

Date: 10 July 2014

GUILDFORD COAL LIMITED
ACN 143 533 537

Prospectus

Underwritten non-renounceable Entitlement Offer
to existing shareholders

One New Share for every 18.284 Shares held at an issue price of \$0.06 per New Share, together with one free attaching New Option for every New Share subscribed for, to raise approximately \$2.5 million (assuming no New Options are exercised)

The Entitlement Offer closes at 5:00pm Brisbane Time on 30 July 2014

IMPORTANT NOTICES

Regulatory information

This Prospectus is dated 10 July 2014. A copy of this Prospectus was lodged with the Australian Securities and Investments Commission (ASIC) on 10 July 2014.

ASIC takes no responsibility for the contents of this Prospectus or the merits of the Entitlement Offer contained in it.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the Prospectus Date.

Not investment advice

You should read this Prospectus carefully and in its entirety before deciding whether to invest in New Shares and New Options. In particular, you should consider the risk factors that could affect the performance of GUF or the value of an investment in GUF, some of which are outlined in Section 9 of this Prospectus. Note, however, that the information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation, tax position or particular needs of individual investors.

Before deciding whether to apply for New Shares and New Options, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading this Prospectus, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

Disclaimer

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer, other than that which is contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by GUF or its Directors, or any other person in connection with the Entitlement Offer. None of GUF, nor any other person, guarantees the future performance of GUF or any return on any investment made pursuant to this Prospectus.

Exposure period

No exposure period applies to the Entitlement Offer.

Offer in Australia, New Zealand, Singapore and Hong Kong

This Prospectus contains an offer for New Shares and New Options in Australia, New Zealand, Singapore and Hong Kong. New Shares are continuously quoted securities and New Options are exercisable into continuously quoted securities (as defined in the Corporations Act) of GUF, and this Prospectus has been prepared in accordance with section 713 of the Corporations Act.

WARNING

The contents of this Prospectus have not been reviewed by any regulatory authority in New Zealand, Hong Kong or Singapore. Eligible Shareholders in New Zealand, Hong Kong and Singapore are advised to exercise caution in relation to the Entitlement Offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

No cooling off rights

Cooling off rights do not apply to an investment in New Shares and New Options. You cannot withdraw your acceptance once it has been accepted, except as allowed by law.

Taxation consequences

The taxation consequences of any investment in New Shares and New Options will depend upon your particular circumstances.

You must make your own enquiries concerning the taxation consequences of any investment in GUF. You should consult your tax adviser for advice applicable to your individual needs and circumstances.

Privacy

The information about the Eligible Shareholders included on an Entitlement and Acceptance Form is used for the purposes of processing the Entitlement and Acceptance Form and to administer the Eligible Shareholder's holding of New Shares and New Options. By submitting an Entitlement and Acceptance Form, each Eligible Shareholder agrees that GUF may use the information provided by an Eligible Shareholder on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry and GUF's related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires GUF to include information about each Shareholder and optionholder (including name, address and details of the Shares and options held) in the Register. The information contained in the Register must remain there even if that person ceases to be a Shareholder or optionholder. Information contained in the Register is also used to facilitate payments and corporate communications (including GUF's financial results, annual reports and other information that GUF wishes to communicate to its security holders) and compliance by GUF with legal and regulatory requirements.

Under the Privacy Act 1988 (Cth), you may request access to your personal information held by, or on behalf of, GUF or the Share Registry. A fee may be charged for access. You can request access to your personal information by telephoning or writing to the Share Registry as follows:

Link Market Services Limited
Level 12, 680 George Street, Sydney, NSW 2000

Future performance and forward looking statements

Neither GUF nor any other person warrants or guarantees the future performance of the New Shares or attaching New Options, or any return on any investment made pursuant to this Prospectus. Forward looking statements, opinions and estimates provided in this Prospectus are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of GUF and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Prospectus.

Investors should note that the past share performance of Shares provides no guidance as to future price performance.

Governing law

This Prospectus, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Form are governed by the laws applicable in Queensland. Each applicant for New Shares and New Options submits to the non-exclusive jurisdiction of the courts of Queensland.

1 CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board of Guildford Coal Limited (**GUF**), I am pleased to invite you to participate in a fully underwritten, non-renounceable, pro-rata entitlement offer of new fully paid ordinary shares in GUF.

The Entitlement Offer will be on the basis of 1 new share for every 18.284 shares held at \$0.06 to raise approximately \$2.5 million (before costs), together with 1 free attaching option (exercisable at \$0.06 within 3 months of grant) for every share subscribed for and issued. If all options are exercised it will raise an additional \$2.5 million and a total of approximately 83,335,924 shares will have been issued under the Entitlement Offer. GUF intends to apply the funds raised from the Entitlement Offer for working capital purposes.

The Entitlement Offer is fully underwritten by Maiora Asset Management Pte. Ltd (**Underwriter**), a Singapore based asset manager of former Deutsche Bank employees. In addition to underwriting the Entitlement Offer, the Underwriter has committed to separately subscribe for an additional 41,666,667 shares at \$0.06, together with 41,666,667 free options (exercisable at \$0.06 within 3 months of grant). At a minimum, this will provide GUF within an additional \$2.5 million (assuming the Underwriter does not exercise any of its options). If the Underwriter exercises all of its options it will raise an additional \$2.5 million.

We have entered a very exciting and important period for the development of our Mongolian operations as all regulatory approvals necessary to develop and export coal from the Baruun Noyon Uul (**BNU**) mine have now been received and GUF will shortly begin the process of exporting a trial shipment of 10,000 tonnes of coal to processing facilities in northern China. GUF's other recent achievements in respect of the BNU mine include:

- successful mine commissioning and commencement of mine boxcut;
- appointment of Noble as marketing agent;
- approval and construction of 98km haul road to market;
- completion of mine infrastructure, including mine camp, workshop, waste water facilities, customs bonding yard and coal laboratory;
- early stage mining of 40,000 tonnes of coal to Run of Mine (ROM) stockpile;
- 3 months of stress testing mine start up;
- resource classification update to JORC Code (2012);
- completion of initial 10 year mine plan based on a conservative rate of 1,000,000 tonnes per annum; and
- continuing to establish a wide customer base with Chinese steel mills with rail connections from Ceke border to port of delivery.

