



ATTILA RESOURCES
LIMITED

ACN 142 165 080

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Suite 23, 513 Hay Street, Subiaco, Western Australia on 30 November 2015 at 3.00 pm (WST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6142 0989.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

ATTILA RESOURCES LIMITED

ACN 142 165 080

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Attila Resources Limited (**Company**) will be held at the offices of the Company, Suite 23, 513 Hay Street, Subiaco, Western Australia on 30 November 2015 at 3.00 pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on 28 November 2015 at 5.00 pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2015, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 - Re-election of Director - Mr Maxwell Brunsdon

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That in accordance with Article 6.3 of the Constitution and for all other purposes, Mr Maxwell Brunsdon is elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolution 3 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 4 - Ratification of issue of Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,799,634 Shares on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associate of such a person) who participated in the issue of the Shares.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 5 - Approval of conversion of Convertible Notes

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 85,316,767 Shares to the Convertible Noteholders on the terms and conditions in the Explanatory Memorandum."

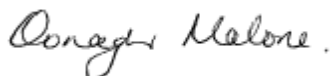
Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Convertible Noteholders and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



Oonagh Malone
Company Secretary

Dated: 29 October 2015

ATTILA RESOURCES LIMITED

A C N 1 4 2 1 6 5 0 8 0

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, Suite 23, 513 Hay Street, Subiaco Western Australia on 30 November 2015 at 3.00 pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 - Remuneration Report
Section 5:	Resolution 2 - Re-election of Director - Mr Maxwell Brunsdon
Section 6:	Resolution 3 - Approval of 10% Placement Facility
Section 7:	Resolution 4 - Ratification of issue of Shares
Section 8:	Resolution 5 - Approval of conversion of Convertible Notes
Schedule 1:	Definitions

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 and:

- (c) the person is appointed as proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.attilaresources.com;
- (b) ask questions about, or comment on, the management of the Company; and

- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2014 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2016 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

5. Resolution 2 - Re-election of Director - Mr Maxwell Brunsdon

Listing Rule 14.4 and Article 6.3(c) of the Constitution require that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(f) of the Constitution provides that a Director who retires is eligible for re-election.

The Company currently has 3 directors, and accordingly, one must retire.

Pursuant to these Articles, Mr Maxwell Brunsdon will retire by rotation and, being eligible, will seek re-election.

Mr Brunsdon is Executive Director - Marketing for Attila Resources Ltd. He has over 30 years' experience in the coal industry having worked for BHP and Bathurst Resources Limited. Mr Brunsdon's particular areas of expertise are in the fields of sales, marketing and logistics.

Mr Brunsdon was appointed to the Board on 10 October 2012.

The Board (excluding Mr Brunsdon) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 - Approval of 10% Placement Facility

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Based on the ASX closing price on 21 October 2015, the Company has a market capitalisation of approximately \$13.9 million. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairman intends to exercise all available proxies in favour of Resolution 3.

6.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted classes of Equity Securities, Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully

paid shares under the entity's 15% placement capacity without Shareholder approval;

- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

- (d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 86,934,798 Shares and therefore has a capacity to issue:

- (i) 13,040,219 Equity Securities under Listing Rule 7.1 subject to Shareholder approval of Resolution 4; and
- (ii) 8,693,479 Equity Securities under Listing Rule 7.1A subject to Shareholder approval being sought under Resolution 3.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c)).

- (e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

6.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

6.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options or Convertible Notes, only if the Options or Convertible Notes are converted into Shares). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.
- (d) The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.08 50% decrease in Issue Price	\$0.16 Issue Price	\$0.32 100% increase in Issue Price
Current Variable A 86,934,798 Shares	10% Voting Dilution	8,693,479 Shares	8,693,479 Shares	8,693,479 Shares
	Funds raised	\$695,478	\$1,390,956	\$2,781,913
50% increase in current Variable A 130,402,197 Shares	10% Voting Dilution	13,040,219 Shares	13,040,219 Shares	13,040,219 Shares
	Funds raised	\$1,043,217	\$2,086,435	\$4,172,870
100% increase in current Variable A 173,869,596 Shares	10% Voting Dilution	17,386,959 Shares	17,386,959 Shares	17,386,959 Shares
	Funds raised	\$1,390,956	\$2,781,913	\$5,563,826

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options or Convertible Notes (including any Options or Convertible Notes issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.160, being the closing price of the Shares on ASX on 29 October 2015.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period.
- (f) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new energy and resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition such due diligence costs and external advisors) and continued exploration on the Company's current coal assets in Alabama, United States.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new energy and resources assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (j) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 29 November 2013. In the 12 months preceding the date of the 2014 Annual General Meeting and as at the date of this Notice, the Company has issued 25,135,558 Equity Securities (including the conversion of 9,542,958 from one class of Equity Securities to another). This represents 20.9% of the total number of Equity Securities on issue at the commencement of that 12 month period and an increase in total Equity Securities on issue of 13.0% during the 12 month period (taking into account conversion from one class of Equity Securities to another).

