
ASPIRE MINING LIMITED

ACN 122 417 243

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10am (WST)

DATE: 26 November 2012

PLACE: The University Club of Western Australia, Hackett Drive, Crawley 6009

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9287 4555.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The annual general meeting of the Shareholders to which this Notice of Meeting relates will be held at 10am (WST) on 26 November 2012 at:

The University Club of Western Australia, Hackett Drive, Crawley 6009

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 10am (WST) on 26 November 2012 at The University Club of Western Australia, Hackett Drive, Crawley, Western Australia 6009.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4pm (WST) on 24 November 2012.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

A. ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2012."

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – SADO DEMCHIGSUREN TURBAT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of clause 13.4 of the Constitution and for all other purposes, Sado Demchigsuren Turbat, a Director who was appointed since the last annual general meeting retires and, being eligible, is re-elected as a Director."

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DAVID MCSWEENEY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of clause 13.2 of the Constitution and for all other purposes, David McSweeney, retires by rotation and, being eligible, is re-elected as a Director."

RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MARK READ

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of clause 13.2 of the Constitution and for all other purposes, Mark Read, retires by rotation and, being eligible, is re-elected as a Director."

B. SPECIAL BUSINESS

RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% CAPACITY TO ISSUE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company, calculated in accordance with the formula set out in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS ISSUE TO DAVID MCSWEENEY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 400,000 Performance Rights to David McSweeney (or his nominee) on the terms and conditions set out in the Explanatory Statement."

RESOLUTION 7 - ISSUE OF PERFORMANCE RIGHTS ISSUE TO NEIL LITHGOW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 400,000 Performance Rights to Neil Lithgow (or his nominee) on the terms and conditions set out in the Explanatory Statement."

RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO TONY PEARSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 400,000 Performance Rights to Tony Pearson (or his nominee) on the terms and conditions set out in the Explanatory Statement."

RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO ANDREW EDWARDS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 400,000 Performance Rights to Andrew Edwards (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 10 – ISSUE OF PERFORMANCE RIGHTS TO MARK READ

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 400,000 Performance Rights to Mark Read (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 11 – ISSUE OF PERFORMANCE RIGHTS TO SADO DEMCHIGSUREN TURBAT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 400,000 Performance Rights to Sado Demchigsuren Turbat (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 12 – ISSUE OF SHARES TO GAN-OCHIR ZUNDUISUREN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Directors to allot and issue 400,000 Shares to Gan-Ochir Zunduisuren (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 13 – ISSUE OF MANAGING DIRECTOR PERFORMANCE RIGHTS TO DAVID PAULL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to allot and issue 1,000,000 Managing Director Performance Rights to Mr David Paull (or his nominee) under the terms of the Company's Performance Rights Plan as detailed in the Explanatory Statement.”

C. VOTING PROHIBITIONS AND VOTING EXCLUSION STATEMENTS

Voting Prohibitions

In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of the following persons:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described in paragraphs (a) and (b) above and the person:

- (c) does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (d) the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

In accordance with the Corporations Act, a vote on Resolutions 6 to 13 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the relevant Resolution.

However, the above prohibition does not apply if the proxy is cast:

- (c) by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) by the Chairman of the AGM as proxy for a person who is entitled to vote and the appointment expressly authorises the Chairman of the AGM to exercise the proxy in respect of that Resolution.

Shareholders who intend to appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the information under the heading "Important information concerning proxy votes on remuneration related resolutions" below.

Voting Exclusion Statements

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on the respective Resolutions by the following persons:

Resolution	Persons excluded from voting
Resolution 5 – Additional 10% Share Issue Capacity	Any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons. Important Note: At the date of this Notice, the proposed allottees of the securities are not as yet known or identified. For a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue, shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.
Resolution 6 – Issue of Performance Rights to David McSweeney	Mr David McSweeney and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr McSweeney or those persons.
Resolution 7 - Issue of Performance Rights to Neil Lithgow	Mr Neil Lithgow and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr Lithgow or those persons.
Resolution 8 – Issue of Performance Rights Tony Pearson	Mr Tony Pearson and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr Pearson or those persons.
Resolution 9 - Issue of Performance Rights to Andrew Edwards	Mr Andrew Edwards and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr Edwards or those persons.
Resolution 10 - Issue of Performance Rights to Mark Read	Mr Mark Read and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr Read or those persons.
Resolution 11 - Issue of Performance Rights to Sado Demchigsuren Turbat	Mr Sado Demchigsuren Turbat and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr Turbat or those persons.
Resolution 12 - Issue of Shares to Gan-Ochir Zundursuren	Mr Gan-Ochir Zundursuren and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr Zundursuren or those persons.
Resolution 13 – Issue of Managing Director Performance Rights to David Paull	A Director and an associate of a Director (except a Director who is ineligible to participate in any employee incentive scheme of the Company or any associate of such a Director).

However, the Company need not disregard a vote on Resolutions 5 to 13 if it is cast by a person as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

D. PROXIES AND CORPORATE REPRESENTATIVES

Voting by proxy

Each Shareholder that is entitled to attend and vote is entitled to appoint a proxy. A proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint not more than two proxies to attend and vote on their behalf. Where two proxies are appointed, each proxy should be appointed to represent a specified portion or number of the Shareholder's voting rights (failing which each appointee will be entitled to cast half the Shareholder's votes).

A Proxy Form together with instructions on how to complete the Proxy Form is attached.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Aspire Mining Limited, PO Box 1918, Subiaco WA 6904; or
- (b) facsimile to the Company on facsimile number +61 8 6380 2316; or
- (c) email to the Company at info@aspiremininglimited.com.

To be valid, properly completed proxy forms must be received by the Company no later than 48 hours before the AGM, being 10am (WST), 24 November 2012.

If you return your proxy form but do not nominate a representative, the Chairman of the AGM will be your proxy and will vote on your behalf as you direct on the proxy form. If your nominated representative does not attend the meeting then your proxy will revert to the Chairman of the AGM and he will vote on your behalf as you direct on the proxy form.

The Chairman will vote undirected proxies in favour of Resolutions 1 to 13. In respect of Resolution 1 and Resolutions 6 to 13, Shareholders should refer to the important information below under the heading "Important information concerning proxy votes on remuneration related resolutions".

Corporate Representatives

A body corporate Shareholder may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the meeting.

E. IMPORTANT INFORMATION CONCERNING PROXY VOTES ON REMUNERATION RELATED RESOLUTIONS

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their closely related parties to vote on the advisory resolution to adopt the Company's Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel. Key Management Personnel of the Company are the Company's Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel

for the financial year ended 30 June 2012. Their closely related parties are defined in the Corporations Act and include certain of their family members, dependants and companies they control.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than a member of the Key Management Personnel, as such persons may not be able to vote undirected proxies. Shareholders are also encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Company's Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on all Resolutions.

If the Chairman is appointed, or taken to be appointed, as your proxy but you do not give directions on how to vote in respect of any or all of Resolution 1 and Resolutions 6 to 13, then **you must mark the box indicated on the proxy form** if you wish the Chairman to exercise your proxy vote in respect of Resolution 1 and Resolutions 6 to 13. Marking this box will constitute an express authorisation by you directing the Chairman to cast your votes in favour of Resolution 1 and Resolutions 6 to 13 (unless you have exercised your right to direct the Chairman otherwise by marking the 'against' or 'for' column in respect of the relevant Resolutions). This express authorisation acknowledges that the Chairman may vote your proxy even if he has an interest in the outcome of Resolution 1 and Resolutions 6 to 13 and that votes cast by the Chairman for those Resolutions, other than as authorised proxy holder, will be disregarded because of that interest.

