July 22, 2015

ASX ANNOUNCEMENT

Guildford Coal Updated Announcement: Shallow Coking Coal Micro Basin Uncovered at BNU Mine

Guildford Coal Limited (Guildford Coal or the Company) (ASX: GUF) is pleased to provide the JORC Code Table 1 and competent person statement for the announcement dated 21 July 2015 entitled: "Shallow Coking Coal Micro Basin Uncovered at BNU Mine". This was requested by the Australian Securities Exchange (ASX).

July 21, 2015

Shallow Coking Coal 'Micro Basin' Uncovered at BNU Mine

Guildford Coal Limited (Guildford or the Company) (ASX: GUF) is pleased to announce that in June 2015, an extensive exploration program at its Mongolian Baruun Noyon Uul (BNU) Mine uncovered a shallow coking coal 'micro basin'. The exploration program focused on increasing mining and mine planning confidence with 91 exploration drill holes completed. These were both proximal and to the east of BNU's current pit for a total of 5,211 metres with an average hole depth of 57.4 metres. The holes include 85 PCD or rotary holes with full downhole geophysical survey conducted by Weatherford Geophysics and 6 PCD core holes for coal quality analysis. The program utilised 3 drill rigs, 2 Sandvik DE710 from contractor MMID LLC, and 1 from contractor MERA LLC, a DM45 Atlas Copco.

The micro basin is an elongate (c. 500 metres long and 200 metres wide) fault-bounded structure characterised by thick coal seams, up to 45 metres gross and 35 metres net coal to the near east of BNU Mine (200 metres from the current pit). These large shallow coal intersections are by far the thickest ever discovered at the Company's leases in the Noyon sub-basin.

Guildford has commenced the BNU East Pit in order to expose the low strip ratio coking coal as quickly as possible.

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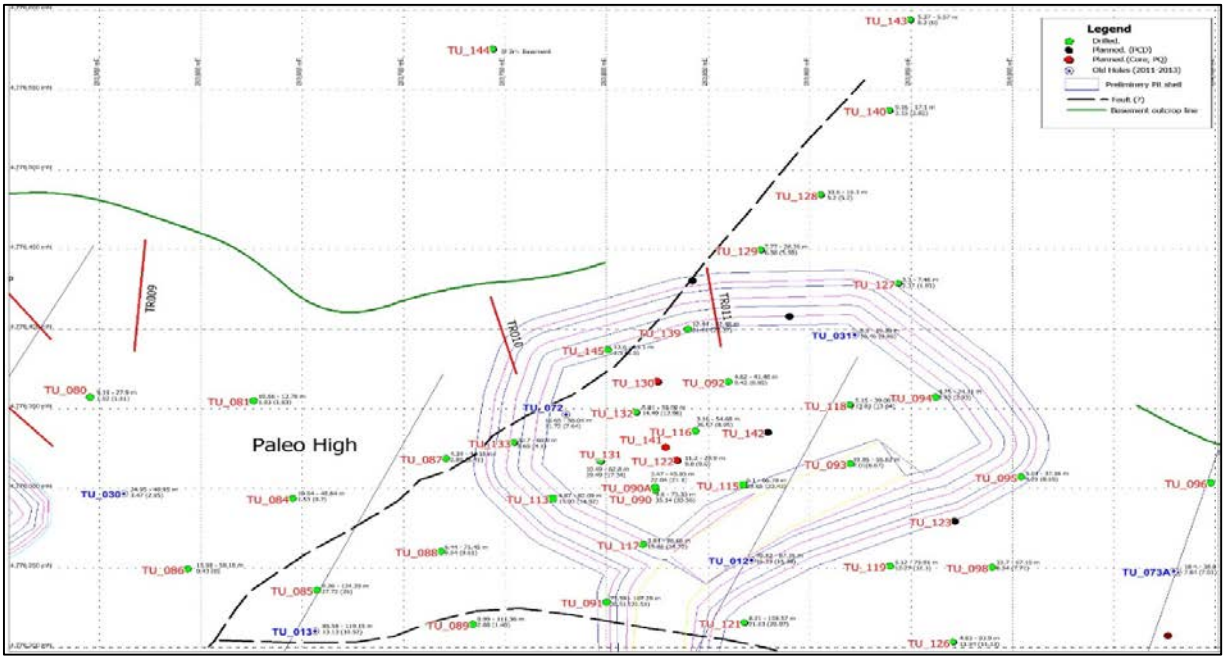

A total of 47 holes, with aggregated depth of 3,199 metres were drilled to the near east of BNU, with 26 drilled within the micro basin. These 26 holes had an average depth of 75 metres with average coal thickness of 14 metres, compared to the programs average net coal thickness 9.7 metres. Drilling further east of the micro basin also had significant coal intersections and remains an area for further exploration.

