

Date: 27 January 2015

GUILDFORD COAL LIMITED

ACN 143 533 537

Prospectus

Renounceable Entitlement Offer
to existing shareholders

One New Share for every 4.85 Shares held at an issue price of \$0.037 per New Share, to raise approximately \$7 million

The Entitlement Offer closes at 5:00pm Brisbane Time on Monday 16 February 2015

IMPORTANT NOTICES

Regulatory information

This Prospectus is dated 27 January 2015. A copy of this Prospectus was lodged with the Australian Securities and Investments Commission (ASIC) on 27 January 2015.

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. In particular, you should consider the risk factors that could affect the performance of Guildford or the value of an investment in Guildford, some of which are outlined in section 8 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, 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 Guildford or its Directors, or any other person in connection with the Entitlement Offer. None of Guildford, nor any other person, guarantees the future performance of Guildford 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 in Australia, New Zealand, Singapore and Hong Kong. New Shares are continuously quoted securities (as defined in the Corporations Act) of Guildford, 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. 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 will depend upon your particular circumstances.

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

Privacy

The information about 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. By submitting an Entitlement and Acceptance Form, each Eligible Shareholder agrees that Guildford 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 Guildford'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 Guildford to include information about each Shareholder (including name, address and details of the Shares held) in the Register. The information contained in the Register must remain there even if that person ceases to be a Shareholder. Information contained in the Register is also used to facilitate payments and corporate communications (including Guildford's financial results, annual reports and other information that Guildford wishes to communicate to its security holders) and compliance by Guildford 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, Guildford 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 Guildford nor any other person warrants or guarantees the future performance of the New Shares, 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 Guildford 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 submits to the non-exclusive jurisdiction of the courts of Queensland.

ACTING CHAIRMAN'S LETTER

Dear Shareholder,

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

Entitlement Offer

The Entitlement Offer is the offer of 1 New Share for every 4.85 Shares held with an offer price per New Share of \$0.037 (**Offer Price**) to raise approximately \$7 million (before costs). Guildford intends to apply the funds raised from the Entitlement Offer to support the current ramp up of coal production at the BNU Mine in Mongolia and for working capital purposes.

The Entitlement Offer is partially underwritten by Maiora Asset Management Pte Ltd (**Maiora**), a Singapore based asset manager and substantial shareholder in Guildford and Auspicious Future Ventures Limited (**Auspicious**), a vehicle owned by The Hon Craig Wallace, a Director of Guildford. Further details of the underwriting commitments of Maiora and Auspicious are set out in section 5.8 of the Prospectus. Following the underwriting offer from Auspicious, The Hon Craig Wallace excluded himself from any Board deliberations regarding the Entitlement Offer and the underwriting arrangements in respect of the Entitlement Offer. The Directors (other than The Hon Craig Wallace) consider that the underwriting commitment from Auspicious is a significant display of support for Guildford and its future from one of its Directors.

The Offer Price represents a discount of 2.63% to the closing price of Guildford shares on Friday, 2 January 2015, the last trading day before the announcement of the proposal to make the Entitlement Offer, a 3.92% discount to the 20 day volume weighted average price of Guildford shares as at Friday 2 January 2015 and a 2.78% premium to the last closing price of Guildford shares before this Prospectus. The Offer Price represents a discount of 17% to the bottom of the range of value of a Guildford share on a minority interest basis determined by BDO Corporate Finance (QLD) Ltd in its Independent Expert's Report which was included in Guildford's Target Statement.

Recent Achievements

2015 promises to be an exciting period for Guildford as we ramp up and recommence mining operations at the BNU Mine in Mongolia. Key highlights and recent achievements in respect of our operations at the BNU Mine include:

- mining operations at the BNU Mine have successfully recommenced with all major equipment recommissioned;
- the first two trial shipments of coal from the BNU Mine have been exported to China with wash results and laboratory testing indicating that BNU Mine coal can be washed to produce a low ash, premium quality hard coking coal with low sulphur content;
- a third trial shipment of 3,000t of coal from the BNU Mine has been delivered by rail to Jiuquan Iron & Steel (Group) Co Ltd, a large Chinese coking coal end user and potential offtake partner;
- a 15,000 tonne PCI coal shipment from the BNU Mine was also completed in January 2015;
- the Mineral Resources Progression Committee from the Mineral Resource Authority of Mongolia has approved an increase in the allowable mining capacity at the BNU Mine to 1.5Mt in 2015 and 2.0Mt in 2016;
- the company is planning coal volumes to end of 2015 of 1.19Mt from the BNU Mine;
- Guildford has exercised its option to acquire the 12600 exploration lease, which is adjacent to the BNU Mine. The acquisition of this lease will result in operational synergies for the BNU Mine as the coal seams are contiguous;
- Noble has been appointed as marketing agent; and

- Guildford is currently negotiating long term offtake agreements for the sale of hard coking coal with several Chinese customers.