If you do not mark this box and you have not directed your proxy how to vote, the Chairman will not cast your votes on Resolution 1 and Resolutions 6 to 13 and your votes will not be counted in calculating the required majority if a poll is called.

DATED: 22 OCTOBER 2012

BY ORDER OF THE BOARD



**PHILIP RUNDELL
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10am (WST) on 26 November 2012 at The University Club of Western Australia, Hackett Drive, Crawley, Western Australia 6008.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1 FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2012 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company's Annual Financial Report is available on its website at www.aspiremininglimited.com.

In accordance with the Corporations Act, Shareholders who have elected to receive a hard copy of the Annual Financial Report will receive it prior to the AGM. Shareholders who did not elect to receive a hard copy of the Company's Annual Financial Report and now wish to receive it, should contact the Company Secretary on (+61 8) 9381 1995.

2 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for the financial year ending 30 June 2012.

By way of summary, the Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Section 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to shareholders. The vote on this resolution is advisory only and does not bind the Directors of the Company.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of a company's remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (a "**spill resolution**") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were in office at the date of the approval of the applicable directors' report must stand for re-election.

As not more than 25% of the votes cast on the resolution to adopt the Remuneration Report at the Company's 2011 annual general meeting were against the resolution, a spill resolution is not required to be considered at the 2012 Annual General Meeting even if 25% or more of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report.

If you appoint the Chairman as your proxy, you should direct the Chairman how to vote on Resolution 1. If you do not direct the Chairman how to vote in respect of Resolution 1, then by marking the box appointing the Chairman as your proxy, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy in favour of Resolution 1. This express authorisation acknowledges that the Chairman may vote your proxy even if:

- (a) Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) the Chairman has an interest in the outcome of Resolution 1 and that votes cast by the Chairman for this Resolution, other than as your authorised proxy holder, will be disregarded because of that interest.

3 RESOLUTIONS 2 TO 4 – RE-ELECTION OF DIRECTORS (SADO DEMCHIGSUREN TURBAT, DAVID MCSWEENEY AND MARK READ)

3.1 Resolution 2 – Re-election of Sado Demchigsuren Turbat

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Sado Demchigsuren Turbat was appointed on 20 September 2012. Accordingly, Mr Turbat retires in accordance with clause 13.4 of the Constitution and, being eligible, seeks re-election.

Mr. Turbat has over 12 years of experience in the resource sector of Mongolia. As one of the authors of the 1997 Minerals Law of Mongolia and as an Honorary Member of Mongolian National Mining Association, Mr Turbat is a key figure in the development of Mongolian mining industry policy and regulatory framework. Mr Turbat is a founder of Mine Info LLC and the "Discover Mongolia" annual international mining forum. Currently Mr Turbat serves a Managing Director of Behre Dolbear Mongolia LLC.

Mr. Turbat holds an MBA degree from University of Waseda in Japan and Leeds University in the United Kingdom.

The Directors, other than Mr Turbat who has an interest in Resolution 2, recommend that Shareholders vote in favour of Resolution 2.

3.2 Resolutions 3 to 4: Re-election of David McSweeney and Mark Read

Clause 13.2 of the Constitution requires that at each annual general meeting of the Company, one third of the Directors for the time being or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. A Director appointed as an additional Director during the year is not taken into account in determining the Directors who are to retire by rotation.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election. The Directors to retire at an annual general meeting are those who have

been longest in office since their last election, but, as between persons who become Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

David McSweeney having last been re-elected at the Company's annual general meeting on 29 November 2010, will retire in accordance with clause 13.2 of the Constitution and being eligible, will seek re-election.

In accordance with clause 13.2 of the Constitution, the Directors have determined that Mark Read, who along with Andrew Edwards and Tony Pearson was re-elected as an additional director at the Company's 2011 annual general meeting on 25 November 2011, will retire by rotation at the Annual General Meeting and being eligible, will seek re-election.

The Directors, other than Mr McSweeney who has an interest in Resolution 3, recommend Shareholders vote in favour of Resolution 3.

The Directors, other than Mr Read who has an interest in Resolution 4, recommend Shareholders vote in favour of Resolution 4.

4 RESOLUTION 5 – ADDITIONAL 10% SHARE ISSUE CAPACITY

4.1 General

ASX Listing Rule 7.1 requires Shareholder approval for an issue of securities in the Company if that issue will, when aggregated with all other issues during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

In accordance with new Listing Rule 7.1A, eligible entities may now seek shareholder approval at their annual general meeting to issue a further 10% of their issued share capital (**10% Share Issue Capacity**) in addition to the 15% placement capacity set out in ASX Listing Rule 7.1 which does not require shareholder approval.

An eligible entity for the purpose of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. At the date of this Notice, the Company is an eligible entity.

Any issue of securities under ASX Listing Rule 7.1A:

- (a) must be in the same class as an existing quoted class of the Company's equity securities;
- (b) may be issued at a maximum 25% discount to the current market price; and
- (c) must be calculated in accordance with the formula prescribed by ASX Listing Rule 7.1A.2.

Resolution 5 seeks Shareholder approval for the Company to have the ability to issue securities under the 10% Share Issue Capacity. The approval of Resolution 5 will provide the Company with the flexibility to issue securities under the 10% Share Issue Capacity in addition to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided for the purpose of obtaining shareholder approval for Resolution 5:

(a) Minimum price

The minimum price at which securities may be issued under the 10% Share Issue Capacity is 75% of the volume weighted average price of securities in the same class calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price of the securities to be issued is agreed; or
- (ii) if they are not issued within 5 ASX trading days of the date in paragraph (a)(i), the date on which the securities are issued.

(b) Potential risk of economic and voting dilution

If this Resolution is approved by Shareholders and securities are issued under the 10% Share Issue Capacity, the interests of Shareholders who do not receive any securities under the issue will be diluted.

Shareholders should note that in such circumstances:

- (i) the voting power of Shareholders who do not receive securities under the 10% Share Issue Capacity as a proportion of the voting power of all shareholders will be diluted. The extent of that dilution will depend on the number of shares issued;
- (ii) the value of the interests of Shareholders who do not receive securities under the 10% Share Issue Capacity may be diluted if shares are issued at a price which represents a discount to the value of shares before the issue is made. However, there are a range of other factors which may impact the value of shares including, for instance, the impact of any capital raising and purpose for which the funds are used may affect the value of the Company and, as a consequence, its shares. The extent of any dilution in the value of the Company will primarily be impacted by the price at which the securities are issued and the number of securities issued.

As required by the ASX Listing Rules, the following table shows a hypothetical example of the potential dilution of Shareholders of the Company where the full 10% Share Issue Capacity is utilised, on the basis of three different assumed issue prices and numbers of equity securities on issue.

