

**Guildford Coal Limited**  
**ACN 143 533 537**

Notice of Annual General Meeting

and

Explanatory Notes  
to Shareholders

A proxy form is enclosed

Please read the Notice and Explanatory Notes carefully.

If you are unable to attend the Meeting please complete and return the enclosed proxy form in accordance with the specified instructions.

**Guildford Coal Limited**  
ACN 143 533 537

**NOTICE OF MEETING**

Notice is given that the 2014 Annual General Meeting of shareholders of Guildford Coal Limited (Company) will be held at the offices of K&L Gates, Level 16, 66 Eagle Street Brisbane QLD 4000, on Friday 28 November 2014 at 11.00 am AEST (**Meeting**).

## Business

---

### 1 Financial statements and reports

---

To receive and consider the financial report and the reports of the Directors and auditors in respect of the Company for the financial year ended 30 June 2014.

*Note: There is no requirement for shareholders to approve these reports.*

### 2 Resolution 1 - Remuneration report

---

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*“That the Remuneration Report of the Company (which forms part of the Directors’ Report) for the financial year ended 30 June 2014 be adopted.”*

The Remuneration Report is set out on pages 14 to 20 of the Guildford Coal Limited 2014 Annual Financial Report.

*Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.*

*The Chairman of the Meeting intends to vote all available proxies in **favour** of this item of business.*

#### **Voting Exclusion Statement**

The *Corporations Act 2001* (Cth) (**Corporations Act**) restricts members of the key management personnel (**KMP**) of the Company, including the Directors, and closely related parties of KMP from voting in relation to Resolution 1 in certain circumstances.

‘Closely related party’ is defined in the *Corporations Act* and includes the KMP’s spouse, dependants and certain other close family members, as well as any companies controlled by a member of the KMP.

The Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of:

- members of the KMP (being the Directors and the other KMP as disclosed in the Remuneration Report); and
- closely related parties of those persons;

as well as any votes cast as a proxy on this item by members of the KMP at the date of the Meeting and their closely related parties, unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or

- by the Chairman of the Meeting as proxy for a person entitled to vote in accordance with an express authority to vote undirected proxies as the Chairman sees fit.

### 3 Resolution 2 - Election of Director

---

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That Peter Kane who retires under rule 15.3 of the Company’s constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

*Note: The Chairman of the Meeting intends to vote all available proxies in **favour** of this item of business.*

### 4 Resolution 3 - Ratification of issue of shares

---

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue and allotment of:*

- *41,666,667 ordinary shares in the Company;*
- *41,666,667 options over ordinary shares in the Company; and*
- *the number of ordinary shares issued by the Company to the extent that the optionholder has exercised all or part of its 41,666,667 options,*

*on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting.”*

#### **Voting exclusion statement**

The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### 5 Resolution 4 – Approval of 10% Additional Placement Capacity

---

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

*“That, for the purpose of Listing Rule 7.1A and for all other purposes, shareholders approve the issue of shares up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting.”*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast on this resolution by any person (and any associates of such a person) who may participate in the proposed 10% Additional Placement Capacity and any person (or any associates of such a person) who might

obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 6 Resolution 5 – Termination of Management Agreement

---

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*“That for all purposes, approval is given for the Company to:*

- *terminate the Management Agreement; and*
- *transfer 15% of the issued share capital in Springsure Mining Pty Ltd, owned by the Company, to TheChairmen1 Pty Ltd,*

*on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting.”*

### **Voting exclusion statement**

The Company will disregard any votes cast on this resolution by

- (a) TheChairmen1 Pty Ltd;
- (b) any associates of TheChairmen1 Pty Ltd; and
- (c) any person who might obtain a benefit, except a benefit solely in their capacity as a shareholder, and any associates of any such person.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## Information for shareholders

---

### Voting entitlements

For the purpose of determining a person's voting entitlement at the Annual General Meeting of the Company, a person will be recognised as a member of the Company and the holder of shares if that person is registered in the Company's share register as the holder of those shares at 7.00pm AEST on Wednesday 26 November 2014.

### Votes of shareholders

On a poll, a shareholder has one vote for every fully paid security held. On a show of hands, every person present and entitled to vote has one vote. Where a shareholder appoints two proxies, only one proxy may vote on a show of hands where the appointments specify the same way to vote on a resolution. Where a proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on a show of hands.