The Directors' intention is to recommence mining at the BNU mine based on an initial mine plan of 1,000,000 tonnes per annum for 10 years. To get to this point will require further capital expenditure. The Board will remain rigorous in its efforts to minimise further capital expenditure to achieve cash flow generation and will consider all options available to it. We look forward to updating you in the coming months to highlight results of our progress.

If you have any queries about the Entitlement Offer, please contact Jason Culpeper, GM Finance and Commercial at any time between 9:00am and 5:00pm (Brisbane time) on +61 7 3005 1534.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your continuing support.



The Hon. Alan Griffiths
Acting Chairman and Non-Executive Director

2 CORPORATE DIRECTORY

Company	Guildford Coal Limited ACN 143 533 537
Registered Office	Level 7 490 Upper Edward Street Spring Hill Qld 4000
Board of Directors	The Hon Alan Griffiths Peter Charles Kane Tsogt Togoo Kon Tsiakis The Hon Craig Wallace
Company Secretary	Kon Tsiakis

3 ENTITLEMENT OFFER AT A GLANCE

Offer Price	\$0.06
Entitlement	One New Share and one free attaching New Option for every 18.284 Shares held on the Record Date
Maximum number of New Shares and New Options to be issued under the Entitlement Offer	41,667,962 New Shares and 41,667,962 New Options
Number of Shares that will be on issue after the Entitlement Offer assuming no New Options are exercised ⁽¹⁾	803,524,982
Amount to be raised assuming no New Options are exercised	approximately \$2.5 million
Number of Shares that will be on issue after the Entitlement Offer assuming all New Options are exercised ⁽¹⁾	845,192,944
Amount to be raised assuming all New Options are exercised	approximately \$5 million

- (1) Assuming no other options, performance rights, warrants or convertible notes are exercised and no further securities issued (including Placement Shares and Placement Options to be subscribed for by the Underwriter, refer Section 6.8).

4 KEY DATES⁽²⁾

Release of Prospectus and Appendix 3B to ASX	Thursday, 10 July 2014
Ex Date for New Share entitlement	Monday, 14 July 2014
Record Date for identifying Shareholders with New Share entitlements	7:00 pm (Brisbane time) on Wednesday, 16 July 2014
Dispatch of Prospectus and Entitlement and Application Forms to Eligible Shareholders (Opening Date)	Monday, 21 July 2014
Closing Date	Wednesday, 30 July 2014
New Shares quoted on deferred settlement basis	Thursday, 31 July 2014
Shortfall notification date	Tuesday, 5 August 2014
Allotment Date of New Shares and grant of New Options	Thursday, 7 August 2014
Dispatch of holding statements	Thursday, 7 August 2014
Commencement of trading of New Shares on normal settlement basis	Friday, 8 August 2014

- (2) The Company reserves the right to change the above timetable (including extending the Entitlement Offer or accepting late applications) without notice.

5 DEFINITIONS

Application Monies	Money payable by Eligible Shareholders for New Shares and attaching New Options.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691.
BNU	Baruun Noyon Uul .
Board	The board of directors of the Company.
C1 Management Agreement	The management agreement with TheChairmen1 Pty Ltd dated 26 May 2010, as amended from time to time.
Closing Date	Wednesday, 30 July 2014.
Company, Guildford or GUF	Guildford Coal Limited.
Corporations Act	The Corporations Act 2001 (Cth).
Directors	The directors of the Company.
Eligible Shareholder	Is defined in Section 6.5.
Entitlement	The entitlement to receive a New Share and free attaching New Option on the payment of \$0.06 and lodgement of the Entitlement and Acceptance Form.
Entitlement and Acceptance Form	The form included with this Prospectus for Eligible Shareholders to take up New Shares and attaching New Options.
Entitlement Offer	The offer of New Shares and attaching New Options under this Prospectus.
EPC	Exploration Permit for Coal.
Group	The Company and its subsidiaries.
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder and who the Company has not elected to treat as an Eligible Shareholder.
Listing Rules	The listing rules of ASX as amended or waived by ASX from time to time.
New Options	Options offered by the Company under this Prospectus and having the terms and conditions set out in Section 10.8.
New Shares	Shares offered under this Prospectus.
Noble	Noble Resources International Pte. Ltd
Placement Options	Is defined in Section 6.8.
Placement Shares	Is defined in Section 6.8.
Prospectus	This document including the Entitlement and Acceptance Form.
Record Date	Wednesday, 16 July 2014.
Register	The register of members and optionholders of the Company.
Securities Act	US Securities Act of 1933, as amended.
Shareholders	The holders of Shares.
Share Registry	Link Market Services Limited, Level 12, 680 George Street, Sydney, NSW 2000.

Shares	Fully paid ordinary shares in the capital of the Company.
Underwriter	Maiora Asset Management Pte. Ltd.
U.S. Persons	Has the meaning given to it under Regulation S of the Securities Act.
\$	Australian dollars.

6 DETAILS OF THE ENTITLEMENT OFFER

This Prospectus has been prepared by GUF.

No party other than GUF has authorised or caused the issue of this Prospectus, or takes any responsibility for, or makes, any statements, representations or undertakings in this Prospectus.

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

You should read this Prospectus carefully and in its entirety before deciding whether to invest in New Shares and attaching New Options. In particular, you should consider the risk factors outlined in Section 9 that could affect the operating and financial performance of GUF or the value of an investment in GUF.

6.1 Description of the Entitlement Offer

Eligible Shareholders are invited to participate in a fully underwritten, pro-rata non-renounceable Entitlement Offer to raise approximately \$2.5 million (before costs) assuming no New Options are exercised.

