



# Aspire Mining Limited

ABN 46 122 417 243

## Annual Report

31 December 2023

**Aspire Mining Limited**  
**Corporate directory**  
**31 December 2023**

Directors	Mr Achit-Erdene Darambazar (Managing Director) Mr Boldbaatar Bat-Amgalan (Non-Executive Director) Mr Michael Avery (Non-Executive Chairman) Mr Russell Taylor (Non-Executive Director)
Company Secretary	Ms Emily Austin
Registered office and principal place of business - Australia	Level 5, 126-130 Phillip Street, Sydney NSW 2000 AUSTRALIA Tel: +61 2 8072 1400
Registered office and principal place of business - Mongolia	JJ Tower, 9th Floor, Baga Toiruu-17 1st khoroo, Chingeltei district Ulaanbaatar 15170 MONGOLIA
Share register	Automic Group Level 5, 126 Philip Street Sydney NSW 2000 AUSTRALIA Tel: +61 1300 288 664
Auditor - Australia	KPMG Level 16/153 Macquarie St, Parramatta NSW 2150 AUSTRALIA
- Mongolia	KPMG #602, Blue Sky Tower, Peace Avenue 17 1st khoroo Sukhbaatar district Ulaanbaatar 14240 MONGOLIA
Bankers	National Australia Bank Ground Floor, 100 St Georges Terrace, Perth WA 6000 AUSTRALIA
Stock exchange listing	Aspire Mining Ltd shares are listed on the Australian Securities Exchange (ASX: AKM)
Website	<a href="http://www.aspiremininglimited.com">www.aspiremininglimited.com</a>
ABN	46 122 417 243

# Aspire Mining Limited

## Contents

31 December 2023

Directors' report	3
Auditor's independence declaration	20
Consolidated statement of profit or loss and other comprehensive income	21
Consolidated statement of financial position	22
Consolidated statement of cash flows	24
Notes to the consolidated financial statements	25
Directors' declaration	56
Independent auditor's report to the members of Aspire Mining Limited	57
Shareholder information	62

## **Aspire Mining Limited**

### **Directors' report**

### **31 December 2023**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Aspire Mining Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 31 December 2023.

#### **Directors**

The following individuals were directors of Aspire Mining Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Michael Avery	Non-Executive Chairman
Mr Achit-Erdene Darambazar	Managing Director
Mr Boldbaatar Bat-Amgalan	Non-Executive Director
Mr Russell Taylor	Non-Executive Director

#### **Principal activities**

The principal activities of the Group during the year was the progression of studies, permits, and exploration of the mining projects in Mongolia as described below and obtaining approvals to advance the development of the Ovoot Coking Coal Project (Ovoot Project or Ovoot).

During the reporting period, the Group held interests in two tenements in Mongolia:

- (a) a 100% interest in mining license MV-017098 held by Khurgatai Khairkhan LLC, containing the large scale, world class Ovoot Coking Coal Project; and
- (b) a 90% interest mining license MV-020941 held by Black Rock LLC, containing the Nuurstei Coking Coal Project.

#### **Dividends**

There were no dividends paid, recommended, or declared during the current or previous financial period.

#### **Review of operations**

The loss for the Group attributable to the owners of Aspire Mining Limited after providing for income tax for the 6 months ended 31 December 2023 amounted to \$3,362,812 (for the 12 months ended 30 June 2023: loss of \$375,205). During the period the Group incurred an unrealised foreign exchange loss of \$2,509,190 as a result of a fixed commitment to settle intercompany loans in a currency other than the functional currency of each respective entity.

During the period, the Company undertook the following main items of work to progress development of the Ovoot Project:

- The coal and coke properties of marketing samples prepared from the float/sink testing of Ovoot coal obtained from the Q4 2022 exploration program were analysed by SGS-CSTC Standards Technical Services Co., Ltd. in Tianjin, China. Results from this were appraised by a group of independent, Chinese experts in the fields of coal and coke production, who concluded that the product coal to be produced from the Ovoot Coking Coal Project will be considered as an 'FM36 Metabittuminous' type of coal in the Chinese classification system and is colloquially referred to as a 'fat coal' and a 'scarce coal'.
- A Marketing Study prepared by Fenwei Digital Information Technology Co., Ltd (Fenwei), a reputable Chinese independent services provider and consultant in the coal industry, which forecast strong demand and pricing for Ovoot specification coal in the Target Market Regions primarily of interest within northern and northeastern China.
- Detailed Environmental Impact Assessment (DEIA) was finalised in relation to the planned Coal Handling and Preparation Plant (CHPP). Following completion of consultation over this with the host community in Tsetserleg soum, Khuvsgul aimag, this was submitted to the Professional Council of the Ministry of Nature, Environment and Tourism (MNET) subsequently to the end of period for review and approval, which remains pending.
- A statutory Feasibility Study on the trackwork required to enable connection from the Salkhit – Erdenet railway line to the planned Erdenet Rail Terminal (ERT) facility, intended to transload coal from trucks to rail wagons, was finalised and approved by the national rail operator Ulaanbaatar Tumor Zam (UBTZ).
- DEIA was finalised in relation to the planned Road to be constructed to facilitate haulage of coal from the Ovoot to the ERT. Community consultation in relation to this was completed throughout multiple local government jurisdictions along the route, and following this the study was subsequently to the end of the period submitted to the Professional Council of the MNET for review and approval, which is pending.

# Aspire Mining Limited

## Directors' report

### 31 December 2023

#### Review of operations (*continued*)

- Work was conducted but not yet completed to update the JORC (2012) Coal Resource estimate for the Ovoot deposit, incorporating new structural and quality points of observation obtained from the infill exploration drilling conducted in Q4 2022, as well as a thorough desktop review of previous work undertaken to fine tune seam and ply correlations.
- Detailed Design for the Road planned to facilitate coal haulage between the Ovoot CHPP and the ERT was materially completed, with only minor adjustments continuing beyond the end of the reporting period. The finalised Detailed Design has subsequently been submitted for expert review, and approval, which is pending.
- The Green Fodder Program continued to be implemented, with a third annual harvest completed from approximately 200 hectares of land within the Ovoot mining license. By promoting this project, the Company is having a positive impact on the local community, as result of producing fodder which is being donated and sold under subsidized arrangement to local herders, as well as creating employment opportunities for local people during the planting and harvesting seasons.

#### Review of financial conditions

At balance date, the Group had \$580,444 (30 June 2023: \$2,173,963) in cash at bank and \$6,401,151 (30 June 2023: \$6,393,668) in short-term investments. The Group also had investments in bonds of \$9,011,944 as at 31 December 2023 (30 June 2023: \$10,007,093). The Group recorded a loss attributable to the owners of the Group of \$3,362,812 for the 6 month period ended 31 December 2023 (30 June 2023: loss of \$375,205) and has accumulated losses of \$62,111,591 as at 31 December 2023 (30 June 2023: \$58,748,779). The Group used \$822,224 of cash in operations, in addition to \$675,943 of cash for exploration and evaluation expenditure for the 6 month period ended 31 December 2023 (12 months to 30 June 2023: \$1,456,220 cash used in operations and \$1,929,983 cash used for exploration and evaluation expenditure). The Group had working capital of \$17,648,082 and net assets of \$44,993,855 as at 31 December 2023 (30 June 2023: working capital of \$19,122,347 and net assets of \$45,382,324).

The Group continues to invest in a low risk but moderate to high yielding portfolio of major Australian bank senior debt and covered bonds. The intention of this is to generate interest to partially offset the costs being incurred in investing in the development of the Ovoot Project.

The cash and investments held by the Group remains sufficient to meet required community relations activities, approvals, permits and evaluation activities to advance towards development of the Ovoot Project.

Further raisings or other means of funding will be required for the capital infrastructure requirements for full development of the Ovoot Project and the associated haul road. This has not yet been committed.

#### Significant changes in the state of affairs

During the financial period, the Group decided to change both its Financial year-end and its presentation currency.

The financial year-end was changed from 30 June 2023 to 31 December 2023 via resolution of the Board of Directors ("Board"). The change was done so that the Group's financial year-end aligns with that of its subsidiary entities. It also aligns the Group's financial year end with relevant Australian and global industry peers. The Group prepared its annual financial report for the year ended 30 June 2023 and has prepared a financial report covering the 6-month period to 31 December 2023. Financial reports thereafter will be prepared for 12-month period from 1 January to 31 December each subsequent year. As a result of this change, comparative figures will not be directly comparable.

In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 121 *The Effects of Changes in Foreign Exchange Rates* (AASB 121), the Group voluntarily changed its presentation currency from Australian Dollars (AUD) to United States Dollars (USD) effective from 1 July 2023. Considering that a significant portion of the Group's forecast revenue, costs, assets, and liabilities are predominantly in USD, the Board of Directors believes that transitioning the presentation currency will provide investors and stakeholders with a clearer and more consistent understanding of The Group's performance over time. This change aims to mitigate any fluctuations in Aspire Group's earnings resulting from translating foreign currency transactions and balances into AUD. Consequently, the Company will adopt USD as its presentation currency for future reporting periods.

There were no other significant changes in the state of affairs of the Group during the financial period.

#### Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

# Aspire Mining Limited

## Directors' report

### 31 December 2023

#### **Likely developments and expected results of operations**

The Group will continue with activities towards meeting its objective of developing the Ovoot and Nuurstei Projects into production at the earliest opportunity.

#### **Risk management**

The Board of Directors (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 several mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the Board approval of strategic plans which includes initiatives designed to meet stakeholder needs and expectations and to manage business risk, and the implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

The key risks in developing the Ovoot and Nuurstei Projects are:

- obtaining the remaining permits and approvals necessary to develop the project as intended.
- raising the necessary project financing to implement the project development as intended;
- recruiting and/or training the required personnel in country with the necessary technical, operational, financial and/or managerial skills and experience to develop, operate and administer the Ovoot Project; and
- accessing sufficient and suitably efficient rail capacity to transport washed coal to customers.

#### **Risk and uncertainties**

The Group is subject to general risks as well as risks that are specific to the Group and the Group's business activities. The following is a list of risks which the Directors believe are or potentially will be material to the Group's business, however, this is not a complete list of all risks that the Group is or may be subject to.

#### **Company specific risks**

##### *Political and legal risks*

The Group's mineral projects are in Mongolia, where mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, expropriation or nationalization of property and changes in government regulations such as foreign investment laws, tax laws, business laws, environmental laws and mining laws, affecting the Group's business in that country. Government policy may change to discourage foreign investment, nationalization of the mining industry may occur, and other government limitations, restrictions or requirements may be implemented. There can be no assurance that the Group's assets will not be subject to nationalization, requisition, expropriation, or confiscation, whether legitimate or not, by any authority or body. The regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. There can be no assurance that Mongolian laws protecting foreign investments will not be amended or abolished or that existing laws will be enforced or interpreted to provide adequate protection against any or all of the risks described above.

##### *Licence risks*

The Group has licenses covering the Ovoot Coking Coal Project and the Nuurstei Coking Coal Project. The Government of Mongolia could revoke either of these licenses if the Group fails to satisfy its obligations, including payment of royalties and taxes to the Government of Mongolia and the satisfaction of certain mining, environmental, health and safety requirements. A termination of the Group's mining licenses by the Government of Mongolia could materially and adversely affect the Group's reputation, business, prospects, financial conditions, and results of operations. In addition, the Group would require additional licenses or permits to conduct the Group's mining or exploration operations in Mongolia. There can be no assurance that the Group will be able to obtain and maintain such licenses or permits on terms favourable to it, or at all, for the Group's future intended mining or exploration targets in Mongolia, or that such terms would not be subject to various changes.

