewed all of the new and revised Standards and Interpretations issued but not yet effective. As a result of that review, the Directors and have determined that there is no material impact on the Group and therefore no change necessary to the Group's accounting policies.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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 2016.

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 2016 $	Consolidated 31 December 2015 $
The following other expense items are relevant in explaining the financial performance for the half-year:		
Accountancy and audit fees	43,474	87,318
Borrowing costs	294,954	-
Company secretarial	83,572	40,787
Consultants' fees	160,766	377,523
Directors' fees	-	99,222
Insurance	11,931	36,386
Legal fees	47,104	165,743
Rent & outgoings	23,070	133,288
Travel and accommodation	36,068	76,814

NOTE 3: INCOME TAX EXPENSE

	Consolidated 31 December 2016 $	Consolidated 31 December 2015 $
Income tax expense on Mongolian operations	(119)	(443)
Income tax expense	**(119)**	**(443)**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Six Months Ended 31 December 2016 $	Consolidated Year Ended 30 June 2016 $
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	40,826,207	39,089,179
• Expenditure incurred in the period	1,322,098	1,994,821
• Foreign exchange differences	(4,589,010)	45,807
• Expenditure impaired in the period	(1,143,215)	(303,600)
Total exploration and evaluation expenditure	**36,416,080**	**40,826,207**

Exploration expenditure incurred on projects other than the Ovoot Coking Coal Project and Nuurstei ECJC has been impaired, 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: BORROWINGS

In January 2013, Noble Group confirmed its support for the 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 included a Facility Agreement to provide on commercial terms a US$5m loan to assist with rail pre-development expenditures. The Facility Agreement was entered into on 21 February 2013 and drawdowns of USD3 million and USD2 million were made on 10 May 2013 and 8 July 2013, respectively. The Company's 50% ownership interest in the ECJV is provided as security. In March 2016, the Company has agreed with Noble that the repayment date be extended to15 March 2018.

In August 2016, the Company secured interim short term funding of US$2 million from a group of investors, including substantial shareholders of the Company, to fund rail pre-development activities, including completion of the Erdenet to Ovoot Railway First Stage Feasibility Study. The loan facility is for 12 months at an interest rate of 9% per annum and was drawn down in three tranches in August, October and December 2016. The loan is repayable on 17 August 2017. In the event that the loan is repaid, the lenders will receive 110% of the face value of the loan. In the event that the loan is not repaid in 12 months, the loan may be converted at the lenders' option to a royalty of US$1.25\tonne of coking coal sold from the first 10 Mt of Ovoot Project production.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 6: ISSUED CAPITAL

	Consolidated 31 December 2016 $	Consolidated 30 June 2016 $
Ordinary shares		
Issued and fully paid	**80,182,807**	**79,865,150**

	No.	$.
Movements in ordinary shares on issue		
1 July 2016	928,288,306	79,865,150
Shares issued at 3 cents on 6 October 2016 on exercise of options	50,000	1,500
Shares issued at 3 cents on 21 December 2016 on exercise of options	3,333,333	100,000
Shares issued at 3 cents on 21 December 2016 pursuant to a placement	7,283,332	218,500
Costs of issues	-	(2,343)
31 December 2016	**938,954,971**	**80,182,807**

NOTE 7: OPTIONS AND PERFORMANCE RIGHTS ON ISSUE

	Consolidated 31 December 2016 No	Consolidated 30 June 2016 No
Listed options exercisable at 3 cents per option before 15 June 2017	185,529,167	188,912,500
Performance Rights	44,000,000	44,000,000

The value of the Performance Rights on issue 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 value of the Performance Rights is taken to the Share Based Payments Reserve progressively over the period the Performance Rights are expected to vest. The cumulative expense that will be recorded will equate to the Performance Rights that ultimately vest.

The vesting requirements applicable to 4,000,000 Performance Rights are based on achievement of operational and strategic milestones by the Managing Director. The probabilities of achievement of the milestones have been considered individually and are assessed at 100%.