The Entitlement Offer will be conducted on the basis of one New Share for every 18.284 Shares held at 7.00 pm (Brisbane time) on the Record Date, at an issue price of \$0.06 (together with one attaching New Option for every one New Share subscribed for and issued). Fractional entitlements will be rounded down to the nearest whole number.

The Entitlement Offer is fully underwritten by the Underwriter, subject to a maximum commitment by the Underwriter of \$2.5 million (refer Section 6.7 for more information).

This Prospectus is a transaction specific prospectus pursuant to the provisions of section 713 of the Corporations Act. As a result, it is important for Eligible Shareholders to read and understand publicly available information on GUF and the Entitlement Offer, prior to accepting all or part of the Entitlement.

In particular, please refer to this Prospectus, GUF's interim and annual reports and other announcements made available at www.guildfordcoal.com.au.

New Shares issued under the Entitlement Offer will rank equally with existing issued Shares.

New Options issued under the Entitlement Offer will be issued on the terms and conditions summarised in Section 10.8 of this Prospectus. Shares issued on exercise of the New Options will rank equally with the then existing issued Shares.

6.2 Entitlement and acceptance

Your entitlement is set out in the accompanying Entitlement and Acceptance Form and has been calculated as one New Share for every 18.284 Shares held by you as at the Record Date of 7:00pm (Brisbane time) on Wednesday, 16 July 2014. If you have more than one holding of Shares you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each holding.

If you decide to take up all or part of your Entitlement, please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY¹ by following the instructions set out on the personalised Entitlement and Acceptance Form.

¹ ® registered to BPAY Pty Limited ABN 69 079 137 518

Guildford will treat you as applying for as many New Shares and attaching New Options as your payment will pay in full. If you are paying by BPAY[®], please make sure to use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please use the CRN specific to the Entitlement on each form.

If you take no action you will not be allocated any New Shares or attaching New Options and your Entitlement will lapse.

6.3 No trading of Entitlements

Your Entitlement is non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements that they do not take up.

6.4 Fractions

Where fractions arise in the calculation of Entitlements, they will be rounded down to the nearest whole number of New Shares and attaching New Options.

6.5 Eligible Shareholders

This Prospectus contains an offer of New Shares and attaching New Options to Eligible Shareholders in Australia, New Zealand, Singapore and Hong Kong.

Eligible Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7.00 pm (Brisbane time) on the Record Date;
- have a registered address in Australia, New Zealand, Singapore or Hong Kong;
- are not in the United States or acting for or on behalf of US Persons; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlements of Eligible Shareholders who also hold options, performance rights or other convertible securities which entitle the holder to subscribe for Shares will be calculated on the basis of the number of Shares they hold at 7.00 pm (Brisbane time) on the Record Date, disregarding any options or convertible securities which have not been exercised or converted before that time.

Shareholders that are not Eligible Shareholders are Ineligible Shareholders.

The Company is not extending the Entitlement Offer to Ineligible Shareholders having regards to:

- the cost of complying with legal and regulatory requirements outside Australia, New Zealand, Singapore and Hong Kong;
- the number of Ineligible Shareholders; and
- the number and value of New Shares and attaching New Options which could be offered to Ineligible Shareholders.

Where this Prospectus has been dispatched to Ineligible Shareholders, it is provided for information purposes only.

In limited circumstances the Company may elect to treat as Eligible Shareholders certain Shareholders who would otherwise be Ineligible Shareholders, provided the Company is satisfied that it is not precluded from lawfully issuing New Shares and attaching New Options to such Shareholders either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

6.6 Rights and liabilities attaching to New Shares and New Options

New Shares

A summary of the significant rights and liabilities attaching to Shares (including the New Shares) is set out in Section 10.7. Full details of the rights and liabilities attaching to Shares (including the New Shares) are set out in the constitution of the Company, a copy of which is available for inspection at the Company's registered office during normal business hours.

New Options

A summary of the significant rights and liabilities attaching to the New Options is set out in Section 10.8. Full details of the rights and liabilities attaching to New Options will be set out in the option terms which will be sent to holders of New Options.

6.7 Underwriting

The Underwriter has agreed to fully underwrite the Entitlement Offer, subject to a maximum commitment of \$2.5 million. The Underwriter will not receive any fees or commissions for underwriting the Entitlement Offer.

Under the terms of the underwriting agreement, the Underwriter may, at any time prior to completion of the Entitlement Offer, terminate the underwriting agreement and be released from its obligations under it on the occurrence of certain events, including if:

- any adverse change occurs which materially impacts or is likely to materially impact the Company;
- the Company is in default of any of the terms and conditions of the underwriting agreement or breaches any warranty or covenant given or made by it under the underwriting agreement;
- a Director of the Company is charged with an indictable offence;
- any person is appointed under any legislation in respect of companies to investigate the affairs of the Company; or
- the Company becomes insolvent or is wound up.

6.8 Placement to Underwriter

In addition to underwriting any shortfall in the Entitlement Offer (subject to a maximum commitment of \$2.5 million):

- the Underwriter has agreed to subscribe for 41,666,667 Shares at an issue price of \$0.06 (**Placement Shares**); and
- the Company has agreed to grant 41,666,667 free options to the Underwriter on the same terms and conditions as the New Options (**Placement Options**).

Subject to the Underwriter paying the applicable subscription money to the Company for the Placement Shares, the issue and allotment of Placement Shares and grant of attaching Placement Options to the Underwriter will occur on the same date as New Shares and attaching New Options are issued and granted to Shareholders under the Entitlement Offer.

The Placement Shares and Placement Options will be issued within the Company's 15% placement capacity under ASX Listing Rule 7.1.