Guildford's financiers, Noble and OCP Asia, have confirmed their support of Guildford, with Noble providing an additional US\$7 million working capital facility and OCP agreeing to defer certain interest payments as announced on 22 January 2015.

Sino Takeover Offer

On 25 September 2014, Sino Construction Limited (**Sino**) announced an unsolicited off-market takeover bid for all of the shares in Guildford (**Sino Takeover Offer**).

As set out in Guildford's Target Statement, the Directors unanimously recommend that you **REJECT** the Sino Takeover Offer.

The Sino Takeover Offer is subject to numerous defeating conditions, including that no Prescribed Occurrence occurs between the announcement of the Sino Takeover Offer and the end of the Sino Offer Period. The issue of New Shares under the Entitlement Offer will be a Prescribed Occurrence.

Unless Sino waives the defeating condition which will arise as a result of the issue of New Shares under Entitlement Offer, the Sino Takeover Offer will terminate at the end of the Sino Offer Period and all contracts resulting from the acceptance of the Sino Offer will be automatically void.

As at the date of this Prospectus, Sino has not given any indication as to whether or not it will waive this defeating condition.

Queries

If you have any queries about the Entitlement Offer, please contact Tony Mooney at any time between 9:00am and 5:00pm (Brisbane time) on +61 7 3005 1533.

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



Craig Ransley
Acting Non-Executive Chairman

1 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	Craig Ransley Michael Avery Tsogt Togoo The Hon Craig Wallace
Company Secretary	Tony Mooney

2 ENTITLEMENT OFFER AT A GLANCE

Offer Price	\$0.037
Entitlement	1 New Share for every 4.85 Shares held on the Record Date
Maximum number of New Shares to be issued under the Entitlement Offer	189,198,491 New Shares
Number of Shares that will be on issue after the Entitlement Offer ⁽¹⁾	1,106,811,172
Amount to be raised assuming full acceptances	approximately \$7 million before the costs of the Entitlement Offer

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

3 KEY DATES⁽²⁾

Event	Date
Release of Prospectus and Appendix 3B to ASX	Tuesday, 27 January 2015
Ex Date for New Share entitlement and commencement of Entitlements trading on a deferred settlement basis	Thursday, 29 January 2015
Record Date for identifying Shareholders with New Share entitlements	7:00 pm (Brisbane time) on Monday, 2 February 2015
Despatch of Prospectus and Entitlement and Application Forms to Eligible Shareholders (Opening Date)	Thursday, 5 February 2015
Commencement of Entitlements trading on normal settlement basis	Friday, 6 February 2015
End of Entitlements trading period	4:00pm (Sydney time) on Monday, 9 February 2015
New Shares quoted on deferred settlement basis	Tuesday, 10 February 2015
Closing Date	5:00pm (Brisbane time) on Monday, 16 February 2015
Shortfall notification date	Thursday, 19 February 2015
Allotment Date of New Shares	Monday, 23 February 2015
Despatch of holding statements	Monday, 23 February 2015
Commencement of trading of New Shares on normal settlement basis	Tuesday, 24 February 2015

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

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 Guildford website at www.guildfordcoal.com.au or by calling Guildford. A copy of this Prospectus will also be available at www.asx.com.au. 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 Guildford website will not include an Entitlement and Acceptance Form.

For further information, or to request a replacement Entitlement and Acceptance Form, please contact Tony Mooney on +61 7 3005 1533.

4 SUMMARY OF OPTIONS AVAILABLE TO ELIGIBLE SHAREHOLDERS

Eligible Shareholders (as defined in section 5.5) may take any one of the following actions in respect of the Entitlement Offer:

- take up all or part of your Entitlement (see section 5.2.1);
- sell all or part of your Entitlement;
 - on ASX (see section 5.2.2); or
 - by transferring it directly to another person (see section 5.2.3); or
- do nothing, in which case you will not receive any New Shares or any other value for your Entitlement.

