



GUILDFORD
COAL

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30 May 2013

Company Announcements Office
ASX Limited

Mongolian Update

Guildford Coal Ltd (ASX: GUF) is pleased to advise that production activities at our South-Gobi open cut coking coal mine in Mongolia has commenced with GUF's principal contractor, GrandPower, starting overburden removal.



This photograph shows excavators benching down to top of coal. Overburden is trucked out and placed in an out-of-mine waste dump

Overburden will be removed to just above top-of-coal. Coal mining will proceed once surface infrastructure is in place and conformance of mining operations and facilities with submitted plans is verified. The equipment currently in use comprises relatively small capacity excavators and trucks. These will progressively be replaced with larger earthmoving equipment as production ramps up.

In other developments:

- The excavation of the first standard type test pit for further validation of coal quality specifications is complete and enabled samples to be taken for metallurgical analysis. The results are encouraging, indicating a coal type close in specification to Prime Coking Coal.

Coking Coal Quality Range of Specifications	
Ash	5% - 10%
Volatile Matter	23% - 28%
Fixed Carbon	60% - 70%
Sulphur	0.3 – 0.5
CV	7,700 – 8,200 Kcal
CSN	5.5 – 7.5
G Index	80 – 95
Y Index	20 - 24

The quality specification parameters are, at this time, deliberately described in a broad range. GUF will establish more definitive parameters when two (2) further test pits have been sampled and analysed allowing coal quality modelling to be further refined. Progress on the remaining test-pits has been hampered by difficult digging conditions (unblasted material) and these are now expected to be complete around mid-June. Discussions with potential off-take parties regarding coal supply agreements are taking place. When complete this will enable firm unit coal price and revenue assumptions to be made.

- Negotiations with suppliers and constructors of mine support facilities including accommodation camp, workshops, fuel bay, offices and security fencing are at an advanced stage with construction activities expected to commence in July.

For further information please contact:



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