		Dilution when compared with the current issued share capital	Hypothetical issue price of shares issued under the 10% Share Issue Capacity		
			\$0.044 per share	\$0.088 per share	\$0.132 per share
Issued share capital	620,594,556 Current issued share capital	10% dilution	62,059,455 shares	62,059,455 shares	62,059,455 shares
		Funds raised	\$2,730,616	\$5,461,232	\$ 8,191,848
	930,891,834 50% increase in issued share capital	10% dilution	93,089,183 shares	93,089,183 shares	93,089,183 shares
		Funds raised	\$4,095,924	\$8,191,848	\$12,287,772
	1,241,189,112 100% increase in issued share capital	10% dilution	124,118,911 shares	124,118,911 shares	124,118,911 shares
		Funds raised	\$5,461,232	\$10,922,464	\$16,383,696

Note, the table above has been prepared on the following assumptions:

1. The Issue Price is \$0.088 based on the closing price of the Company's shares on 19 October 2012.
2. The current issued share capital has been calculated in accordance with the formula in ASX Listing Rule 7.1A(2).
3. The Company issues the maximum number of securities available under the 10% Share Issue Capacity.
4. No options are exercised prior to the date of issue of any shares under the 10% Share Issue Capacity.
5. The table shows the effect of issues of the Company's equity securities under the 10% Share Issue Capacity, not under the Company's 15% placement capacity.
6. The table does not show an example of dilution that may be caused to any particular Shareholder due to any placements under the 10% Share Issue Capacity.

(c) Purpose of potential issues

Shares may be issued under the 10% Share Issue Capacity for the following purposes:

- (i) non-cash consideration for the acquisition of new resources assets or other investments. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with ASX Listing Rule 7.1A.3;
- (ii) cash consideration. If this occurs, the Company intends to use the funds raised to continue exploration and feasibility studies on the Company's current assets, to acquire new assets or investments or for working capital purposes.

(d) Allocation policy

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue under the 10% Share Issue Capacity.

The identity of allottees under the 10% Share Issue Capacity will be determined on a case-by-case basis having regard to factors which may include:

- (i) the methods of raising funds which are available to the Company, including the time and market exposure associated with the various methods of raising capital applicable at the time of the raising;
- (ii) the effect of any such issue on the control of the Company;
- (iii) the financial situation of the Company; and
- (iv) advice from corporate, financial and broking advisers.

As at the date of this Notice, the allottees under the 10% Share Issue Capacity have not been determined. They may, however, include substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(e) Previous approvals under ASX Listing Rule 7.1A

The Company has not previously sought or obtained Shareholder approval under ASX Listing Rule 7.1A.

(f) Voting exclusion statement

A voting exclusion statement for Resolution 5 is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholders or class of security holders in relation to the proposed 10% Share Issue Capacity. Accordingly, no Shareholder will be excluded from voting under the voting exclusion statement.

4.3 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

5 RESOLUTIONS 6 TO 11 – ISSUE OF PERFORMANCE RIGHTS TO NON-EXECUTIVE DIRECTORS

5.1 General

At a General Meeting held by the Company on 19 August 2011, Shareholders approved the allotment and issue of a total of 2,400,000 Performance Rights to non-executive Directors of the Company (**Original Shareholder Approval**) under a Performance Rights Plan (**Plan**) that was approved by Shareholders at the same meeting. The Company also sought ASIC relief to allow the Company to issue Performance Rights under the Plan (**Relief**).

The Company has since received legal advice indicating that the Relief extends only to salaried directors, full-time and part-time employees and certain consultants. If the Company were to issue Performance Rights to its non-salaried, non-executive

Directors under the Plan it would compromise the Relief and any grant of performance rights under the Plan. Accordingly, the Company did not proceed to issue Performance Rights to these non-executive Directors at that time, despite Shareholders approving the proposed issue.

Accordingly, the Directors have resolved to seek Shareholder approval to grant Performance Rights to its non-executive Directors outside the Plan but on the same terms and conditions as the Plan.

The purpose of the issue of Performance Rights to the Company's non-executive Directors is to assist in their reward and retention. The grant of the Performance Rights forms part of the Company's remuneration strategy for non-executive directors, in lieu of additional cash remuneration.

The Company acknowledges that the grant of Performance Rights to non-executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Performance Rights to each of Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat to be reasonable in order to further align non-executive directors' interests with Shareholders and provide cost-effective consideration to non-executive Directors for their ongoing commitment and contribution to the Company.

A summary of the terms and conditions on which the Performance Rights will be granted to the non-executive Directors is set out in **Schedule 1** to this Notice.

5.2 Summary of the material terms of the Performance Rights

The Company proposes to grant each of Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat one class of Performance Rights. A Performance Right may ultimately vest into shares and does not have an exercise price. Accordingly, the grant of Performance Rights will provide non-executive directors with the flexibility and incentive to benefit by exercising their Performance Rights upon satisfaction of their vesting conditions without needing to provide any cash consideration.

A non-executive Director must remain a Director throughout the vesting period for the Performance Rights to vest on the vesting dates set out in Schedule 1 (**Vesting Requirement**). Subject to the Vesting Requirement, the proposed vesting dates are as follows:

- (a) for Mr Turbat, one half of the Performance Rights will vest on 20 September 2013 and one half on 20 September 2014; and
- (b) for all other non-executive Directors, the Performance Rights will vest one half on 31 December 2012 and one half on 31 December 2013.

However, the Board may, in its absolute discretion, determine that all or a specified number of the unvested Performance Rights vest upon the happening of any of the following events:

- (a) a takeover bid (either partial or full) being made for securities in the Company which becomes unconditional; or
- (b) a meeting approves a compromise or arrangement in connection with a scheme for the reconstruction of the Company; or
- (c) a resolution is passed or an order is made for the winding up of the Company; or

- (d) the non-executive Director resigns or is removed as a director for reasons other than non-performance or misconduct.

5.3 Regulatory Requirements

As Directors, each of Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat are related parties of the Company.

ASX Listing Rule 10.11 requires the Company to obtain Shareholder approval in order to grant Performance Rights to a related party (unless an exception applies).

Chapter 2E of the Corporations Act also requires Shareholder approval to be obtained where a public company seeks to give a “financial benefit” to a “related party” unless the giving of the financial benefit falls within one of the prescribed exceptions.

The grant of Performance Rights to each of Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act. It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in these circumstances.

Accordingly, Resolutions 6 to 11 seek Shareholder approval for the grant of Performance Rights to each of Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat.

5.4 Information provided for the purpose of obtaining Shareholder approval

In accordance with section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided to Shareholders for the purpose of obtaining Shareholder approval for Resolutions 6 to 11:

- (a) A total of 2,400,000 Performance Rights to be granted to each non-executive director as follows:

Non-executive director	Number of Performance Rights
Mr McSweeney	400,000
Mr Lithgow	400,000
Mr Pearson	400,000
Mr Edwards	400,000
Mr Read	400,000
Mr Turbat	400,000

- (b) The Performance Rights will be granted no later than 1 month after the date of the AGM (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights the subject of Resolutions 6 to 11 will be granted on the same date.
- (c) The Performance Rights will be issued to each non-executive Director (and/or his nominees) for nil consideration and no consideration will be payable upon the vesting of the Performance Rights on satisfaction of the

vesting conditions set out in **Schedule 1**. Accordingly, no loans will be made in relation to, and no funds will be raised from, the grant or vesting of the Performance Rights.