Shareholders who are Ineligible Shareholders will not receive any Entitlements and may not participate in the Entitlement Offer, but may receive the net proceeds of the sale of the Entitlements they would otherwise have been entitled to (if they were Eligible Shareholders), less any applicable withholding tax (see section 5.6).

5 DETAILS OF THE ENTITLEMENT OFFER

5.1 Description of the Entitlement Offer

Eligible Shareholders are invited to participate in a partially underwritten, pro-rata renounceable Entitlement Offer to raise approximately \$7 million (before costs).

The Entitlement Offer will be conducted on the basis of 1 New Share for every 4.85 Shares held at 7.00 pm (Brisbane time) on the Record Date, at an issue price of \$0.037. Fractional entitlements will be rounded down to the nearest whole number.

The Entitlement Offer is partially underwritten by the Underwriters, see section 5.8 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 Guildford and the Entitlement Offer, prior to accepting all or part of the Entitlement.

In particular, please refer to this Prospectus, Guildford'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.

5.2 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 4.85 Shares held by you as at the Record Date of 7:00pm (Brisbane time) on Monday, 2 February 2015. 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.

5.2.1 If you wish to take up all or part of your Entitlement

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 as your payment will pay for 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.

See section 7 for further information on accepting your Entitlement.

If you wish to sell or otherwise transfer that part of your Entitlement that you do not take up you should read sections 5.2.2 and 5.2.3.

5.2.2 If you wish to sell all or part of your Entitlement on ASX

If you decide to sell all or part of your Entitlement on ASX, you will need to instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form. You should allow sufficient time for your instructions to be carried out by your stockbroker. Please note you may incur brokerage if you choose to sell Entitlements on ASX.

Entitlement trading on ASX starts on a deferred settlement basis at 10:00am (Sydney time) on Thursday, 29 January 2015 (ASX code: GUFR) and ceases at 4:00pm (Sydney time) on Monday, 9 February 2015. There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

Guildford will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade you Entitlement before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Guildford or the Share Registry or failure to maintain your updated details on the Guildford share registry or otherwise. Guildford will have no responsibility and disclaims all liability (to the maximum extent permitted by law) for any acts or omissions of your stockbroker in relation to any dealing with your entitlement.

Prices obtainable for Entitlements may rise and fall over the Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Guildford shares relative to the Offer Price. If you sell your Entitlements in the Entitlement trading period, you may receive a higher or lower amount than a shareholder who sells their Entitlement at a different time in the Entitlement trading period.

If you sell all or part of your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in Guildford will also be diluted.

5.2.3 If you wish to transfer all or part of your Entitlement other than on ASX

If you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Transfer Form to the Share Registry. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application Monies together with the completed Renunciation and Transfer Form to the Share Registry.

You can obtain a Renunciation and Transfer Form from the Share Registry or from your stockbroker. The completed Renunciation and Transfer Form as well the transferee's Application Monies must be received by the Share Registry by no later than the close of the Entitlement Offer, being 5:00pm (Brisbane time) on the Closing Date.

If the Share Registry receives both a completed Renunciation and Transfer Form and an application for New Shares in respect of the same Entitlement, the transfer will take priority over the application.

If you transfer all or part of your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in Guildford will also be diluted.

You may only transfer your Entitlement in this way to a purchaser whose address is in Australia, New Zealand, Hong Kong or Singapore, who is not in the United States and is not acting for the account or benefit of a person in the United States. Persons that are in the United States or that are acting for the account or benefit of a person in the United States will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any transferee of these restrictions.

See sections 5.5 and 9.6 for more information on restrictions on participation.

5.3 Fractions

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

5.4 Entitlements trading

Entitlements to New Shares under the Entitlement Offer are renounceable. Accordingly, there will be the ability for Entitlements to be traded on ASX or by transferring them directly to another person. See sections 5.2.2 to 5.2.3 for further information.

There is no guarantee that there will be a market for Entitlements on ASX or that any value will be received for Entitlements.

Ineligible Shareholders will not be able to sell or transfer their Entitlements on ASX or otherwise.

5.5 Eligible Shareholders

This Prospectus contains an offer of New Shares 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.

