

30 July 2015

ASX ANNOUNCEMENT

Grant of Mineral Development License (MDL) 3002 and positive Coal Quality Results for Springsure Project (EPC 1674)

Guildford Coal Limited (**Guildford or the Company**) (ASX: GUF) is pleased to announce that the Department of Natural Resources and Mines (DNRM) have granted Springsure Mining Pty Ltd a Mineral Development Licence (MDL) over a portion of EPC 1674 which is due to commence on 1 August 2015. Guildford Coal Limited is also pleased to announce that in early 2015 washability sampling was conducted on reserve slim core samples from drilling in 2013.

EPC 1674 is 100% owned by Springsure Mining Pty Ltd, Guildford Coal Limited owns 35.7% of Springsure Mining and holds the management rights. The MDL is located within the northern section of EPC 1674 which is located approximately 45km south of Emerald, 8km north of the town of Springsure on the Gregory Highway and 3km south of the Minerva Coal mine. (**Figure 1**).

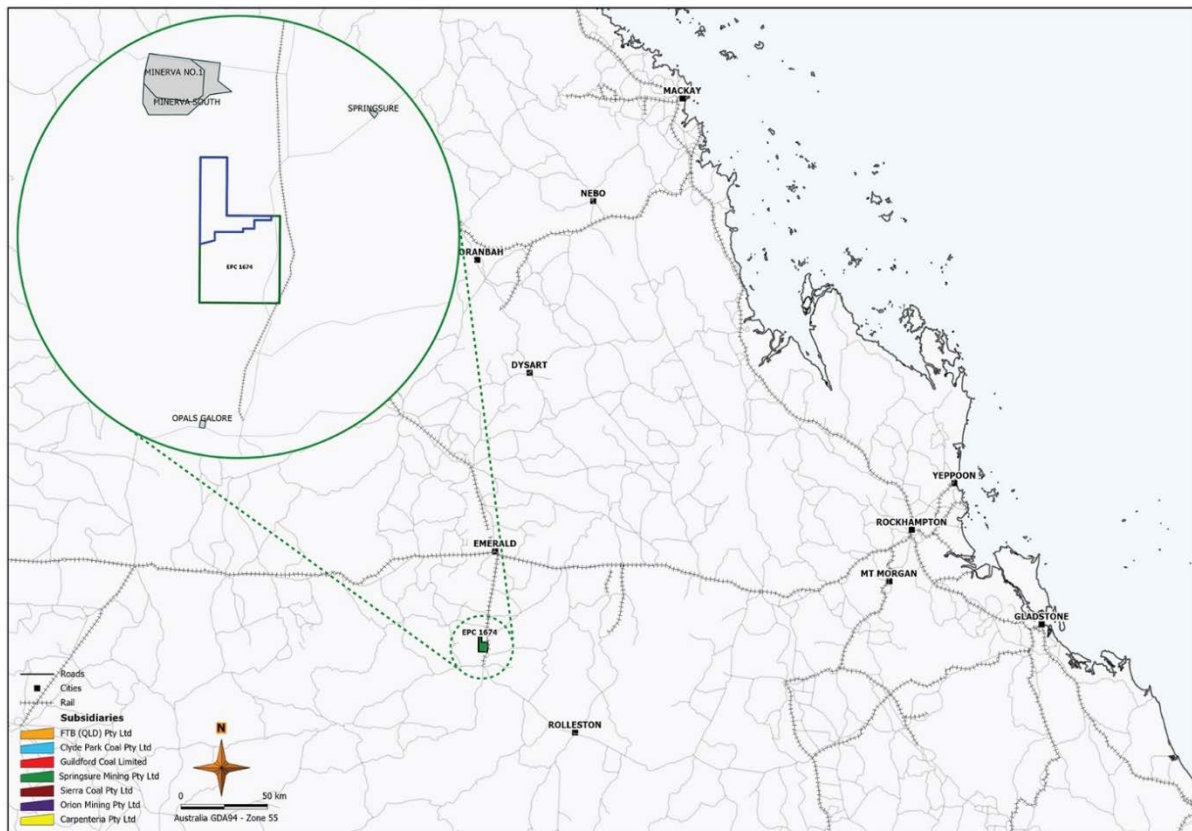


Figure 1 – Springsure Location Map

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In December 2013, Guildford Coal announced on the ASX an updated coal resource after a successful drilling program, of 191.5 Mt, with 148 Mt inferred resource and 43 Mt indicated resource as classified in accordance with the JORC Code 2004 (Maloney *et. al.*, 2013), these results can be found on www.guildfordcoal.com.au.

