

ASX / Media Release
**ASX: AYA
29 January 2016**
Quarterly Activities Report December 2015
Capital Raising

During the quarter Attila Resources Limited (“Attila” or the “Company”) undertook a 1 for 1 non-renounceable rights issue to eligible shareholders at an issue price of \$0.02 per share to raise up to approximately \$1,738,696 (before costs) (“Offer”). The Offer closed on 30 December 2015 and received strong support from shareholders with 41,455,622 shares subscribed for totaling \$829,112.44.

The Company has received applications from both existing shareholders and other interested parties for a significant amount of the resulting 45,479,176 shortfall. The Board is considering all applications and will place the shortfall in due course.

The Company is also proposing to undertake an additional placement to sophisticated and professional investors for up to a total of 10,000,000 Shares at \$0.02 per share to raise up to \$200,000 (before costs).

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. Funds raised 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.

Potential Transaction with SecurET Pty Ltd

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.

Head Office

Suite 23, 513 Hay Street, Subiaco WA 6008
 PO Box 1311, Subiaco WA 6904
 Phone +61 (8) 6142 0989
 Fax +61 (8) 9388 8824
 Email admin@attilaresources.com
 ABN 53 142 165 080

Fast Facts

Total Shares on Issue	128m
Convertible Notes (\$0.20)	70m
Current Cash	\$1.08m
Market Capitalisation at \$0.10 (undiluted)	\$12.8m

Directors

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
- Maiden inferred resource at Seymour Property of 48.2Mt coking coal – not included in PFS

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.

Attila is pleased to advise that it has received confirmation from SecurET that SecurET has successfully completed its due diligence investigations and has reconfirmed the legally binding agreement with the payment and cyber-security infrastructure company. Attila is now undertaking its own due diligence investigations.

Attila cautions investors that although SecurET is a party to a legally binding agreement, no commercial terms have been agreed between Attila and SecurET and any agreement with SecurET would be subject to the satisfactory completion of due diligence investigations by Attila and the execution of a conditional formal sale agreement. There is no certainty that an agreement will be reached. Attila has announced the existence of the potential transaction in the interests of ensuring that the market is fully informed. Attila will continue to provide updates to the market in accordance with its continuous disclosure obligations.

Attila also notes that any potential transaction with SecurET, if it eventuates, would constitute a change in the nature and scale of Attila'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 Resources (US) Pty Ltd was already the guarantor under the Convertible Note Agreement. Attila Resources (US) 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 Resources (US) 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.

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

During the quarter the Company advised that the unsolicited bid by Magni Resources LLC for the Kodiak Coking Coal Project (ASX: 24 November 2014) had lapsed due to conditions precedent not being met 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.

For further information please contact:

Evan Cranston – Non-Executive Director:

+61 (0) 408 865 838

Appendix 1

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 December 2015:

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%
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.