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

5.6 Ineligible Shareholders

In compliance with Listing Rule 7.7.1 and section 708AA (including section 9A) of the Corporations Act, Guildford will arrange for the sale of the Entitlements which would otherwise have been granted to Ineligible Shareholders (if they were Eligible Shareholders). Guildford will direct the net proceeds of such sale (if any) to Ineligible Shareholders.

The ability for Guildford (or any broker appointed by Guildford) to sell such Entitlements and the price obtained for them are dependent on various factors, including market conditions. There is no guarantee that the price received for the Entitlements will be greater than the Offer Price, or that Ineligible Shareholders

will receive any value for Entitlements which would otherwise have been granted to them if they were Eligible Shareholders. Neither Guildford, the Underwriter nor any broker appointed by Guildford will be subject to any liability for failure to sell those Entitlements or to sell them at a particular price.

The net proceeds of the sale of such Entitlements (if any) will be paid in Australian dollars to the Ineligible Shareholders for whose benefit the Entitlements have been sold in proportion to their shareholding (after deducting expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by Guildford for distributing those proceeds, such proceeds may be retained by Guildford.

5.7 Rights and liabilities attaching to New Shares

A summary of the significant rights and liabilities attaching to Shares (including the New Shares) is set out in section 9.7. Full details of the rights and liabilities attaching to Shares (including the New Shares) are set out in Guildford's constitution, a copy of which is available for inspection at Guildford's registered office during normal business hours.

5.8 Underwriting

Maiora and Auspicious (each an **Underwriter** and collectively, the **Underwriters**) have agreed to partially underwrite the Entitlement Offer, subject to maximum underwriting commitments as follows:

- Maiora has agreed to contribute up to \$2 million to Guildford as part of the Entitlement Offer. As Maiora will hold Shares as at the Record Date it will receive Entitlements under the Entitlement Offer, its maximum underwriting commitment will be equal to \$2 million less the amount of the Application Monies paid by Maiora for the Entitlements that it takes up; and
- Auspicious' maximum underwriting commitment is equal to \$4 million.

Any shortfall under the Entitlement Offer will be underwritten pro-rata by the Underwriters until the subscription amount payable by Maiora for shortfall shares has reached its maximum underwriting commitment. Any further shortfall will be underwritten solely by Auspicious until the aggregate subscription amount payable by Auspicious for all shortfall shares it is required to subscribe for has reached its maximum underwriting commitment.

The Underwriters will not receive any fees or commissions for underwriting the Entitlement Offer. The Underwriters will be reimbursed for their reasonable legal costs incurred in the preparation of the Underwriting Agreement.

Under the terms of the Underwriting Agreement, either or both of the Underwriters may, at any time prior to the completion of the Entitlement Offer, terminate the Underwriting Agreement and be released from their 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 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 EFFECT OF THE ENTITLEMENT OFFER ON THE COMPANY

6.1 Capital structure and financing structure

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

6.1.1 Shares

	Number
Shares on issue as at the date of this Prospectus	917,612,681
Maximum number of New Shares to be issued under this Prospectus	189,198,491
Maximum total Shares on issue after completion of the Entitlement Offer⁽³⁾	1,106,811,172

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

6.1.2 Options, warrants, performance rights and convertible notes

	Number
Detachable warrants currently on issue with OCP Asia (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 with OCP Asia with a face value of USD 10,000, exercisable until 8 July 2015 with an adjustable exercise price of \$0.06 per convertible note ⁽⁴⁾	1,000
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	2,379,222

(4) Refer to section 9.2.2 in relation to Mr Ransley's interest in the convertible notes currently on issue with OCP.

6.1.3 Financing structure

Guildford has financing arrangements with Noble, and with OCP, as described in part 3.6 of the Target Statement. Since the release of the Target Statement:

- Noble has provided an additional US\$7 million working capital facility to Guildford, approximately US\$3 million of which will be used to repay all amounts outstanding to Noble under the Fuel Exclusivity Agreement dated 14 November 2014; and
- OCP has formally agreed to defer interest repayments totalling approximately US\$3.9 million, which were due on 8 January 2015 to 8 July 2015 and which will incur a 2% deferral fee calculated against the face value of the convertible notes and amortising notes held by OCP. The deferral fee is payable on 8 July 2015.