##### *Mineral Resource and Mineral Reserve estimation risk*

The Group's estimates of Mineral Resources and Mineral Reserves for its projects are based on a number of assumptions. There are numerous uncertainties inherent in making such estimates, including for many factors beyond the control of the Group. Mineral Resource and Mineral Reserve estimates are inherently prone to variability. They involve expressions of judgment regarding the presence and quality of mineralization and the ability to extract and process the mineralization economically. These judgments are based on a variety of factors, such as knowledge, experience, and industry practice.

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Company specific risks (*continued*)**

*Logistics*

The Group plans to export washed coking coal by combination of road and rail logistics. Road infrastructure required to facilitate transportation of coal between the Ovoot CHPP and ERT is planned for development, subject to obtaining necessary permits and approvals. If such permits and approvals are not obtained as intended, the planned methods for road transportation of washed coking coal product may not be feasible, or as economical. Access to existing rail infrastructure will be subject to the availability of capacity, and commercial contract negotiation. If insufficient capacity is available, production rates could be constrained. If commercial negotiations for rail freight transportation do not eventuate as anticipated, and/or changes made by Government to applicable tariffs occur, the planned rail transportation may not be feasible, or as economical as planned. The efficiency of export will be subject to the efficiency of freight handling at border ports of export and import, which has the potential to constrain and/or temporarily suspend freight movement, as occurred during the COVID-19 pandemic response measures.

**Industry risks**

*Grant of future authorisations to explore and mine*

Prior to, and if the Group discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Group will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Group's operational and financial performance may be materially adversely affected.

*Environmental*

The operations and proposed activities of the Group are subject to Mongolian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities may impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with the safety of people, acceptance of the community, and protection of the environment. The occurrence of any safety, community or environmental incident could delay production or increase production costs. Uncontrollable events may impact on the Group's ongoing compliance with environmental legislation, regulations, and licences. Significant liabilities could be imposed on the Group for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Group's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

*Regulatory compliance*

The Group's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Group requires permits from regulatory authorities to authorise the Group's operations. These permits relate to exploration, development, production, and rehabilitation activities. While the Group believes that it will operate in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned activities. Obtaining necessary permits can be a time-consuming process and there is a risk that Group will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Group from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties, or other liabilities. In extreme cases, failure could result in suspension of the Group's activities or forfeiture of one or more of the tenements, the subject of the Projects.

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Industry risks (*continued*)**

*Climate*

There are several climate-related factors that may affect the operations and proposed activities of the Group. The climate change risks particularly attributable to the Group include:

- (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Group and its business viability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and
- (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Group operates.

*Commodity markets*

The Group intends to produce and sell washed coking coal products. The selling price for such commodities is subject to fluctuation of global, interconnected market prices. Producers of commodities face the risk that commodity prices will fall unexpectedly, which can lead to lower profits or even losses for producers. Any such unexpected falls in commodity prices could be outside the control of or ability of the Group to forecast, resulting from macroeconomic or political development. The principal target market regions for the Group are within China, which is currently host to globally systemic steelmaking capacity, however it is expected that target market regions in other nations will also be viable and targeted to provide for buy side competition and diversification of geopolitical risk.

**General risks**

*Future funding requirements and the ability to access debt and equity markets*

Should the Group consider that its exploration results justify commencement of production on any of its projects, additional funding will be required to implement the Group's development plans, the quantum of which, remain unknown at the date of the prospectus. The Group may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Group's activities and future projects may result in delay and indefinite postponement of exploration, development, or production on the Group's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Group and might involve substantial dilution to shareholders.

*Reliance on key personnel*

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one or more of these employees cease their employment. The Group may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Group may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Group.

*Competition*

The industry in which the Group will be involved is subject to domestic and global competition. Although the Group will undertake all reasonable due diligence in its business decisions and operations, the Group will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Groups projects and business.



**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**General risks (continued)**

*Market conditions*

Share market conditions may affect the value of the Group's shares regardless of the Group's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;
- (d) global health epidemics or pandemics;
- (e) currency fluctuations;
- (f) changes in investor sentiment toward particular market sectors;
- (g) the demand for, and supply of, capital;
- (h) political tensions; and
- (i) terrorism or other hostilities.

The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Group nor the Directors warrant the future performance of the Group or any return on an investment in the Group. Potential investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Group's performance. In addition, after the end of the relevant escrow periods affecting shares in the Group, a significant sale of then tradeable shares (or the market perception that such a sale might occur) could have an adverse effect on the Group's share price.

*Commodity price volatility and exchange rate*

If the Group achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Group to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Group. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

*Government policy changes*

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Group. It is possible that the current system of exploration and mine permitting in Mongolia may change, resulting in impairment of rights and possibly expropriation of the Group's properties without adequate compensation.

*Insurance*

The Group intends to insure its operations in accordance with industry practice. However, in certain circumstances the Group's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Group. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

*Force majeure*

The Group's existing projects or projects acquired in the future may be adversely affected by risks outside the control of the Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, or quarantine restrictions.

# Aspire Mining Limited

## Directors' report

### 31 December 2023

#### General risks (*continued*)

##### *Taxation*

The acquisition and disposal of shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Group are urged to obtain independent financial advice about the consequences of acquiring shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Group, its officers, and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for shares under the prospectus.

##### *Litigation*

The Group is exposed to possible litigation risks including environmental claims, occupational health and safety claims and employee claims. Further, the Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Group's operations, reputation, financial performance, and financial position. The Group is not currently engaged in any litigation.

##### *Cyber risks*

The value of a robust cybersecurity function extends beyond the protection of the Group's information, productivity, and people. The expectations from regulators and rating agencies are increasing and new obligations for public disclosure of cybersecurity incidents are emerging. Cyber breaches can arise from malicious external or internal attacks, but also inadvertently through human error and the inconsistent application across functions of controls that are not managed by Information Services and Technology. Although the extent and frequency of cybersecurity threats remains in line with growth expectations, attacks have been observed to be more destructive in nature. The ongoing digitisation and transformation of operational technology environments, and the increasing use of AI to inform and automate decisions, amplifies the threat of loss of control systems or hijacking of autonomous functions. The Group did not have any cyber related incidents for the period.

#### **Corporate governance**

Details of the Company's Corporate Governance policies are contained within the Corporate Governance Plan adopted by the Board. The Corporate Governance Statement for the year ended 30 June 2023 can be found on the Company's website at [www.aspiremininglimited.com](http://www.aspiremininglimited.com). The Corporate Governance Statement for the period ended 31 December 2023 will be available on the Company's website and the ASX announcements platform following lodgement with the Company's Financial Report in March 2024.

#### **Environmental regulation**

The Group is subject to significant environmental and monitoring requirements in respect of its natural resource exploration activities. The Directors are not aware of any material breaches of these requirements during the year.

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Information on directors**

Name: **Mr Michael Avery**  
Title: **Non-Executive Chairman**  
Qualifications: B.E., MBA  
Experience and expertise: Mr Avery was appointed as a Non-Executive Director effective from 29 November 2022, and Non-Executive Chairman of the Board effective from 27 March 2023.

Mr Avery is a resident Australian and has been involved in the establishment and management of successful public and private companies in mining, exploration and development, mining consulting services and mining contractor services.

He is a 30 year plus mining industry veteran with a Bachelor of Mining Engineering from the University of New South Wales and a Master of Business Administration from the University of Queensland. He is also a qualified Australian Coal Mine Manager and a member of the Australian Institute of Mining and Metallurgy.

He has worked for blue-chip mining and contracting companies (including Rio Tinto, BHP Billiton and Brambles) at operations and projects both in Australia and internationally.

These roles covered the full life cycle of open cut and underground mines from resource exploration and evaluation, through conceptual design, pre-feasibility, feasibility, construction, operation, and management.

Other current directorships: None  
Former directorships (last 3 years): None  
Interests in shares: 267,113  
Interests in rights: 500,000

Name: **Mr Achit-Erdene Darambazar**  
Title: **Managing Director**  
Qualifications: BEc, MIA  
Experience and expertise: Mr Achit-Erdene Darambazar was appointed Executive Director on 7 December 2018 and Managing Director on 5 December 2019.

He has extensive experience in the establishment and financing of successful private and public companies mining, exploration and development, mining service companies in Mongolia and in the region.

He also has long and established track record of advising and raising financing from in the capital markets of Canada, Australia, and the United Kingdom. In addition, he frequently advises the government of Mongolia on the privatisation of large SOEs' and public market transactions.

Other current directorships: None  
Former directorships (last 3 years): None  
Interests in shares: Nil  
Interests in rights: 2,500,000

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

Name: **Mr Boldbaatar Bat-Amgalan**  
Title: **Non-Executive Director**  
Qualifications: B.S, MSc,  
Experience and expertise: Mr Bat-Amgalan was appointed as a Non-Executive Director on 7 December 2018.

He has had senior roles in public relations and publishing and was previously a director of Erdenet Mining Company.

He also previously held senior roles in the Government of Mongolia, including the State Secretary for the Ministry of Foreign Affairs, and Chairman of the Communication Regulatory Commission.

Other current directorships: None  
Former directorships (last 3 years): None  
Interests in shares: Nil  
Interests in rights: 500,000

Name: **Mr Russell Taylor**  
Title: **Non-Executive Director**  
Qualifications: MEngSc  
Experience and expertise: He was appointed as a Non-Executive Director on effective from 29 November 2022.

He is a qualified and experienced Mining Engineer, Project Director, and Mining Executive with over 24 years' experience. His employment history is with both large global resource companies and international mining contractors.

He has experience in multiple commodities including coking coal, thermal Coal, PCI coal, mineral sands, copper/gold, iron ore and lithium.

His experience includes leading international teams commissioning several open cut mines and associated major infrastructure to world class standards in Australia, Mongolia, and India.

Other current directorships: None  
Former directorships (last 3 years): None  
Interests in shares: Nil  
Interests in rights: 500,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Company secretary**

**Ms Emily Austin (appointed 6 December 2022)**

**Qualifications:** Postgraduate Degree – Graduate Diploma, Applied Corporate Governance and Risk Management; Diploma of Business Administration, Management and Operations.

Ms Austin is an experienced Company Secretary and Corporate Governance Advisor to a portfolio of companies including ASX & NSX listed, incorporated overseas and within Australia, Unlisted Public and Private companies, Not for Profits and Charities in range of industries including Technology, Education, Health, Funds and Insurance, Finance and Treasury and oil, gas and mining. Ms Austin is specialised in ASX listing, capital raising transactions, acquisitions, and employee share schemes. Ms Austin is a member of the Governance Institute of Australia.

