

25 August 2014

## ASX Announcement

### Baruun Noyon Uul Mine First Coal Shipment

Guildford Coal Limited ("**Guildford**" or the "**Company**") (ASX: GUF) is pleased to announce that the Baruun Noyon Uul (BNU) mine has commenced the first 8000t shipment of coking coal from its South Gobi mine.

This significant milestone comes after 9 months of negotiations with regulatory approval agencies in Mongolia. The final piece of the jigsaw was sign off on a permit to utilise a 98 kilometre haul road linking the BNU mine to the Chinese border crossing at Shivee Khuren/Ceke. It signals the critical next phase of progress to a commercial mine operation.



Coal loading underway

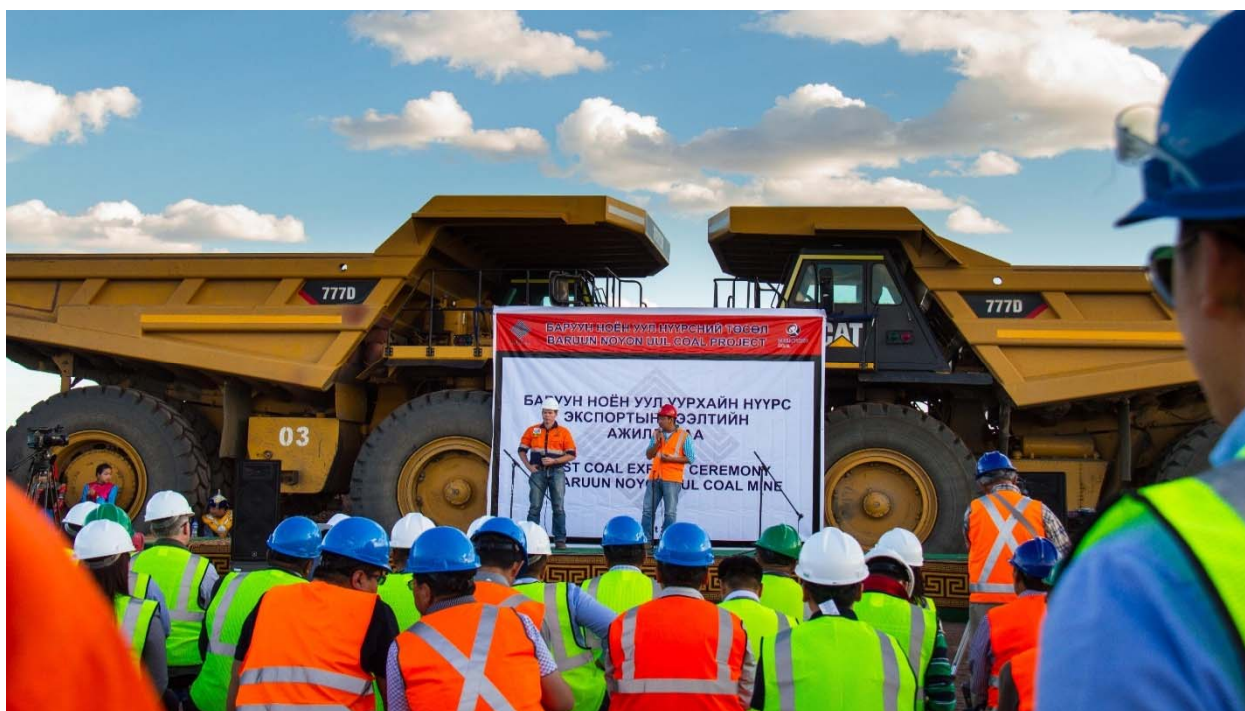


Terra Energy GM Julian Lawrence (L) is congratulated by Managing Director Guildford Coal, Peter Kane (R), on the first shipment of coal from BNU Mine.

Australian Minister for Trade and Investment, Hon Andrew Robb, welcomed the progress as a positive sign for Australian companies seeking to invest in Mongolia.

"Australian mining interests have a growing interest in sharing their expertise with Mongolia for the benefit of both countries. This trend will continue with the expansion of bi-lateral relations between our two countries," Minister Robb said.

The coal shipment was marked by a ceremony at the mine with representatives including Guildford Group MD, Peter Kane, Mr. Natsagdorj, Deputy Governor of South Gobi and local dignitaries.