### Proxies

Please note that:

- (a) a member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies;
- (b) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of Meeting;
- (c) where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If a member appoints two proxies, and the appointment does not specify the proportion of the member's voting rights, each proxy may exercise one-half of the voting rights;
- (d) a proxy need not be a member of the Company;
- (e) a proxy form may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where the proxy form so provides, the proxy is not entitled to vote on the Resolution except as specified in the proxy form;
- (f) a proxy has the authority to vote on the member's behalf as he or she thinks fit, on any motion to adjourn the Annual General Meeting, or any other procedural motion, unless the member gives a direction to the contrary;
- (g) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (h) any directed proxy that is not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote the proxy as directed;
- (i) to be valid, a proxy form must be signed by the member or the member's attorney or, if the member is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (j) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 11.00am AEST on Wednesday 26 November 2014 by the Company:

in person: Guildford Coal Limited  
C/- Link Market Services Limited  
Level 12  
680 George Street

---

SYDNEY NSW 2000  
Australia

---

by mail: Guildford Coal Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

---

by facsimile: ++ 61 2 9287 0309

---

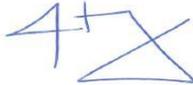
**A form of proxy accompanies this Notice. Voting by corporate representative**

A corporate member or proxy must appoint a person to act as its representative. The representative must bring a formal notice of appointment signed as required by section 127 of the Corporations Act or the constitution of the corporation. A form of notice of appointment can be obtained from **Link Market Services** or downloaded from **[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)**

**By Order of the Board**

*date* 27 October 2014 \_\_\_\_\_

*sign here*



\_\_\_\_\_  
Company Secretary

**Guildford Coal Limited**  
ACN 143 533 537

**EXPLANATORY NOTES**

These Explanatory Notes provide shareholders with information in respect of the items of business to be considered at the Annual General Meeting of the Company will be held at the offices of K&L Gates, Level 16, 66 Eagle Street Brisbane QLD 4000, on 28 November 2014 at 11.00am AEST (**Meeting**). Shareholders should carefully review these Explanatory Notes and the associated Notice of Meeting (**Notice**) to which these Explanatory Notes are attached.

***If you have difficulty in properly understanding this documentation, you should consult your financial or legal adviser.***

## 1 Financial statements and reports

---

As required by sections 314 and 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Guildford Coal Annual Financial Report (comprising the financial report, Directors' Report and auditor's report for the Company) for the year ended 30 June 2014 was sent to shareholders in advance of this Notice and will be laid before the Meeting.

Shareholders will be given a reasonable opportunity at the Meeting to raise questions on the financial statements and reports. Shareholders will also be able to ask questions of the auditor, Ernst & Young.

## 2 Resolution 1 – Remuneration Report

---

There will be an opportunity for shareholders at the Meeting to comment on and ask questions about the Remuneration Report which is contained in the Guildford Coal 2014 Annual Financial Report.

The vote on Resolution 1 is advisory only and will not bind the Directors or the Company, however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The Remuneration Report is set out on pages 14 to 20 of the Guildford Coal 2014 Annual Financial Report. The Remuneration Report:

- explains the Board's policy in relation to the nature and level of remuneration paid to Directors and key management personnel within the Company;
- discusses the link between the Board's remuneration policy and the Company's performance;
- provides a detailed summary of performance conditions, why they were chosen and how performance is measured against them; and
- sets out remuneration details for each Director and for each member of the Company's senior executive management team.

A voting exclusion statement applies to this resolution as set out in the Notice.

*The Board unanimously recommends that shareholders vote in **favour** of adopting the Remuneration Report.*

### 3 Resolution 2 - Election of Director

---

The Hon Alan Griffiths has advised the Company that he will retire as a Director of the Company following the conclusion of the Meeting and does not intend to stand for re-election.

Peter Kane retires in accordance with Rule 15.3(a)(ii) of the Company's Constitution and is standing for re-election as a Director of the Company at the Meeting.

Biographic information for Peter Kane is set out below.