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Meetings of directors**

The number of meetings of the Board held during the period ended 31 December 2023, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr Michael Avery	6	6	2	2	1	1
Mr Russell Taylor	6	6	2	2	1	1
Mr Achit-Erdene Darambazar	5	6	-	-	1	1
Mr Boldbaatar Bat-Amgalan	5	6	2	2	-	-

Note: 'Held' represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The Group changed its presentation currency to US dollars from Australian dollars with effect from 1 July 2023. All amounts reported in this Remuneration Report, including prior period comparatives, are in US dollars unless stated otherwise.<sup>1</sup>

**Principles used to determine the nature and amount of remuneration**

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

In considering the Group's performance and returns on shareholder wealth, the Board has regard to the following indicators of performance in respect of the current financial year and the previous four financial years:

	6 months to Dec 2023 \$	12 months to Jun 2023 \$	12 months to Jun 2022 \$	12 months to Jun 2021 \$	12 months to Jun 2020 \$
Net profit / (loss) after tax	(3,364,040)	(377,091)	311,158	(3,865,709)	(3,684,777)
Total assets	45,206,367	45,518,933	48,566,075	52,813,751	53,847,670
Basic earnings/(loss) \$ per share	(0.66)	(0.07)	0.06	(0.01)	(0.01)
Share price at year-end	0.08	0.05	0.06	0.05	0.05

*Remuneration committee*

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Director and the senior management team. The current members are Mr Michael Avery, Mr Achit-Erdene Darambazar and Mr Russell Taylor.

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.

<sup>1</sup> Please refer to Note 3 in the 31 December 2023 Financial Statements for details of the methodology applied to translation of prior period comparatives.

# Aspire Mining Limited

## Directors' report

### 31 December 2023

#### Remuneration report (audited) (continued)

##### *Principles used to determine the nature and amount of remuneration (continued)*

###### *Remuneration structure*

In accordance with best practice Corporate Governance, the structure of Non-Executive Directors and executive remuneration is separate and distinct.

###### *Non-Executive Director Remuneration*

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the General Meeting held on 19 August 2011 when shareholders approved an aggregate remuneration for Non-Executive Directors of up to \$600,000 per year.

If and when applicable, the Board may consider advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual remuneration review process. No external consultants were engaged during the 2023 financial year.

Each Director is entitled to receive a fee for being a Director of the Company. The remuneration of the Non-Executive Chair has been set at \$75,000 per annum and other Non-Executive Directors at \$60,000 per annum. This level of remuneration was reviewed and agreed by the Board following recommendations from the Remuneration Committee.

The remuneration of Non-Executive Directors for the period ended 31 December 2023 is detailed in the 'Details of remuneration' section of this report. Following shareholder approvals, performance rights have been issued to Non-Executive Directors or their nominees.

Following approval at the 2023 Annual General Meeting, performance rights were issued to Non-executive Directors to vest in two tranches on achievement of the following milestones:

- Class A performance rights shall vest when the Company has announced that it has secured total funding for the Ovoot Project in Mongolia construction commencement.
- Class B performance rights shall vest when the Company has announced that commercial production has commenced at the Ovoot Project within 18 months of construction commencement.

The incentive offered under the STI will vary depending upon individual performance against key performance indicators ('KPIs') and any discretion employed by the Board. KPIs for Chief Executive Officer ('CEO') and CEO's direct reports are approved by the Board upon recommendation from the Nomination and Remuneration Committee. KPIs for all other employees are approved by the CEO. Depending on the individual's position, KPIs will include a range of metrics including health and safety, exploration results, corporate governance, financial stewardship, risk management, business development and leadership. Payment of STIs can be cash or shares which is also at the discretion of the Board.

###### *Senior manager and executive Director Remuneration*

Remuneration consists of fixed remuneration and performance rights (as determined from time to time).

###### *Fixed Remuneration*

Fixed remuneration is reviewed periodically by the Remuneration Committee or the Board. 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 and the Board has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments. The fixed remuneration component of the Group and the Company executive is detailed in the tables below.

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Remuneration report (audited) (continued)**

***Details of remuneration***

*Amounts of remuneration*

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Aspire Mining Limited:

- Mr Michael Avery
- Mr Achit-Erdene Darambazar
- Mr Boldbaatar Bat-Amgalan
- Mr Russell Taylor

And the following person:

- Mr Samuel Bowles (Chief Executive Officer / Chief Operating Officer)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Annual leave	Super-annuation	Long service leave	Equity-settled (non-cash)	
<b>6 months ended 31 Dec 2023</b>	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Mr Michael Avery	25,708	-	-	-	-	2,152	27,860
Mr Boldbaatar Bat-Amgalan	28,519	-	-	-	-	7,401	35,920
Mr Russell Taylor	19,588	-	-	-	-	2,152	21,740
<i>Executive Directors:</i>							
Mr Achit-Erdene Darambazar	111,055	-	8,462	-	-	31,717	151,234
	<u>184,870</u>	-	<u>8,462</u>	-	-	<u>43,422</u>	<u>236,754</u>
<i>Other Key Management Personnel:</i>							
Mr Samuel Bowles	181,500	-	13,962	-	-	38,787	234,249
	<u>366,370</u>	-	<u>22,424</u>	-	-	<u>82,209</u>	<u>471,003</u>

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Remuneration report (audited) (continued)**

*Details of remuneration (continued)*

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Annual leave	Super-annuation	Long service leave	Equity-settled	
<b>12 months ended 30 June 2023</b>	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Mr Michael Avery	29,462	-	-	-	-	-	29,462
Mr Boldbaatar Bat-Amgalan	53,717	-	-	-	-	6,645	60,362
Mr Russell Taylor	23,570	-	-	-	-	-	23,570
Mr David Paull*	19,641	-	-	-	-	(5,845)	13,796
Mr Neil Lithgow**	15,375	-	-	1,614	-	(3,896)	13,093
Ms Hannah Badenach***	-	-	-	-	-	-	-
<i>Executive Directors:</i>							
Mr Achit-Erdene Darambazar	206,343	-	-	-	-	42,969	249,312
	348,108	-	-	1,614	-	39,873	389,595
<i>Other Key Management Personnel:</i>							
Mr Samuel Bowles	367,541	-	-	-	-	27,928	395,469
	715,649	-	-	1,614	-	67,801	785,064

\* retired effective 29 November 2022.

\*\* resigned effective 29 November 2022.

\*\*\* resigned effective 31 January 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - LTI	
	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
<i>Non-Executive Directors:</i>				
Mr Michael Avery	92%	100%	8%	-
Mr Boldbaatar Bat-Amgalan	79%	89%	21%	11%
Mr Russell Taylor	90%	100%	10%	-
Mr David Paull	-	100%	-	-
Mr Neil Lithgow	-	100%	-	-
<i>Executive Directors:</i>				
Mr Achit-Erdene Darambazar	79%	90%	21%	10%
<i>Other Key Management Personnel:</i>				
Mr Samuel Bowles	83%	93%	17%	7%



**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Remuneration report (audited) (continued)**

***Service agreements***

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Mr Achit-Erdene Darambazar  
Title: Managing Director  
Details: Mr Darambazar is engaged as the Managing Director pursuant to an Executive Services Agreement (AD ESA) with the Company that sets out his duties, responsibilities, and obligations. The AD ESA had an initial 2 year term from 2 December 2019 and has been updated in May 2023 after review by the Remuneration Committee. The AD ESA can be terminated by either party on 3 months' notice or other causes (breach of duty, incapacity, and insolvency). Remuneration under this AD ESA is US\$220,000 per annum.

Name: Mr Boldbaatar Bat-Amgalan  
Title: Non-Executive Director  
Details: Mr Boldbaatar Bat-Amgalan has a non-executive director engagement letter that set out his duties and responsibilities and the causes for termination (breach of duty, incapacity, and insolvency) or resignation from his appointment. The current remuneration to non-executive directors is A\$60,000 per annum. There is an additional hourly fee of A\$190 for out of scope hours worked.

Name: Mr Michael Avery  
Title: Non-Executive Director and Chairman  
Details: Mr Avery has a non-executive director engagement letter that sets out his duties and responsibilities and the causes for termination (breach of duty, incapacity, and insolvency) or resignation from his appointment. The current remuneration to non-executive directors is A\$75,000 per annum.

Name: Mr Russell Taylor  
Title: Non-Executive Director  
Details: Mr Taylor has a non-executive director engagement letter that sets out his duties and responsibilities and the causes for termination (breach of duty, incapacity, and insolvency) or resignation from his appointment. The current remuneration to non-executive directors is A\$60,000 per annum.

Name: Samuel Bowles  
Title: Chief Executive Officer / Chief Operating Officer  
Details: Mr Bowles is engaged as the Chief Executive Officer / Chief Operating Officer pursuant to an Executive Services Agreement (SB ESA) with the Company that sets out his duties, responsibilities, and obligations. The SB ESA can be terminated by either party with 3 months' notice or immediately for other causes (breach of duty, incapacity, and insolvency). Remuneration under this SB ESA is US\$363,000 per annum.

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Remuneration report (audited) (continued)**

**Share-based compensation**

Share based payments is the gross accounting value of performance rights brought to account in accordance with accounting standards.

*Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the period ended 31 December 2023.

*Options*

There were no options over ordinary shares issued, vested, exercised or forfeited to directors and other key management personnel as part of compensation that were outstanding as at 31 December 2023.

*Performance rights*

There were 1,000,000 performance rights over ordinary shares issued to non-executive directors as part of compensation that were outstanding as at 31 December 2023. These performance rights vests in two tranches; 500,000 performance rights shall vest when the Company has announced that it has secured total funding for the Ovoot Project construction commencement; and 500,000 performance rights shall vest when the Company has announced that commercial production has commenced at the Ovoot Project within 18 months of construction commencement. The fair value of the performance rights at grant date equalled the share price, which is \$0.0424.

**Additional disclosures relating to key management personnel**

*Shareholding*

The number of shares in the Company held during the financial period by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Purchase/ on Open Market	Balance on resignation/ retirement	Balance at the end of the period
<i>Ordinary shares</i>					
Mr Michael Avery	167,113	-	100,000	-	267,113
Mr Russell Taylor	-	-	-	-	-
Mr Achit-Erdene Darambazar	-	-	-	-	-
Mr Boldbaatar Bat-Amgalan	-	-	-	-	-
Mr Samuel Bowles	-	-	-	-	-
	<u>167,113</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>267,113</u>

*Performance rights holding*

The number of performance rights over ordinary shares in the Company held during the financial period by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the period	Granted	Exercised	Expired / forfeited / other	Balance at the end of the period	Vested during the year	Vested and exercisable at 31 Dec 2023
<i>Rights over ordinary shares</i>							
Mr Michael Avery	-	500,000	-	-	500,000	-	-
Mr Russell Taylor	-	500,000	-	-	500,000	-	-
Mr Achit-Erdene Darambazar	2,500,000	-	-	-	2,500,000	-	-
Mr Boldbaatar Bat-Amgalan	500,000	-	-	-	500,000	-	-
Mr Samuel Bowles	2,000,000	-	-	-	2,000,000	-	-
	<u>5,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>	<u>-</u>

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Remuneration report (audited) (continued)**

*Details of equity incentives affecting current and future remuneration*

Details of vesting profiles of the rights held by each key management person of the Group are detailed below:

	Instrument		Grant date	% vested in year	% forfeited in year (A)	Financial years in which grant vests	Maximum value yet to vest (B)
Mr Michael Avery	Class A rights	250,000	24 Nov 2023	-	-	31 Dec 2024	\$9,123
	Class B rights	250,000	24 Nov 2023	-	-	31 Dec 2025	\$9,932
Mr Russell Taylor	Class A rights	250,000	24 Nov 2023	-	-	31 Dec 2024	\$9,123
	Class B rights	250,000	24 Nov 2023	-	-	31 Dec 2025	\$9,932
Mr Achit-Erdene Darambazar	Class A rights	1,250,000	30 Nov 2021	-	-	31 Dec 2024	\$14,857
	Class B rights	1,250,000	30 Nov 2021	-	-	31 Dec 2025	\$26,951
Mr Boldbaatar Bat- Amgalan	Class A rights	250,000	30 Nov 2021	-	-	31 Dec 2024	\$2,971
	Class B rights	250,000	30 Nov 2021	-	-	31 Dec 2025	\$5,390
Mr Samuel Bowles	Class A rights	1,000,000	30 Jun 2022	-	-	31 Dec 2024	\$15,895
	Class B rights	1,000,000	30 Jun 2022	-	-	31 Dec 2025	\$27,034

(A) The percentage forfeited in the year represents the reduction from the maximum number of instruments available to vest due to performance criteria not being achieved.