7 EFFECT OF THE ENTITLEMENT OFFER ON THE COMPANY

7.1 Capital structure

The capital structure of GUF, assuming no existing options, warrants, convertible notes or performance rights are exercised, after the issue of the New Shares, attaching New Options, Placement Shares and attaching Placement Options will be as follows:

Shares

	Number
Shares on issue as at the date of this Prospectus	761,857,020
Maximum number of New Shares to be issued under this Prospectus	41,667,962
Number of Placement Shares to be issued to the Underwriter	41,666,667
Maximum total Shares on issue after completion of the Entitlement Offer and Placement⁽³⁾	845,192,944

(3) Assuming no other options, performance rights, warrants or convertible notes are exercised and no further securities issued.

Options, warrants, performance rights and convertible notes

	Number
Warrants currently on issue:	
<u>With Gleneagle Securities (Aust) Pty Limited</u> : Bond conversion warrants (convertible into up to 20,000,000 Shares) exercisable until 14 August 2014 at an adjustable exercise price of \$0.50 per warrant	20,000,000
<u>With OCP Asia</u> : Detachable warrants (convertible into up to 66,762,962 Shares) exercisable until 8 January 2019 at an adjustable exercise price of \$0.17 per warrant	66,762,962
Convertible notes currently on issue:	
<u>With OCP Asia</u> : Convertible notes with a face value of USD 10,000 exercisable until 8 July 2015 with an adjustable exercise price of \$0.30 per convertible note	1,000
Performance rights currently on issue:	
Performance rights granted to Peter Kane on the terms and conditions set out in the Explanatory Memorandum for the Notice of EGM held 3 April 2014	4,758,444
Options:	
Maximum number of New Options to be granted under this Prospectus	41,667,962
Number of Placement Options to be granted to the Underwriter	41,666,667

7.2 Use of funds

Use of funds from issue of shares

Funds raised pursuant to the issue of Shares under the Entitlement Offer and placement to the Underwriter will be used:

- for working capital in relation to GUF's operations; and
- to pay the costs of the Entitlement Offer.

Sources of funds		Use of funds	
New Shares issued under Entitlement Offer	\$2,500,000 (approx.)	Costs associated with the Entitlement Offer	\$130,000 (approx.)
Placement Shares issued to Underwriter	\$2,500,000	Working capital in relation to GUF's operations	\$4,870,000 (approx.)
Total	\$5,000,000 (approx.)		\$5,000,000 (approx.)

Use of funds from exercise of options

The timing and amount of funds raised from the exercise of New Options and Placement Options is dependent on the extent to which Shareholders and the Underwriter exercise their options. All funds raised from the exercise of New Options and Placement Options will be used for working capital in relation to GUF's operations.

Sources of funds		Use of funds	
Exercise of New Options issued under Entitlement Offer	up to \$2,500,000 (approx.)	Working capital in relation to GUF's operations	up to \$5,000,000 (approx.)
Exercise of Placement Options issued to Underwriter	up to \$2,500,000		
Total	up to \$5,000,000		up to \$5,000,000

7.3 Effect on control of the Company

The Entitlement Offer is a pro rata offer and therefore if all Eligible Shareholders take up their full entitlement, there will be minimal impact on the percentage holding of Shares of each Eligible Shareholder as a result of the Entitlement Offer. Ineligible Shareholders may have their interests slightly diluted as they are not able to participate in the Entitlement Offer.

The Underwriter has agreed to underwrite the entire Entitlement Offer (subject to a maximum commitment of \$2.5 million). The maximum number of New Shares that the Underwriter may be required to subscribe for under the Underwriting Agreement is 41,666,667, together with 41,666,667 attaching New Options. In these circumstances, together with the Placement Shares and Placement Options granted to the Underwriter (refer Section 6.8), the relevant interest of the Underwriter and its associates may be up to 17.95% of the Shares on issue following completion of the Entitlement Offer and placement (assuming the Underwriter exercises all of its options).

8 ACCEPTANCE OF ENTITLEMENT OFFER

8.1 Acceptance

The method of acceptance of the Entitlement Offer will depend on your method of payment being:

- by BPAY[®]; or
- by cheque.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY[®] you will be deemed to have represented:

- that you are an Eligible Shareholder; and
- on behalf of each person on whose account you are acting that:

- you are not in the United States and are not, or acting for the account or benefit of, a U.S. Person;
- you acknowledge that the New Shares and attaching New Options have not been and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia, New Zealand, Singapore or Hong Kong and accordingly, the New Shares and attaching New Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and
- you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

8.2 Payment by BPAY[®]

For payment by BPAY[®] please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make a payment via BPAY[®] if you are the holder of an account with an Australian financial institution that supports BPAY[®] transactions.

Please note that should you choose to pay by BPAY[®]:

- you do not need to complete and deliver the personalised Entitlement and Acceptance Form to the Company but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares and attaching New Options which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY[®] payment is received by the Share Registry by no later than 5:00pm (Brisbane time) on the Closing Date (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

8.3 Payment by cheque

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to "Guildford Coal Limited" and crossed "Not Negotiable".

Your cheque must be:

- for an amount equal to \$0.06 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheques will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares and attaching New Options you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares and attaching New Options as your cleared Application Monies will pay for (and to have specified that number of New Shares and attaching New Options on your Entitlement and Acceptance Form).

Cash payments will not be accepted. Receipts for payment will not be issued.

8.4 Delivery

Shareholders who make payment via cheque should deliver their completed personalised Entitlement and Acceptance Form, together with Application Monies, so that it is received by the Share Registry by no later than the close of the Entitlement Offer, on 5:00pm (Brisbane time) on the Closing Date to:

Guildford Coal Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

A reply paid envelope is included along with your personalised Entitlement and Acceptance Form for your use.

9 RISK FACTORS

9.1 Factors influencing success and risk

Eligible Shareholders should appreciate that the market value of Shares will be influenced by the various risks associated with GUF's business, which can be broadly categorised into general risks and specific business risks. To fully understand the risks associated with an investment in GUF, this Prospectus should be read in its entirety.