<b>Mr Peter Kane</b>	<b>Group Managing Director</b> Appointed : 23 October 2013 Previously Non-Executive Director Appointed : 9 October 2013 Resigned : 23 October 2013
Qualifications	Bachelor of Engineering (Mining) Member of the Australasian Institute of Mining & Metallurgy Graduate of the Australian Institute of Company Directors
Experience	Peter is a Mining Engineer with 25 years' experience in the mining industry throughout Australia and New Zealand. Recently, Peter held the CEO roles at both Boardwalk Resources and Aston Resources before being appointed COO – Projects with Whitehaven Coal  Previously, Peter spent 3 years as COO with Macarthur Coal, leading the Company's mines and project developments in Queensland prior to the purchase of Macarthur by Peabody. During his tenure at Macarthur Coal and Aston, Peter also covered the role of JV Chair on multiple operations with numerous JV partners. Prior to that, Peter spent 10 years with Leighton (contractors) in various roles including GM of the Australian mining contractor business. His earlier career included 10 years with BHP in their iron ore and coal divisions

### 4 Resolution 3 - Ratification of issue of shares

---

On 7 August 2014, the Company issued:

- 41,666,667 fully paid ordinary shares at an issue price of \$0.06; and
- 41,666,667 free attaching options (exercisable at \$0.06 until 7 November 2014),

to Maiora Asset Management Limited (**Maiora**).

Between the date of this Notice and the date of the Meeting, the 41,666,667 free attaching options issued to Maiora will expire. Accordingly, the Company may have issued further fully paid ordinary shares to Maiora between the date of this Notice and the date of the Meeting. The number of shares issued will be equal to the number of options which Maiora has validly exercised prior to 7 November 2014 (the expiry date of the options).

Subject to certain exceptions, ASX Listing Rule 7.1 prohibits the Company from issuing equity securities without shareholder approval in any 12 month period where the number of securities issued would exceed 15% of the number of fully paid ordinary securities in the Company 12 months prior to the proposed issue.

Within the 15% limit, the Company has flexibility to issue further securities by way of placements to raise additional capital (if this is thought desirable), without the need for shareholder approval.

Under Listing Rule 7.4, it is possible for shareholders to approve an issue of securities after the event. This has the effect of "refreshing" the Company's ability to issue securities within the 15% limit, and restores the Company's ability to make placements (if that is thought desirable) without the need for shareholder approval. The Directors consider it desirable that the Company maintain its flexibility to make placements of securities without seeking shareholder approval, if the need or opportunity arises.

Resolution 3 seeks shareholder approval to ratify, in accordance with Listing Rule 7.4, the issue of:

- the 41,666,667 fully paid ordinary shares to Maiora; and
- the 41,666,667 free attaching options over ordinary shares; and
- if applicable, the number of shares issued to Maiora on the exercise of all or part of their 41,666,667 free attaching options.

Listing Rule 7.5 sets out the information required to be disclosed to shareholders when seeking this approval. The information set out below is intended to satisfy this requirement:

- (a) The number of securities issued to Maiora was:
  - (1) 41,666,667 fully paid ordinary shares; plus
  - (2) 41,666,667 options over ordinary shares; plus
  - (3) the number of fully paid ordinary shares equal to the number of options which Maiora exercised prior to 7 November 2014. The minimum number of such shares is 0, and the maximum number is 41,666,667.
- (b) The issue price of each fully paid ordinary share was \$0.06. The fully paid ordinary shares issued rank equally in all respects with the existing fully paid ordinary shares in the Company.
- (c) The issue price for each option was \$0.00. Each option has an exercise price of \$0.06, will result in the issue of one fully paid ordinary share in the Company if exercised, and has an expiry date of 7 November 2014.
- (d) The shares and options were issued to Maiora Asset Management Limited. No party who would otherwise require approval under ASX Listing Rule 10.11 participated in this issue.
- (e) Funds raised from the issue of shares and (if applicable) the exercise of options were (or will be) used for working capital purposes in relation to the Company's operations.
- (f) A voting exclusion statement is included in this Notice.

