

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Guildford Coal Ltd

ABN

35 143 533 537

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(6 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(375)	(387)
	(b) development	(4,016)	(6,776)
	(c) production	-	-
	(d) administration	(1,903)	(2,867)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	6	19
1.5	Interest and other costs of finance paid	(1,092)	(6,244)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
<b>Net Operating Cash Flows</b>		<b>(7,380)</b>	<b>(16,255)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(7,380)</b>	<b>(16,255)</b>

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1.13	Total operating and investing cash flows (brought forward)	(7,380)	(16,255)
1.14	<b>Cash flows related to financing activities</b>		
	Proceeds from issues of shares, options, etc. <sup>[1]</sup>	4,344	9,345
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	<b>4,344</b>	<b>9,345</b>
	<b>Net increase (decrease) in cash held</b>	<b>(3,036)</b>	<b>(6,910)</b>
1.20	Cash at beginning of quarter/year to date	5,267	9,141
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>2,231</b>	<b>2,231</b>

**Note 1:** The Company announced on 7 July 2014 that it had entered into an underwriting agreement with Maiora Asset Management Pte. Ltd ("Maiora") to fully underwrite a non-renounceable pro rata entitlement offer to Guildford's shareholders. In addition to the underwritten amount of \$2.5 million, the Underwriter had agreed to subscribe for \$2.5 million worth of Guildford shares at the conclusion of the Entitlement Offer period, and was issued with 1 free attaching option for each share subscribed for, exercisable at \$0.06 within 3 months of the Entitlement Offer grant. During the quarter Maiora exercised 72,407,087 unlisted options resulting in Guildford Coal receiving \$4.3 million as announced 28 November 2014.

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	(163)
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	<b>Explanation necessary for an understanding of the transactions</b> Item 1.23 includes fees and salary paid to directors.	

### Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	Nil
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	Nil

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## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities <sup>[1]</sup>	125,173	125,173
3.2 Credit standby arrangements	-	-

Note 1: Item 3.1 consists of the following financing facilities:

- Noble Debt Facility US\$8.9m (A\$10.8m equivalent)
- Noble Working Capital Facility US\$10m (A\$12.2m equivalent)
- Noble Fuel Exclusivity Agreement US\$6.3m (A\$7.7m equivalent)
- Noble Additional Debt Facility US\$12.4m (A\$15.2m equivalent)
- OCP Amortising Notes US\$55m (A\$67.1m equivalent)
- OCP Convertible Notes US\$10m (A\$12.2m equivalent)
- Increase in total loan facilities of \$7.9m from prior quarter due to unfavourable unrealised foreign exchange loss as debt is denominated in US Dollars

## Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	(404)
4.2 Development	(2,341)
4.3 Production	(7,841)
4.4 Administration	(2,372)
<b>Total</b>	<b>(12,958)</b>

**Note 1: Guildford Coal Limited announced to the market (22 January 2015) the following:**

### *Working Capital Facility*

Further to the announcement on 19 December 2014 and as further detailed in the Target's Statement dated 24 December 2014 and Supplementary Target's Statement dated 5 January 2015, Guildford Coal Limited (Guildford) (ASX:GUF) is pleased to announce that negotiations with Noble Resources International Pte. Ltd. (Noble) regarding an additional US\$7 million working capital facility have concluded, long form documents have been executed and Guildford has issued a draw down notice in respect of the entire US\$7 million facility.

### *Entitlement Offer*

As announced on 5 January 2015, and in addition to the new working capital facility from Noble, Guildford intends to raise up to A\$7 million via a pro-rata renounceable entitlement offer on the basis of 1 new share for every 4.85 shares, at an issue price of \$0.037 (Entitlement Offer).

### *Ongoing Funding Requirements*

Together with the net proceeds from the new Noble working capital facility and the Entitlement Offer, Guildford intends to fund production at the BNU Mine from revenues received from coal sales. Guildford expects to execute a "pre-pay" (funding) facility in the short term which will assist with cash flow management during the early stages of production and sales.

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#### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1	Cash on hand and at bank	2,231	5,267
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		<b>2,231</b>	<b>5,267</b>

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Note: Sub-blocks within the Sierra project, EPC 1870 (33 sub-blocks), and Sunrise project EPC 2058 (48 sub-blocks) have been relinquished during the quarter.

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities (description)</b>				

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7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>*Ordinary securities</b>	917,612,681	917,612,681	Fully Paid	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	72,410,696	72,410,696	\$0.06	Fully Paid
7.5	<b>*Convertible debt securities</b> OCP Asia Convertible Notes	1,000	Nil	\$10,000	Refer Appendix 3b lodged 9 January 2014 for terms and conditions
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> Performance Rights	2,379,222	Nil	<u>Exercise price</u> \$0.00	<u>Expiry date</u> 31 October 2016
	OCP Asia Detachable Warrants	66,762,962	Nil	\$0.17	8 January 2019
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures (totals only)</b>				
7.12	<b>Unsecured notes (totals only)</b>				

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: .....  
Acting Group Managing Director

Date: 30 January 2015

Print name: Michael Avery

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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