6.2 Use of funds and financial update

Funds raised pursuant to the issue of New Shares under the Entitlement Offer will be used:

- to support the current ramp up of coal production at the BNU Mine to commercial production;
- for working capital purposes; and
- to pay the costs of the Entitlement Offer.

Sources of funds		Use of funds	
New Shares issued under Entitlement Offer	\$7,000,000 (approx.)	Support ramp up of coal production at BNU Mine and general working capital purposes	\$6,840,000 (approx.)
		Costs associated with the Entitlement Offer	\$160,000 (approx.)
Total	\$7,000,000 (approx.)		\$7,000,000 (approx.)

In line with the ramp up of coal production at the BNU Mine, estimated development and production cash outflows since the quarter ended 30 September 2014 are expected to be higher than in the immediately preceding quarters. Guildford will also use approximately US\$3 million of the additional US\$7 million working capital facility provided by Noble to repay amounts outstanding under the Fuel Exclusivity Agreement dated 14 November 2013.

However, these cash outflows are anticipated to be offset by the receipt of revenue from coal sales, the proceeds from the Entitlement Offer and the balance of the additional working capital facility provided by Noble. 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.

As announced on 22 January 2015, Guildford will pay Noble US\$6 million as part of the purchase price for the 12600 exploration lease. This payment is due at the end of May 2015 and is expected to be met in the ordinary course.

6.3 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 diluted as they are not able to participate in the Entitlement Offer.

The Underwriters have agreed to underwrite the Entitlement Offer, subject to maximum commitments as set out in section 5.8. If no Eligible Shareholder takes up any of their Entitlements, the maximum number of New Shares that the Underwriters will be required to subscribe for under the Underwriting Agreement will be approximately 162,162,162 in aggregate. In these circumstances, the shareholdings of Maiora and Auspicious, as well as the other substantial shareholders of Guildford will be as follows:

Name	Pre-Entitlement Offer		Post-Entitlement Offer	
	Guildford shares ⁽⁵⁾	Shareholding %	Guildford shares	Shareholding %
Maiora Asset Management Pte Ltd	162,656,894	17.73	216,710,948	20.07
Auspicious Future Ventures Limited	925,383	0.10	109,224,292 ⁽⁶⁾	10.11
C1 Commodities Pte Ltd	100,000,000	10.90	100,000,000	9.26
TheChairmen1 Pty Ltd	80,583,156	8.78	80,583,156	7.46
Och Ziff Capital Mgt	49,289,453	5.37	49,289,453	4.56

(5) Based on the most recent substantial shareholder notices lodged with Guildford and the ASX.

(6) Assuming Auspicious takes up all of their Entitlements.

If all or some Eligible Shareholders (other than Maiora) take up all or part of their Entitlements, it will reduce the number of New Shares which the Underwriters are required to subscribe for.

The Directors do not expect that the underwriting of the Entitlement Offer will have any material effect on the control of Guildford.

7 ACCEPTANCE OF ENTITLEMENT OFFER AND PAYMENT

7.1 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 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 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.

7.2 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 Share Registry 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 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.

7.3 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 \$0.037 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 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 as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form).

7.4 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:

Mailing address:

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

Hand delivery address:

Guildford Coal Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 (Please do not use this address for mailing purposes)

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

8 RISK FACTORS

8.1 Factors influencing success and risk

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

The Company operates in the coal industry in both Mongolia and Australia. There are a number of factors, both specific to the Company 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 the Company's 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 the Company using safeguards and appropriate systems and

taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation. There are also general risks associated with any investment in securities.

8.2 Specific business risks

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

8.2.1 Guildford may not be able to operate and grow its business as planned

The Company expects that the net proceeds from coal production and sales, the issue of the New Shares to Eligible Shareholders, together with the new working capital facility from Noble (as announced on 22 January 2015) and its current cash and cash equivalents, should be sufficient to meet its anticipated working capital needs in the short to medium term. However, the Company's business and operations may consume resources faster than anticipated. Revenues from the operations of the BNU Mine may not be as high as expected or may be received at a later date than expected and additional financing may not be available on acceptable 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.

8.2.2 Dependence on retaining and attracting key personnel

If the Company 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.

