



# GUILDFORD COAL

7 October 2013

## ASX ANNOUNCEMENT

### Mongolia Update

Guildford Coal Ltd (ASX: GUF) is pleased to announce that 100% owned subsidiary Terra Energy P/L (Terra) has received Mongolian Government approval to construct the 98km haul road connecting the Company's Baruun Noyon Uul mine (formerly North Pit) with the China border and coal distribution hub at Ceke. This very welcome announcement permits Terra to immediately commence the road construction project which is anticipated to take about 12 weeks.

As disclosed in August 2013 the cost of the road construction is \$17M and will be funded by an extension to the existing Noble debt facility.

Coal sales to customers are now expected to commence in January. A recent visit to prospective customers with our marketing agent Noble in China by Managing Director Peter Westerhuis and General Manager Marketing Allan Dawson confirmed a strong interest to commence use of Terra coal in their coking plants.

Mining operations are progressing very satisfactorily. The initial box cut excavation is continuing to take shape and coal uncovering is ahead of schedule. Coal mining and crushing will be scheduled to coincide with the completion of the haul road construction.

*This photograph shows progress of the box cut with approximately 50,000 tonne of coal uncovered and left in-situ under a shallow cover of overburden.*



*This photograph shows part of the 3km completed on-lease section of the haul road. Construction will now commence on the 98km off-lease alignment.*



Commencement of haulage and sales from the North Pit will now also be the catalyst for GUF to re-energise development activities for the nearby East Pit.

*These two photographs shows the current mine development:*

*Photograph 1.*

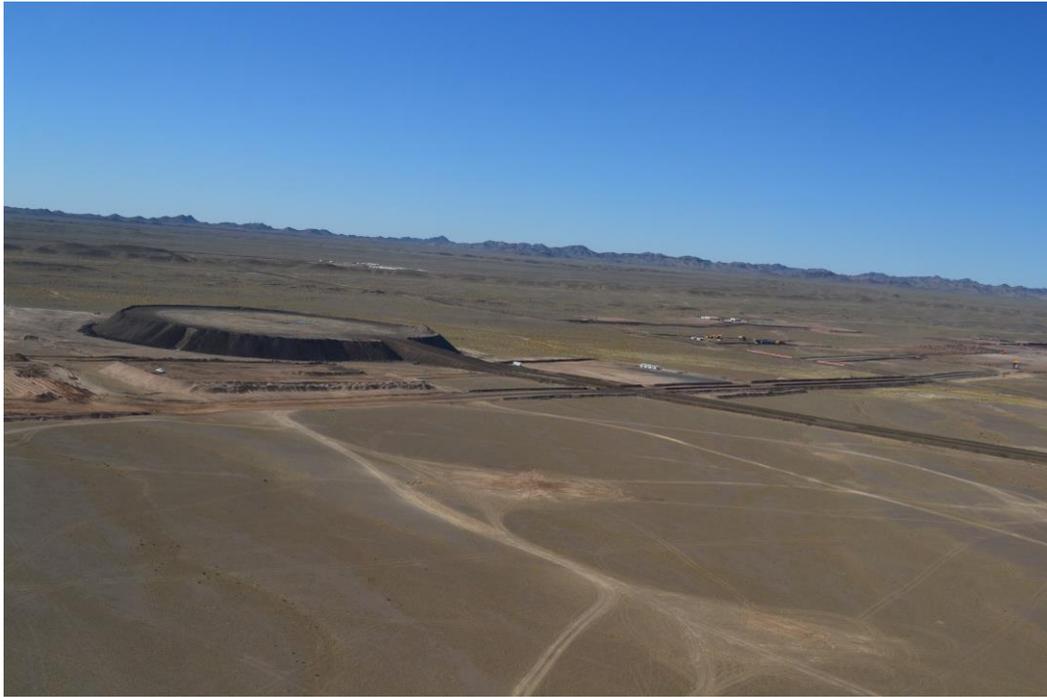




**GUILDFORD**  
COAL

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*Photograph 2.*



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