

ASX / Media Release
**ASX: AYA
29 April 2015**
Quarterly Activities Report March 2015
HIGHLIGHTS

- Offer to purchase Attila's 70% interest in the Kodiak Project
- US\$55.3m (~A\$71m) cash purchase price (pre-tax) represents a significant premium to Attila's current market capitalisation
- Extension granted to complete financing

Kodiak Coking Coal Project, Alabama USA (Attila Resources 70%)

Attila Resources Limited ("Attila" or the "Company") (ASX:AYA) entered into a binding Membership Interests Purchase Agreement (the "**Agreement**") through its wholly-owned subsidiary, Attila Resources US Holding Ltd to sell its 70% interest in Attila Resources US LLC ("**Attila US**") which holds a 100% interest in Kodiak Mining Company LLC ("**Kodiak**") to Magni Resources, LLC ("**Magni Resources**"), a US limited liability company ("**Transaction**").

In July 2014 Attila received a confidential, unsolicited expression of interest from Magni Resources indicating Magni Resources' desire to acquire the Kodiak Coking Coal Project ("**Kodiak Project**"). Subsequent to this approach, Magni Resources has conducted extensive due diligence on the Kodiak Project, which was completed prior to entering into the Agreement.

Under the Agreement, Attila will sell its 70% interest in Attila US for US\$55.3 million (~A\$71 million based on current exchange rates) and will also replace the bonds lodged returning an additional ~A\$1,020,000 (based on current exchange rates) to Attila.

The Agreement is subject to:

- Magni Resources securing financing to complete the Transaction;
- Approval of Attila shareholders at a general meeting of Attila shareholders;
- There being no material adverse effect occurring following the date of the Agreement; and
- Any requisite governmental and third party consents being provided.

On 7 April 2015, Attila announced that it has granted a 30 day extension to Magni Resources to complete the financing of the acquisition. In conjunction with the extension, Attila and Magni Resources have agreed to terminate the Facilitation Agreement which terminates all exclusivity provisions that Magni Resources had in relation to the transaction, leaving Attila free to talk to other interested parties.

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Fast Facts

Total Shares on Issue	86.9m
Convertible Notes (\$0.50)	28m
Cash at 31 March 2015	\$1.9m
Market Capitalisation at \$0.16 (undiluted)	\$14m

Directors

Mr Russell Clark
 Mr Max Brunson
 Mr Evan Cranston
 Mr Bryn Hardcastle

Kodiak Coking Coal Project, Alabama

- 11,700 acre Project area over 2 properties
- PFS on Coke and Atkins seams on Gurnee Property completed:
 - 2Mtpa circa production based on 48.2Mt Proven and Probable JORC Reserves
 - Total upfront funding requirement of \$52.1Mt after leasing equipment and machinery – staged development could almost halve costs
 - All in cash costs of US\$90/t FOB for LOM including rail, port, taxes and royalties
- Fully owned infrastructure on private land
- Fully permitted to commence mining at Gurnee
- Recent strategic acquisitions of additional seams at Gurnee – not included in PFS
- Maiden inferred resource at Seymour Property of 48.2Mt coking coal – not included in PFS

For a summary of the additional conditions precedent and other material terms of the Agreement please refer to Appendix A of the Company's announcement lodged with ASX on 24 November 2014.

Board and Executive Changes

Attila has implemented changes to its Executive and Board structure to better align the composition and remuneration of the Board with the future corporate direction of the Company. Shaun Day and Alan Thom have resigned as Non-Executive Directors, however, will remain consultants. Executive Director, Evan Cranston, has transitioned to a Non-Executive Director but will remain actively involved in Attila's management as a consultant responsible for the Company's corporate functions.

Attila's Executive team have agreed to an interim 50% reduction in salaries in order to preserve the Company's cash.

Suspension in Trading of Attila's Securities

The financial viability of the Company is dependent on the successful sale of the Kodiak Project and/or the successful re-financing of the Company's debt (the Company needs to find an alternative funding solution should Magni be unable to confirm that financing for the acquisition is unconditional). Accordingly, the Company has requested the ASX to suspend trading in the Company's securities.

For further information please contact:

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Appendix 1

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 December 2014:

Project	Location	Status	Interest
Kodiak Coking Coal Project	Alabama, USA		
Coke Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Atkins Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Gholson Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Clark Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Upper Thompson Seam, Gurnee Property	Shelby & Bibb Counties	Option to lease	70%
Coke Seam, Seymour Property	Bibb County	Option to lease	70%
Atkins Seam, Seymour Property	Bibb County	Option to lease	70%
Upper Thompson Seam, Seymour Property	Bibb County	Option to lease	70%
Big Bone Seam, Seymour Property	Bibb County	Option to lease	70%

There were no mining tenements or interests in farm-in/farm-out agreements acquired or disposed of during the quarter.

Competent Person Statement

The information in this report relating to Exploration Results and to JORC Compliant (Coal) Resources and Reserves for the Gurnee Property of the Kodiak Coking Coal Project in Shelby County, Alabama, USA has been reviewed and is based on information compiled by Mr Alan Stagg of Stagg Resource Consultants Inc. Mr Stagg is a Registered Member of the Society of Mining, Metallurgy, and Exploration, Inc. (SME), registration number 3063550RM, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Stagg consents to the inclusion in the report on the matters on this information in the form and context in which it appears. The information in this report was first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The results were initially reported to the ASX on 6 August 2013.

The information in this report that relates to the JORC Compliant (Coal) Resource for the Seymour Property of the Kodiak Coking Coal Project in Shelby County, Alabama, USA has been reviewed and is based on information compiled by Mr Alan Stagg of Stagg Resource Consultants Inc. Mr Stagg is a member of SME Registered Member of the Society of Mining, Metallurgy, and Exploration, Inc., registration number 3063550RM. and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Stagg consents to the inclusion in the report on the matters on this information in the form and context in which it appears. The resource was initially reported to the ASX on 25 March 2014 and has not been updated since.