Guildford operates in the coal industry in both Mongolia and Australia. There are a number of factors, both specific to GUF and to the coal industry in general, which may, either individually or in combination, affect the future operating and financial performance of the Group, its prospects and/or the value of Shares. Many of the circumstances giving rise to these risks are beyond the control of the Directors and GUF management.

Careful consideration should be given to the following risk factors, as well as the other information contained in this Prospectus as well as other publicly available information, before an investment decision is made. Some of the risks may be mitigated by GUF using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of GUF and not capable of mitigation. There are also general risks associated with any investment in securities.

9.2 Specific business risks

Some of the specific business risks facing GUF are shown below:

GUF may not be able to secure financing necessary to operate and grow its business as planned

The Company expects that the net proceeds from the issue of the New Shares to Eligible Shareholders and the Placement Shares, together with its current cash and cash equivalents, should be sufficient to meet its anticipated working capital needs until the end of calendar 2014. However, the Company's business and operations may consume resources faster than anticipated. Additional financing may not be available on favourable terms, if at all. If adequate funds are not available on acceptable terms, the Company may be unable to fund its operations and/or any expansion plans. GUF is currently in negotiations with Noble concerning some of its debt arrangements. GUF is seeking to defer certain payment obligations to a later date this year. GUF anticipates concluding negotiations with Noble in a mutually satisfactory way. If negotiations do not conclude in a mutually satisfactory way, GUF will need to consider alternative arrangements.

Financial results finalisation and audit timing

The Company's operating results and performance for the June 2014 financial year will not be finalised and the respective audit activity completed until September 2014. Although not expected, it remains possible that a new material adverse matter may arise during the audit process.

Dependence on retaining and attracting key personnel

If GUF is unable to attract and retain qualified employees, loses key personnel, fails to integrate replacement personnel successfully, or fails to manage its employee base effectively, it may be unable to support or maintain its current activities, effectively expand its business, or otherwise maintain or increase its revenues.

Native Title Risk

It is possible that a form of native title reflecting the entitlement of indigenous inhabitants to traditional lands may exist on the Company's tenements. In such cases exploration and/or mining restrictions may be imposed or claims for compensation could be forthcoming. The Directors will deal with any such matters by engaging relevant experts and taking expert advice.

Acquisition and title to tenements

There is a risk that the Company may not be able to acquire or may lose title to its tenements if conditions attached to licences are changed or not complied with. The Company has in place policies and procedures to manage this risk and will seek to do everything possible to maintain good title to its assets.

Development Risks

There is a risk that circumstances (including unforeseen circumstances) may cause a delay to project development, exploration milestones or other operating factors, resulting in receipt of revenue at a later date than expected. Additionally, the construction of new projects/expansion by the Company may exceed the currently envisaged timeframe or cost for a variety of reasons outside of the control of the Company.

In relation to the construction of the Baruun Noyon Uul Mine, the currently envisaged timeframe or cost may be exceeded for a variety of reasons outside of the control of the Company. There are a number of milestones that need to be met in a timely manner for production to commence and there is a risk that circumstances (including unforeseen circumstances) may cause delay, resulting in the receipt of revenue at a later date than expected.

Country risks

There is a risk that circumstances (including unforeseen circumstances) in either Mongolia or Australia may cause a delay to project development, exploration milestones or other operating factors, resulting in receipt of revenue at a later date than expected.

Financing risks

To meet capital expenditure commitments at the Baruun Noyon Uul Mine development, additional funding will be required. The Company believes that there are reasonable grounds that additional funding required will be obtained to meet current and future obligations.

Commercialisation risks

Even if the Company discovers commercial quantities of coal, there is a risk the Company will not achieve a commercial return. The Company may not be able to extract coal at a reasonable cost or may not be able to sell the product to customers at a rate which would cover its operating and capital costs. The Company has to receive the necessary regulatory and environmental approvals before it can implement all of its proposed activities. Obtaining approvals may be a lengthy and costly process, and there is a risk that these approvals may not be obtained at all.

Competition Risk

The industry in which the Company is involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Resources and Reserves

The future success of the Company will depend on its ability to find or acquire coal reserves that are economically recoverable. There can be no assurance that the Company's planned exploration activities will result in significant resources or reserves or that it will have success mining coal. Even if the Company is successful in finding or acquiring coal reserves or resources, reserve and resource estimates are estimates

only and no assurance can be given that any particular level of recovery from coal resources or reserves will in fact be realised or that an identified coal resource will ever qualify as commercially viable which can be legally and economically exploited. Market price fluctuations in the price of coal, as well as increased production costs or reduced recovery rates may render coal reserves and resources containing relatively lower grades of mineralisation uneconomic and may ultimately result in a restatement of reserves and resources. Short-term operating factors relating to the coal reserves and resources, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period and may adversely affect the Company's profitability. The mining of coal involves a high degree of risk, including that the coal mined may be of a different quality, tonnage or strip ratio from that estimated.

Exploration and Evaluation Risk

Potential investors should understand that mineral exploration and development are high risk undertakings. While the Company has attempted to reduce this risk by selecting projects that have identified prospective mineral targets, there is still no guarantee of success. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The Company's exploration and appraisal activities are dependent upon the grant and maintenance of appropriate licences, permits, resource consents, access arrangement and regulatory authorities (authorisations) which may not be granted or may be withdrawn or made subject to limitations. Although the authorisations may be renewed following expiry or granting (as the case may be), there can be no assurance that such authorisations will be renewed or granted on the same terms. There are also risks that there could be delays in obtaining such authorisations. If the Company does not meet its work and/or expenditure obligations under its authorisations, this may lead to dilution of its interest in, or the loss of such authorisations. The business of commodity development and production involves a degree of risk. Amongst other factors, success is dependent on successful design, construction and operation of efficient gathering, processing and transportation facilities. Even if the Company discovers or recovers potentially commercial quantities of coal from its exploration activities, there is no guarantee that the Company will be able to successfully transport these resources to commercially viable markets or sell the resources to customers to achieve a commercial return.

