



**GUILDFORD**  
COAL

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19 November 2013

## **ASX ANNOUNCEMENT**

### **Mongolia Road Construction and Financing Update**

Guildford Coal Limited (ASX:GUF) is pleased to announce an update on the construction progress of the 98km haul road connecting the Company's Baruun Noyon Uul (BNU) mine (formerly North Pit) with the China border and coal distribution hub at Ceke:

- Of a current workforce of 630 people, 350 of whom are working on the road;
- Scheduled completion for 15<sup>th</sup> December with approximately 70% construction complete;
- Good working conditions have allowed the construction program to be delivered under budget.

The mine is currently being prepared for shipments of coal for further batch testing with a number of prospective customers. There has been strong cooperation with the Mongolian authorities on the joint objective of transitioning the mine into production.

A series of photographs from the Company's Mongolia operations follow this update.

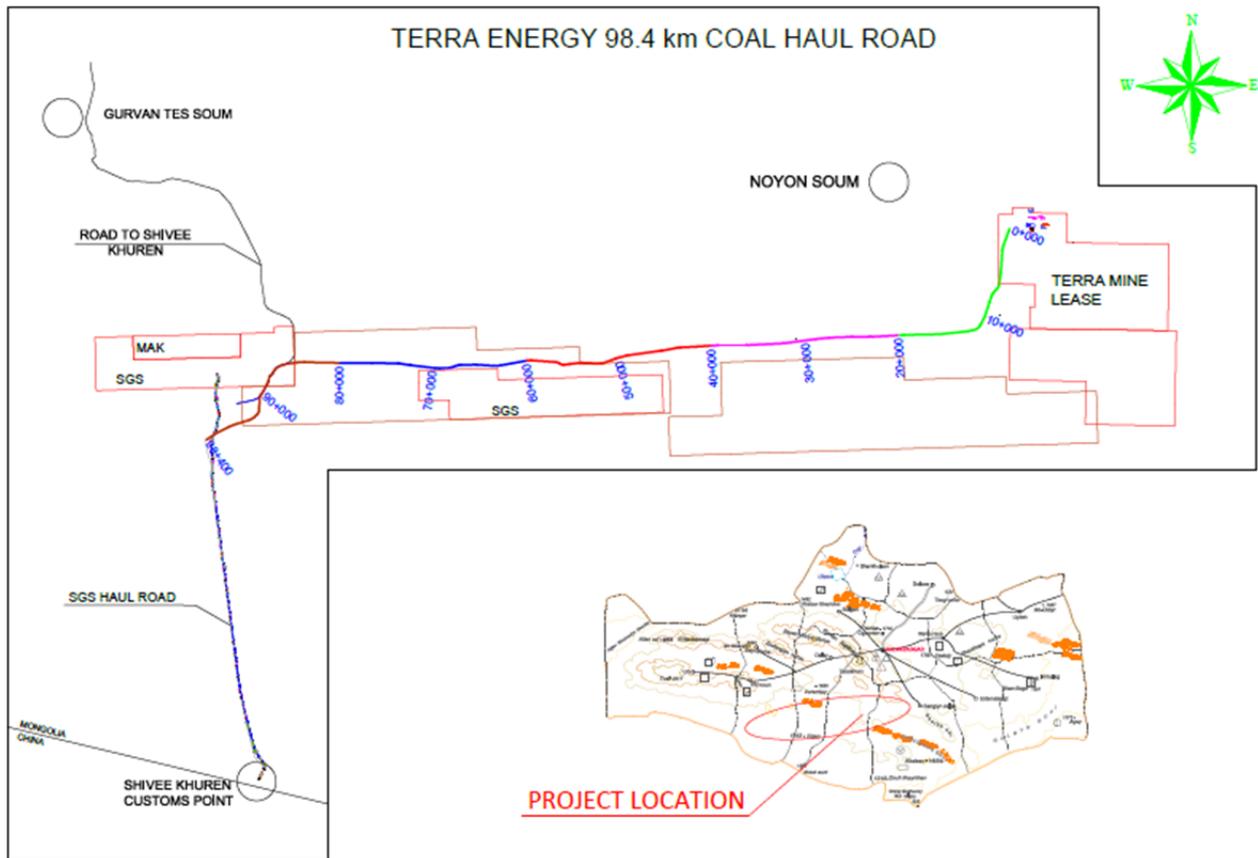
Additionally the Company is pleased to announce further details of the new financing arrangements with OCP Asia as advised to the market on 11 November 2013:

- There are USD\$10 million convertible notes with convertible note warrants attached at a conversion price of AUD\$0.30, which could convert to 35.5mm shares;
- There are USD\$55 million amortising notes with detachable warrants at 18.5% of the face value of the amortising notes with a conversion price of AUD\$0.17, which could convert to 63.7mm shares;
- The average conversion price is therefore \$0.216 which represents a 160% premium to where the stock closed on 8 November 2013, the trading day before the announcement;
- The number of shares that could be converted (and therefore resulting in dilution) is not materially more than the existing terms with OCP Asia that it replaces (given the amortising note plus warrants structure) for the additional funds financed under these arrangements.

Below: The BNU mine Coal Haulage Road.



Figure 1: A map of the Coal Haulage Road and Project Location.



*Below: Our Chief Operating Officer for Mongolia, Julien Lawrence, next to the D2 seam in the BNU mine Boxcut.*



*Below: A truck tipping on the BNU mine ROM Coal Stockpile*



*Below: "Felix" the fox, Terra Energy's Rodent Control Manager.*



*Below: Sunset at the BNU Mine Camp.*



For further information please contact Peter Kane, Chief Executive Officer, 07 3005 1533.

A handwritten signature in black ink, appearing to read 'KON TSIAKIS', with a large, sweeping flourish underneath.

**Kon Tsiakis**  
**Company Secretary**