## 5 Resolution 4 – Approval of 10% Additional Placement Capacity

---

Listing Rule 7.1A enables an eligible entity, subject to it receiving the requisite shareholder approval, to issue, or enter into an agreement to issue, equity securities representing up to 10% of its issued capital over a period of up to 12 months after its Annual General Meeting (calculated in accordance with the formula prescribed in Listing Rule 7.1A.2) (**10% Additional Placement Capacity**). The 10% Additional Placement Capacity is in addition to an eligible entity's ability to issue, or enter into an agreement to issue, securities representing up to 15% of its issued capital over a 12 month period (calculated in accordance with the formula prescribed in Listing Rule 7.1) without shareholder approval pursuant to Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

- has a market capitalization of A\$300 million or less; and
- is not included in the S&P/ASX 300 Index.

As at the date of this Notice, the Company is an eligible entity for the purposes of Listing Rule 7.1A.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue, or enter into an agreement to issue, securities under the 10% Additional Placement Capacity during the 12 month period after the Meeting.

Resolution 4 is a special resolution. Accordingly at least 75% of votes cast by shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to pass.

## 5.1 Listing Rule 7.1A

### (a) **Securities which can be issued under the 10% Additional Placement Capacity**

Any securities issued under the 10% Additional Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company.

The Company only has one class of securities quoted on the ASX as at the date of this Notice, being ordinary shares (ASX Code: GUF)

### (b) **Formula for calculating the 10% Additional Placement Capacity**

The exact number of securities which can be issued under the 10% Additional Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 as follows:

$$(A \times D) - E$$

where:

**A** is the number of fully paid ordinary shares on issue 12 months before the issue date or date of agreement to issue:

- (1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid shares that became fully paid in the 12 months;
- (3) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4;
- (4) less the number of fully paid shares cancelled in the 12 months.

**D** is 10%.

**E** is the number of securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary shares under Listing Rules 7.1 or 7.4.

## 5.2 Specific information required by Listing Rule 7.3A

Listing Rule 7.3A sets out the information required to be disclosed to shareholders when seeking approval for 10% Additional Placement Capacity. The information set out below is intended to satisfy this requirement.

### (a) **Minimum Issue Price**

The minimum price at which the securities may be issued under the 10% Additional Placement Capacity is 75% of the volume weighted average market price of securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the securities are to be issued is agreed; or
- (2) if the securities are not issued within 5 trading days of the date in paragraph (1) above, the date on which the securities are issued.

The Company will disclose the issue price to ASX on the date of issue or date of agreement to issue the securities under the 10% Additional Placement Capacity.

(b) **Risk of economic and voting dilution**

Any issue of securities under the 10% Additional Placement Capacity carries a risk of economic and voting dilution to existing shareholders who do not receive any securities under the issue.

There is a specific risk that:

- the market price for the Company's securities may be significantly lower on the date of issue of, or date of agreement to issue, the securities under the 10% Additional Placement Capacity than on the date of the approval at this Meeting; and
- the securities may be issued under the 10% Additional Placement Capacity at a price that is at a discount to the market price for the Company's securities on the issue date which may have an effect on the amount of funds raised by the issue under the 10% Additional Placement Capacity and also on the value of the Company's securities.

The table below shows the potential economic and voting dilution effect on shareholders in circumstances where the issued share capital of the Company has doubled and the market price of Shares has halved. The table also shows additional scenarios in which the issued share capital of the Company has increased (by both 50% and 100%) and the market price of Shares has (1) decreased by 50% and (2) increased by 100%.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0215 (50% decrease in current share price)	\$0.043 issue price (current share price)	\$0.086 (100% increase in current share price)
845,205,594 (Current)	Shares issued 10% voting dilution	84,520,559	84,520,559	84,520,559
	Funds raised	\$1,817,192	\$3,634,384	\$7,268,768
1,267,808,391 (50% increase in shares on issue)*	Shares issued 10% voting dilution	126,780,839	126,780,839	126,780,839
	Funds raised	\$2,725,788	\$5,451,576	\$10,903,152
1,690,411,188 (100% increase in shares on issue)	Shares issued 10% voting dilution	169,041,119	169,041,119	169,041,119
	Funds raised			

issue)*	dilution			
	Funds raised	\$3,634,384	\$7,268,768	\$14,537,536

\* The number of ordinary shares on issue (variable A) could increase as a result of the issue of ordinary shares which does not require shareholder approval or that are issued with shareholder approval under Listing Rule 7.1.