(B) The maximum value of share rights yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed. The minimum value of share rights yet to vest is nil since the shares will be forfeited if the vesting conditions are not met.

**Related Party Transactions**

In the previous financial year, Kingsland Corporate Pty Ltd (formerly 2R's Pty Ltd), a company associated with Mr David Paull, was paid \$7,563 for services. There were no services conducted by this entity in the current financial period.

***This concludes the remuneration report, which has been audited.***

**Indemnity and insurance of officers**

The Company has agreed to indemnify all the Directors and Officers of the Group for any liabilities to another person (other than the Group or related bodies corporate) that may arise from their position as Directors or Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. During the financial year the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

**Proceedings on behalf of the Company**

No person has applied to the court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under Section 237.

**Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial period by the auditor are outlined in note 23 to the financial statements. No non-audit services were provided by the auditors during the year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Aspire Mining Limited**  
**Directors' report**  
**31 December 2023**

**Auditor**

KPMG continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

Achit-Erdene Darambazar  
Managing Director

28<sup>th</sup> March 2024



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Aspire Mining Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Aspire Mining Limited for the financial period, being 1 July 2023 to 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Kevin Pyeun

Partner

Sydney

28 March 2024

**Aspire Mining Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the period ended 31 December 2023**

		<b>Consolidated</b>	
	<b>Note</b>	<b>6 month period to 31 Dec 2023 \$</b>	<b>12 month period to 30 Jun 2023 (amended) * \$</b>
<b>Other income</b>			
Finance income	5	364,949	1,376,265
Other income	6	39,614	-
<b>Expenses</b>			
Finance expense	5	(2,509,190)	-
Employee benefits expense	7	(448,859)	(462,730)
Share-based payments expense	32	(82,209)	(67,801)
Depreciation and amortisation expense	7	(50,045)	(110,785)
Director's remuneration		(193,332)	(349,722)
Other expenses	7	(484,968)	(746,023)
<b>Loss before income tax expense</b>		<b>(3,364,040)</b>	<b>(360,796)</b>
Income tax expense	8	-	(16,295)
<b>Loss after income tax expense for the period</b>		<b>(3,364,040)</b>	<b>(377,091)</b>
<b>Other comprehensive profit / (loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		2,893,362	(2,616,768)
Other comprehensive profit / (loss) for the period, net of tax		2,893,362	(2,616,768)
<b>Total comprehensive loss for the period</b>		<b><u>(470,678)</u></b>	<b><u>(2,993,859)</u></b>
Loss for the period is attributable to:			
Non-controlling interest		(1,228)	(1,886)
Owners of Aspire Mining Limited	18	(3,362,812)	(375,205)
		<b><u>(3,364,040)</u></b>	<b><u>(377,091)</u></b>
Total comprehensive loss for the period is attributable to:			
Non-controlling interest		(1,228)	(1,886)
Owners of Aspire Mining Limited		(469,450)	(2,991,973)
		<b><u>(470,678)</u></b>	<b><u>(2,993,859)</u></b>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	31	(0.66)	(0.07)
Diluted loss per share	31	(0.66)	(0.07)

\* Prior year comparatives have been amended into US dollars following a change in presentation currency; refer to note 3.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Aspire Mining Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2023**

	Note	31 Dec 2023 \$	Consolidated 30 Jun 2023 (amended) * \$	1 July 2022 (amended) * \$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	9	6,981,595	8,567,631	22,038,230
Trade and other receivables	10	1,867,055	684,232	451,105
Investments	11	9,011,944	10,007,093	-
Total current assets		<u>17,860,594</u>	<u>19,258,956</u>	<u>22,489,335</u>
<b>Non-current assets</b>				
Property, plant and equipment	12	206,616	239,494	268,585
Intangibles	13	15,792	6,143	19,295
Capitalised exploration and evaluation expenditure	14	27,123,365	26,014,340	25,788,860
Total non-current assets		<u>27,345,773</u>	<u>26,259,977</u>	<u>26,076,740</u>
<b>Total assets</b>		<u>45,206,367</u>	<u>45,518,933</u>	<u>48,566,075</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	15	<u>212,512</u>	<u>136,609</u>	<u>257,693</u>
Total current liabilities		<u>212,512</u>	<u>136,609</u>	<u>257,693</u>
<b>Total liabilities</b>		<u>212,512</u>	<u>136,609</u>	<u>257,693</u>
<b>Net assets</b>		<u><u>44,993,855</u></u>	<u><u>45,382,324</u></u>	<u><u>48,308,382</u></u>
<b>Equity</b>				
Issued capital	16	127,479,441	127,479,441	127,479,441
Reserves	17	(19,986,697)	(22,962,268)	(20,413,301)
Accumulated losses	18	<u>(62,111,591)</u>	<u>(58,748,779)</u>	<u>(58,373,574)</u>
Equity attributable to the owners of Aspire Mining Limited		45,381,153	45,768,394	48,692,566
Non-controlling interest	19	<u>(387,298)</u>	<u>(386,070)</u>	<u>(384,184)</u>
<b>Total equity</b>		<u><u>44,993,855</u></u>	<u><u>45,382,324</u></u>	<u><u>48,308,382</u></u>

\* Prior year comparatives have been amended into US dollars following a change in presentation currency; refer to note 3.

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Aspire Mining Limited**  
**Consolidated statement of changes in equity**  
**For the period ended 31 December 2023**

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Foreign currency translation reserve</b> \$	<b>Share-based payments reserves</b> \$	<b>Contribution reserve</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 July 2022 (amended) *	127,479,441	(21,821,617)	25,163	1,383,153	(58,373,574)	(384,184)	48,308,382
Loss after income tax expense for the period	-	-	-	-	(375,205)	(1,886)	(377,091)
Other comprehensive loss for the period, net of tax	-	(2,616,768)	-	-	-	-	(2,616,768)
Total comprehensive loss for the period	-	(2,616,768)	-	-	(375,205)	(1,886)	(2,993,859)
Share-based payments (note 32)	-	-	67,801	-	-	-	67,801
Balance at 30 June 2023 (amended) *	<u>127,479,441</u>	<u>(24,438,385)</u>	<u>92,964</u>	<u>1,383,153</u>	<u>(58,748,779)</u>	<u>(386,070)</u>	<u>45,382,324</u>
<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Foreign currency translation reserve</b> \$	<b>Share-based payments reserves</b> \$	<b>Contribution reserve</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 July 2023 (amended) *	127,479,441	(24,438,385)	92,964	1,383,153	(58,748,779)	(386,070)	45,382,324
Loss after income tax expense for the period	-	-	-	-	(3,362,812)	(1,228)	(3,364,040)
Other comprehensive profit for the period, net of tax	-	2,893,362	-	-	-	-	2,893,362
Total comprehensive (loss)/profit for the period	-	2,893,362	-	-	(3,362,812)	(1,228)	(470,678)
<i>Transactions with owners in their capacity as owners:</i>							
Share-based payments (note 32)	-	-	82,209	-	-	-	82,209
Balance at 31 December 2023	<u>127,479,441</u>	<u>(21,545,023)</u>	<u>175,173</u>	<u>1,383,153</u>	<u>(62,111,591)</u>	<u>(387,298)</u>	<u>44,993,855</u>

\* Prior year comparatives have been amended into US dollars following a change in presentation currency; refer to Note 3.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes



**Aspire Mining Limited**  
**Consolidated statement of cash flows**  
**For the period ended 31 December 2023**

	Note	Consolidated	
		6 month period to 31 Dec 2023 \$	12 month period to 30 Jun 2023 (amended) * \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,088,244)	(1,744,255)
Interest received		266,020	295,139
Income taxes paid		-	(7,104)
Net cash used in operating activities	30	<u>(822,224)</u>	<u>(1,456,220)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	12	(4,254)	(34,236)
Payments for intangibles	13	(21,281)	(24,986)
Payments for exploration and evaluation expenditure	14	(675,943)	(1,929,983)
Proceeds from sale of fixed assets		11,412	
Investment in Bond		-	(9,975,786)
Net cash used in investing activities		<u>(690,066)</u>	<u>(11,964,991)</u>
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(1,512,290)	(13,421,211)
Cash and cash equivalents at the beginning of the financial period		8,567,631	22,038,230
Effects of exchange rate changes on cash and cash equivalents		<u>(73,746)</u>	<u>(49,388)</u>
Cash and cash equivalents at the end of the financial period	9	<u><u>6,981,595</u></u>	<u><u>8,567,631</u></u>

\* Prior year comparatives have been amended into US dollars following a change in presentation currency; refer Note 3.

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

# Aspire Mining Limited

## Notes to the consolidated financial statements

### 31 December 2023

#### Note 1. Material accounting policy information

##### *Reporting entity*

The Company is a listed public Company, incorporated in Australia and operating in Mongolia. The principal activity of the Group during the year was the progression of studies, permits exploration of the mining projects in Mongolia as described below and obtaining approvals to advance the development of the Ovoot Coking Coal Project (Ovoot Project).

During the reporting period, the Group held interests in two tenements in Mongolia:

- (a) a 100% interest in mining license MV-017098 held by Khurgatai Khaikhan LLC, containing the large scale, world class Ovoot Coking Coal Project; and
- (b) a 90% interest mining license MV-020941 held by Black Rock LLC, containing the Nuurstei Coking Coal Project.

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

##### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). They were authorised for issue by the Board of Directors on 28<sup>th</sup> March 2024.

##### **Going concern**

The financial statements have been prepared on the going concern basis of accounting, which assumes that the Group will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for a period of at least twelve months from the date of these financial statements are approved.

The Group recorded a loss attributable to the owners of the Group of \$3,362,812 for the 6 month period ended 31 December 2023 and has accumulated losses of \$62,111,591 as at 31 December 2023. The Group used \$822,224 of cash in operations, in addition to \$675,943 of cash for exploration and evaluation expenditure for the 6 month period ended 31 December 2023. The Group had working capital of \$17,648,084 and net assets of \$44,993,855 as at 31 December 2023.