8.2.3 Mining and operational risks

The Company's financial performance will substantially depend on the operations of the BNU Mine. The production forecasts in respect of the BNU Mine are estimates only, based on assumptions including those in relation to geology, mineral grades, mining conditions and performance and operational issues and are subject to uncertainty. Capital and operating cost estimates for the BNU Mine are also based on assumptions that are subject to differing degrees of uncertainty. An increase in capital or operating costs, technical difficulties encountered in commissioning and 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 transportation or other supply chain costs, consumables, spare parts, plant and equipment could have an adverse impact on the Company's overall performance.

There is a risk of changes in mining or other laws, including the introduction of more stringent regulations or standards, which result in increased costs and therefore could have an adverse impact on the Company's overall performance.

There is no assurance that the Company will be able to identify additional resources at the BNU Mine to allow mining to continue beyond the identified mine life.

8.2.4 Exploration and development Risks

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 develop these resources and

transport them to commercially viable markets or sell the resources to customers to achieve a commercial return. 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.

8.2.5 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 or 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.

8.2.6 Financing risks

To meet scheduled finance payments and capital expenditure commitments at the BNU Mine, additional funding will be required. The Company believes that there are reasonable grounds that the additional funding required will be obtained to meet current and future obligations.

8.2.7 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.

8.2.8 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.

8.2.9 Country risks

There is a risk that circumstances (including unforeseen circumstances) in Mongolia, China or Australia may affect the Company's ability to carry on business, or may cause a delay to project development, exploration milestones or other operating factors, resulting in receipt of revenue at a later date than expected or not at all. The Company has an exposure to changes in Government and/or changes in laws affecting its business, particularly in Mongolia (e.g. mining licences, road permits and blast permits).

8.2.10 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.

8.2.11 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.

8.2.12 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. The Company has exposure to the variability of coal chain costs particularly in China where price is dictated on a capacity availability basis (low demand period equals low price) and not on a cost plus basis.

8.3 General risks

These are risks of an investment in securities, which are considered beyond the control of the Company.

8.3.1 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.

8.3.2 Foreign exchange risk

Contracts for the sale of coal are often denominated in US dollars. Further, the Company operates and incurs costs in both Mongolia and Australia. As such, a strengthening or weakening of the Australian dollar relative to the US dollar or the Mongolian Tugrik may impact the Company's financial performance adversely or positively.

8.3.3 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.

8.3.4 Taxation risks

Australian, Mongolian and Chinese tax laws are constantly changing with the introduction of various taxation reform proposals that may affect the Company and investors. There is a risk that new taxes, fees or levies will be introduced, or the rate of existing taxes, fees or levies will be increased, and which could have an adverse impact on the Company's overall performance. In particular, the Company is exposed to various taxes, fees and levies applied along the coal logistics path from Mongolia into China.

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.

8.3.5 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.

8.4 General

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

9 IMPORTANT INFORMATION

This Prospectus has been prepared by Guildford.

No party other than Guildford 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 how to deal with your Entitlement. In particular, you should consider the risk factors outlined in section 8 that could affect the operating and financial performance of Guildford or the value of an investment in Guildford.

9.1 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.

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, Guildford 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 Guildford's securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to Guildford 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 Guildford before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, Guildford 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 Guildford's annual financial statements for the financial year ended 30 June 2014 to the issue of this Prospectus which required Guildford 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 Guildford (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 Guildford for the financial year ended 30 June 2014, being the last financial statements for a financial year of Guildford lodged with ASIC before the issue of this Prospectus;
 - any half-year financial report lodged by Guildford 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 Guildford 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 Guildford during the period after lodgement of the annual financial statements of Guildford for the period ended 30 June 2014 and before the issue of this Prospectus:

Date	Description of announcement
22/01/2015	Working Capital Facility and Update on Entitlement Offer
19/01/2015	Initiating Coverage
12/01/2015	Coal Movements and Safety Awards
05/01/2015	Supplementary Disclosure to Target Statement
02/01/2015	Notice to Acquire OCP Convertible Notes
24/12/2014	Target's Statement
22/12/2014	BNU Mine Second Trial Coal Test Results
19/12/2014	Strategic Alliance Extended
19/12/2014	Change in substantial holding
19/12/2014	Change in Substantial Holding
18/12/2014	Appendix 3X - Craig Wallace
18/12/2014	Change in Substantial Holding
18/12/2014	Appendix 3Z - Peter Kane
16/12/2014	Board of Directors Update-
10/12/2014	Extension of Time for Lodgement of Target's Statement
09/12/2014	Change in substantial holding
03/12/2014	Appendix 3X - Craig Ransley
28/11/2014	Results of Annual General Meeting
28/11/2014	AGM 2014 Chairman Script
28/11/2014	AGM - Group Managing Director Presentation-
27/11/2014	Confirmation of Increased Mining Capacity
27/11/2014	Baruun Noyon Uul - Second Trial Coal Test Results
26/11/2014	Notice of despatch of Bidder's Statement