2015 Exploration Drilled holes in PIT2 (micro basin)

#	Borehole Name	Total Drilled Depth	Net Coal (m)	Easting	Northing	Elevation	Azimuth	Dip/ inclination	Geophysics' Depth	Hole Type	Drilling Type
1	TU_090	88	35.14	283823.9	4776298.7	1627.9	0	90	86.5	Open	PCD
2	TU_90A	50	22.04	283823.9	4776300.9	1627.9	0	90	47	Core	PQ
3	TU_091	131	20.51	283799.9	4776228.7	1626.9	0	90	127.5	Open	PCD
4	TU_092	70	9.42	283860	4776366.9	1628	0	90	66	Open	PCD
5	TU_093	72	7.01	283920	4776315.5	1626.8	0	90	70	Open	PCD
6	TU_094	41	2.93	283962	4776357.4	1629.6	0	90	37	Open	PCD
7	TU_095	77	9.25	284004.1	4776307	1627	0	90	76.8	Open	PCD
8	TU_098	88	8.54	283989.7	4776250.5	1625.1	0	90	88	Open	PCD
9	TU_113	101	15.93	283773.3	4776293.7	1628.5	0	90	97.5	Open	PCD
10	TU_115	79	24.65	283867	4776302.3	1626.9	0	90	78	Open	PCD
11	TU_116	73	26.57	283840.1	4776335.1	1627.7	0	90	70	Open	PCD
12	TU_117	130	19.86	283815.1	4776270.6	1627.5	0	90	128	Open	PCD
13	TU_118	54	13.81	283914.3	4776353.6	1627.7	0	90	53.5	Open	PCD
14	TU_119	94	12.27	283936	4776248.5	1625.4	0	90	93.2	Open	PCD
15	TU_121	118	21.63	283869.2	4776216.6	1625.8	0	90	112	Open	PCD
16	TU_122	31	9.8	283834.7	4776317.5	1627.8	0	90	0	Core	PQ
17	TU_127	21	2.37	283963	4776392.1	1630.5	0	90	17.4	Open	PCD
18	TU_128	83	5.2	283943.7	4776456.6	1630.6	0	90	83	Open	PCD
19	TU_129	33	6.38	283876	4776449.6	1630.3	0	90	30	Open	PCD
20	TU_131	113	19.49	283796.9	4776316.8	1628.4	0	90	110.2	Open	PCD
21	TU_132	96	14.49	283780.6	4776376.6	1629.2	0	90	90	Open	PCD
22	TU_133	89	5.65	283754.4	4776328.7	1628.2	0	90	89	Open	PCD
23	TU_139	52	21.61	283839.7	4776399.9	1630	0	90	51.8	Open	PCD
24	TU_141	65.5	14.3	283828.9	4776325.8	1627.9	0	90	65.5	Core	PQ
25	TU_142	56.4	20.48	283879.5	4776335.2	1627.5	0	90	56.4	Core	PQ
26	TU_145	43	1.5	283800.6	4776386.9	1629.4	0	90	42.8	Open	PCD
	Total	**1948.9**							**1867.1**		
	Average depth (Thickness)	**74.96**	**14.12**						**71.81**		

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A total of 137 raw ply samples have been taken from BNU east pit for detailed coal quality analysis. These results are still ongoing but initial raw results show a high quality coking coal product. Coal working section composite and float sinks will proceed.

Raw results of non-oxidized coal within working sections for TU-90A.

Sample Identification		Proximate Analysis					General Analysis			Coking Coal Parameters	
Sample Count	Hole Number	Analysis Sample Moisture % (ad)	Ash % (ad)	VM % (ad)	FC % (ad)	TS % (ad)	GCV MJ/kg (ad)	GCV kcal/kg (ad)	TRD % (ad)	CSN	G Index
45	TU90A	0.3	22.9	22.5	54.2	0.72	27.09	6470	1.45	7	76

Further exploration is planned to be completed later in the 2015 season with the target of defining further possible 'micro basins' along strike lines to the east and west of the current pits.

Mining commenced on the BNU East on June 29th 2015 and has progressed quickly to uncover coal seams as shown by the following portfolio of photos:

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Competent Persons statement

Geological data and technical results pertaining to the Exploration Results for the Shallow Coking Coal occurrence uncovered at BNU Mine has been prepared and compiled by Guildford Coal Limited geological staff and independent consultants. These data have been independently reviewed by Mr Phillip Sides, who is a Member of the Australian Institute of Geoscientists. Mr Sides is a Senior Geologist and full-time employee of JB Mining Services Pty Ltd. He has sufficient experience relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in The JORC Code – 2012 Edition. Mr Sides consents to the inclusion in the announcement of the matters based on this information in the context in which it appears."

