

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 2013

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(2,964)	(5,547)
	(b) development	(10,611)	(20,473)
	(c) production		
	(d) administration	(3,723)	(6,179)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	12	72
1.5	Interest and other costs of finance paid	(2,786)	(3,071)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(20,072)	(35,198)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(563)	(2,416)
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)		
Net investing cash flows		(563)	(2,416)
1.13	Total operating and investing cash flows (carried forward)	(20,635)	(37,614)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(20,635)	(37,614)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	486	486
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	24,214	24,214
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	24,700	24,700
	Net increase (decrease) in cash held	4,065	(12,914)
1.20	Cash at beginning of quarter/year to date	8,703	25,682
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	12,768	12,768

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	992
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes directors' fees, salary paid to directors and management fees paid to The Chairmen1 Pty Ltd as set out in the IPO prospectus.

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

20,000,000 fully paid Ordinary Shares (at a minimum issue price of \$0.75 per Share and aggregate value of \$15,000,000) have been issued in payment of the final deferred consideration for the acquisition of the remaining 25% of Terra Energy Limited in accordance with the terms of the restructure agreement between Guildford Coal Limited and Terra Holdings Limited dated 2 November 2012 as approved at the annual general meeting held on 28 November 2013.

The terms of issue of these Shares were included in the Notice of Annual General Meeting announced to the ASX on 29 October 2013. The terms of restructure agreement were announced to the ASX on 29 November 2012.

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- 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

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities ^[1]	85,945	85,945
3.2 Credit standby arrangements	-	-

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

- Noble Debt Facility US\$10m (A\$11.2m equivalent)
- Noble Working Capital Facility US\$10m (A\$11.2m equivalent)
- OCP Convertible Bond A\$39.4m
- Noble Fuel Exclusivity Agreement US\$7.6m (A\$8.6m)
- Noble Additional Debt Facility US\$14m (A\$15.6m)

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(2,591)
4.2 Development	(20,524)
4.3 Production	(5,487)
4.4 Administration	(3,327)
Total	(31,929)

Note 1: Guildford Coal Limited announced to the market (10 January 2014) the completion of OCP Asia Financing Facility, and confirm receipt of funding by the Company of US\$10,000,000 in exchange for the issuance of Convertible Notes, the receipt by the Company of US\$55,000,000 in exchange for the issuance of Amortising Notes, and the issuance by the Company of Detachable Warrants for an amount equal to 18.5% of the Amortising.

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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	12,768	8,703
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	12,768	8,703

+ See chapter 19 for defined terms.

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 Coal project, EPC 1870 (11 sub-blocks) and Hughenden project, EPC 1480 (52 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 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	655,046,899	655,046,899	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,000,000	20,000,000	\$0.75	Fully Paid
7.5 +Convertible debt securities OCP Convertible Bond	87,555,556	Nil	\$0.45	Nil

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>Gleneagle Warrants</i>	12,000,000	Nil	<i>Exercise price</i> \$0.55	<i>Expiry date</i> 5 May 2014
	<i>Gleneagle Bond conversion warrants</i>	20,000,000	Nil	\$0.50	14 August 2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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 /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
(Group Managing Director)

Date: 31/1/14

Print name: Peter Kane

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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