- (d) The Performance Rights will only be transferable with the prior written consent of the Board or by force of law upon death of the holder or upon bankruptcy of the holder.
- (e) The Performance Rights will not entitle the holder to any dividends declared or issued by the Company.
- (f) As at 19 October, being the last practicable date prior to finalising the Notice, Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat held the following interests in securities of the Company:

Non-Executive Director	Shares	A Class Options	Performance Options
Mr McSweeney	13,783,962	4,716,981	10,000,000
Mr Lithgow	63,378,501	29,000,000	36,000,000
Mr Pearson	Nil	Nil	Nil
Mr Edwards	Nil	Nil	Nil
Mr Read	Nil	Nil	Nil
Mr Turbat	2,415,109	Nil	Nil

- (g) No Performance Rights have previously been granted to Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read or Mr Turbat.
- (h) The total remuneration and emoluments from the Company to Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat for the previous financial year ending 30 June 2012 and the proposed remuneration and emoluments for the current financial year ending 30 June 2013 (excluding the value of the Performance Rights the subject of Resolutions 6 – 11) are set out below:

Non-Executive Director	Financial Year ending 30 June 2013	Financial Year ended 30 June 2012
Mr McSweeney	\$118,083	\$130,000
Mr Lithgow	\$54,500	\$60,000
Mr Pearson	\$54,500	\$60,000
Mr Edwards	\$54,500	\$60,000
Mr Read	\$54,500	\$60,000
Mr Turbat	\$43,000	N/A

- (i) The value of the Performance Rights, and the pricing methodology, is set out in Section 5.5.
- (j) If the Performance Rights proposed to be granted vest, a total of 2,400,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 620,594,556 to 622,994,556 (assuming that no other Performance Rights or Options are exercised and no other Shares are

issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.38%.

- (k) The trading history of the Shares on ASX in the 12 months before 19 October 2012, being the last practicable date prior to finalising the Notice of Meeting, is set out below:

	Price	Date
Highest	A\$0.46	28 October 2011
Lowest	A\$0.08	16 & 17 October 2012
Last	A\$0.088	19 October 2012

- (l) The Board considers the grant of Performance Rights would provide cost effective consideration to non-executive directors for their ongoing commitment and their contribution to the Company. Given this purpose, the Board does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.
- (m) The primary purpose of the grant of Performance Rights to Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat is to form part of their remuneration package.
- (n) A voting exclusion statement in respect of each of Resolutions 6 to 11 is included in the Notice of Meeting.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights to Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat as approval is being sought under ASX Listing Rule 10.11. Accordingly, the issue of Performance Rights, if approved by Shareholders, will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1 or the 10% Share Issue Capacity (if Resolution 5 is approved).

5.5 Valuation of Performance Rights

The value of the Performance Rights is based on the number of Performance Rights granted multiplied by the prevailing Share price at the date of the grant of the Performance Rights multiplied by the probability that the Vesting Requirements are met.

The number of Performance Rights issued and the prevailing Share price, as at 19 October 2012 being the last practicable date prior to finalising the Notice, are known variables. Given that the Vesting Requirement for each Performance Right is based on tenure, the Board expects that it will be stable and has determined that the probability of achieving the Vesting Requirement is 100%. The values of the three variables required to value the Performance Rights are therefore:

- (a) number to be issued – 400,000 (per non-executive Director);
- (b) prevailing Share price – \$0.088 (closing price on 19 October 2012); and
- (c) probability factor – 100%.

Using the above variables, the Board has calculated a current value of \$0.088 for each Performance Right. Therefore the estimated value of Performance Rights to be granted to:

- (a) Mr McSweeney is \$35,200;
- (b) Mr Lithgow is \$35,200;
- (c) Mr Pearson is \$35,200;
- (d) Mr Edwards is \$35,200;
- (e) Mr Read is \$35,200; and
- (f) Mr Turbat is \$35,200.

5.6 Directors' recommendation

- (a) Mr David Paull, the Managing Director who will not be granted the Performance Rights the subject of Resolutions 6 - 11, considers that the grant of Performance Rights to each of Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat is an appropriate mechanism to assist in the reward and retention of these non-executive Directors. Mr Paull recommends that Shareholders vote in favour of Resolutions 6 – 11.
- (b) Mr McSweeney has a material personal interest in the outcome of Resolution 6 because it relates to the grant of Performance Rights to him. Mr McSweeney voted on the Board resolution to approve the grant of Performance Rights to him, as well as the grant of Performance Rights to Mr Lithgow, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat, subject to Shareholders approving that proposed grant (being the subject of Resolutions 6 – 11). Mr McSweeney declines to make a recommendation to Shareholders in relation to Resolution 6 given his interest in the outcome of Resolution 6.
- (c) Mr Lithgow has a material personal interest in the outcome of Resolution 7 because it relates to the grant of Performance Rights to him. Mr Lithgow voted on the Board resolution to approve the grant of Performance Rights to him, as well as the grant of Performance Rights to Mr McSweeney, Mr Pearson, Mr Edwards, Mr Read and Mr Turbat, subject to Shareholders approving that proposed grant (being the subject of Resolutions 6 – 11). Mr Lithgow declines to make a recommendation to Shareholders in relation to Resolution 7 given his interest in the outcome of Resolution 7.
- (d) Mr Pearson has a material personal interest in the outcome of Resolution 8 because it relates to the grant of Performance Rights to him. Mr Pearson voted on the Board resolution to approve the grant of Performance Rights to him, as well as the grant of Performance Rights to Mr McSweeney, Mr Lithgow, Mr Edwards, Mr Read and Mr Turbat, subject to Shareholders approving that proposed grant (being the subject of Resolutions 6 – 11). Mr Pearson declines to make a recommendation to Shareholders in relation to Resolution 8 given his interest in the outcome of Resolution 8.
- (e) Mr Edwards has a material personal interest in the outcome of Resolution 9 because it relates to the grant of Performance Rights to him. Mr Edwards

voted on the Board resolution to approve the grant of Performance Rights to him, as well as the grant of Performance Rights to Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Read and Mr Turbat, subject to Shareholders approving that proposed grant (being the subject of Resolutions 6 – 11). Mr Edwards declines to make a recommendation to Shareholders in relation to Resolution 9 given his interest in the outcome of Resolution 9.

- (f) Mr Read has a material personal interest in the outcome of Resolution 10 because it relates to the grant of Performance Rights to him. Mr Read voted on the Board resolution to approve the grant of Performance Rights to him, as well as the grant of Performance Rights to Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards and Mr Turbat, subject to Shareholders approving that proposed grant (being the subject of Resolutions 6 – 11). Mr Read declines to make a recommendation to Shareholders in relation to Resolution 10 given his interest in the outcome of Resolution 10.
- (g) Mr Turbat has a material personal interest in the outcome of Resolution 11 because it relates to the grant of Performance Rights to him. Mr Turbat voted on the Board resolution to approve the grant of Performance Rights to him, as well as the grant of Performance Rights to Mr McSweeney, Mr Lithgow, Mr Pearson, Mr Edwards and Mr Read, subject to Shareholders approving that proposed grant (being the subject of Resolutions 6 – 11). Mr Turbat declines to make a recommendation to Shareholders in relation to Resolution 11 given his interest in the outcome of Resolution 11.

6 RESOLUTION 12 – ISSUE OF SHARES TO MR GAN-UCHIR ZUNDUISUREN

6.1 General

As set out in **section 5** above, the Company did not issue performance rights under the Plan to non-executive Directors despite the Original Shareholder Approval being provided in August 2011, due to concerns that such an issue of performance rights to the Company's non-executive Directors would compromise the Company's ability to issue incentives to its employees without preparing a prospectus.

It is for that reason that Shareholders are now being asked to consider the issue of Performance Rights to these non-executive Directors outside of the Plan, being the subject of Resolutions 6-11. However, since the Original Shareholder Approval was obtained, Mr Gan-Ochir Zunduisuren has resigned as a Director of the Company. Had the Company been able to issue Performance Rights following the Original Shareholder Approval in August 2011, Mr Zunduisuren would have been issued with 400,000 Performance Rights, half of which would have vested on 19 August 2012.

