

**ASX Release**

**ASX: AYA**

**23 May 2017**

**Lodgement of Prospectus and clarification of financial information**

Attila Resources Limited (**Company**) is pleased to announce that it today has lodged a prospectus (**Prospectus**) with ASIC and ASX with respect to the Company's \$5,150,000 capital raising and initial acquisition of 70% of the shares of Century Mine Rehabilitation Project Pty Ltd, the owner of the Century Project (**Acquisition**).

Offers pursuant to the Prospectus will be open from 24 May 2017 and are scheduled to close on 9 June 2017.

The Company's general meeting to seek approval for the Acquisition will be held on Wednesday, 31 May 2017 at the Company's offices at Suite 23, 513 Hay Street, Subiaco, Western Australia. A notice of meeting was lodged with ASX on 28 April 2017 (**Notice of Meeting**).

The Company provides clarification to the pro-forma consolidated statement of financial position that appears in the Notice of Meeting. Capitalised terms in this announcement not otherwise defined are set out in the Prospectus.

At the time of release of the Notice of Meeting, the Company had presented preliminary pro forma information. In the course of preparing the Prospectus, the Company has had the opportunity to more fully assess the accounting impact of the Acquisition, and has amended the historical pro forma information included in the Prospectus accordingly. This has given rise to differences between the preliminary information presented in the Notice of Meeting and the pro forma information presented in the Prospectus, including as to the treatment of the \$34.5m receivable under the Funding Deed, the \$193m bank guarantee and the \$36m of capitalised exploration expenditure. As a result, the Company's net assets have decreased from approximately \$26m in the Notice of Meeting to a net asset deficiency of approximately \$62m.

It is important to note that the terms of the Acquisition have not changed – the Company will still receive the benefit of the MMG contributions being made to CMRP over the next three years under the Funding Deed and MMG will still stand behind the ongoing provision of bank guarantees of approximately \$193m to meet the Queensland Government's financial assurance requirements until 31 December 2026.

It is also important to note that the Company's working capital position remains sound, with the Prospectus disclosing positive working capital of approximately \$16.7m.

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The Company confirms the changes are not expected to affect the Company's ability to re-list on ASX, as in either case the Company is seeking to be re-admitted under ASX's market capitalisation test (as opposed to the net tangible assets test which it would not have met due to the size of the Company's intangible assets).

Extracted overleaf is the pro-forma as it appears in the Notice of Meeting compared to the pro-forma as it appears in the Prospectus, together with a short explanation of the reason for the material changes. Whilst the Acquisition terms are not changing, the MMG contributions continue to remain in force and the Company's ability to meet the ASX tests is not affected, the Company considers it is important that shareholders understand the reason for the changes to the pro-forma. For further details Shareholders are advised to review the Prospectus, in particular, Section 5 (Financial Information).

### Pro forma consolidated statement of financial position

	Company 31/12/16 \$AUD	PRO FORMA NoM	PRO FORMA Prospectus	Difference	Explanation
<b>Current Assets</b>					
Cash and cash equivalents	605,314	5,270,137	5,270,314	177	
Trade and other receivables	106,448	106,448	106,448	-	
Current financial assets	-	16,350,253	11,323,727	-5,026,526	Funding Deed receivable of \$34.5m. Current portion was adjusted based on expected timing of cash flows. The adjustment has been included in non-current financial assets below.
Other current assets	15,602	689,677	689,677	-	
<b>Total Current Assets</b>	<b>727,364</b>	<b>22,416,515</b>	<b>17,390,166</b>	<b>-5,026,349</b>	Changes as a result of explanation above
<b>Non-Current Assets</b>					
Non-current financial assets	1,039,442	146,561,691	22,228,783	-124,332,908	Bank Guarantee is not considered to meet the financial accounting definition of a financial asset under the requirements of the Australian Accounting standards and has been derecognised.
Property, plant and equipment	14,691,232	16,491,232	16,491,232	-	
Deferred exploration, evaluation and development expenditure	3,311,983	36,479,631	3,311,983	-33,167,648	The Board has determined that the exploration expenditure does not meet the recognition criteria of the Company's accounting policy and have therefore expensed the balance. This has resulted in the acquired mineral exploration interest having nil value for the Prospectus.
Deferred income tax assets	-	-	-	-	
Intangible assets	3,395	3,395	3,395	-	
<b>Total Non-Current Assets</b>	<b>19,046,052</b>	<b>199,805,949</b>	<b>42,035,393</b>	<b>-157,770,556</b>	Changes as a result of explanation above
<b>TOTAL ASSETS</b>	<b>19,773,416</b>	<b>222,222,464</b>	<b>59,425,559</b>	<b>-162,796,905</b>	Changes as a result of explanation above
<b>Current Liabilities</b>					
Trade and other payables	364,535	418,353	418,353	-	
Current Provisions - employee	-	269,344	269,344	-	

Current Provisions – rehab	-	-	-	-	
Current borrowings	17,381,263	-	-	-	
<b>Total Current Liabilities</b>	<b>17,745,798</b>	<b>687,697</b>	<b>687,697</b>	<b>-</b>	
<b>Non-Current Liabilities</b>					
Non-current payables	857,718	857,718	857,718	-	
Non-current borrowings	-	-	-	-	
Non-current provisions	786,135	194,517,735	120,827,727	-73,690,008	The \$193,731,600 non-current provision for rehabilitation was valued for the Notice of Meeting without any discounting for the time value of money, but has now been valued at \$120,827,787 for the Prospectus at a discount rate of 7%pa
<b>Total Current Liabilities</b>	<b>1,643,853</b>	<b>195,375,453</b>	<b>121,685,445</b>	<b>-73,690,008</b>	Changes as a result of explanation above
<b>TOTAL LIABILITIES</b>	<b>19,389,651</b>	<b>196,063,150</b>	<b>122,373,142</b>	<b>-89,106,897</b>	Changes as a result of explanation above
<b>NET ASSETS (LIABILITIES)</b>	<b>383,765</b>	<b>26,159,314</b>	<b>(62,947,583)</b>		
<b>Equity</b>					
Issued capital	26,715,502	45,864,283	46,136,131	271,848	
Reserves	7,699,272	12,211,482	12,843,057	631,575	
Accumulated losses	(34,031,009)	(32,982,437)	(121,926,771)	-88,944,334	Changes as a result of explanation above
<b>TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>	<b>383,765</b>	<b>25,093,328</b>	<b>(62,947,583)</b>	<b>-88,040,911</b>	Changes as a result of explanation above
Non-controlling interest	-	1,065,986	-	-1,065,986	
<b>TOTAL EQUITY</b>	<b>383,765</b>	<b>26,159,314</b>	<b>(62,947,583)</b>	<b>-89,106,897</b>	Changes as a result of explanation above