

15 October 2014

ASX Announcement

Baruun Noyon Uul Second Coal Shipment Update

Guildford Coal Limited (**Guildford** or the **Company**) (ASX: GUF) is pleased to announce that shipment of the second trial batch of coal (14,300t) from the Baruun Noyon Uul (**BNU**) has commenced. Testing of this batch of coal is due to be completed by 30 October and the Company expects that testing will confirm more favourable results than the first trial batch of BNU coal, as coal has been taken direct from the mine rather than the long term mine stockpile and efficiencies of the washplant have improved.

The Company intends to ramp up production in the coming months, with preparation for mining to be conducted throughout November and full-scale production targeted in early 2015 as follows:

Month	Target Production
December 2014	25,000 tonnes
January 2015	35,000 tonnes
February 2015	65,000 tonnes

Production is expected to be cash flow positive in 2015, with a targeted margin (per ROM tonne) of \$A9-14.

The targeted margin of \$A9-14 incorporates the Company's estimate of the impact of the recent announcement by the Chinese Government re-instating coal import tax of 3% on coking coal imports.

The Company remains confident that it will be able to negotiate a profitable offtake agreement to secure the operation of the BNU mine.

For further information please contact Peter Kane, Group Managing Director on +61 7 3005 1533.



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