Assumptions:

The table above has been prepared on the following assumptions:

- the issue price is the closing price of the Company's shares on 21 October 2014
- the number of shares on issue is at 21 October 2014. This could increase as a result of the issue of ordinary shares which does not require shareholder approval or that are issued with shareholder approval under Listing Rule 7.1; and
- the maximum number of shares are issued by the Company as permitted under Resolution 4.

(c) **Date of issue**

The Company may only issue securities under the 10% Additional Placement Capacity in the period commencing on the date of this Meeting and ending on the earlier of:

- 12 months after the date of this Meeting; and
- The date of approval by shareholders of a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking).

(d) **Purpose of issue**

The Company may issue securities under the 10% Additional Placement Capacity for the following purposes:

- as cash consideration in which case the Company intends to use funds raised for the acquisition of new assets and investments (including expenses associated with such an acquisition), continued expenditure on the Company's current assets and general working capital; or
- as non-cash consideration for the acquisition of new assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3), including expenses associated with such an acquisition, continued expenditure on the Company's current assets and general working capital.

(e) **Allocation policy**

The Company's allocation policy for issues under the 10% Additional Placement Capacity is dependent on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of securities will be determined on a case-by-case basis having regard to a number of factors, including (but not limited to) the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including (but not limited to) rights issues or other issues in which

existing Shareholders can participate and other forms of equity and debt financing;

- the effect of the issue of the securities on the control of the Company;
- the circumstances of the Company, including but not limited to, the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees of securities under the 10% Additional Placement Capacity have not been determined as at the date of this Notice but may include existing substantial shareholders or new shareholders (or both), none of whom will be related parties or associates of a related party of the Company.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any securities under the 10% Additional Placement Capacity.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company has previously obtained shareholder approval under Listing Rule 7.1A.

In the 12 months preceding the date of this Notice, the Company issued a total of 360,255,991 equity securities which represent 56.73% of the total number of equity securities on issue at 28 November 2013 AGM. Details of all issues of equity securities in the 12 months preceding the date of this Notice is set out below:

Date of issue	Number of equity securities	Class of equity securities and summary of terms	Name of recipients or basis on which recipients determined	Issue price and discount to closing market price on the date of issue	<b>If issued for cash</b> – the total consideration, what is was spent on and the intended use of any remaining funds  <b>If issued for non-cash consideration</b> – a description of the consideration and the current value of the consideration.
20/12/13	20,000,000	Ordinary (see note 1)	Terra Holdings Ltd	\$0.75 (premium to closing market price of \$0.083)	Issued as final deferred consideration for the acquisition of the remaining 25% of Terra Energy Limited not already owned by the Company. Current valuation \$860,000
9/1/14	1,000	Convertible Notes (see note 2)	OCP Asia (Hong Kong) Limited	US\$10,000 per Convertible Note	Issue raised US\$10,000,000 with the funds being applied to repay certain existing indebtedness and for working capital purposes.

Date of issue	Number of equity securities	Class of equity securities and summary of terms	Name of recipients or basis on which recipients determined	Issue price and discount to closing market price on the date of issue	<p><b>If issued for cash</b> – the total consideration, what was spent on and the intended use of any remaining funds</p> <p><b>If issued for non-cash consideration</b> – a description of the consideration and the current value of the consideration.</p>
9/1/14	66,762,962	Detachable Warrants (see note 3)	OCP Asia (Hong Kong) Limited	nil (see note 3)	N/A - Detachable Warrants have not been exercised as at the date of this Notice.
21/2/14	89,547,433	Ordinary (see note 1)	Shareholders of TheChairmen 1 Pty Ltd (or their assignees or nominees)	\$0.08239 (discount of 7.85% to closing price of \$0.105)	Issued in part payment of the additional consideration due in relation the acquisition of 3,691,740 ordinary shares in Springsure Mining Pty Limited by the Company. Current valuation \$3,850,540
3/4/14	17,262,688	Ordinary (see note 1)	TheChairmen 1 Pty Ltd, Craig Ransley and Nooava Pty Ltd	\$0.08239 (premium to closing price of \$0.08)	Issued in part payment of the additional consideration due in relation the acquisition of 3,691,740 ordinary shares in Springsure Mining Pty Limited by the Company. Current valuation \$742,296
7/8/14	41,666,667	Ordinary (see note 1)	Underwritten pro –rata rights issue	\$0.06 (premium to closing price of \$0.053)	Issue raised \$2,500,000 with the funds being applied for working capital purposes.
7/8/14	41,666,667 (see note 5)	Unlisted options (see note 4)	Underwritten pro –rata rights issue	nil (see note 4)	N/A – Funds will not be raised until exercised.
7/8/14	41,666,667	Ordinary (see note 1)	Maiora Asset Management	\$0.06 (premium to	Issue raised \$2,500,000 with