In the opinion of the Directors, the Group will be able to fulfill its obligations as and when they fall due for the foreseeable future being at least twelve months from the date of approval of these financial statements taking into consideration the following:

- Group having surplus cash reserves amounting to \$6,981,595 and \$9,011,944 held in investments which can be convertible to cash;
- Capital pertaining to the development and construction of the Ovoot and Nuurstei projects have not yet been finalised and/or committed; and
- The Group will seek alternative funding for any future construction projects.

Accordingly, no adjustment has been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

##### *Historical cost convention*

The financial statements have been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in United States dollars.

##### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

# Aspire Mining Limited

## Notes to the consolidated financial statements

### 31 December 2023

#### Note 1. Material accounting policy information (continued)

##### Changes in accounting policies

###### *Change in presentation currency*

Effective 1 July 2023, Aspire Mining Limited voluntarily changed its presentation currency from Australian Dollars (**AUD**) to United States Dollars (**USD**) in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 121 *The Effects of Changes in Foreign Exchange Rates* (AASB 121) which allows for an entity to present its financial statements in any currency, so long as it is translated in accordance with AASB 121.

Considering that a significant portion of the Group's forecast revenue, costs, assets, and liabilities are predominantly in USD, the Board of Directors believes that transitioning the presentation currency will provide investors and stakeholders with a clearer and more consistent understanding of Aspire's performance over time. This change aims to mitigate any fluctuations in Aspire Group's earnings resulting from foreign currency translations and balances into AUD. Consequently, the Company will adopt USD as its presentation currency for half-year and full-year financial reports effective for periods beginning 1 July 2023. The amounts presented in the financial statements have been rounded to the nearest dollar.

##### Change in financial period end

During the year, Aspire Mining Limited changed its financial reporting period end from 30 June 2023 to 31 December 2023. The change was done so that the Group's financial year-end aligns with that of its subsidiary entities. It also aligns the Group's financial year end with relevant Australian and global mining industry peers. The Group prepared its annual financial report for the year ended 30 June 2023 and has prepared a financial report covering the 6-month period to 31 December 2023. Financial reports thereafter will be prepared for 12-month periods from 1 January to 31 December each subsequent year. As a result of this change, comparative figures will not be directly comparable.

##### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

##### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Aspire Mining Limited ('Company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the period then ended. Aspire Mining Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

# Aspire Mining Limited

## Notes to the consolidated financial statements

### 31 December 2023

#### Note 1. Material accounting policy information (continued)

##### Principles of consolidation (*continued*)

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities, and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss 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.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

##### Operating segments

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.

##### Foreign currency translation

The financial statements are presented in United States Dollars, which is Aspire Mining Limited's functional and presentation currency as of 31 December 2023.

The functional currency of the Company's Mongolian subsidiaries is the Mongolian Tughrik ('MNT') with the exception of Ovoot Coking Coal Pte Ltd, Northern Railways Pte Ltd Northern Railways Holdings LLC and Northern Infrastructure Limited (formerly Northern Mongolian Railways Limited) whose functional currency is USD. 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.

##### *Foreign currency transactions*

Foreign currency transactions are translated into United States dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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.

##### *Foreign operations*

The assets and liabilities of foreign operations are translated into United States dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into United States dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity, except to the extent that the translation difference is allocated to NCI. For the monetary item receivable from or payable to a foreign operation is either planned or likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the profit or loss.

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 as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 1. Material accounting policy information (continued)**

**Revenue recognition**

Revenue is recognised to the extent that control of the goods or service has passed, and 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:

*Other revenue/income*

Other revenue and income is recognised when it is received or when the right to receive payment is established.

**Finance income**

*Interest income*

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 1. Material accounting policy information (continued)**

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

*Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

*Investments*

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

*Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 1. Material accounting policy information (continued)**

**Financial Instruments**

*Recognition and initial measurement*

Investments are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

*Classification and subsequent measurement*

*Financial assets – classification*

On initial recognition, a financial asset is classified as subsequently measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of certain equity investments that are not held for trading, the Group has made an irrevocable election to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

*Financial assets – Business model assessment*

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

The business models of the Group are as follows:

- Held to collect: The Group holds a portfolio of corporate debt securities for the purposes of earning fixed coupons throughout the life of the instrument, as well as maintaining a largely fixed interest rate profile to manage its interest rate risk exposure.

*Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest*

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

# Aspire Mining Limited

## Notes to the consolidated financial statements

### 31 December 2023

#### Note 1. Material accounting policy information (continued)

##### Financial Instruments (continued)

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition. The Group had no financial assets held outside trading business models that failed the SPPI assessment.

##### *Financial assets – Subsequent measurement and gains and losses*

- Financial assets at amortised cost: These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

##### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Machinery and equipment            3 years
- Other equipment                        3 years

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

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.

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 other expenses line item.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Property, plant, and equipment is subject to impairment or adjusted for any remeasurement of value.



**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 1. Material accounting policy information (continued)**

**Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

**Capitalised exploration and evaluation assets**

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. 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.

**Impairment of non-financial 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).

# Aspire Mining Limited

## Notes to the consolidated financial statements

### 31 December 2023

#### Note 1. Material accounting policy information (continued)

##### Impairment of non-financial assets (continued)

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.

##### Recognition and derecognition of financial assets

###### *Recognition*

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

###### *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.

###### *Derecognition*

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised. 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 after reducing it by the amount 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.

##### 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.

# Aspire Mining Limited

## Notes to the consolidated financial statements

### 31 December 2023

#### Note 1. Material accounting policy information (continued)

##### 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.

##### Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

##### Employee benefits

###### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

###### *Share-based payments*

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. In valuing equity-settled transactions, account is taken of any performance conditions, and conditions linked to the price of the shares of Aspire Mining Limited (market conditions) if applicable.

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

# Aspire Mining Limited

## Notes to the consolidated financial statements

### 31 December 2023

#### Note 1. Material accounting policy information (continued)

##### Employee benefits (continued)

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

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 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 using a Black and Scholes model for unlisted options and the market traded price for listed options and performance rights that are bought to account, having regard to the terms and conditions upon which the instruments are 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.

##### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

##### 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.

##### Parent entity financial information

The financial information for the parent entity, Aspire Mining Limited, disclosed in note 27 has been prepared on the same basis as the consolidated financial statements, other than investments in subsidiaries are accounted for at cost.

##### Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence 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.

# Aspire Mining Limited

## Notes to the consolidated financial statements

### 31 December 2023

#### Note 1. Material accounting policy information (continued)

##### Business combinations (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

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.

##### Earnings per share

###### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Aspire Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

###### *Diluted earnings per share*

Diluted earnings/loss per share is calculated as net profit or loss attributable to members of the parent, adjusted for: costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

##### New or amended Accounting Standards and Interpretations

The Group has adopted the following new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for periods beginning on 1 July 2023:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8

The Group have not early adopted any new accounting standards or amendments that have been issued but are not yet effective. The assessment is ongoing in relation to the amendments listed below, but no material impact has been identified to date:

- Classification of Liabilities as Current or Non-current – amendments to IAS 1 (effective from 1 January 2024);
- Lack of Exchangeability – Amendments to IAS 21 (effective from 1 January 2025).

# Aspire Mining Limited

## Notes to the consolidated financial statements

### 31 December 2023

#### Note 2. Critical accounting judgements, estimates and assumptions (continued)

#### Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

##### *Exploration and evaluation costs*

The Group's accounting policy for exploration and evaluation expenditure is set out in note 1. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of the expectation that exploration costs incurred can be recouped through the successful development of the area (unless activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves). The estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditure incurred is unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be impaired or written off through the statement of profit or loss and other comprehensive income.

#### Note 3. Restatement of comparatives

##### *Change in presentation currency*

Effective 1 July 2023, Aspire Mining Limited voluntarily changed both its presentation currency from Australian Dollars (**AUD**) to United States Dollars (**USD**) in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. This financial report for the period ended 31 December 2023 is the first financial report with results presented in US dollars. A third consolidated statement of financial position has been presented in US dollars at the beginning of the comparative period (1 July 2022) in the consolidated statement of financial position. All comparative financial information for the 30 June 2023 consolidated financial report, previously reported in Australian dollars and the consolidated statement of financial position at the beginning of the comparative period, has been amended into US dollars using the procedures outlined below:

- The consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows including remuneration report have been translated to US dollars using average exchange rates for the period, being AUD/USD exchange rate of 0.6734 for the comparative period ended 30 June 2023;
- Assets and liabilities in the consolidated statement of financial position have been translated to US dollars using the exchange rates as at the relevant balance dates, being AUD/USD exchange rate of 0.6630 and 0.6889 as at 30 June 2023 and 1 July 2022 respectively;
- The equity section of the consolidated statement of financial position has been translated into US dollars using historical exchange rates; and
- All disclosures, including earnings per share disclosures have also been amended to US dollars.

As a result of the change in presentation currency, the foreign currency translation reserve went from AUD 13,703,043 to USD 21,821,617 at 1 July 2022.

#### Note 4. Operating segments

##### *Identification of reportable operating segments*

The Group has 2 main geographical segments: Australia and Mongolia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 4. Operating segments (continued)**

**Note 4. Operating segments (continued)**

*Operating segment information*

For management purposes, the consolidated entity is organised into two main geographical segments, which involves the parent entity in Australia and the exploration entities in Mongolia. Financial information is reported to the Board in these segments. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as two segments. Entities included in other segment are dormant entities in Singapore and British Virgin Islands with no operations and does not have impact on significant operating decisions.

<b>Consolidated - 31 Dec 2023</b>	Australia US'\$	Mongolia US'\$	Others US'\$	Total US'\$
<b>Other income</b>				
Interest income	205,637	159,312	-	364,949
Other income	7,063	32,551	-	39,614
<b>Total other income</b>	<u>212,700</u>	<u>191,863</u>	-	<u>404,563</u>
<b>EBITDA *</b>	(3,206,486)	(97,738)	(9,771)	(3,313,995)
Depreciation and amortisation	-	(50,045)	-	(50,045)
<b>Loss before income tax expense</b>	<u>(3,206,486)</u>	<u>(147,783)</u>	<u>(9,771)</u>	<u>(3,364,040)</u>
Income tax expense				-
<b>Loss after income tax expense</b>				<u>(3,364,040)</u>
<b>Assets</b>				
Segment assets	15,240,839	29,965,528	-	45,206,367
<b>Total assets</b>				<u>45,206,367</u>
<b>Liabilities</b>				
Segment liabilities	155,064	57,448	-	212,512
<b>Total liabilities</b>				<u>212,512</u>
<i>* EBITDA includes a net foreign exchange loss of \$2,509,190</i>				
Capital expenditure during the period	46,874	1,062,151	-	1,109,025
<b>Consolidated - 30 Jun 2023 (amended)</b>	Australia US'\$	Mongolia US'\$	Others US'\$	Total US'\$
<b>Other income</b>				
Interest Income	352,216	162,947	-	515,163
Net foreign exchange gain	861,102	-	-	861,102
<b>Total other income</b>	<u>1,213,318</u>	<u>162,947</u>	-	<u>1,376,265</u>
<b>EBITDA</b>	14,997	(245,082)	(19,926)	(250,011)
Depreciation and amortisation	-	(110,785)	-	(110,785)
<b>Profit/(loss) before income tax expense</b>	<u>14,997</u>	<u>(355,867)</u>	<u>(19,926)</u>	<u>(360,796)</u>
Income tax expense				(16,295)
<b>Loss after income tax expense</b>				<u>(377,091)</u>
<b>Assets</b>				
Segment assets	16,821,045	28,689,261	8,627	45,518,933
<b>Total assets</b>				<u>45,518,933</u>
<b>Liabilities</b>				
Segment liabilities	64,380	72,229	-	136,609
<b>Total liabilities</b>				<u>136,609</u>
Capital expenditure during the year	48,663	1,953,596	-	2,002,259