In June 2014 Springsure Mining was granted a 5 year renewal on EPC 1674 to extend the life of the tenement to June 29th 2019. Within the renewal application it was stated that a Mineral Development Licence (MDL) would be applied for over the northern portion of the tenure, requesting no sub-blocks be relinquished as per the tenure schedule.

Grant of MDL 3002

The Mineral Development Licence was granted for three years. In accordance with section 177 of the Mineral Resources Act 1989 (the MRA), upon grant of the MDL, background Exploration Permit for Coal 1674 will be reduced by omitting the land over which the MDL applies.

Coal Quality Analysis

During exploration between 2011 and 2013, coal quality samples were taken from core boreholes that were later used in the Indicated resource estimation for the Springsure Project. In 2015 Springsure Mining Pty Ltd approved further Coal Quality Analysis of the Springsure samples and Bureau Veritas was engaged to perform this work.

The Coal Quality testing was conducted over 2 stages. Stage 1 was completed in early May 2015 and instructions were given to proceed with Stage 2 with Phosphorus in Coal analysis being added to the scope of tests. Results from Stage 2 were received in early June 2015. The Coal Quality indicated the following characteristics:

- Preliminary view of the raw coal results indicate this coal to be a high volatile thermal coal (>30% VM) with a rank similar to the coals of the upper Hunter Valley;
- The coal has low in situ ash giving rise to the possibility of "bypass" production;
- The coal is environmentally "green" with low total sulphur for Australian thermal coal and low chlorine content.
- Ash fusion results indicate that the majority of seams reported are likely to have benign fouling propensity;
- All seams classified as high volatile bituminous A (volatiles >35% (daf), RoMax <0.8%);
- All products (bypass, washed) have low ash, very low sulphur, low chlorine, high energy (>6000 kcal/kg NAR at <12.0% ash);
- Simple coal processing (dense medium cyclone, spirals) with commercially acceptable yield (CF1.60) range 77.0% – 93.0%, ash range 6.4% - 11.1% (ad);
- RD2 Seam (4.65m) suitable for mining as a raw product coal (ash 7.6% - 9.5%), and;
- High nitrogen content (>2.0% daf) may attract a negative pricing adjustment (NOx emissions).

Hole	BV ID	GUF ID	Sample No	From	To	Thickness (m)	Seam	Raw Coal Composites										
								Inherent Moisture	Ash	Volatile	Total Sulphur	Calorific Value	Chlorine	HGI	Ash Fusion Temp (°C)			
								% ad	% ad	% ad	% ad	Kcal/kg ad	% ad		IDT	HST	ST	FT
GCSU010	281649	CS2	S5_12	351.24	356.12	4.88	RD2	3.9	9.5	30.8	0.24	6927	<0.01	47	+1560	+1560	+1560	+1560
	281650	CS3	S16_17	378.75	380.02	1.27	RD3UU	3.6	11.5	33.0	0.26	6881	<0.01	42	+1560	+1560	+1560	+1560
	281651	CS4	S19_22	380.40	382.80	2.40	RD3UL	4.0	14.4	29.0	0.23	6540	<0.01	47	1480	1510	1520	1560
	281652	CS6	S33_36	424.77	426.52	1.75	RD5	3.5	8.6	31.2	0.32	7072	<0.01	47	1470	1480	1490	1540
	281653	CS7	S37_38	426.52	427.68	1.16	RD5	3.0	31.9	25.6	0.24	5147	<0.01	48	1530	1550	1560	+1560
	281654	CS8	S39_40	427.68	428.43	0.75	RD5	3.4	22.1	27.2	0.29	5931	<0.01	46	+1560	+1560	+1560	+1560
GCSU011	281655	CS6	S8_11	330.49	332.04	1.55	RD3UL	3.3	7.7	21.7	0.44	7237	0.02	47	1360	1370	1400	1500
GCSU012	281656	CS1	S1_11	310.45	315.10	4.65	RD2	4.0	7.6	31.6	0.27	7077	<0.01	50	+1560	+1560	+1560	+1560
	281657	CS3	S18_20	334.47	335.72	1.25	RD3UU	4.0	12.5	29.2	0.27	6678	<0.01	50	1510	1540	1550	+1560
	281658	CS4	S21_24	335.89	337.36	1.47	RD3UL	3.6	22.7	29.2	0.24	5895	<0.01	48	1540	1550	1560	+1560
	281659	CS6	S36_38	379.25	380.57	1.32	RD5	2.4	40.0	24.2	0.23	4545	<0.01	48	1560	+1560	+1560	+1560
	281660	CS7	S39_42	380.57	382.26	1.69	RD5	3.5	11.4	30.5	0.30	6821	0.01	48	1340	1360	1430	1490
	281661	CS8	S43_45	382.26	383.59	1.33	RD5	3.7	20.0	28.3	0.26	5981	0.01	48	1520	1540	1550	+1560