Date of issue	Number of equity securities	Class of equity securities and summary of terms	Name of recipients or basis on which recipients determined	Issue price and discount to closing market price on the date of issue	<p><b>If issued for cash</b> – the total consideration, what was spent on and the intended use of any remaining funds</p> <p><b>If issued for non-cash consideration</b> – a description of the consideration and the current value of the consideration.</p>
			Limited	closing price of \$0.053)	approximately \$500,000 of the funds being applied for working capital purposes. The remainder of the funds are anticipated to be applied for working capital purposes.
7/8/14	41,666,667	Unlisted options (see note 4)	Maiora Asset Management Limited	nil (see note 4)	N/A – Funds will not be raised until exercised.
26/8/14	5,563	Ordinary (see note 1)	Issued on exercise of unlisted options issued as part of underwritten pro –rata rights issue	\$0.06 (premium to closing price of \$0.051)	Issue raised \$333.78 with the funds anticipated to be applied for working capital purposes.
9/11/14	4,673	Ordinary (see note 1)	Issued on exercise of unlisted options issued as part of underwritten pro –rata rights issue	\$0.06 (premium to closing price of \$0.059)	Issue raised \$280.38 with the funds anticipated to be applied for working capital purposes.
22/9/14	1,395	Ordinary (see note 1)	Issued on exercise of unlisted options issued as part of underwritten pro –rata rights issue	\$0.06 (premium to closing price of \$0.055)	Issue raised \$83.70 with the funds anticipated to be applied for working capital purposes.

Date of issue	Number of equity securities	Class of equity securities and summary of terms	Name of recipients or basis on which recipients determined	Issue price and discount to closing market price on the date of issue	<b>If issued for cash</b> – the total consideration, what is was spent on and the intended use of any remaining funds  <b>If issued for non-cash consideration</b> – a description of the consideration and the current value of the consideration.
21/10/14	3,609	Ordinary (see note 1)	Issued on exercise of unlisted options issued as part of underwritten pro –rata rights issue	\$0.06 (premium to closing price of \$0.043)	Issue raised \$216.54 with the funds anticipated to be applied for working capital purposes.

Notes:

- 1 Fully paid ordinary shares in the Company (ASX Code: GUF). Terms are set out in the constitution.
  - 2 Convertible Notes:
    - **Term:** 18 months from the date of issue, being 8 July 2015 (the **Maturity Date**)
    - **Coupon:** 12% per annum, payable on a semi-annual basis in arrears
    - **Conversion Price:** \$0.30 (subject to standard adjustments)
    - **Dates for Conversion:** Until 7 Business days prior to the Maturity Date
  - 3 Detachable Warrants:
    - **Expiry Date:** 5 years from the date of issue, being 8 January 2019 (the **Warrant Maturity Date**)
    - **Exercise Price:** \$0.17 (subject to standard adjustments)
    - **Dates for Exercise:** Until 5pm on the Warrant Maturity Date.
  - 4 Unlisted options exercisable for \$0.06 until 7 November 2014.
  - 5 Unlisted options were exercised on 26 August 2014, 9 September 2014, 22 September 2014 and 21 October 2014 (refer table above) and therefore the number of these unlisted options which remain on issue as at 21 October 2014 is 41,651,427.
- (g) **Voting exclusion statement**
- A voting exclusive statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing shareholder to participate in an issue of securities under the 10% Additional Placement Capacity, therefore, no existing shareholders are expected to be excluded from voting on Resolution 4.

## 6 Resolution 5 – Termination of Management Agreement

---

### 6.1 Management Agreement

The Company entered into a Management Agreement with TheChairmen1 Pty Ltd (**C1**) on 26 May 2010, as amended on 20 July 2010 and 27 February 2013 (**Management Agreement**).

