



**GUILDFORD**  
COAL

Telephone: 07 47242582  
[www.guildfordcoal.com.au](http://www.guildfordcoal.com.au)  
Level 7, 370 Flinders Street  
TOWNSVILLE QLD 4810

15 September, 2015

## **ASX ANNOUNCEMENT**

### **Mining Licence Granted in Mongolia**

**Guildford Coal Limited (Guildford or the Company) (ASX: GUF)** is pleased to announce that on the September 8, 2015, its Mongolian subsidiary Terra Energy LLC (Terra Energy) has been granted the new mining licence Khar Servegen MV- 019149 by the Minerals Resource Authority of Mongolia (MRAM). The Mining Licence is valid for 30 years until September 8, 2045 with the company able to extend up to 2 additional terms of 20 years each.

The newly granted licence plays an important strategic role in Guildford's expansion plans for coking coal operations in the South Gobi Region. The mining licence covers part of the previous highly prospective 12600X exploration licence with recently announced JORC 2012 inferred resource of 15Mt and additional Exploration Target of 26Mt to 45Mt. The exploration licence MV-019149 covers 6664 hectares of the Noyon Coal basin with 43270 hectares remaining as exploration licence 12600X.

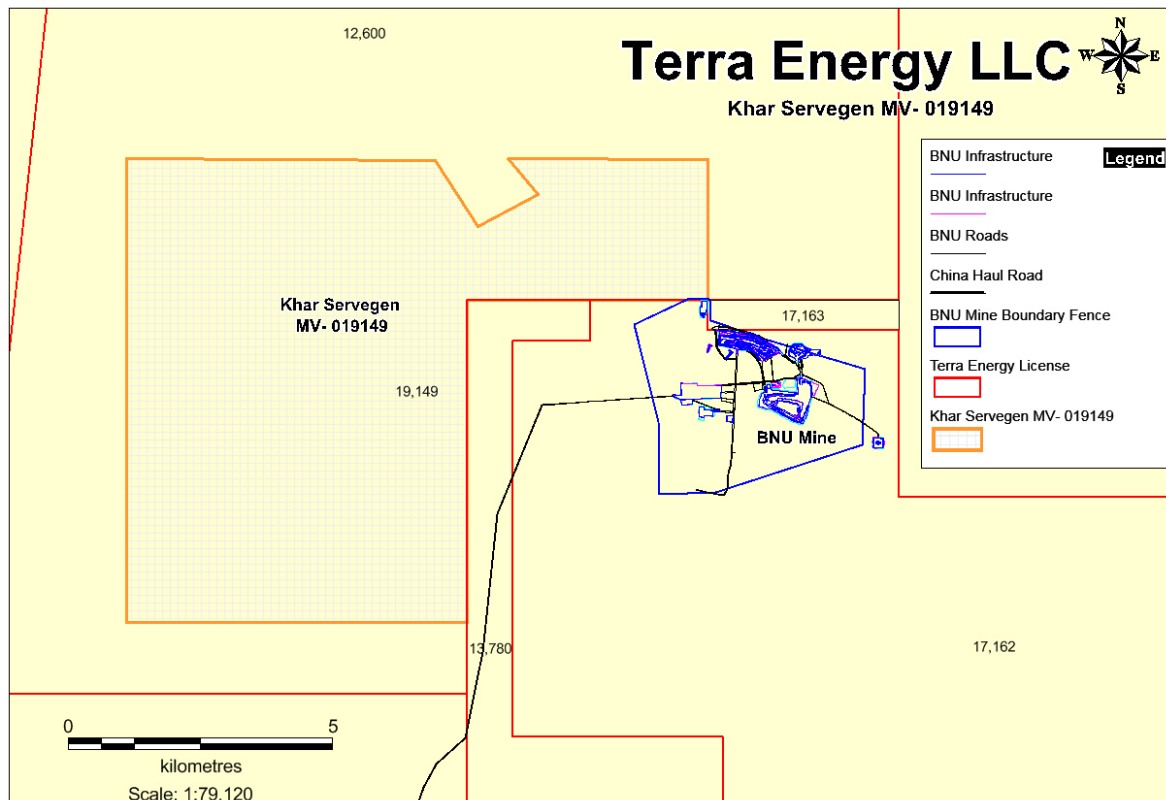
The mining licence aligns with the Company's previously announced mining expansion plans. The plan to achieve 2Mt in 2016 and 3Mt in 2017 and targeting a sustainable 5Mt by 2020 will be achieved through expansion of existing operations and the development of satellite pits in existing licences including MV-019149.

#### **Location**

Mining Licence Khar Servegen (KS) MV- 019149 is strategically located adjoining Guildford Mining Licence MV-017162 which includes Baruun Noyon Uul (BNU) mining operations. It includes the western extent of the Noyon Basin with an estimated 50km of basin edge shallow coal bearing stratigraphy. The operating BNU North Mine is located on the Northern Limb of the basin along strike to the East of KS MV-019149.