Mr Zunduisuren resigned as a Director in September 2012 to pursue other interests. The Board considers it appropriate that Mr Zunduisuren be issued 400,000 Shares in recognition of the value which Mr Zunduisuren contributed to the Board during his tenure, as well as the fact that half of the 400,000 Performance Rights referred to above would have already vested in August 2012 had those rights been issued pursuant to the Original Shareholder Approval.

6.2 Regulatory requirements

Under the Corporations Act, a person is a related party of the Company if the person was a related party at any time within the previous 6 months. As Mr Zunduisuren ceased to be a director of the Company in the last 6 months he is still a related party of the Company.

Under ASX Listing Rule 10.11 a public company is required to obtain shareholder approval to grant shares to a related party.

Further, Shareholder approval is also required under Chapter 2E of the Corporations Act where a public company seeks to give a "financial benefit" to a "related party" unless one of the prescribed exceptions applies.

The granting of Shares to Mr Zunduisuren will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act. It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply.

Accordingly, Resolution 12 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act for the grant of 400,000 Shares to Mr Zunduisuren.

6.3 Information provided for the purpose of obtaining Shareholder approval

In accordance with section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of Shares to Mr Zunduisuren:

- (a) A total of 400,000 Shares will be issued to Mr Zunduisuren.
- (b) The Shares will be issued to Mr Zunduisuren no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares will be issued to Mr Zunduisuren for no consideration. Accordingly, no loans will be made in relation to, and no funds will be raised from the issue of the Shares.
- (d) The Shares to be issued to Mr Zunduisuren will rank pari passu with all other Shares on issue. Accordingly, Mr Zunduisuren will be entitled to any dividends declared or issued in respect of the Shares to be issued to him.
- (e) As at 19 October 2012, being the last practicable date prior to finalising the Notice, Mr Zunduisuren held the following securities in the Company:

Shares	A Class Options	Performance Options
38,300,000	Nil	10,000,000

- (f) The total remuneration and emoluments from the Company to Mr Zunduisuren for the previous financial year ending 30 June 2012 and the current financial year ending 30 June 2013 are set out below:

Financial Year ending 30 June 2013	Financial Year ended 30 June 2012
\$12,500	\$60,000

- (g) If Resolution 12 is passed, Mr Zunduisuren's shareholding in the Company would increase from 38,300,000 Shares to 38,700,000 Shares, which will be equal to approximately 6.2% of the Shares on issue and result in the shareholding of existing Shareholders being diluted by an aggregate of approximately 0.06% (assuming that no other Shares are issued or options

exercised between the date of this Explanatory Statement and the date of issue of the relevant Shares).

- (h) The value of the 400,000 Shares to be issued to Mr Zunduisuren will be determined by the prevailing Share price of the Company's Shares on the date of issue (being the date of the AGM). Assuming a prevailing Share price of \$0.088 (being the Company's closing price on 19 October 2012), the Company estimates the value of Shares to be granted to Mr Zunduisuren to be \$35,200.
- (i) The trading history of the Shares on ASX in the 12 months before 19 October 2012, being the last practicable date prior to finalising the Notice, is set out in **Section 5.4(k)** above.
- (j) The Board considers the issue of 400,000 Shares to Mr Zunduisuren to be an appropriate and cost-effective form of consideration for his past services and contribution to the Company. Further, it is an acknowledgement in part of the remuneration he would have received if the Company had been able to issue Performance Rights to him following the Original Shareholder Approval. Accordingly, the Directors do not consider there to be any opportunity costs to the Company or benefits foregone by the Company in issuing and allotting the 400,000 Shares to Mr Zunduisuren for the reasons set out above.
- (k) The primary purpose of the issue of the Shares to Mr Zunduisuren is to form part of the remuneration package he would have received had the Company been able to issue Performance Rights to him following the Original Shareholder Approval in August 2011, as well as to recognise the value Mr Zunduisuren contributed to the Board during his tenure.
- (l) A voting exclusion statement in respect of Resolution 12 is included in the Notice of Meeting.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to Mr Zunduisuren as approval is being sought under ASX Listing Rule 10.11. Accordingly, the issue of Shares, if approved by Shareholders, will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1 or the 10% Share Issue Capacity (if Resolution 5 is approved).

6.4 Directors' recommendation

The Company's Directors recommend Shareholders vote in favour of Resolution 12.

7 RESOLUTION 13 - ISSUE OF MANAGING DIRECTOR PERFORMANCE RIGHTS TO DAVID PAULL

7.1 General

Under the terms of the Plan, the Board has the discretion to grant performance rights to any employee it determines to be eligible to participate in the Plan upon such terms and conditions as the Board determines.

Subject to Resolution 13 being approved, the Board proposes to grant 1,000,000 performance rights under the Plan (**Managing Director Performance Rights**) to Mr David Paull, the Company's Managing Director, subject to the performance hurdles and other terms set out below.

The proposed grant of the Managing Director Performance Rights to Mr Paull seeks to further align his interests with those of Shareholders by linking Mr Paull's rewards to long term performance for Shareholders through the imposition of performance related conditions on vesting, which are to be achieved within a specified period. Further details of these vesting conditions are set out below.

A summary of the terms and conditions on which the Managing Director Performance Rights will be granted is set out in **Schedule 2** to this Notice.

7.2 Summary of the material terms of the Managing Director Performance Rights

It is proposed that Mr Paull be issued the Managing Director Performance Rights for nil cash consideration.

Each Managing Director Performance Right will vest as one Share subject to the satisfaction of certain performance criteria (**Performance Milestones**). In the event that the Performance Milestones are not met and the Board does not otherwise waive any or all of the relevant Performance Milestones, the Managing Director Performance Rights will not vest and as a result, no new Shares will be issued. There is nil consideration payable upon the vesting of a Managing Director Performance Right.

The Board notes that Shareholders approved the grant of 1,000,000 performance rights to Mr Paull under the terms of the Plan at the general meeting held by the Company on 19 August 2011. For the reasons discussed in **section 5.1** above, the Company decided not to proceed to grant those performance rights to Mr Paull. The Board has since re-assessed and amended the Performance Milestones which were originally approved by Shareholders. The revised Performance Milestones set out below are considered to be appropriate, based on the Company's business strategy, and are aligned with encouraging a greater return of shareholder value.

One third of the Managing Director Performance Rights will vest as and when each of the following Performance Milestones are achieved:

- (a) the Company's wholly owned subsidiary, Northern Rail LLC, entering into a rail Concession Agreement with the Mongolian Government to build and operate a rail line that allows for the transportation of product produced from the Company's Ovoot Coking Coal Project to market;
- (b) the introduction of a suitable third party (as determined by the Board) to provide financial, strategic, infrastructure, or product sales assistance to the Company which, in the Board's opinion, has or is likely to have a materially favourable impact upon the development of the Company's Ovoot Coking Coal Project; and
- (c) the total shareholder return of the Company has increased in a twelve month period commencing on the date of the issue of the Managing Director Performance Rights and is in the range within that twelve month period of a group consisting of at least four peer comparable ASX listed companies as determined by the Board. The total shareholder return is the change in the Company's share price as a percentage of the beginning share price.

Mr Paull must be a Director at the time of satisfaction of the relevant Performance Milestone for the relevant Performance Rights to vest. If any or all of these Performance Milestones are not achieved by 31 December 2015, the unvested Performance Rights will immediately lapse.