Hole	BV ID	GUF ID	Sample No	From	To	Thickness (m)	Seam	Raw Coal Composites										
								Phosphorus % ad	CSN	Ultimate % ad				Ultimate % daf				
										Carbon	Hydrogen	Nitrogen	Oxygen +err	Carbon	Hydrogen	Nitrogen	Total Sulphur	Oxygen +err
GCSU010	281649	CS2	S5 12	351.24	356.12	4.88	RD2	0.043	1	71.4	4.42	2.07	8.47	82.5	5.10	2.39	0.28	9.73
GCSU011	281655	CS6	S8 11	330.49	332.04	1.55	RD3UL	0.097	0	76.9	3.66	2.10	5.90	86.4	4.11	2.36	0.49	6.64
GCSU012	281656	CS1	S1 11	310.45	315.10	4.65	RD2	0.055	1	72.7	4.53	2.17	8.73	82.2	5.12	2.45	0.31	9.92

Hole	BV ID	Seam	Clean Coal Composites											
			Inherent Moisture % ad	Ash % ad	Volatile % ad	Total Sulphur % ad	Calorific Value Kcal/kg ad	CSN	Phosphorus % ad	HGI	Ash Fusion Temp (°C)			
											IDT	HST	ST	FT
GCSU010	2177625	RD3UU	4.0	7.2	34.2	0.25	7216	1	0.009	44	+1560	+1560	+1560	+1560
	2177626	RD3UL	4.3	7.8	31.3	0.23	7080	1	0.076	49	1440	1510	1530	+1560
	2177629	RD5	3.8	9.6	31.6	0.30	6984	1	0.046	46	1490	+1560	+1560	1560
GCSU012	2177627	RD3UU	4.5	6.4	31.2	0.27	7170	1	0.061	49	1450	1510	1530	+1560
	2177628	RD3UL	4.0	8.2	34.3	0.27	7127	1	0.023	44	+1560	+1560	+1560	+1560
	2177630	RD5	3.6	11.1	31.3	0.30	6921	1	0.085	46	1440	1550	+1560	+1560

Hole	BV ID	Seam	Clean Coal Composites								
			Ultimate % ad				Ultimate % daf				
			Carbon	Hydrogen	Nitrogen	Oxygen +err	Carbon	Hydrogen	Nitrogen	Total Sulphur	Oxygen +err
GCSU010	2177625	RD3UU	72.8	4.62	2.09	9.04	82.0	5.20	2.35	0.22	10.23
	2177626	RD3UL	72.6	4.19	2.04	8.84	82.6	4.77	2.32	0.20	10.11
	2177629	RD5	71.4	4.27	1.90	8.73	82.4	4.93	2.19	0.26	10.22
GCSU012	2177627	RD3UU	73.6	4.22	2.09	8.92	82.6	4.74	2.35	0.24	10.07
	2177628	RD3UL	71.7	4.64	2.14	9.05	81.7	5.28	2.44	0.24	10.34
	2177630	RD5	70.6	4.34	1.90	8.16	82.8	5.09	2.23	0.26	9.62

Next Steps

The next step exploration program for MDL 3002 consists of five (5) partially cored boreholes and two fully cored holes. The objective of this plan is to complete the targeted resource area delineation as per the MDL application. The expected outcomes from the program are as follows:

1. Delineate local structure complexities in MDL area, including gathering more information on the Minerva Hills Volcanics (Tertiary basalt) in the area which could potentially affect underground mining
2. Establish a better understanding of the extent of intruded coal within the area, at this moment in time it's slightly sporadic, closer drilling spacing should assist modelling intrusions
3. Update Coal Quality model and conduct Large Wash testings to better simulate the wash process and further understand coal product
4. To update the geological model

Disclaimer

The estimates of the Coal Resources presented in this announcement are considered to be a true reflection of the Coal Resources as at 30th June 2015 and are available to view on www.guildfordcoal.com.au.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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.

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