

NON-RENOUNCEABLE ENTITLEMENT OFFER AND COMPANY UPDATE

Highlights

- **1-for-1 non-renounceable pro rata entitlement offer at \$0.02 per share to raise up to approximately \$1,738,696 (before costs).**
- **Funds to be used to ensure Attila can continue to satisfy its obligations in relation to the Kodiak Project, as well as to fund working capital costs and costs associated with the review of potential acquisition opportunities.**
- **Attila's convertible note terms have been amended such that Attila will no longer be subject to any payment obligations, with all payment obligations to rest with Attila's wholly owned subsidiary, Attila Resources (US) Pty Ltd.**
- **Attila remains committed to pursuing opportunities for the sale or potential funding of the Kodiak Project in light of Magni's confirmation that the remaining conditions precedent to the completion of its purchase of the Kodiak Project will not be satisfied or waived.**
- **It is anticipated that the suspension of Attila's shares will be lifted upon the announcement of the successful completion of the entitlement offer.**

\$1.7m Entitlement Offer

Attila Resources Limited (“Attila” or the “Company”) (ASX:AYA) advises that it has lodged a Prospectus pursuant to which eligible shareholders may subscribe for shares under a 1-for-1 non-renounceable entitlement offer at an issue price of \$0.02 per share to raise up to approximately \$1,738,696 (before costs) (**Offer**).

Eligible shareholders may also apply for additional shares in excess of their entitlement pursuant to the shortfall offer under the Prospectus.

The Company is also proposing to undertake a placement for up to a total of 10,000,000 Shares at \$0.02 per Share to raise up to \$200,000 (before costs) in addition to the Entitlement Offer and the Shortfall Offer. This offer is proposed to be made to sophisticated and professional investors who are not related parties of the Company.

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Subject to the satisfactory completion of the Offer, funds raised are intended to be used to ensure that the Company can continue to satisfy its obligations in relation to the Kodiak Coking Coal Project (**Kodiak Project**). The funds raised from the Offer are also intended to be allocated to general working capital costs incurred by the Company and to undertake due diligence investigations on potential new acquisitions.

Indicative Offer timetable

The key dates for the Offer are below. These dates are indicative only and the Company reserves the right to vary them subject to the requirements of the ASX Listing Rules.

Lodgement of Appendix 3B and Prospectus with ASX	27 November 2015
Notice of Entitlement Offer sent to Optionholders	
Notice of Entitlement Offer sent to Shareholders	30 November 2015
Shares quoted on an "EX" basis	1 December 2015
Record Date for determining Entitlements	3 December 2015
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	8 December 2015
Last day to extend the Entitlement Offer Closing Date	23 December 2015
Closing Date of Entitlement Offer (5pm WST)*	30 December 2015
Shares quoted on a deferred settlement basis	31 December 2015
Notification of Shortfall	5 January 2016
Anticipated date for issue of the Shares	7 January 2016
Deferred settlement trading ends	
Anticipated date for commencement of Shares trading on a normal settlement basis	8 January 2016

Additional information in relation to the Offer

The Offer is being made to shareholders with registered addresses in Australia and New Zealand on the Record Date of the Offer, which is 5:00pm (WST) on Thursday, 3 December 2015 (**Eligible Shareholders**). Shareholders with a registered address outside Australia and New Zealand will not be eligible to participate in the Offer. As the Offer is non-renounceable, Eligible Shareholders will not be able to sell or otherwise transfer their entitlements.

Eligible Shareholders (other than directors and related parties of the Company) may, in addition to taking up their entitlement in full, apply for additional shares in excess of their entitlement. Additional shares will only be available where there is a shortfall between applications received from Eligible Shareholders, and the number of shares

proposed to be issued under the Offer. Additional shares will be issued at the discretion of the Directors at the issue price of \$0.02 per additional share.

If any shortfall remains after the allocation of additional shares to Eligible Shareholders as set out above, the Directors reserve the right to place the remaining shortfall at their discretion (at a price not less than the issue price of \$0.02 per share) within three months of the close of the Offer.

Full details of the Offer are contained in the Prospectus which is available from ASX's website at www.asx.com.au and will be despatched to Eligible Shareholders in accordance with the indicative timetable set out above. The Prospectus will also be available on the Company's website at www.attilaresources.com.

Acquisition opportunities

The Company continues to seek out potential acquisition opportunities to complement the Company's existing activities, as well as opportunities in other sectors with the objective of increasing shareholder value.

In particular, the Company has entered into a memorandum of understanding (**MoU**) with **SecurET Pty Ltd (SecurET)**, an Australian-based company associated Kingslane Pty Ltd, a substantial shareholder of the Company.

SecurET has an option to acquire an interest in assets held by an unlisted, privately-held Australian-based payment and cyber-security infrastructure company. Exercise of this option remains subject to the satisfactory completion of due diligence investigations by SecurET, in its sole discretion.

Pursuant to the MoU, the Company has the right to undertake due diligence investigations into SecurET. The Company was not required to pay any fee to SecurET in consideration for this right and confirms that no funds raised under the Offer are intended to be applied to any potential transaction with SecurET (**Potential Transaction**), other than in relation to due diligence and associated negotiation costs.

The Company cautions investors that the MoU is binding only in relation to confidentiality. No commercial terms have been agreed and any agreement with SecurET would be subject to the satisfactory completion of due diligence investigations by the Company and the execution of a conditional formal sale agreement. There is no certainty that an agreement will be reached in relation to the Potential Transaction. The Company has announced the existence of the Potential Transaction in the interests of ensuring that the market is fully informed. The Company will continue to provide updates to the market in accordance with its continuous disclosure obligations.

The Company also notes that the Potential Transaction, if it eventuates, would constitute a change in the nature and scale of the Company's activities, to which ASX Listing Rules 11.1.2 and 11.1.3 would apply, necessitating a re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Convertible Note Agreement

The Company anticipates that it will be a condition precedent of any potential acquisition opportunity, including the Potential Transaction, that the Company is relieved from its payment obligations under its existing convertible note arrangements.

Accordingly, the Company and its Noteholders have agreed to amend the terms of the Convertible Note Agreement such that all payment obligations have been transferred to the Company's wholly owned subsidiary, Attila Resources (US) Pty Ltd (**Attila Pty Ltd**). Attila Pty Ltd was already the guarantor under the Convertible Note

Agreement. Attila Pty Ltd holds 100% of the shares in Attila Resources Holdings US Ltd, which in turn holds the 70% interest in the Kodiak Project. The shareholding of Attila Pty Ltd in Attila Resources Holdings US Ltd is the security granted in favour of the Noteholders under the Convertible Note Agreement.

Should Noteholders wish to convert their notes, they would convert into ordinary shares in the capital of the Company.

Update on the Kodiak Project

As announced on 24 November 2014, the unsolicited bid by Magni Resources, LLC. (**Magni**) for the Kodiak Project was subject to the satisfaction or waiver of a number of conditions precedent by Magni.

The Company has now been advised by Magni that these remaining conditions precedent will not be satisfied or waived.

The Company remains in discussions with a number of other groups that have indicated their interest in purchasing or assisting with funding the Project and will update the market as and when these discussions progress.

Suspension

The Company anticipates that upon successful completion of the Entitlement Offer, it will be able to satisfy ASX of the adequacy of its financial position such that its securities may be reinstated to quotation.