The Board may, in its absolute discretion, determine that all or a specified number of the unvested Performance Rights vest upon the happening of any of the following events:

- (a) a takeover bid (either partial or full) being made for securities in the Company becomes unconditional; or
- (b) a meeting approves a compromise or arrangement in connection with a scheme for the reconstruction of the Company; or
- (c) a resolution is passed or an order is made for the winding up of the Company; or
- (d) Mr Paull resigns or is removed as a director for reasons other than non-performance or misconduct.

7.3 Regulatory requirements

Under ASX Listing Rule 10.14, a public company is required to obtain shareholder approval to grant securities to a director of that company under an employee incentive scheme.

Further, shareholder approval is also required under Chapter 2E of the Corporations Act where a public company seeks to give a "financial benefit" to a "related party" unless one of the prescribed exceptions applies. As a Director of the Company, Mr Paull is a related party of the Company. Further, the granting of the Managing Director Performance Rights to Mr Paull will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act. It is the view of the Directors that the exceptions set out in sections 210 to 216 do not apply.

Accordingly, Resolution 13 seeks Shareholder approval pursuant to ASX Listing Rule 10.14 and Chapter 2E of the Corporations Act.

7.4 Information provided for the purpose of obtaining Shareholder approval

In accordance with section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided to Shareholders in connection with the proposed issue of the Managing Director Performance Rights to Mr Paull:

- (a) Subject to Shareholder approval, a total of 1,000,000 Managing Director Performance Rights will be granted to Mr Paull (and/or his nominees).
- (b) The Managing Director Performance Rights will not be granted to Mr Paull later than 12 months after the date of the Meeting without obtaining further Shareholder approval.
- (c) The value of the Managing Director Performance Rights and the pricing methodology is set out in **section 7.5** below.
- (d) The Managing Director Performance Rights will be issued to Mr Paull (or his nominee) for nil consideration and no consideration will be payable upon the vesting of the Managing Director Performance Rights on satisfaction of the Performance Milestones. Accordingly, no loans will be made in relation to, and no funds will be raised from, the grant or vesting of the Managing Director Performance Rights.

- (e) The Performance Rights will only be transferable with the prior written consent of the Board or by force of law upon death of the holder or upon bankruptcy of the holder.
- (f) The Performance Rights will not entitle the holder to any dividends declared or issued by the Company.
- (g) The Managing Director Performance Rights will become exercisable on satisfaction of the Performance Milestones set out in **section 7.2** above. The full terms and conditions of the Managing Director Performance Rights are set out in **Schedule 2**. Shares to be issued to Mr Paull upon the vesting of the Managing Director Performance Rights will rank pari passu with existing Shares.
- (h) Mr Paull is the only person referred to in ASX Listing Rule 10.14 (a director of the Company or associate of that director) currently eligible to participate in the Plan as he is an executive Director of the Company.
- (i) Since the Plan was approved by Shareholders on 19 August 2011, no performance rights have been issued to Mr Paull under the terms of the Plan.
- (j) As at 19 October, being the last practicable date prior to finalising this Notice, Mr Paull held the following securities in the Company:

Shares	A Class Options	Performance Options
1,986,792	943,396	20,000,000

- (k) The total remuneration and emoluments from the Company to Mr Paull for the previous financial year ending 30 June 2012 and the current financial year ending 30 June 2013 are set out below:

Financial Year ending 30 June 2013	Financial Year ended 30 June 2012
454,167	\$500,000

- (l) The trading history of the Shares on ASX in the 12 months before 19 October 2012, being the last practicable date prior to finalising the Notice, is set out in **Section 5.4(k)** above.
- (m) If the Managing Director Performance Rights proposed to be granted vest, a total of 1,000,000 Shares would be allotted and issued to Mr Paull or his nominee. This will increase the number of Shares on issue from 620,594,556 to 621,594,556 (assuming that no other performance rights or options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.16%.
- (n) The primary purpose for the issue of the Managing Director Performance Rights under the Plan is to provide a performance-linked incentive component in the remuneration package for Mr Paull and to incentivise future performance by Mr Paull in managing the operations and strategic direction of the Company.
- (o) The number and terms and conditions, including Performance Milestones, of the Managing Director Performance Rights to be issued to Mr Paull, were

approved by the Board. The Board believes that the grant of the Managing Director Performance Rights under the Plan provides cost effective consideration to Mr Paull for his ongoing commitment and contribution to the Company in his role as Managing Director of the Company. Accordingly, the Board does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the Managing Director Performance Rights on the terms proposed.

- (p) The Board considers it reasonable for the remuneration of Mr Paull to have a cash component and an equity component to further align Mr Paull's interests with Shareholders.
- (m) A voting exclusion statement in respect of Resolution 13 is included in the Notice of Meeting to which this Explanatory Statement relates.

7.5 Valuation of Managing Director Performance Rights

The value of the Performance Rights is based on the number of Performance Rights issued multiplied by the prevailing Share price at the date of issue of the Performance Rights multiplied by the probability that the Performance Milestones are achieved.

The number of Performance Rights issued and the prevailing Share price at 19 October 2012, being the last practicable date prior to finalising the Notice of Meeting, are known variables, however the probability assigned to the achievement of the Performance Milestones is highly subjective and ultimately effected by a broad range of factors.

As a result of their analysis and consideration of the financial and operating variables to achievement of the Performance Milestones, the Board has determined that the probability of achieving the Performance Milestones is 65%. The values of the three variables required to value the Performance Rights are therefore:

- (a) Number to be issued – 1,000,000.
- (b) Prevailing Share price – \$0.088 (closing price on 19 October 2012, being the last practicable date prior to finalising this Notice of Meeting).
- (c) Probability factor – 65%.

Using the above variables, the Board has calculated a value of \$0.0572 for each Performance Right. The value of Performance Rights to be issued to Mr Paull is therefore \$57,200.

It should be recognised that the determination of the probability of achieving the Performance Milestones of 65% is an estimate only and involves an element of subjectivity. The valuation of the Performance Rights should therefore be considered a best estimate only and the actual value of the Performance Rights may be above or below the number set out above.

7.6 Directors' recommendation

Mr Paull declines to make a recommendation to Shareholders in relation to Resolution 13 due to his material personal interest in the outcome of the Resolution. Mr Paull did not vote on the Board resolution to approve the grant of Managing Director Performance Rights to him.

The Directors (other than Mr Paull), who do not have a material personal interest in the outcome of Resolution 13, recommend that Shareholders vote in favour of Resolution 13.

8 ENQUIRIES

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9287 4555 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

AGM or **Annual General Meeting** or **Meeting** means the annual general meeting convened by the Notice.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member; or
- b) a child of the member's spouse; or
- c) a dependent of the member or the member's spouse; or
- d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or
- e) a company the member controls; or
- f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Aspire Mining Limited (ACN 122 417 243).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any directors of the Company.

Managing Director Performance Rights means the performance rights proposed to be granted to Mr David Paull under the Performance Rights Plan on the terms set out in section 7 of the Explanatory Statement and Schedule 2 to the Notice.

Notice or **Notice of Meeting** means this notice of Annual General Meeting including the Explanatory Statement and the Proxy Form.