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 5. Finance (expense) / income**

	<b>Consolidated</b>	
	<b>6 month period to 31 Dec 2023 \$</b>	<b>12 month period to 30 Jun 2023 (amended) \$</b>
<i>Finance expense</i>		
Net foreign exchange (loss)/gain	(2,509,190)	861,103
<i>Finance income</i>		
Interest income from term deposits	181,358	329,093
Interest income from investment in bond	183,591	186,069
	<u>364,949</u>	<u>515,162</u>
Net finance (expense) / income	<u>(2,144,241)</u>	<u>1,376,265</u>

**Note 6. Other income**

	<b>Consolidated</b>	
	<b>6 month period to 31 Dec 2023 \$</b>	<b>12 month period to 30 Jun 2023 (amended) \$</b>
Sales from green fodder	28,202	-
Gain on sale of plant and equipment	11,412	-
	<u>39,614</u>	<u>-</u>



**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 7. Expenses**

	<b>Consolidated</b>	
	<b>6 month period to 31 Dec 2023 \$</b>	<b>12 month period to 30 Jun 2023 (amended) \$</b>
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Property, Plant and equipment	50,045	110,785
<i>Other expenses</i>		
Accounting and audit fees	123,123	79,727
Company secretarial	48,457	58,153
Insurance	73,127	143,169
Legal fees	18,573	25,213
Travel and accommodation	10,543	29,504
Consultants' fees	73,299	118,766
Share registry and listing expenses	31,787	42,546
Short term lease rent and office outgoings	30,253	76,824
Other expenses	75,806	172,121
	484,968	746,023
<i>Employment expenses</i>		
Wages & Salaries	448,859	462,730

**Note 8. Income tax expense**

	<b>Consolidated</b>	
	<b>6 month period to 31 Dec 2023 \$</b>	<b>12 month period to 30 Jun 2023 (amended) \$</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	(3,364,040)	(360,796)
Tax at the statutory tax rate of 30% (30 June 2023: 30%)	(1,009,212)	(108,239)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effects of tax rate in foreign jurisdiction	29,677	-
Permanent differences	19,134	(24,535)
Tax losses not brought to account	960,401	124,872
	-	(7,902)
Income tax expense on Mongolian operations	-	24,197
Income tax expense	-	16,295

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.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 8. Income tax expense (continued)**

As at 31 December 2023, Aspire Mining Limited has carried forward tax losses with a tax effect of \$5,526,422 (30 June 2023: \$4,572,358) in respect to tax losses arising in Australia and \$75,576 (30 June 2023: \$69,239) in respect of tax losses arising in Mongolia, the tax benefit of which has not been brought to account.

The Group has an unrecorded deferred tax asset of \$26,473 (30 Jun 2023 (amended): Nil) relating to share issue and other costs, and deferred tax liabilities of \$1,681,745 (30 Jun 2023 (amended): \$1,526,448) relating to capitalised exploration and evaluation expenditure arising in Australia for which an offsetting deferred tax asset has been recognised.

The recovery of the carried forward tax losses is subject to the applicable Group companies continuing to satisfy the continuity of ownership test or the similar business test or other tax legislation requirements or limitations. The Group has nil (30 June 2023: nil) imputation credits available as at the reporting date.

**Note 9. Cash and cash equivalents**

	<b>Consolidated</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	\$	\$
<i>Current assets</i>		
Cash at bank	580,444	2,173,963
Short-term interest bearing deposits	6,401,151	6,393,668
	<u>6,981,595</u>	<u>8,567,631</u>

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

All cash was available for use and no restrictions were placed on the use of it at any time during the period, other than a short term deposit of \$6,630 (30 June 2023: \$6,630) as cash backed security against a business use credit card limit and office rental.

**Note 10. Trade and other receivables**

	<b>Consolidated</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	\$	\$
<i>Current assets</i>		
Other receivables	63,913	40,847
Prepayments	462,808	427,463
Interest receivable on bonds	303,011	204,082
Bond proceeds receivable	1,019,207	-
	<u>1,848,939</u>	<u>672,392</u>
GST receivable	18,116	11,840
	<u>1,867,055</u>	<u>684,232</u>

There were no credit losses in the current or the prior year.

Other receivables relate to security and environmental deposits paid, refund of goods and services tax payments due. Balances within other receivables do not contain impaired assets and are not past due. It is expected that these balances will be received in full. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 11. Investments**

	<b>Consolidated</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	\$	\$
<i>Current assets</i>		
Short-term interest-bearing bond	9,011,944	10,007,093

In the prior year A\$14.8 million (US \$9 million) was invested into a portfolio of major Australian bank senior debt and covered bonds, to generate strong and secure yields for offset against operating costs whilst continuing to develop the Ovoot Coking Coal Project. This portfolio is comparable in risk profile to Australian bank fixed term deposits, but able to generate return on US\$ denominated holdings. These investments are classified as FVOCI. The interest from these investments are recognised in profit or loss whilst the fair value movement is recognised in Other comprehensive income.

**Note 12. Property, plant and equipment**

	<b>Consolidated</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	847,173	860,125
Less: Accumulated depreciation	(640,557)	(620,631)
	<u>206,616</u>	<u>239,494</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

<b>Consolidated</b>	Land-use rights \$	Machinery & Equipment \$	Other Equipment \$	Total \$
Balance at 1 July 2022 (amended)	186,847	21,209	60,529	268,585
Additions	-	482	33,754	34,236
Disposals	-	-	(6,718)	(6,718)
Exchange differences	(9,245)	32,885	(5,178)	18,462
Depreciation expense	(19,667)	(22,146)	(33,258)	(75,071)
Balance at 30 June 2023 (amended)	157,935	32,430	49,129	239,494
Additions	-	3,643	611	4,254
Exchange differences	904	134	97	1,135
Depreciation expense	(9,513)	(12,438)	(16,316)	(38,267)
Balance at 31 December 2023	<u>149,326</u>	<u>23,769</u>	<u>33,521</u>	<u>206,616</u>

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 13. Intangibles**

	<b>Consolidated</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Software - at cost	239,205	215,510
Less: Accumulated amortisation	<u>(223,413)</u>	<u>(209,367)</u>
	<u><u>15,792</u></u>	<u><u>6,143</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

<b>Consolidated</b>	Exploration Software \$
Balance at 1 July 2022 (amended)	19,295
Additions	24,986
Exchange differences	(2,424)
Amortisation expense	<u>(35,714)</u>
Balance at 30 June 2023 (amended)	6,143
Additions	21,281
Exchange differences	146
Amortisation expense	<u>(11,778)</u>
Balance at 31 December 2023	<u><u>15,792</u></u>

**Note 14. Capitalised exploration and evaluation expenditure**

	<b>Consolidated</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Capitalised exploration and evaluation expenditure – Ovoot Coking Coal Project	26,744,637	25,643,983
Capitalised exploration and evaluation expenditure – Nuurstei Coking Coal Project	<u>378,728</u>	<u>370,357</u>
	<u><u>27,123,365</u></u>	<u><u>26,014,340</u></u>

Exploration expenditure incurred on the Ovoot Coking Coal Project and Nuurstei Coking Coal Project mining licences has been carried forward as that expenditure is expected to be recouped through successful development and exploration of the areas of interest, or alternatively, by sale.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 14. Capitalised exploration and evaluation expenditure (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

<b>Consolidated</b>	Exploration and evaluation \$
Balance at 1 July 2022 (amended)	25,788,860
Additions	1,929,983
Exchange differences	<u>(1,704,503)</u>
Balance at 30 June 2023 (amended)	26,014,340
Additions	675,943
Exchange differences	<u>433,082</u>
Balance at 31 December 2023	<u><u>27,123,365</u></u>

The Company held interests in two tenements during 2023:

- (a) Ovoot Coking Coal Project; and
- (b) Nuurstei Coking Coal Project.

**Note 15. Trade and other payables**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	(amended) \$
<i>Current liabilities</i>		
Trade payables	103,708	87,911
Other payables	<u>108,804</u>	<u>48,698</u>
	<u><u>212,512</u></u>	<u><u>136,609</u></u>

Refer to note 21 for further information on financial risk management objectives and policies.

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

**Note 16. Issued capital**

	<b>Consolidated</b>			<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>30 June 2023</b>	<b>31 Dec 2023</b>	<b>(amended)</b>
	Shares	Shares	\$	\$
Ordinary shares - fully paid (net of transaction costs)	<u>507,636,985</u>	<u>507,636,985</u>	<u>127,479,441</u>	<u>127,479,441</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 16. Issued capital (continued)**

*Share buy-back*

There is no current on-market share buy-back.

**Note 17. Reserves**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	(amended) \$
Foreign currency translation reserve	(21,545,023)	(24,438,385)
Contribution reserve	1,383,153	1,383,153
Share-based payments reserve	175,173	92,964
	<u>(19,986,697)</u>	<u>(22,962,268)</u>

*Foreign currency translation reserve*

This reserve is used to accumulate the changes in the value investments in subsidiaries that arise from changes in the exchange rates.

*Share-based payments reserve*

This reserve is used to record the value of equity benefits provided to directors and employees as part of their fees and remuneration.

*Contribution Reserve*

The contribution reserve is used to record the value which arises as a result of transactions with non-controlling interests that do not result in a loss of control.

**Note 18. Accumulated losses**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	(amended) \$
Accumulated losses at the beginning of the financial period (amended)	(58,748,779)	(58,373,574)
Loss after income tax expense for the period	(3,362,812)	(375,205)
Accumulated losses at the end of the financial period	<u>(62,111,591)</u>	<u>(58,748,779)</u>

**Note 19. Non-controlling interest**

There is a 10% non-controlling interest in subsidiary Blackrock LLC, which holds the Nuurstei Coking Coal Project mining license.

There is a 20% non-controlling interest in subsidiary Northern Infrastructure Limited (formerly Northern Mongolian Railways Limited), which pertains to potential rail infrastructure.

In 2018, the gain on divestment of the shares held by the Company in Noble Resources International Pte Ltd (NRIPL) of \$1,383,153 was reclassified to a contribution reserve on consolidation.

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	(amended) \$
Non-controlling interest	<u>(387,298)</u>	<u>(386,070)</u>

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 19. Non-controlling interest (continued)**

	<b>Blackrock LLC</b>	<b>Northern Infrastructure Limited</b>	<b>Total</b>
Non-controlling interest summary			
Balance at 1 July 2022 (amended)	(135,462)	(248,722)	(384,184)
Loss allocated to non-controlling interest	(42)	(1,844)	(1,886)
Balance at 30 June 2023 (amended)	<u>(135,504)</u>	<u>(250,566)</u>	<u>(386,070)</u>
Balance at 1 July 2023 (amended)	(135,504)	(250,566)	(386,070)
Loss allocated to non-controlling interest	(1)	(1,227)	(1,228)
Balance at 31 December 2023	<u><u>(135,505)</u></u>	<u><u>(251,793)</u></u>	<u><u>(387,298)</u></u>

**Note 20. Dividends**

There were no dividends paid, recommended, or declared during the current or previous financial period.