The vesting requirements applicable to 40,000,000 Performance Rights issued to the consultant are based on execution of a Concession Agreement to build and operate the Ovoot to Erdenet Northern Railway and provision by 31 December 2017 of an offer to fund 70% of the funding required to build the railway. No expense has been recognised as currently there is no expectation that the performance milestones will be met.

20,000,000 Performance Rights that were approved for issue in the period were issued post balance date. The vesting requirements are based on tenure and achievement of operational and strategic milestones. As the Performance Rights were approved for issue in the period, the pro-rata value from the date of approval to balance date has been taken to the Share Based Payments Reserve.

NOTE 8: 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 9: CONTINGENT LIABILITIES

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 10: 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 distinct geographical segments, Australia, Mongolia and Singapore. These segments were determined based on the location of the consolidated entity's assets and liabilities.

	Australia $	Mongolia $	Singapore $	Total $
31 December 2016				
Segment income	837	2,279	-	3,116
Segment administrative expenses	(541,667)	(428,167)	(7,397)	(977,231)
Segment interest and borrowing costs	(340,886)	-	(318,159)	(659,045)
Segment share based payments	(111,612)	-	-	(111,612)
Segment exploration and evaluation expenditure impairment	-	(1,143,215)	-	(1,143,215)
Segment unrealised foreign exchange loss	-	(885,978)	-	(885,978)
Segment income tax expense	-	(119)	-	(119)
Segment result	(993,328)	(2,455,200)	(325,556)	(3,774,084)
Loss from ordinary activities after related income tax expense				(3,774,084)
Segment assets	1,072,906	36,948,234	8,531	38,029,671
Segment liabilities	3,294,833	34,217	7,525,102	10,854,152

Geographical segments

	Australia $	Mongolia $	Singapore $	Total $
31 December 2015				
Segment income	19,764	5,468	-	25,232
Segment administrative expenses	(807,421)	(712,783)	(11,938)	(1,532,142)
Segment interest	-	-	(318,207)	(318,207)
Segment share based payments	(47,638)	-	-	(47,638)
Segment exploration impairment	-	(307,565)	-	(307,565)
Segment recovery of exploration and evaluation expenditure	-	909,064	-	909,064
Segment income tax benefit/(expense)	-	(443)	-	(433)
Segment result	(835,295)	(106,259)	(330,145)	(1,271,699)
Loss from ordinary activities after related income tax expense				(1,271,699)
Segment assets	1,275,205	41,652,406	6,996	42,934,607
Segment liabilities	110,304	34,324	6,936,832	7,081,460

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the balance date, the announcements have been made informing the market that:

1. The Northern Railways First Stage Feasibility Study had been completed and had determined that the Erdenet to Ovoot Railway will be economically viable;
2. An 18 month extension of time within which to complete the Northern Railways Concession Agreement conditions precedent had been agreed; and
3. Northern Railways and UBTZ had entered into a Memorandum of Undertaking to cooperate and agree on matters relevant to the infrastructure development and operation of the Erdenet to Ovoot Railway.

In addition, the Company has agreed with Noble Resources International Pte Ltd that:

1. The due date for payment of the first payment of interest on the US$5 million loan facility is extended to 30 June 2017; and
2. The period for Aspire to exercise its option to acquire Noble's interest in the ECJV is extended to 30 June 2017.

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 4 to 13, 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 2016 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 2017

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 consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated 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, for the Group 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 gives a true and fair view and 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 Group's financial position as at 31 December 2016 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*.

HLB Mann Judd

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 Group financial position as at 31 December 2016 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 is dependent on a successful capital raising or sale of assets. Should the Group be unsuccessful in the raising additional funds, there is a material uncertainty which may cast significant doubt as to whether or not the Group will 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Norman Glad

N G Neill
Partner

Perth, Western Australia
16 March 2017