

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Guildford Coal Ltd

ABN

35 143 533 537

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation ^[1]	(12)	(12)
	(b) development ^[2]	(2,760)	(2,760)
	(c) production	-	-
	(d) administration	(964)	(964)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	13	13
1.5	Interest and other costs of finance paid	(5,151)	(5,151)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(8,874)	(8,874)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(8,874)	(8,874)

Note 1: Payments for the current quarter are net of an R&D refund \$665k.

Note 2: Payments for the current quarter are net of income received for trial shipments of coal from the Terra Energy managed Baruun Noyon Uul mine.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(8,874)	(8,874)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. ^[3]	5,000	5,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	5,000	5,000
	Net increase (decrease) in cash held	(3,874)	(3,874)
1.20	Cash at beginning of quarter/year to date	9,141	9,141
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,267	5,267

Note 3: The Company announced on 7 July 2014 that it had entered into an underwriting agreement with Maiora Asset Management Pte. Ltd to fully underwrite a non-renounceable pro rata entitlement offer to Guildford's shareholders.

The entitlement offer was on the basis of 1 new share for every 18.248 shares held at \$0.06 to raise \$2.5 million with a closing date of 30 July 2014. Those shareholders who participated in the offer also received 1 free attaching option for each share subscribed for in the offer, exercisable at \$0.06 within 3 months of Entitlement Offer grant. If all options are exercised the Entitlement Offer will raise a further \$2.5 million.

In addition to the underwritten amount of \$2.5 million, the Underwriter had agreed to subscribe for \$2.5 million worth of Guildford shares at the conclusion of the Entitlement Offer period, and was issued with 1 free attaching option for each share subscribed for, exercisable at \$0.06 within 3 months of the Entitlement Offer grant. If the Underwriter exercises all of its options it will subscribe for shares to the value of a further \$2.5 million.

Guildford seeks to raise up to \$10 million with the Entitlement Offer and the underwriting agreement. As at the date of this report the Company had received \$5 million through the offer.

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	(633)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes directors' fees, salary paid to directors and management fees paid to The Chairmen1 Pty Ltd (C1) as set out in the IPO prospectus.

As announced 1 October 2014, the Company negotiated the termination of the C1 Management Agreement (effective 1 September 2014) on the basis of the Company transferring 15% of its shareholding in Springsure Mining Pty Ltd. The transaction is subject to shareholder approval at the forthcoming AGM.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities ^[3]	117,306	117,306
3.2 Credit standby arrangements	-	-

Note 3: Item 3.1 consists of the following financing facilities:

- Noble Debt Facility US\$8.9m (A\$10.2m equivalent)
- Noble Working Capital Facility US\$10m (A\$11.4m equivalent)
- Noble Fuel Exclusivity Agreement US\$6.3m (A\$7.2m equivalent)
- Noble Additional Debt Facility US\$12.4m (A\$14.2m equivalent)
- OCP Amortising Notes US\$55m (A\$62.8m equivalent)
- OCP Convertible Notes US\$10m (A\$11.4m equivalent)
- Increase in total loan facilities of \$8.3m from prior quarter due to unfavourable unrealised foreign exchange loss as debt is denominated in US Dollars

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(604)
4.2 Development	(6,649)
4.3 Production	-
4.4 Administration	(1,769)
Total	(9,022)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5,267	9,141
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,267	9,141

+ See chapter 19 for defined terms.

Appendix 5B

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Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Note: Sub-blocks within the Hughenden project, EPC 1573 (37 sub-blocks), and EPC 1480 (21 sub-blocks) have been relinquished during the quarter.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			
	+securities			
	(description)			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	761,857,020	Fully Paid	Fully Paid
7.4	Changes during quarter			
	(a) Increases through issues	83,333,334	\$0.06	Fully Paid
	(b) Decreases through returns of capital, buy-backs			
7.5	*Convertible debt securities			
	OCP Asia Convertible Notes	1,000	Nil	Refer Appendix 3b lodged 9 January 2014 for terms and conditions

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options Performance Rights OCP Asia Detachable Warrants	4,758,444 66,762,962	Nil Nil	<u>Exercise price</u> \$0.00 \$0.17	<u>Expiry date</u> 31 October 2016 8 January 2019
7.8	Issued during quarter Non-renounceable entitlement offer	83,333,334	Nil	\$0.06	7 November 2014
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
 (Group Managing Director)

Date: 31 October 2014

Print name: Peter Kane

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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