**Note 21. Financial risk management objectives and policies**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends, and general administrative outgoings. Working capital, cash and cash equivalents and capital requirements are reviewed by the Board on a regular basis.

The Board of Directors is responsible for the determination of the Group's risk management objectives and policies. The Board has delegated to the Group's management, the authority for designing and operating processes that ensure the effective implementation of the objectives and policies.

The overall objective of the Board is to set policies that seek to reduce risk as much as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, commodity price risk, equity price risk and interest rate risk.

*Foreign currency risk*

The Group is exposed to foreign exchange fluctuations with respect to Australian Dollars ('A\$'), US Dollars ('US\$') and Mongolian Tughrik ('MNT'). The Group's financial results are reported in United States dollars. Salaries for certain local employees in Mongolia may be paid in MNT. The Group's operations are in Mongolia and some of its payment commitments and exploration expenditures under the various agreements governing its rights are denominated in MNT and US\$. As a result, the Group's financial position and results are impacted by the exchange rate fluctuations among A\$, US\$ and MNT. Such fluctuations may materially affect the Group's financial position and results.

The Group's currency risk to A\$ and MNT foreign denominated financial assets and liabilities at the end of the reporting period, expressed in United States dollars, was as follows:

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 21. Financial risk management objectives and policies (continued)**

Consolidated	Assets		Liabilities	
	31 Dec 2023 US'\$	30 Jun 2023 (amended) US'\$	31 Dec 2023 US'\$	30 Jun 2023 (amended) US'\$
Cash and cash equivalents denominated in A\$	662,884	11,859,264	-	-
Cash and cash equivalents denominated in MNT	298,032	14,160	-	-
Financial assets denominated in A\$	9,011,944	10,007,093	-	-
Financial liabilities denominated in MNT	-	-	-	191,730
	<u>9,972,860</u>	<u>21,880,517</u>	<u>-</u>	<u>191,730</u>

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date:

Consolidated - 31 Dec 2023	% change	A\$ strengthening Effect on profit before tax		% change	A\$ weakening Effect on profit before tax	
		Effect on equity	Effect on equity		Effect on equity	Effect on equity
USD\$/A\$	10%	66,288	66,288	(10%)	(66,288)	(66,288)
USD\$/MNT	10%	29,803	29,803	(10%)	(29,803)	(29,803)
		<u>96,091</u>	<u>96,091</u>		<u>(96,091)</u>	<u>(96,091)</u>

  

Consolidated - 30 Jun 2023 (amended)	% change	A\$ strengthened Effect on profit before tax		% change	A\$ weakened Effect on profit before tax	
		Effect on equity	Effect on equity		Effect on equity	Effect on equity
USD\$/A\$	10%	1,185,926	1,185,926	(10%)	(1,185,926)	(1,185,926)
USD\$/MNT	10%	1,416	1,416	(10%)	(1,416)	(1,416)
		<u>1,187,342</u>	<u>1,187,342</u>		<u>(1,187,342)</u>	<u>(1,187,342)</u>

*Commodity price risk*

Even if commercial quantities of mineral deposits are discovered, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Group may affect the marketability of any minerals discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Group, including, among other things, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The Group is particularly exposed to the risk of movement in the price of coal.

*Equity price risk*

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Group does not hold equity in any publicly listed companies.

*Interest rate risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Group does not have any borrowings at variable rates and the Group's investments in bonds have fixed interest rates. Interest rate risk is limited to potential decreases on the interest rate offers on cash and cash equivalents held with chartered financial institutions. The Group considers this risk to be immaterial.

The Group's exposure to market risk for changes in interest rates relates primarily to its cash held in variable interest accounts.



**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 21. Financial risk management objectives and policies (continued)**

As at the reporting date, Group had the following cash and cash equivalents and variable rate borrowings outstanding:

<b>Consolidated</b>	<b>31 Dec 2023</b>		<b>30 Jun 2023 (amended)</b>	
	<b>Weighted average interest rate %</b>	<b>Balance \$</b>	<b>Weighted average interest rate %</b>	<b>Balance \$</b>
Cash and cash equivalents	3.64%	<u>6,981,595</u>	3.64%	<u>8,567,631</u>
Net exposure to cash flow interest rate risk		<u>6,981,595</u>		<u>8,567,631</u>

The following sensitivity is based on the interest rate risk exposures in existence at the balance date:

<b>Consolidated - 31 Dec 2023</b>	<b>Basis points change</b>	<b>Basis points increase</b>		<b>Basis points decrease</b>	
		<b>Effect on profit before tax \$</b>	<b>Effect on equity \$</b>	<b>Effect on profit before tax \$</b>	<b>Effect on equity \$</b>
Net interest rate risk exposure	100	<u>69,816</u>	<u>69,816</u>	100	<u>(69,816)</u>

  

<b>Consolidated - 30 Jun 2023 (amended)</b>	<b>Basis points change</b>	<b>Basis points increase</b>		<b>Basis points decrease</b>	
		<b>Effect on profit before tax \$</b>	<b>Effect on equity \$</b>	<b>Effect on profit before tax \$</b>	<b>Effect on equity \$</b>
Net interest rate risk exposure	100	<u>85,673</u>	<u>85,673</u>	(100)	<u>(85,673)</u>

The movements in post-tax profit are due to the movements in interest amounts from lower cash balances held that balance date in comparison to the prior period.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which are potentially subject to credit risk for the Group consist primarily of cash and amounts receivable. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand.

The Group's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents of \$580,444 (30 June 2023 \$2,173,963). The Group also holds \$6,401,151 (30 June 2023 \$6,393,668) in short-term interest bearing deposit investments and \$9,011,944 (30 June 2023: \$10,007,093) in short-term interest-bearing bonds.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The primary source of funds available to the Group is from equity financing. The Group has in place a planning and budgeting process to help determine the funds required to support the Group's normal operating requirements on an ongoing basis, to support its exploration plans, and to ensure that it will have sufficient liquidity to meet its liabilities when due. To the extent the Group does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity or debt transactions. The Group does not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available to the Group or its direct and indirect subsidiaries on acceptable terms, or at all, for further exploration or development of its properties or to fulfil its obligations under any applicable agreements.

Failure to obtain such additional funding could result in the delay or indefinite postponement of the exploration and development of the Group's properties.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 21. Financial risk management objectives and policies (continued)**

*Remaining contractual maturities*

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 31 Dec 2023</b>	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Carrying amount \$
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	103,708	-	-	-	103,708
Other payables	108,804	-	-	-	108,804
Total non-derivatives	<u>212,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,512</u>

<b>Consolidated - 30 Jun 2023 (amended)</b>	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Carrying amount \$
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	87,911	-	-	-	87,911
Other payables	48,698	-	-	-	48,698
Total non-derivatives	<u>136,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,609</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Note 22. Key management personnel disclosures**

*Directors*

The following persons were directors of Aspire Mining Limited during the financial period:

Mr Michael Avery	Independent Non-Executive Chairman
Mr Achit-Erdene Darambazar	Managing Director
Mr Boldbaatar Bat-Amgalan	Independent Non-Executive Director
Mr Russel Taylor	Independent Non-Executive Director

*Other key management personnel*

The following person also had the authority and responsibility for planning, directing, and controlling the major activities of the Group, directly or indirectly, during the financial year:

Mr Samuel Bowles	Chief Executive Officer / Chief Operating Officer
------------------	---

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 22. Key management personnel disclosures (continued)**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	<b>Consolidated</b>	<b>30 June 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	388,794	715,649
Post-employment benefits	-	1,614
Share-based payments	82,209	67,801
	<u>471,003</u>	<u>785,064</u>

**Note 23. Remuneration of auditors**

	<b>Consolidated</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	<b>\$</b>	<b>\$</b>
<b>Auditors of the Group</b>		
Audit and review of financial statements		
Group – KPMG Australia	41,040	-
Group – HLB Mann Judd Australia	-	32,324
	<u>41,040</u>	<u>32,324</u>
<b>Total services provided by the Auditors of the Group</b>	<u>41,040</u>	<u>32,324</u>

	<b>Consolidated</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	<b>\$</b>	<b>\$</b>
<b>Other auditors and their related network firms</b>		
Audit and review of financial statements		
Controlled entities (Mongolian Subsidiaries - KPMG Mongolia)	27,682	40,557
Controlled entities (Mongolian Subsidiaries - Ulziit Account Audit)	3,225	3,243
	<u>30,907</u>	<u>43,800</u>
<b>Total services provided by other auditors</b>	<u>30,907</u>	<u>43,800</u>

**Note 24. Contingent liabilities**

There are no material contingent liabilities relating to the Group as at 31 December 2023 (30 June 2023: nil)

**Note 25. Commitments**

There are no material commitments relating to the Group as at 31 December 2023 (30 June 2023: nil)

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 26. Related party transactions**

*Parent entity*

Aspire Mining Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 28.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	<b>\$</b>	<b>\$</b>
Payment for goods and services:		
Consulting fees, paid to Kingsland Corporate Pty Ltd <sup>(i)</sup>	-	7,563

<sup>(i)</sup> The Company sources consulting services from Kingsland Corporate Pty Ltd, an entity related to Mr David Paull.

Please refer to the Remuneration Report for salaries and compensation paid to Company Directors.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 27. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	<b>12 months to</b>
	<b>6 months to</b>	<b>30 June 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(3,206,486)	(92,092)
Total comprehensive loss	(3,206,486)	(92,092)

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 27. Parent entity information (continued)**

*Statement of financial position*

	<b>Parent</b>	<b>30 Jun 2023</b>
	<b>31 Dec 2023</b>	<b>(amended)</b>
	<b>\$</b>	<b>\$</b>
Total current assets	84,242,414	65,651,444
Total assets	97,592,882	80,746,698
Total current liabilities	150,852	64,380
Total liabilities	150,852	64,380
Equity		
Issued capital	127,479,441	127,479,441
Reserves	83,984,814	64,018,616
Accumulated losses	(114,022,225)	(110,815,739)
Total equity	<u>97,442,030</u>	<u>80,682,318</u>

*Contingent liabilities*

The parent entity had no contingent liabilities as at 31 December 2023 (30 June 2023: nil)

*Capital commitments - Property, plant, and equipment*

The parent entity had no capital commitments for property, plant, and equipment at as 31 December 2023 (30 June 2023: nil).