Operational Risk

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve predicted grade in exploration, mining and processing, technical difficulties encountered in commissioning an operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

Environmental Risk

The Company's projects are subject to laws and regulations regarding environmental matters. Many of the activities and operations of the Company cannot be carried out without prior approval from and compliance with all relevant authorities. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company could be subject to liability due to risks inherent to its activities, such as groundwater contamination, subsidence, accidental spills, leakages or other unforeseen circumstances.

Commodity Prices

The Company's plans for any revenue are to be derived mainly from the sale of coal and/or coal products. Consequently, the Company's financial position, operating results and future growth will closely depend on the market price of each of these commodities. Market prices of coal products are subject to large fluctuations in response to changes in demand and/or supply and various other factors. These changes can be the result of uncertainty or several industry and macroeconomic factors beyond the control of the Company, including political instability, governmental regulation, forward selling by producers, climate, inflation, interest rates and currency exchange rates. If market prices of the commodities sold by the Company were to fall below production costs for these products and remain at that level for a sustained period of time, the Company would be likely to experience losses, having a material adverse effect on the Company.

9.3 General risks

These are risks of an investment in New Shares and attaching New Options, which are considered beyond the control of the Company.

Possible volatility of share price

The stock market does from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of particular companies. The market price of Shares may be volatile. Factors that may have a significant impact on the market price and marketability of Shares include announcements as to government regulation, variation in interest rates, the activities of any competitors, economic and other external factors, possible litigation, as well as fluctuations in the Company's operating results.

Regulation

Corporate regulation and changes in accounting standards due to be implemented in the next few years will increase the compliance costs and change the presentation of companies' accounts. Whilst the Company does not expect the promulgated changes to have any adverse effect on the Company's operations, continued changes to such regulations and standards will at the very least increase the compliance costs for listed companies.

Taxation risks

Australian and Mongolian tax laws are constantly changing with the introduction of various taxation reform proposals that may affect the Company and investors.

Tax liabilities are the responsibility of each individual investor, and the Company is not responsible either for taxation or penalties incurred by investors. Investors should consult their own taxation advisers to ascertain the tax implications of their investment.

Economic Climate

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries including, but not limited to, the following:

- general economic conditions in Australia, Mongolia and its major trading partners;
- changes in government policies, taxation and other laws;
- war, terrorist attacks or hostilities anywhere in the world can result in a decline in economic conditions worldwide or in a particular region, which could produce an adverse effect on the business, financial position and financial performance of the Company;
- the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the commodities (resources) sector;
- movement in, or outlook on, interest rates and inflation rates; and
- natural disasters, social upheaval or war in Australia or overseas.

General

If you are in doubt as to whether you should invest in GUF, you should consult with your stockbroker, accountant or other financial adviser.

10 ADDITIONAL INFORMATION

10.1 Nature of Prospectus and continuous disclosure obligations

This Prospectus is a short form prospectus issued under section 713 of the Corporations Act in relation to offers of continuously quoted securities or options to acquire continuously quoted securities.

Guildford is a disclosing entity for the purposes of the Corporations Act. As a disclosing entity, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, GUF is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of GUF's securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to GUF which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to GUF before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, GUF believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of GUF's annual financial statements for the financial year ended 30 June 2013 to the issue of this Prospectus which required GUF to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Guildford, as a disclosing entity under the Corporations Act, states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to GUF (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC;
- it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - the annual financial statements of GUF for the financial year ended 30 June 2013, being the last financial statements for a financial year of GUF lodged with ASIC before the issue of this Prospectus;
 - any half-year financial report lodged by GUF with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
 - any continuous disclosure documents used to notify ASX of information relating to GUF in the period from lodgement of the annual financial statements referred to above until the issue of the Prospectus in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act; and
- the following documents were used to notify ASX of information relating to GUF during the period after lodgement of the annual financial statements of GUF for the period ended 30 June 2013 and before the issue of this Prospectus:

Date	Description of announcement
07/07/2014	Underwriting Agreement
02/07/2014	Haulage Permit Granted
25/06/2014	Baruun Noyon Uul JORC (2012) Compliant Resource Statement
30/05/2014	Change in substantial holding
28/05/2014	Becoming a substantial holder
22/05/2014	Ceasing to be a substantial holder
22/05/2014	Ceasing to be a substantial holder
15/05/2014	Becoming a substantial holder
15/05/2014	Ceasing to be a substantial holder

Date	Description of announcement
13/05/2014	Company Update
07/05/2014	Notification of Expiry of Warrants
30/04/2014	March 2014 Quarterly Cashflow Report
30/04/2014	March 2014 Quarterly Report
23/04/2014	Response to ASX Price Query
17/04/2014	Becoming a substantial holder
07/04/2014	Appendix 3Y - Peter Kane
07/04/2014	Appendix 3Y - Kon Tsiakis
04/04/2014	Grant of Performance Rights Appendix 3B
03/04/2014	Appendix 3B - Issue of Shares
03/04/2014	Springsure Indicated Resource Settlement Update 3
03/04/2014	EGM April 2014 Results
14/03/2014	December 2013 Half Year Financial Report
07/03/2014	S&P DJ Indices Announces March Quarterly Rebalance
04/03/2014	Change in substantial holding
03/03/2014	Notice of Extraordinary General Meeting
27/02/2014	Appointment of Chief Financial Officer
25/02/2014	Becoming a substantial holder
24/02/2014	Change in substantial holding
24/02/2014	708A (12D) Cleansing Notice
21/02/2014	Appendix 3B- Issue of Shares Springsure Settlement
21/02/2014	Springsure Indicated Resource Settlement Update 2
20/02/2014	Springsure Indicated Resource Settlement Update 1
07/02/2014	Mongolia Mine Commissioning - Baruun Noyon Uul (BNU) mine
31/01/2014	Quarterly Cashflow Report
31/01/2014	Quarterly Activities Report
20/01/2014	Appendix 3X - Craig Wallace
20/01/2014	Appointment of Director
10/01/2014	OCP Asia Financing Facility Completion
09/01/2014	OCP Asia Financing Facility Update and Appendix 3B
07/01/2014	Section 708A (12D) Cleansing Notice
02/01/2014	Prospectus and detachable warrant deed poll
02/01/2014	Section 708A (12D) Cleansing Notice
30/12/2013	EGM Results
30/12/2013	Chairman's EGM Script
30/12/2013	Springsure Indicated Resource Settlement