Performance Right means an entitlement to one Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the terms and conditions set out in Schedule 1 to the Notice.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution set out in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

- 1) Each Performance Right will vest as an entitlement to one fully paid ordinary share in the capital of the Company (**Share**) provided that certain performance milestones are met. If the performance milestones are not met, the Performance Rights will lapse and the holder will have no entitlement to any Shares.
- 2) There is nil consideration payable upon the grant of a Performance Right and no amount will be payable on the vesting of a Performance Right.
- 3) For Sado Demchigsuren Turbat, the Performance Rights will vest one half on 20 September 2013 and one half on 20 September 2014 and for all other non-executive Directors, the Performance Rights will vest one half on 31 December 2012 and one half on 31 December 2013 (**Vesting Dates**), subject to the holder remaining as a director of the Company up to and including each Vesting Date or the Performance Rights vesting under clause 17 (**Vesting Requirement**), and subject to any waiver of the Board.
- 4) The Board may, at its absolute discretion and only where a non-executive Director continues to satisfy any relevant conditions imposed by the Board, grant Performance Rights to non-executive Directors with effect from the date determined by the Board, upon these terms and conditions and upon such additional terms and vesting conditions as the Board determines.
- 5) Subject to clause 17, if the holder of the Performance Rights ceases being a director of the Company prior to the Vesting Date, all Performance Rights will lapse.
- 6) The Company shall notify the holder when the Vesting Requirements have been satisfied and the holder may then exercise their right to accept the vesting of the Performance Rights and be issued the Shares, following which the Company shall issue or procure to transfer the Shares within 30 days after a Performance Right is exercised, and deliver notification of the Shareholding to the holder.
- 7) The Company shall, within 7 days of the date of the Shares being issued, make application to ASX for quotation of the Shares.
- 8) Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank pari passu with all other Shares on issue.
- 9) Performance Rights shall not be quoted on ASX.
- 10) Performance Rights shall not be transferred or assigned by a holder except with the prior written consent of the Directors of the Company, or by operation of the law upon death or bankruptcy of the holder.
- 11) The Board may determine that Shares allocated on the exercise of Performance Rights are to be subject to restrictions on sale, transfer or other dealing by the holder,
- 12) Subject to any right a holder may have as a holder of shares, holders of Performance Rights may only participate in new issues of securities to holders of shares if the Vesting Requirements have been satisfied and the relevant Shares have been issued prior to the record date for determining entitlements to the issue. The Company shall give notice to holders of Performance Rights (as required under the ASX Listing Rules) of any new issues of securities prior to the record date for determining entitlements to the issue.
- 13) If Shares are issued pro rata to the Company's Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the number of Shares over which each Performance Right is exercisable may be increased by

- the number of Shares which the holder would have received if the Performance Right had been exercised before the record date for the bonus issue.
- 14) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- 15) Where, in the opinion of the Board, a holder:
- (a) acts fraudulently or dishonestly; or
 - (b) is in breach of his or her obligations to the Company or any of its subsidiaries,
- then the Board may:
- (c) deem any unexercised Performance Rights of the holder to have lapsed; and/or
 - (d) deem all or any Shares allotted and held by the holder to be forfeited – in which event the holder is deemed to have agreed to sell his shares to the Company for no consideration or be deemed to have appointed any officer of the Company as his or her agent to sell the Shares on market; and/or
 - (e) where any Shares allotted have been sold by the holder, require the holder to pay all or part of the net proceeds of that sale to the Company.
- 16) Where, in the opinion of the Board, a holder's Performance Rights vest as a result of the fraud, dishonesty, or breach of obligations of another person and, in the opinion of the Board, the Performance Rights would not otherwise have vested, the Board may determine that the Performance Rights have not vested and, subject to applicable laws:
- (a) where Shares have not been issued or transferred upon the exercise of a vested Performance Right, that the Performance Rights have not vested and reset the Vesting Requirements applicable to the Performance Rights; or
 - (b) where Performance Rights have vested and have been exercised by the holder, that the Shares are forfeited by the holder and may, at the discretion of the Board, reissue any number of Performance Rights to the holder, subject to new Vesting Requirements in place of the forfeited Shares; or
 - (c) any other treatment in relation to Performance Rights or Shares to ensure no unfair benefit is obtained by a holder as a result of such actions of another person.
- 17) The Board may, in its absolute discretion, determine that all or a specified number of a holder's unvested Performance Rights vest where:
- (a) the holder dies;
 - (b) a takeover bid is made for the Company;
 - (c) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

- (d) any person becomes bound or entitled to acquire shares in the Company under:
 - (i) section 414 of the Corporations Act; or
 - (ii) Chapter 6A of the Corporations Act;
- (e) the Company passes a resolution for voluntary winding up;
- (f) an order is made for the compulsory winding up of the Company;
- (g) the holder ceases to be employed by the Company or any of its subsidiaries by reason of retirement, redundancy, or total and permanent disability; or
- (h) the holder resigns or is removed for reasons other than performance or misconduct.

If no determination is made or if the Board determines that some or all of a holder's Performance Rights do not vest, those Performance Rights will automatically lapse.

- 18) During the currency of any Performance Rights and prior to vesting, holders are not entitled to participate in any new issue of securities of the company as a result of their holding Performance Rights. In addition, holders are not entitled to vote nor to receive dividends as a result of holding Performance Rights.
- 19) The Board may at any time by resolution amend all or any the terms or conditions of any Performance Right granted.
- 20) No amendment may be made to the terms of any granted Performance Right which reduces the rights of the holder in respect of that Performance Right without the consent of the holder, other than an amendment:
 - (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation, the Listing Rules or relevant instruments of relief granted by the ASIC governing or regulating the issue of performance rights;
 - (b) to correct any manifest error or mistake; or
 - (c) to take into consideration possible adverse tax implications in respect of the issue of the Performance Rights arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or change in the interpretation of tax legislation by a court of competent jurisdiction.

SCHEDULE 2 – TERMS AND CONDITIONS OF MANAGING DIRECTOR PERFORMANCE RIGHTS

- 1) Each Managing Director Performance Right will vest as an entitlement to one fully paid ordinary share in the capital of the Company (Share) provided that certain performance milestones are met. If the performance milestones are not met on or before 31 December 2015, the Managing Director Performance Rights will lapse and the holder will have no entitlement to any Shares.
- 2) There is nil consideration payable upon the grant of a Managing Director Performance Right and no amount will be payable on the vesting of a Managing Director Performance Right.
- 3) One third of the Managing Director Performance Rights will vest as and when each of the following performance milestones are achieved:
 - (a) the Company's wholly owned subsidiary, Northern Rail LLC, entering into a rail Concession Agreement with the Mongolian Government to build and operate a rail line that allows for the transportation of product produced from the Company's Ovoot Coking Coal Project to market;
 - (b) the introduction of a suitable third party (as determined by the Board) to provide financial, strategic, infrastructure, or product sales assistance to the Company which, in the Board's opinion, has or is likely to have a materially favourable impact upon the development of the Company's Ovoot Coking Coal Project; and
 - (c) the total shareholder return of the Company has increased in a twelve month period commencing on the date of the issue of the Managing Director Performance Rights and is in the range within that twelve month period of a group consisting of at least four peer comparable ASX listed companies as determined by the Board. The total shareholder return is the change in the Company's share price as a percentage of the beginning share price,

(**Performance Milestones**) subject to clause 4, or the Managing Director Performance Rights vesting under clause 15 (**Vesting Requirements**), and subject to any waiver of the Board.
- 4) Subject to clause 15,
 - (a) if the holder of the Managing Director Performance Rights ceases to be Managing Director of the Company prior to the vesting of the Managing Director Performance Rights; or
 - (b) a Performance Milestone is not satisfied on or before 31 December 2015,

all unvested Managing Director Performance Rights will lapse.
- 5) The Company shall notify the holder when the Vesting Requirements have been satisfied and the holder may then exercise their right to accept the vesting of the Managing Director Performance Rights and be issued the Shares, following which the Company shall issue or procure to transfer the Shares within 30 days after a Managing Director Performance Right is exercised, and deliver notification of the Shareholding to the holder.
- 6) The Company shall, within 7 days of the date of the Shares being issued, make application to ASX for quotation of the Shares.
- 7) Shares resulting from the vesting of the Managing Director Performance Rights shall, from the date of issue, rank pari passu with all other Shares on issue.
- 8) Managing Director Performance Rights shall not be quoted on ASX.