A ceremony to mark the occasion recognised the benefits that will flow to the region

The importance of the new mine was not lost on Deputy Governor Natsagdorj, who welcomed the commencement of shipments as an important boost for the local area because of the many jobs that are expected to flow.

Guildford's MD, Peter Kane, stressed there was now a clear pathway to a fully operational coal mine. The next priority for Terra is to negotiate with a number customers in China to take delivery of the BNU coking coal brand in the Chinese market via long term offtake agreements.

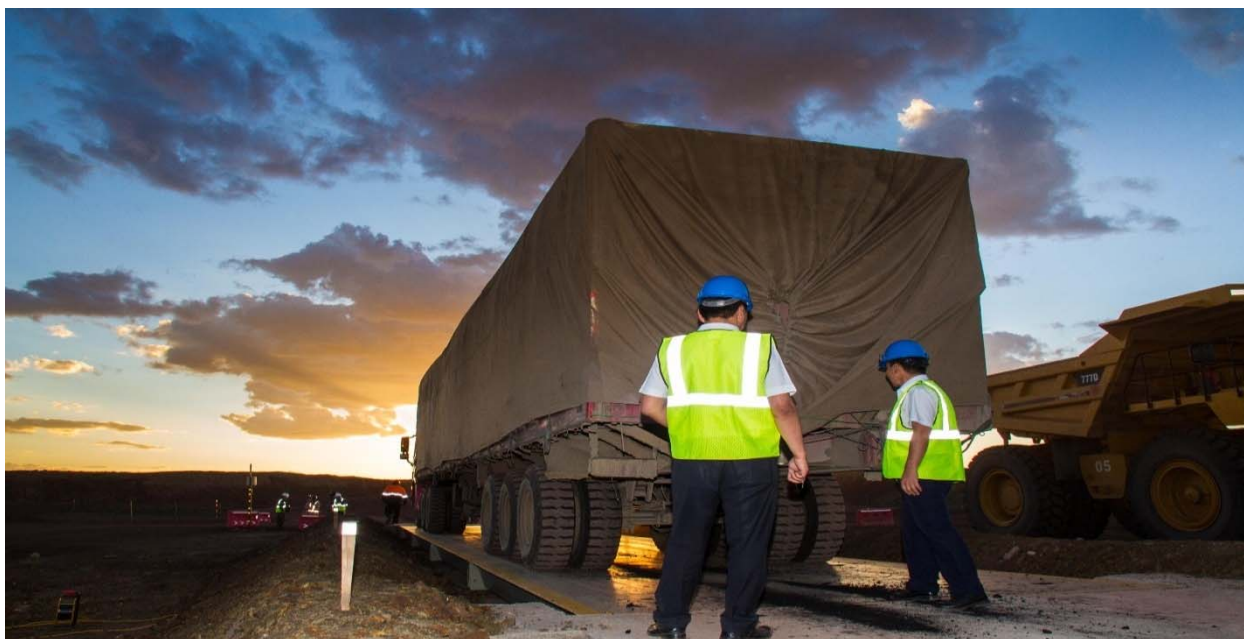
Mr Kane said Guildford's entry into a project in Mongolia had proved a valuable learning experience for the company. "The first shipment has occurred in just over 3 years since Guildford acquired the Mongolian project which is a remarkable achievement. Our approach of partnering with local suppliers and working closely and patiently with important local and Government stakeholders to build support has been critical success factors. There are lessons here for other Australian resource companies." he said.

"There is no lack of support for resource projects in Mongolia but there is a clear need for proponents to identify the benefits that flow back. "The Mongolian government has established transparent ground rules for new entrants and small to medium miners are very well placed to take up opportunities across the sector," Mr Kane said.





First coal from the Terra Energy BNU mine in Mongolia heads to a weigh bridge.



Customs' officials sign off on the first coal shipment

For further information please contact Tony Mooney, GM Stakeholder Relations on +61 423 841 259.



**Peter Kane**  
Group Managing Director

**Guildford Coal Limited** ABN 35 143 533 537  
Level 7, 490 Upper Edward Street, Spring Hill, QLD, 4000  
Tel: +61 (7) 3005 1533 Fax: +61 (7) 3834 3385  
[info@guildfordcoal.com.au](mailto:info@guildfordcoal.com.au)