#### (a) Management Services

Under the Management Agreement, C1 has been appointed as the exclusive manager to the Company and its subsidiaries (**Group**), providing all infrastructure and support for the management of the Group's operations and the prosecution of all applications during the service period in relation to the Group's business, including (but not limited to) doing or procuring any of the following:

- management of the Group's tenements including preparing works programs and budgets, and sourcing personnel and equipment;
- identifying and advising the Group on suitable tenements which may become available for acquisition;
- assisting with negotiations with government agencies; and
- managing the assets and capital of the Group in accordance with the directions of the Board.

(the **Management Services**).

#### (b) Management Fee

In consideration for C1 providing the Management Services, the Company must pay C1 a fee equal to \$2,500,000 per annum (ex GST) until 30 June 2015 (**Management Fee**). The Management Fee is payable monthly in advance. In addition, the Company is required to reimburse C1 for any reasonable third party costs, expenses, charges, fees and taxes and duties incurred by C1 in providing the Management Services (excluding overheads and employee costs).

#### (c) Shareholder approval condition

The ASX required that certain amendments be made to the Management Agreement as a condition of the Company's listing. One of the amendments to the Management Agreement required by the ASX is that all material amendments to the Management Agreement be approved by the Company's shareholders.

### 6.2 Termination

The Company has agreed with C1 that:

- the Management Agreement will terminate, effective on and from 12 September 2014;
- the Company will not be required to pay the Management Fee from 12 September 2014 to 31 June 2015 (being a total of approximately \$2 million); and
- in consideration for the termination of the Management Agreement and waiver of the remaining Management Fees, the Company will transfer 15% of the issued share capital of Springsure Mining Pty Ltd (**Springsure Shares**) to C1.

The termination of the Management Agreement is subject to (amongst other things) approval of the Company's shareholders.

### 6.3 Rationale for the termination of the Management Agreement

The termination of the Management Agreement provides for the full and final settlement of the Company's obligations to pay the Management Fees under the Management Agreement. If shareholders approve Resolution 5, no further Management Fees will be payable by the Company following termination of the Management Agreement, saving the Company approximately \$2 million until 30 June 2015.

Based on the current book value of the shares the Company holds in Springsure Mining Pty Ltd, the consideration payable to C1 for the termination of the Management Agreement is approximately \$540,000.

As a result, the Company will have additional funds available to it to continue expenditure on the Company's current assets, for general working capital purposes and to undertake acquisitions.

### 6.4 Effect

If Resolution 5 is passed and the transactions contemplated as part of the termination of the Management Agreement are completed, the effect will be:

- the Management Agreement will be terminated, effective on and from 12 September 2014;
- the Company will not be required to pay any further Management Fees, effective from 12 September 2014 (being a total of approximately \$2 million);
- the Company's shareholding in Springsure Mining Pty Ltd will decrease from 50.78% to 37.58%; and
- the number of Directors the Company will be entitled to appoint to the board of Springsure Mining Pty Ltd will decrease from 3 to 2.

***If Resolution 5 is not passed, by 2 December 2014 the Company must pay to C1 all amounts that have accrued under the Management Agreement since 12 September 2014 plus interest at the rate of 9% per annum on that amount.***

### 6.5 Impact on control of the Company

No shares in the Company will be issued as a result of termination of the Management Agreement. Therefore, termination of the Management Agreement will not have any impact on control of the Company.

### 6.6 Interests of the Directors

Kon Tsiakis is a shareholder and one of two Directors of Nooava Pty Ltd (**Nooava**). Nooava is a trustee company for the Tsiakis Family Trust of which Mr Tsiakis is one of the beneficiaries. Nooava in its capacity as a trustee for the Tsiakis Family Trust holds 8,365,921 shares directly in the Company. Nooava 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 81,435,600 and 100,000,000 shares in the Company respectively as at the date of this Notice.

### 6.7 Recommendation of the Directors

The Directors of the Company, other than Mr Kon Tsiakis, recommend that shareholders vote ***in favour*** of Resolution 5.

Mr Tsiakis makes no recommendation due to his personal interest in the Resolution.

**Proxy form**