**Note 28. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in note 1 to the financial statements:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
		<b>%</b>	<b>%</b>
Khurgatai Khairkhan LLC	Mongolia	100.00%	100.00%
Ovoot Coal Mining LLC	Mongolia	100.00%	100.00%
Chilchig Gol LLC	Mongolia	100.00%	100.00%
Ovoot Coking Coal Pte Ltd	Singapore	100.00%	100.00%
Northern Railways LLC	Mongolia	80.00%	80.00%
Northern Railways Holdings LLC	Mongolia	80.00%	80.00%
Northern Railways Pte Ltd	Singapore	80.00%	80.00%
Northern Infrastructure Limited	British Virgin Islands	80.00%	80.00%
Coalridge Limited	British Virgin Islands	100.00%	100.00%
Ekhgoviin Chuluu LLC	Mongolia	100.00%	100.00%
Black Rock LLC	Mongolia	90.00%	90.00%
Urnuun Elbeg LLC	Mongolia	100.00%	100.00%

**Note 29. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 30. Reconciliation of profit/(loss) after income tax to net cash used in operating activities**

	<b>Consolidated</b>	
	<b>6 months to 31 Dec 2023</b>	<b>12 months to 30 Jun 2023 (amended)</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the period	(3,364,040)	(377,091)
Adjustments for:		
Depreciation and amortisation	50,045	110,785
Share-based payments	82,209	58,029
Foreign exchange differences	2,509,190	(861,103)
Other	(54,862)	(68,969)
Change in operating assets and liabilities:		
Change in operating assets	(120,671)	(578,634)
Change in operating liabilities	75,905	260,763
Net cash used in operating activities	<u>(822,224)</u>	<u>(1,456,220)</u>

**Note 31. Loss per share**

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(3,364,040)	(377,091)
Non-controlling interest	1,228	1,886
Loss after income tax attributable to the owners of Aspire Mining Limited	<u>(3,362,812)</u>	<u>(375,205)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>507,636,985</u>	<u>507,636,985</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>507,636,985</u>	<u>507,636,985</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.66)	(0.07)
Diluted loss per share	(0.66)	(0.07)

**Note 32. Share-based payments**

In the current period 1,000,000 performance rights were issued to non-executive Directors with shareholder approval given at the annual general meeting held on 24 November 2023. The vesting expense recognised in the current period totalled \$82,209 (30 June 2023: \$67,801). The fair value of the performance rights at grant date equalled the share price, which is \$0.0424.

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 32. Share-based payments (continued)**

Set out below are summaries of rights granted under the plan:

	Number of rights 31 Dec 2023	Weighted average exercise price 31 Dec 2023	Number of rights 30 Jun 2023	Weighted average exercise price 30 Jun 2023
Outstanding at the beginning of the financial period	5,000,000	\$0.000	6,250,000	\$0.000
Granted	1,000,000	\$0.000	-	\$0.000
Forfeited	-	\$0.000	(1,250,000)	\$0.000
Outstanding at the end of the financial period	<u>6,000,000</u>	\$0.000	<u>5,000,000</u>	\$0.000

**31 Dec 2023**

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/forfeited/other	Balance at the end of the period
30/06/2022	30/06/2026	\$0.000	3,000,000	-	-	-	3,000,000
30/06/2022	30/06/2026	\$0.000	2,000,000	-	-	-	2,000,000
24/11/2023	24/11/2027	\$0.000	-	1,000,000	-	-	1,000,000
			<u>5,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>

**30 Jun 2023**

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/forfeited/other	Balance at the end of the period
30/06/2022	30/06/2026	\$0.000	4,250,000	-	-	(1,250,000)	3,000,000
30/06/2022	30/06/2026	\$0.000	2,000,000	-	-	-	2,000,000
			<u>6,250,000</u>	<u>-</u>	<u>-</u>	<u>(1,250,000)</u>	<u>5,000,000</u>

**Aspire Mining Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 32. Share-based payments (continued)**

Performance rights outstanding at the end of the financial period have the following expiry date and exercise prices:

Option	Class	Exercise price	Balance of rights
Unlisted Director Options, issued as part of share-based compensation for remuneration	Vesting in two tranches: 1,500,000 performance rights shall vest when the Company has announced that it has secured total funding for the Ovoot Project construction commencement; and 1,500,000 performance rights shall vest when the Company has announced that commercial production has commenced at the Ovoot Project within 18 months of construction commencement.	\$0.000	3,000,000
Unlisted Executive Director Options, issued as part of share-based compensation for performance	Vesting in two tranches: 1,000,000 performance rights shall vest when the Company has announced that it has secured total funding for the Ovoot Project construction commencement; and 1,000,000 performance rights shall vest when the Company has announced that commercial production has commenced at the Ovoot Project within 18 months of construction commencement.	\$0.000	2,000,000
Unlisted non-executive Director Options, issued as part of share-based compensation for performance	Vesting in two tranches: 500,000 performance rights shall vest when the Company has announced that it has secured total funding for the Ovoot Project construction commencement; and 500,000 performance rights shall vest when the Company has announced that commercial production has commenced at the Ovoot Project within 18 months of construction commencement.	\$0.000	1,000,000
			<u>6,000,000</u>



**Aspire Mining Limited**  
**Directors' declaration**  
**31 December 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



---

Achit-Erdene Darambazar  
Managing Director

28<sup>th</sup> March 2024



# Independent Auditor's Report

To the shareholders of Aspire Mining Limited

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of Aspire Mining Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its financial performance for the financial period, being 1 July 2023 to 31 December 2023; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the financial period, being 1 July 2023 to 31 December 2023;
- Notes, including material accounting policy information; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the period-end or from time to time during the financial period.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



## Key Audit Matters

**Key Audit Matters** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### Capitalised exploration and evaluation expenditure – Ovoot Cooking Coal Project (\$26,744,637)

Refer to Note 14 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Exploration and evaluation expenditure capitalised (E&amp;E) is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the significance of the activity to the Group’s business and the balance (being 59% of total assets); and</li> <li>the greater level of audit effort to evaluate the Group’s application of the requirements of the industry specific accounting standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, in particular the conditions allowing capitalisation of relevant expenditure and presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group on the value of E&amp;E, therefore given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group’s determination that no such indicators existed.</li> </ul> <p>In assessing the conditions allowing capitalisation of relevant expenditure, we focused on:</p> <ul style="list-style-type: none"> <li>the determination of the area of interest;</li> <li>documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to the area of interest and the authoritative nature of external registry sources and the Group’s intention and capacity to continue the relevant E&amp;E activities; and</li> <li>the Group’s determination of whether the E&amp;E are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>Evaluating the Group’s accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard;</li> <li>We assessed the Group’s determination of its area of interest for consistency with the definition in the accounting standard. This involved analysing the license in which the Group holds the interest and the exploration programmes planned for consistency with documentation such as license related technical conditions and planned work programmes;</li> <li>For the area of interest, we assessed the Group’s current rights to tenure by corroborating the ownership of the relevant license to government registries and evaluating agreements in place with other parties. We also tested for compliance with conditions, such as minimum expenditure requirements;</li> <li>We tested the Group’s additions to E&amp;E for the period by evaluating a statistical sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group’s accounting policy and the requirements of the accounting standard;</li> <li>We evaluated Group documents, such as minutes of Board meetings and cashflow forecasts, for consistency with their stated intentions for continuing E&amp;E in certain areas. We corroborated this through interviews with key operational and finance personnel;</li> <li>We analysed the Group’s determination of recoupment through successful development and exploitation of the area or by its sale by evaluating the Group’s documentation of planned future and continuing activities for the area of interest;</li> </ul>

In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for the Ovoot Coking Coal Project where significant capitalised E&E exists. In addition to the assessments above, we paid particular attention to:

- documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to the area of interest and the Group's intention and capacity to continue the relevant E&E activities;
- The ability of the Group to fund the continuation of activities; and
- Results from latest activities regarding the existence or otherwise of commercially viable reserves.

- We obtained project and corporate budgets identifying areas with existing funding and those requiring alternate funding sources. We compared this for consistency with areas with E&E, for evidence of the ability to fund continued activities. We identified those areas relying on alternate funding sources and evaluated the capacity of the Group to secure such funding;
- We compared the results from the Group's publicly available exploration and evaluation activities regarding the existence of reserves for consistency to the treatment of E&E and the requirements of the accounting standard.

#### Other Information

Other Information is financial and non-financial information in Aspire Mining Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Corporate directory and Directors' report. The Chairman's Letter, Operational Overview, Community Relations, Sustainability Development and Industry Overview and Shareholder Information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

#### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable,



matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our Auditor's Report.

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of Aspire Mining Limited for the financial period, being 1 July 2023 to 31 December 2023, complies with *Section 300A* of the *Corporations Act 2001*.

### Directors' responsibilities

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 responsibilities

We have audited the Remuneration Report included in pages 12 to 18 of the Directors' report for the financial period, being 1 July 2023 to 31 December 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Kevin Pyeun

Partner

Sydney

28 March 2024

**Aspire Mining Limited**  
**Shareholder information**  
**31 December 2023**

The shareholder information set out below was applicable as at 17 April 2024.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Share rights over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total share rights issued
1 to 1,000	707	0.05	-	-
1,001 to 5,000	445	0.24	-	-
5,001 to 10,000	235	0.37	-	-
10,001 to 100,000	581	4.54	-	-
100,001 and over	278	94.80	5	100.00
	<u>2,246</u>	<u>100.00</u>	<u>5</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>962</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MR TSERENPUNTSAG TSERENDAMBA	222,542,060	43.84
NOBLE RESOURCES INTERNATIONAL PTE LTD	66,401,758	13.08
MICC LLC	43,834,410	8.64
SPECTRAL INVESTMENTS PTY LTD	14,925,000	2.94
CITICORP NOMINEES PTY LIMITED	11,341,940	2.23
SPECTRAL INVESTMENTS PTY LTD	8,802,851	1.73
BNP PARIBAS NOMINEES PTY LTD	5,758,309	1.13
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,447,590	0.88
QUAM SECURITIES LIMITED	3,473,470	0.68
CUSTODIAL SERVICES LIMITED	3,396,870	0.67
HUROSE PTY LTD	2,902,806	0.57
MR STEPHEN RONALD HOBSON	2,429,833	0.48
SANDWICH HOLDINGS PTY LTD	1,700,000	0.33
MR PETER JOSEPH MCGUIRE	1,700,000	0.33
A G E DEVELOPMENTS PTY LTD	1,572,927	0.31
2 R'S PTY LTD	1,557,013	0.31
MENTOK PTY LTD	1,500,000	0.30
MR KEVIN JOSEPH SMALL	1,478,142	0.29
SAI HOLDINGS (WA) PTY LTD	1,470,000	0.29
ISTABRAQ PTY LIMITED	1,445,926	0.28
	<u>404,081,143</u>	<u>79.60</u>

**Aspire Mining Limited**  
**Shareholder information**  
**31 December 2023**

	<b>Share rights over ordinary shares</b>	
	<b>Number held</b>	<b>% of total Share rights issued</b>
ACHIT-ERDENE DARAMBAZAR	2,500,000	41.67
SAMUEL JAMES BOWLES	2,000,000	33.33
BOLDBATAAR BAT-AMGALAN	500,000	8.33
MICHAEL ROSS AVERY	500,000	8.33
RUSSELL ALAN TAYLOR	500,000	8.33
	6,000,000	100.00

*Unquoted equity securities*

There are no unquoted equity securities.

**Substantial holders**

Substantial holders in the Company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
MR TSERENPUNTSAG TSERENDAMBA	266,376,470	52.47
NOBLE RESOURCES INTERNATIONAL	66,401,758	13.08

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share rights*

Share rights holders do not have any voting rights on the share rights held by them.

There are no other classes of equity securities.

**Licenses and projects held by Aspire**

Project Description	Tenement Name	Tenement Number	Interest Owned	Location
Ovoot Coking Coal Project	Ovoot	MV-017098	100.00%	Khuvsgul, Mongolia
Nuurstei Coking Coal Project	Nuurstei	MV-020941	90.00%	Khuvsgul, Mongolia