Date	Description of announcement
27/12/2013	Change in substantial holding
27/12/2013	Major Shareholders Voting Intention
23/12/2013	Financing Facilities Update and Mongolia Haul Road Update
20/12/2013	Appendix 3B - Issue of shares to Terra Holdings Ltd
20/12/2013	Issue of shares to Terra Holdings Ltd
29/11/2013	Maiden Springsure JORC Indicated Resource
28/11/2013	Results of Annual General Meeting
28/11/2013	2013 AGM Chairman Script
28/11/2013	2013 AGM Group Managing Director Presentation
28/11/2013	Board of Directors Update
27/11/2013	Notice of Extraordinary General Meeting
19/11/2013	Mongolia Road Construction and Financing Update
11/11/2013	Guildford Financing Facilities Update
31/10/2013	September 2013 Quarterly Activities Report

ASX maintains files containing publicly disclosed information about all listed companies. GUF's file is available for inspection at ASX during normal business hours or from www.asx.com.au.

Information about GUF may also be obtained from its website at www.guildfordcoal.com.au.

10.2 Further disclosures

Relinquishment and non-renewal of Australian explorations permits

GUF, as part of its ongoing Australian EPC portfolio optimisation process, has commenced the process to relinquish EPCs that comprise the Monto and Sunrise projects and expects not to renew two Hughenden project EPCs. Subject to approval by the holder of mortgages over these EPCs, GUF anticipates booking a provision of approximately \$5 million in the 2014 financial results in recognition of the write off of these exploration assets.

Arrangements with Noble

Pursuant to an Option Agreement between GUF and Noble, GUF is continuing due diligence on a Mongolian exploration lease (12600) which is adjacent to GUF's BNU mine. The acquisition of this lease could result in operational synergies following development of the BNU mine.

GUF is currently in negotiations with Noble concerning some of its debt arrangements. GUF is seeking to defer certain payment obligations to a later date this year. GUF anticipates concluding negotiations with Noble in a mutually satisfactory way.

Arrangements with TheChairmen1 Pty Ltd

GUF is currently in negotiations with TheChairmen1 Pty Ltd regarding rearrangement of the ongoing management fees under the C1 Management Agreement with an aim to conserve cash in the short and medium term. GUF anticipates concluding negotiations with C1 in a mutually satisfactory way.

10.3 Market price of Shares

Guildford is a disclosing entity for the purpose of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The highest and lowest market sale price of the Shares on ASX during

the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest	\$0.083	14 April 2014
Lowest	\$0.055	8 May 2014 and 18 June 2014
Last	\$0.07	9 July 2014

10.4 Interests of Directors and named parties

The Directors have the following interests in Shares, whether directly or indirectly, as at the date of this Prospectus:

Name of Director	Shares	Performance rights
The Hon Alan Griffiths	490,056	nil
Peter Charles Kane	100,000	4,758,444
Tsogt Togoo	nil	nil
Kon Tsiakis*	8,365,921	nil
The Hon Craig Wallace	925,385	nil

* Mr Tsiakis is also a 8.54% shareholder of TheChairmen1 Pty Ltd and a 7.09% shareholder of C1 Commodities Pte Ltd, both of whom are shareholders of the Company, holding 92,688,119 and 100,000,000 Shares respectively as at the date of this Prospectus.

Other than as set out in this Prospectus, no director and no person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- holds, or has held at any time during the last two (2) years, any interest in:
 - the formation or promotion of the Company;
 - any property acquired or proposed to be acquired by the Company in connection with the formation or promotion of the Company or the Entitlement Offer; or
 - the Entitlement Offer; or
- has been paid or has agreed to be paid any amount, or has been given or has agreed to receive any other benefit for services rendered by them in connection with the formation or promotion of the Company, or the Entitlement Offer.

Maiora Asset Management Pte. Ltd

Maiora Asset Management Pte. Ltd has agreed to act as Underwriter in relation to the Entitlement Offer. Maiora Asset Management Pte. Ltd will not receive any fee or commissions for underwriting the Entitlement Offer.

10.5 Consents

The following parties have given and have not, before the date of this Prospectus, withdrawn their consent to be named in this Prospectus in the form and context in which they are named:

- Maiora Asset Management Pte. Ltd as underwriter; and
- Link Market Services Limited as Share Registrar.

Maiora Asset Management Pte. Ltd and Link Market Services Limited have had no involvement in the preparation of any part of this Prospectus other than being named as Underwriter and Share Registrar respectively. Neither Maiora Asset Management Pte. Ltd nor Link Market Services Limited have authorised

or caused the issue of this Prospectus and therefore they take no responsibility for any part of the Prospectus other than references to their name.

10.6 Foreign jurisdictions

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia.

The New Shares and attaching New Options being offered under this Prospectus are also being offered to Eligible Shareholders with registered addresses in:

- New Zealand;
- Singapore; and
- Hong Kong.

This Prospectus is not an investment statement or prospectus under New Zealand, Singapore or Hong Kong law, and may not contain all the information that an investment statement or prospectus under New Zealand, Singapore or Hong Kong law is required to contain.

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares and attaching New Options, or otherwise permit the public offering of the New Shares and attaching New Options, in any jurisdiction other than Australia, New Zealand, Singapore and Hong Kong.