ABOUT GUILDFORD COAL www.guildfordcoal.com.au

Guildford Coal has recently transitioned from being an explorer to miner. Production at the Baruun Noyon Uul (BNU) coking coal mine in the South Gobi Mongolia successfully restarted in late 2014. The Company's goal is to become one of the largest and highest quality coking coal producers in Mongolia, providing exceptional value for its steel-producing customers. Guildford Coal is also focused on developing two priority projects in Queensland, Australia: the large thermal coal Northern Galilee Project and the PCI/thermal coal Springsure Project.

Please contact Jenya Mesh, +85 264 666 218 or Tony Mooney, +61 423 841 259 for further information.

Michael Avery
Group Managing Director

To sign up for Guildford's news please e-mail: JenyaM@GuildfordCoal.com.au

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• All coal quality drill holes at BNU were cored using a (PQ3) size barrel producing 85mm diameter core. • Drill sample recoveries were assessed both on a linear core measurement and a mass recovery basis (i.e. dispatch mass / lab mass / calculated expected mass. • Core loss intervals were determined after reconciliation to Weatherford slimline geophysical logs and BV laboratory determined mass recovery.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• All drillholes were vertically drilled. All coal quality drill holes were cored using a PQ3 size barrel (i.e. producing 85mm large diameter core). Drill holes cored from base of unconsolidated Quaternary sediments.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core loss has been documented on the core run sheets, as well as in the lithology field during logging and sampling of the core. Extensive calculations by the BV laboratory in Ulan Bator were performed to accumulate total core loss over the sampled intervals. • Drilling contractors changed drill bits and drilling mud types and adjusted penetration rates to ensure adequate sample recoveries. Sampling procedures verified by NGS senior

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		geologists who provided on-site supervision. • Loss of fine grained vitrinite-rich material may potentially have occurred due to the nature of coal seams in general and standard drilling processes. This has the potential to compromise coal quality results by weighting results with coarser fractions of any coaly material.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Detailed logging and photo documentation of all chips and PQ3 size drill core following strict BNU guidelines. • The combined length of all holes was 5,211m.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable to this exploration program as no sub-sampling of the core conducted at BNU.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The BV coal quality laboratory adheres to internal QA/QC and inter-laboratory QA/QC checks. • All determinations performed adhere to MNS and MNS ISO.
Verification	• *The verification of significant intersections by either independent or*	• The primary method for verification of the sampling intervals is

of sampling and assaying	*alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	through slimline geophysical logs provided by Weatherford. Corrected depths were supplied to the BV laboratory manager in Ulan Bator. • Seam correlation completed by GUF's MINEX modeling expert in Australia.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The survey equipment used at BNU was a (DGPS) Trimble R8. Survey conducted prior to drilling as well as after the drilling completed.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing considered sufficient to establish continuity in both thickness and coal quality. • Coal seam ply by ply sampling methodology used.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Coal seam ply by ply sampling used therefore orientation of sampling not seen to introduce bias as all drilling was vertical.
Sample security	• *The measures taken to ensure sample security.*	• All samples were dispatched directly from the well sites by BNU geology staff to the BV laboratory located at the BNU mine site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Recognized senior contract coal geologist used to supervise drilling and sampling.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests,*	• All tenements secure and in good standing.

Criteria	JORC Code explanation	Commentary
status	*historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• 1:200,000 scale regional geological mapping conducted by the Mongolian government between 1996 - 1998 covered the BNU mining district.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The BNU coal deposit is considered to form a northern extension of the elongate Ovoot Khural sub-basin, a part of the extensive South Gobi Basin. The coal-bearing strata of the deposit lie within the Late Permian Deliinshand Formation, a sedimentary package consisting of conglomerate, sandstone, siltstone and coal. Subsequent tectonic phases gradually folded and faulted the region and also thermally altered the sediments which increased the rank of the coals within this basin. Multiple periods of uplift have also affected the basin and have resulted in the raising of basement rocks and erosion of Cretaceous cover.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• A summary table with all information material to the understanding of the exploration results provided as Table 1 of this announcement.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used*	• Length together with and in some cases density weighting used to derive full seam/working section composites.

Criteria	JORC Code explanation	Commentary
	for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The coal seam ply by ply sampling methodology prevents samples from crossing ply boundaries. Therefore orientation of sampling not seen to introduce bias as all drilling was vertical.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Please see drill hole map with net coal seam thickness in front end of this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• A table of coal quality data is reported in the front end of this announcement. Furthermore, all net coal thickness intersections from the drilling program also shown in a separate table.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Please refer to previous GUF announcements available on www.asx.com.au. .
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further exploration is planned to be completed later in the 2015 season with the target of defining further possible fault-bounded "micro-basins"" characterized by thick coal seams along strike to the east and west of the current BNU pit. • Figure 1 of this announcement shows the location of the recently uncovered coal-rich micro-basin.

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