#### **Infrastructure**

The licence is adjacent to the current BNU mine allowing for utilisation of current infrastructure including workshops, camp, ROM, CBY, magazine, office facilities and the 98km haul road to China. Utilisation of existing facilities will allow fast ramp up time into mining operations on the licence.



## Mining

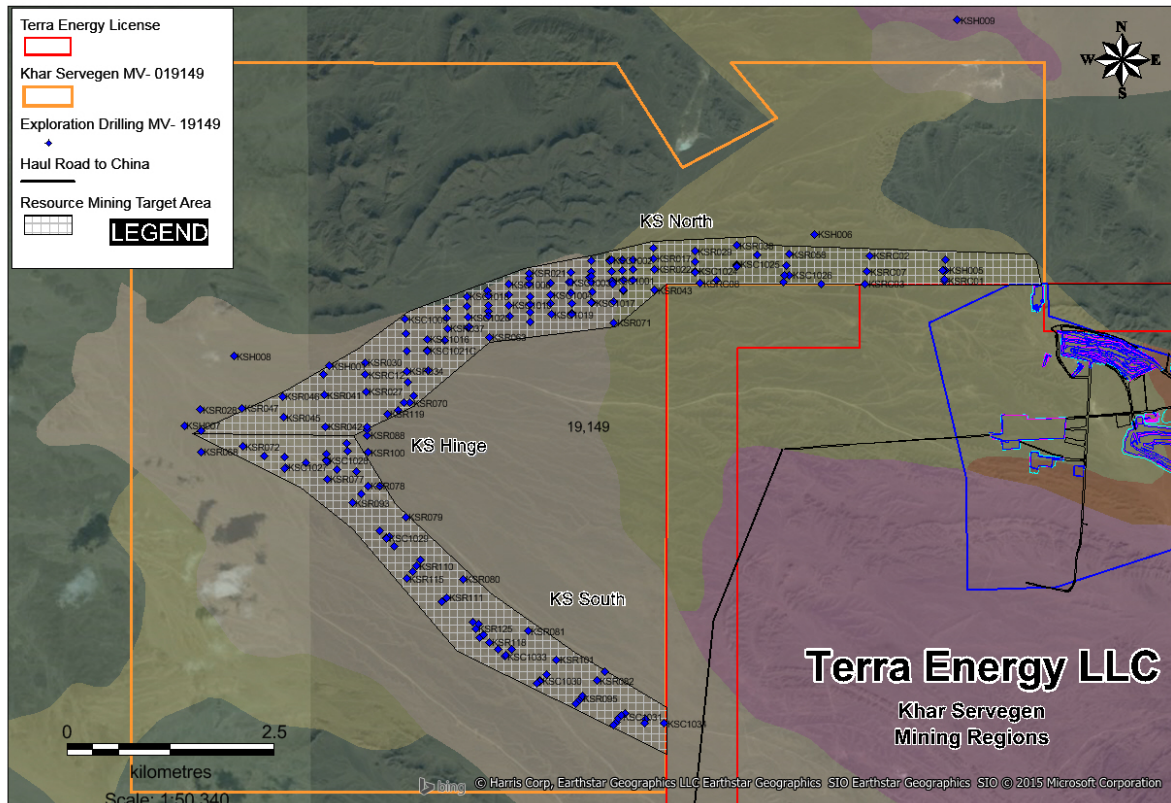
Guildford's plan is to start mining in 2016 at Khar Servegen MV-019149. Low strip ratio coal will be targeted and incorporated into the MRAM approved mine plan to allow for mining on the KS North limb resource area west of BNU Mine. Staged development will take place targeting areas within the license including KS Hinge and KS South.

## Strategic Relevance

Guildford has previously announced the goals arising from the strategic review conducted earlier in the year. The KS MV- 019149 Mining Licence will play an important role in delivering on these strategic expansion goals in the South Gobi. The addition of the licence strategically allows for mining of basin edge near surface coal bearing stratigraphy, with the majority of the Noyon Basin held within Guildford Mining Licences. The goal will be to develop a series of mines targeting the low strip ratio coal across the basin:

KS MV- 019149 contains three mining areas (see Mining Regions Map below):

- **KS North** – which is an extension of the seams currently being mined in the BNU North mining operation and has approximately 8 km of coal bearing stratigraphy
- **KS Hinge** – which contains approximately 5 km of coal bearing stratigraphy
- **KS South** – which is located on the south limb extension of the Noyon Syncline and contains approximately 5 km of coal bearing stratigraphy.



#### **ABOUT GUILDFORD COAL [www.guilfordcoal.com.au](http://www.guilfordcoal.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. Guildford has recently secured off take agreements with 2 end-users in China. 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 high energy prime thermal coal Springsure Project.

Please contact Tony Mooney, +61 423 841 259 for further information.

**Michael Avery**  
Group Managing Director