- 9) Managing Director Performance Rights shall not be transferred or assigned by a holder except with the prior written consent of the Directors of the Company, or by operation of the law upon death or bankruptcy of the holder.
- 10) Subject to any right a holder may have as a holder of shares, holders of Managing Director Performance Rights may only participate in new issues of securities to holders of shares if the Vesting Requirements have been satisfied and the relevant Shares have been issued prior to the record date for determining entitlements to the issue. The Company shall give notice to holder of Managing Director Performance Rights (as required under the ASX Listing Rules) of any new issues of securities prior to the record date for determining entitlements to the issue.
- 11) If Shares are issued pro rata to the Company's Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the number of Shares over which each Managing Director Performance Right is exercisable may be increased by the number of Shares which the holder would have received if the Managing Director Performance Right had been exercised before the record date for the bonus issue.
- 12) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- 13) Where, in the opinion of the Board, a holder:
 - (a) acts fraudulently or dishonestly; or
 - (b) is in breach of his or her obligations to the Company or any of its subsidiaries,

then the Board may:

- (c) deem any unexercised Managing Director Performance Rights of the holder to have lapsed; and/or
 - (d) deem all or any Shares allotted and held by the holder to be forfeited – in which event the holder is deemed to have agreed to sell his shares to the Company for no consideration or be deemed to have appointed any officer of the Company as his or her agent to sell the Shares on market; and/or
 - (e) where any Shares allotted have been sold by the holder, require the holder to pay all or part of the net proceeds of that sale to the Company.
- 14) Where, in the opinion of the Board, a holder's Managing Director Performance Rights vest as a result of the fraud, dishonesty, or breach of obligations of another person and, in the opinion of the Board, the Managing Director Performance Rights would not otherwise have vested, the Board may determine that the Managing Director Performance Rights have not vested and, subject to applicable laws:
 - (a) where Shares have not been issued or transferred upon the exercise of a vested Managing Director Performance Right, that the Managing Director Performance Rights have not vested and reset the Vesting Requirements applicable to the Managing Director Performance Rights; or
 - (b) where Managing Director Performance Rights have vested and have been exercised by the holder, that the Shares are forfeited by the holder and may, at the discretion of the Board, reissue any number of Managing Director Performance Rights to the holder, subject to new Vesting Requirements in place of the forfeited Shares; or

- (c) any other treatment in relation to Managing Director Performance Rights or Shares to ensure no unfair benefit is obtained by a holder as a result of such actions of another person.
- 15) The Board may, in its absolute discretion, determine that all or a specified number of a holder's unvested Managing Director Performance Rights vest where:
- (a) the holder dies;
 - (b) a takeover bid is made for the Company;
 - (c) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
 - (d) any person becomes bound or entitled to acquire shares in the Company under:
 - (i) section 414 of the Corporations Act; or
 - (ii) Chapter 6A of the Corporations Act;
 - (e) the Company passes a resolution for voluntary winding up;
 - (f) an order is made for the compulsory winding up of the Company;
 - (g) the holder ceases to be employed by the Company or any of its subsidiaries by reason of retirement, redundancy, or total and permanent disability; or
 - (h) the holder resigns or is removed for reasons other than performance or misconduct.

If no determination is made or if the Board determines that some or all of a holder's Managing Director Performance Rights do not vest, those Performance Rights will automatically lapse.

- 16) During the currency of any Managing Director Performance Right and prior to vesting, the holder is not entitled to participate in any new issue of securities of the company as a result of holding Managing Director Performance Rights. In addition, the holder is not entitled to vote nor to receive dividends as a result of holding Managing Director Performance Rights.
- 17) The Board may at any time by resolution amend all or any the terms or conditions of any Managing Director Performance Right granted.
- 18) No amendment may be made to the terms of any granted Managing Director Performance Right which reduces the rights of the holder in respect of that Managing Director Performance Right without the consent of the holder, other than an amendment:
- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation, the Listing Rules or relevant instruments of relief granted by the ASIC governing or regulating the issue of performance rights;
 - (b) to correct any manifest error or mistake; or
 - (c) to take into consideration possible adverse tax implications in respect of the issue of the Performance Rights arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation

(including an official announcement by the Commonwealth of Australia)
and/or change in the interpretation of tax legislation by a court of
competent jurisdiction.

PROXY FORM

**APPOINTMENT OF PROXY
ASPIRE MINING LIMITED
ACN 122 417 243**

ANNUAL GENERAL MEETING

I/We

of

being a member of Aspire Mining Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at The University Club of Western Australia, Hackett Drive, Crawley 6009, on 26 November 2012 at 10am (WST) and at any adjournment thereof.

Where I/we have appointed the Chairman as my/our proxy by ticking the above box, I/we acknowledge that Resolutions 1, 6, 7, 8, 9, 10, 11, 12 and 13 relate to the remuneration of key management personnel, and that the Chairman intends to vote any undirected proxies in favour of those Resolutions. I/ we expressly authorise the Chairman of the Meeting to exercise my/our proxy even though such Resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel and/ or even if the Chairman has an interest in the outcome of these Resolutions and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Remuneration Report	☐	☐	☐
Resolution 2 – Re-election of Director – Sado Demchigsuren Turbat	☐	☐	☐
Resolution 3 – Re-election of Director – David McSweeney	☐	☐	☐
Resolution 4 – Re-election of Director – Mark Read	☐	☐	☐
Resolution 5 – Additional 10% Share Issue Capacity	☐	☐	☐
Resolution 6 – Issue of Performance Rights to Mr McSweeney	☐	☐	☐
Resolution 7 – Issue of Performance Rights to Mr Lithgow	☐	☐	☐
Resolution 8 – Issue of Performance Rights to Mr Pearson	☐	☐	☐
Resolution 9 – Issue of Performance Rights to Mr Edwards	☐	☐	☐
Resolution 10 – Issue of Performance Rights to Mr Read	☐	☐	☐
Resolution 11 – Issue of Performance Rights to Mr Turbat	☐	☐	☐
Resolution 12 – Issue of Shares to Mr Zunduisuren	☐	☐	☐
Resolution 13 – Issue of Managing Director Performance Rights to Mr Paull	☐	☐	☐

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

Please note: If you mark the abstain box for the Resolution, you are directing your proxy not to vote on the Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

_____ %

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. In deciding whether to direct the proxy how to vote, members should read carefully the section headed "Proxies and Corporate Representatives" in the Notice of Meeting. Where a box is not marked, then subject to the restrictions imposed on voting on Resolution 1 and Resolutions 6 - 13, the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Aspire Mining Limited, PO Box 1918, Subiaco WA 6904; or
 - (b) facsimile to the Company on facsimile number +61 8 9388 1980; or
 - (c) email to the Company at info@aspiremininglimited.com,

so that it is received not later than 10am (WST) on 24 November 2012.

Proxy forms received later than this time will be invalid.