



27 November 2014

ASX Announcement

Baruun Noyon Uul Mine Second Trial Coal Test Results

Guildford Coal Limited (**Guildford** or the **Company**) (ASX: GUF) is pleased to announce the results of the washing and laboratory testing of the second trial batch of coal (14,300t) from the Baruun Noyon Uul (**BNU**) mine.

As previously announced, the Company expected the extraction process and yield would be more favourable for the second trial batch of coal. We are pleased to advise testing confirmed Guildford's expectations. The summary results of both trial batches of coal from the BNU mine are:

Batch	Tonnes	Yield	Ash (ad)	VM (ad)	Sulphur (ad)	G Index	Y Index	CSR
Aug. Trial 1 wash	8,000	58%	9.0%	25	0.49%	72	14.4	TBA
Oct. Trial 2 wash	10,500	80%	8.6%	25	0.46%	75	15	TBA
Oct Trial 2 Bypass	3,800	100%	10.8%	25	0.41%	85	17	TBA

The CSR results are expected by mid-December.

After completion of the second trial wash, the following outcomes can be confirmed:

- Further confirmation that BNU coal can be washed to produce a low ash premium quality hard coking coal with low sulphur that is well suited to the Chinese market
- Float and Sink test work conducted prior to the washing trial consistently demonstrated very high yields are possible when washing the BNU coal
- Processing wash plant yield performance of the second trial was significantly higher at 80% and product ash control was improved. Further improvement can be expected in the future as processing plant operational experience increases and a small number of fine coal circuit technical issues are resolved with the operator
- The BNU coal project has successfully exported a portion of the total batch that can bypass the wash plant and be sold directly to the end users
- The second trial wash process has allowed Guildford the opportunity to further advance long term offtake discussions with multiple end users who source coal from the Ceke port in China

The laboratory results were undertaken by Alfred H Knight and Bureau Veritas laboratories in Ulaanbaatar and further test work is underway at the China Coal Research Institute in Beijing.



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This remains an exciting period in the evolution of Guildford from explorer to miner and on the back of the test results for the second trial batch of coal from the BNU mine, the Company has advanced its negotiations for a profitable offtake agreement to secure the operation of the BNU mine.

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