Date	Description of announcement
25/11/2014	Appendix 3Z - Alan Griffiths
25/11/2014	Change in substantial holding
24/11/2014	Appendix 3B - Shares Issued on Exercise of Unlisted Options
24/11/2014	Appendix 3X - Michael Avery
21/11/2014	Appendix 3Z - Kon Tsiakis-
20/11/2014	Baruun Noyon Uul Production Update
19/11/2014	Board of Directors Update
19/11/2014	Receipt of Bidder's Statement
18/11/2014	Exercise of Options
18/11/2014	Bidder's Statement
17/11/2014	Notice of date for determining holders of securities
13/11/2014	Board of Directors Update

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

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

9.2 Further disclosures

9.2.1 Sino Takeover Offer

The Sino Takeover Offer is subject to numerous defeating conditions, including that no Prescribed Occurrence occurs between the announcement of the Sino Takeover Offer and the end of the Sino Offer Period. The issue of New Shares under the Entitlement Offer is a Prescribed Occurrence.

If Sino does not, within 3 business days after the end of the Sino Offer Period, waive the defeating condition in respect of the Prescribed Occurrence which will occur as a result of New Shares issued under the Entitlement Offer, the Sino Takeover Offer will terminate and all contracts resulting from the acceptance of the Sino Takeover Offer are automatically void. In this circumstance, Shareholders will not receive any consideration for their Shares under the Sino Takeover Offer, even if they had previously accepted the offer.

As at the date of this Prospectus, Sino has not given any indication to Guildford or ASX as to whether it will waive this defeating condition.

As set out in Guildford's Target Statement, the Directors unanimously recommend that you **REJECT** the Sino Takeover Offer.

9.2.2 Convertible notes

As at the date of this Prospectus, there are 1,000 convertible notes on issue with OCP, each with a face value of USD 10,000. These convertible notes are exercisable until 8 July 2015 with an adjustable exercise price of \$0.06.

As announced on 2 January 2015, Guildford has received notification from Craig Ransley, the Acting Chairman of Guildford, that Mr Ransley has entered into an agreement to acquire the convertible notes from OCP. Mr Ransley has indicated that his current intention is to convert the notes into Shares. Based on the exercise price of the notes as at the date of this Prospectus, the maximum number of Shares that may be issued if all of the notes are converted is up to 200,000,000. If certain conditions are satisfied (including that the Offer Price of \$0.037 is less than a volume weighted average price of Shares on the allotment date of New Shares), the issue of New Shares for an Offer Price below the current exercise price of the convertible notes may cause the exercise price to reduce to equal the Offer Price of \$0.037. In these

circumstances, the maximum number of Shares that be issued if the notes are converted will be up to 333,333,333.

9.3 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	\$0.050	26 November 2014
Lowest	\$0.031	24 December 2014
Last	\$0.036	23 January 2015

9.4 Interests of Directors and named parties

9.4.1 Interests of Directors

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

Name of Director	Shares	% of issued capital	Other interests
Craig Ransley ⁽⁷⁾	86,646	0.009%	0.09% interest in TheChairmen1 Pty Ltd, which holds 80,583,156 Shares. 50% interest in Rednblonde Pty Ltd which holds 630,000 Shares.
Michael Avery	14,655,085	1.6%	6.6% interest in C1 Commodities Pte Ltd, which holds 100,000,000 Shares. 7.6% interest in TheChairmen1 Pty Ltd, which holds 80,583,156 Shares.
Tsogt Togoo	nil	nil	Nominee of Terra Holdings Ltd, which holds 20,000 Shares.
The Hon Craig Wallace	925,383	0.10%	16.25% interest in C1 Commodities Pte Ltd, which holds 100,000,000 Shares. 100% interest in Auspicious Future Ventures Limited, who has agreed to partially underwrite the Entitlement Offer (see sections 5.8 and 6.3 for further information)

(7) Refer to section 9.2.2 in relation to Mr Ransley's interest in the convertible notes currently on issue with OCP.