The distribution of this Prospectus (including an electronic copy) outside Australia, New Zealand, Singapore and Hong Kong is restricted by law. If you come into possession of this Prospectus outside Australia, New Zealand, Singapore or Hong Kong you should seek your own advice and you should observe such advice on any applicable restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Not an offer in the United States

The Entitlements and the New Shares and attaching New Options have not been, or will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a U.S. Person, and the New Shares and attaching New Options may not be offered, sold or resold in the United States or to, or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the New Shares and attaching New Options may constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and, for so long as the New Shares and attaching New Options remain restricted securities, the New Shares and attaching New Options may not be deposited in any unrestricted American Depository Receipt facility with respect to the securities of Guildford.

Offer in New Zealand

This Entitlement Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings—Australia) Regulations 2008. In Australia, the mutual recognition of securities offerings is regulated by Chapter 8 of the Corporations Act.

This Entitlement Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Entitlement Offer. If you need to make a complaint about this Entitlement Offer, please contact the

Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

10.7 Rights and Liabilities attaching to GUF Shares

The rights and liabilities attaching to ownership of Shares arise from a combination of the constitution of the Company, statute, the ASX Listing Rules and general law.

A summary of the significant rights and liabilities attaching to Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

Voting at a general meeting

Subject to the constitution and any rights or restrictions attached to a class of Shares, every Shareholder present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a show of hands and one vote on a poll for every Share held. A poll may be demanded by the chair of the meeting, at least 5 Shareholders (or their proxy, attorney or representative) entitled to vote on the resolution, or a Shareholder or Shareholders who together hold at least 5% of the votes that may be cast on the resolution on a poll.

Meeting of members

Each Shareholder is entitled to receive notice of and to attend general meetings of GUF and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution, the Corporations Act or the Listing Rules.

Dividends

The Directors may resolve to pay any dividend they think appropriate. Dividends declared will (subject to any special rights or restrictions attaching to a class of Shares created under any arrangement as to dividend) be payable on Shares in accordance with the Corporations Act and the constitution.

Transfer of Shares

A Shareholder may transfer Shares by a proper transfer effected in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in any usual form or in any other form approved by the Directors that is permitted by law or by another method permitted by the Corporations Act. The Directors may refuse to register a transfer of Shares where the refusal to register the transfer is permitted under the Corporations Act, constitution and the Listing Rules.

Issue of further Shares

The Directors may (subject to the restrictions on the issue of Shares imposed by the constitution, the Listing Rules and the Corporations Act) allot, issue, grant options in respect of, or otherwise dispose of, further Shares as they see fit.

Winding up

Subject to any rights or restrictions attached to a class of Shares, on a winding up of GUF, any surplus must be divided among the Shareholders in the proportions which the amount paid on the Shares of a Shareholder is of the total amounts paid and payable on the Shares of all Shareholders.

Unmarketable parcels

Subject to the Corporations Act, the Listing Rules and ASTC Settlement Rules, GUF may sell the shares of a shareholder who holds less than a marketable parcel of shares.

Share buy-back

Subject to the provisions of the Corporations Act, the Listing Rules and the ASTC Settlement Rules, GUF may buy back shares in itself on any terms and at any time determined by the Directors.

Variation of class rights

Unless otherwise provided by the constitution and by the terms of issue of a class of shares, the rights attaching to any class of shares may be varied by:

- a special resolution passed at a meeting of the holders of that class of shares; or
- the consent in writing of the holders of at least 75% of the votes that may be cast in respect of that class of shares.

Alteration of the constitution

The constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present and voting at a general meeting of GUF. GUF must give at least 28 days written notice of its intention to propose a resolution as a special resolution.

10.8 Rights and Liabilities attaching to New Options

The rights and liabilities attaching to ownership of New Options arise from a combination of the terms and conditions set out in the option terms, constitution of the Company, statute, the ASX Listing Rules and general law.

A summary of the significant rights and liabilities attaching to New Options is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of optionholders.

- **Entitlement:** Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.
- **Exercise price:** The amount payable upon exercise of each New Option is \$0.06. If, whilst the New Options are on issue, there is a pro rata issue (except a bonus issue) to Shareholders, the exercise price of the New Options may be reduced in accordance with ASX Listing Rule 6.22.2.
- **Expiry date:** Each New Option will expire at 5:00pm (Brisbane time) on the date which is 3 months after the date of grant (**Expiry Date**). New Options are exercisable at any time on or prior to the Expiry Date. Any New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- **Notice of exercise:** New Options may be exercised at any time on or prior to the Expiry Date by notice in writing to the Company in the manner specified in the New Option terms and payment of the Exercise Price for each New Option being exercised by electronic funds transfer or other means of payment acceptable to the Company.
- **Issue of Shares on exercise:** Within 15 Business Days after the date any New Options are exercised, the Company will:
 - allot and issue the number of Shares required under the New Option terms and conditions in respect of the number of New Options exercised and for which clear funds have been received by the Company; and
 - if admitted to the official list of ASX at that time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

Shares issued on the exercise of New Options will rank equally with the then issued Shares of the Company.

- **Reconstruction of capital:** If there is a reorganisation of the capital of the Company whilst the New Options are on issue, the rights of holders of New Options will be changed to the extent necessary to comply with the ASX Listing Rules applying at the time of the reorganisation.
- **Participation in new issues:** Holders of New Options will not be permitted to participate in new issues of capital offered by the Company without exercising the New Options.
- **Quotation:** New Options will not be quoted on ASX.
- **Transferability:** New Options are not transferable.

10.9 Queries and information availability

Eligible Shareholders in Australia, New Zealand, Singapore and Hong Kong can obtain a copy of this Prospectus during the period of the Entitlement Offer on the GUF website at www.guildfordcoal.com.au or by calling GUF. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The electronic version of this Prospectus on the GUF website will not include an Entitlement and Acceptance Form.

For further information, or to request a replacement Entitlement and Acceptance Form, please contact Jason Culpeper, GM Commercial and Finance, on +61 7 3005 1534.