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.

9.4.2 Interests of the Underwriters

Maiora and Auspicious have agreed to act as the Underwriters in relation to the Entitlement Offer. As at the date of this Prospectus, Maiora holds 162,656,894 Shares.

The Underwriters will not receive any fees or commissions for underwriting the Entitlement Offer. The Underwriters will be reimbursed for their reasonable legal costs incurred in the preparation of the Underwriting Agreement.

9.5 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 and Auspicious Future Ventures Limited as underwriters;
- Link Market Services Limited as Share Registrar; and
- BDO Corporate Finance (QLD) Ltd as the author of an Independent Expert's Report which was included in Guildford's Target Statement,

(the **Named Parties**).

The Named Parties have had no involvement in the preparation of any part of this Prospectus other than being named as an Underwriter, Share Registrar or Independent Expert in respect of Guildford's Target Statement (as applicable). None of the Named Parties 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.

9.6 Foreign jurisdictions

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

The New Shares 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, or otherwise permit the public offering of the New Shares, 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.

9.6.1 Not an offer in the United States

The Entitlements and the New Shares 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 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 may constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and, for so long as the New Shares remain restricted securities, the New Shares may not be deposited in any unrestricted American Depositary Receipt facility with respect to the securities of Guildford.

9.6.2 Offer in New Zealand

This Entitlement Offer to New Zealand investors is being made pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

9.7 Rights and Liabilities attaching to 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.

9.7.1 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.

9.7.2 Meeting of members

Each Shareholder is entitled to receive notice of and to attend general meetings of Guildford 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.

9.7.3 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.

9.7.4 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.

9.7.5 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.

9.7.6 Winding up

Subject to any rights or restrictions attached to a class of Shares, on a winding up of Guildford, 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.

9.7.7 Unmarketable parcels

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

9.7.8 Share buy-back

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

9.7.9 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.

9.7.10 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 Guildford. Guildford must give at least 28 days written notice of its intention to propose a resolution as a special resolution.

10 DEFINITIONS

Term	Definition
Application Monies	Money payable by Eligible Shareholders for New Shares.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691.
BNU Mine	The Baruun Noyon Uul Mine in Mongolia.
Board	The board of directors of the Company.
Closing Date	Monday, 16 February 2015.
Company or Guildford	Guildford Coal Limited.
Corporations Act	The Corporations Act 2001 (Cth).
Directors	The directors of the Company.
Eligible Shareholder	Is defined in section 5.5.
Entitlement	The entitlement to receive a New Share on the payment of \$0.037 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.
Entitlement Offer	The offer of New Shares under this Prospectus.
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 Shares	Shares offered under this Prospectus.
Noble	Noble Resources International Pte. Ltd.
OCP	OCP Asia.
Offer Price	\$0.037
Prescribed Occurrence	An event set out in section 11.5(c) of the bidder's statement dated 18 November 2014 in respect of the Sino Takeover Offer.
Prospectus	This document including the Entitlement and Acceptance Form.
Record Date	Monday, 2 February 2015.
Register	The register of members of the Company.
Renunciation and Transfer Form	The form to transfer Entitlements, other than through ASX.
Securities Act	US Securities Act of 1933, as amended.
Shareholders	The holders of Shares.
Share Registry	Link Market Services Limited (ABN 54 083 214 537), Level 12, 680 George Street, Sydney, NSW 2000.
Shares	Fully paid ordinary shares in the capital of the Company.
Sino Offer Period	The period during which the Sino Takeover Offer remains open for acceptance.

Term	Definition
Sino Takeover Offer	The off-market takeover offer by Sino Construction Limited to acquire all of the Shares.
Target Statement	Guildford's Target Statement dated 24 December 2014.
Underwriter	Each of Maiora Asset Management Pte Ltd and Auspicious Future Ventures Limited, and collectively, the Underwriters .
Underwriting Agreement	The underwriting agreement between Maiora Asset Management Pte Ltd, Auspicious Future Ventures Limited and Guildford.
U.S. Persons	Has the meaning given to it under Regulation S of the Securities Act.
\$	Australian dollars.