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the 2015 Annual General Meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount	Consideration & Use of Funds as at the date of this Notice
31/12/14	3,799,634	Shares ¹	Convertible Noteholders	A deemed issue price of \$0.2608 per Share, representing a discount of 1.58% to the market price at the date of issue	Payment of interest due to convertible noteholders in lieu of \$842,301.37 cash. Current value: \$607,941.44

Notes:

¹ Each convertible note has a face value of \$500,000 and is convertible to 1,000,000 shares at a conversion price of \$0.20 per share. A redemption premium of 15% is payable if the notes are redeemed before 26 June 2016. A redemption premium of 30% is payable if the notes are redeemed between 26 June 2016 and 26 June 2017.

² In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.160) on the ASX on the Trading Day prior to the date of this Notice.

³ During the 12 month period, 9,500 quoted options were exercised at an exercise price of \$0.20 each raising \$1,900. This does not change the number of equity securities on issue.

- (k) A voting exclusion statement is included in the Notice.
- (l) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

7. Resolution 4 - Ratification of issue of Shares

7.1 General

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 3,799,634 Shares.

In accordance with the terms of the convertible notes that raised \$13,000,000 to fund the acquisition of the Kodiak Project the Company is required to pay a coupon of 12% per annum in arrears paid annually for the first year and then half yearly thereafter. The coupon may be paid in either cash or the issue of Shares, at the election of the Company. The Company elected to pay the coupon in Shares and made an issue of 3,799,634 Shares to the convertible noteholders on 31 December 2014.

7.2 Listing Rule 7.4

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

The effect of the Shareholders passing Resolution 4 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 4 is an ordinary resolution.

The Chairman will cast all available proxies in favour of Resolution 4.

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

7.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the Shares:

- (a) 3,799,634 Shares were issued;
- (b) the Shares were issued at an issue price of nil as they were issued in lieu of a cash interest payment;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were issued to the convertible noteholders;
- (e) no funds were raised from the issue as the Shares were issued in lieu of a cash interest payment; and
- (f) a voting exclusion statement is included in the Notice for Resolution 4.

8. Resolution 5 - Approval of conversion of Convertible Notes

8.1 Background

The Company currently has on issue Convertible Notes amounting to \$14 million. The Company previously obtained Shareholder approval for the issue of Shares on conversion of the Convertible Notes at its general meeting held on 9 October 2012.

On 30 June 2015, the Company announced that it had amended the terms of the Convertible Notes. The material amendments are as summarised below:

- (a) **Maturity Date:** The Maturity Date has been extended to 26 June 2016. The Company can elect to further extend the Maturity Date to 26 June 2017.
- (b) **Interest:** All interest payable for the period ending 26 June 2015 will be capitalised. No interest will accrue from 26 June 2015.
- (c) **Redemption Premium:** In place of interest, a "Redemption Premium" will be payable as follows:
 - (i) During the period from 26 June 2015 to 26 June 2016: 15% of the total amount owing under each Convertible Note; or
 - (ii) During the period from 26 June 2016 to 26 June 2017 (if the Company elects to extend the Maturity Date): 30% of the total amount owing under each Convertible Note.

The conversion of the Convertible Notes into Shares pursuant to the revised terms is subject to Shareholder approval (the subject of this Resolution 5).

8.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Company to issue Shares on conversion of the Convertible Notes during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.3 Specific Information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Shares:

- (a) a maximum of 85,316,767 Shares may be issued;
- (b) the Shares will be issued no later than 3 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);

- (c) the Shares would be issued at an issue price of nil, as they would be issued on conversion of the Convertible Notes;
- (d) the Shares would be issued to the Convertible Noteholders;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares
- (f) the Shares would be issued on conversion of the Convertible Notes and accordingly their issue would not raise any funds. The funds raised pursuant to the issue of the Convertible Notes were applied towards the acquisition of the Company's interest in the Kodiak Project;
- (g) it is intended that the Shares will be issued progressively; and
- (h) a voting exclusion statement is included in the Notice.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 6.1.

10% Placement Period has the meaning given in Section 6.2(f).

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2015.

Article means an article of the Constitution.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Attila Resources Limited ACN 142 165 080.

Constitution means the constitution of the Company as at the date of the Meeting.

Convertible Notes means the convertible notes issued by the Company, the conversion of which into Shares is subject to Shareholder approval.

Convertible Noteholders means the holders of the Convertible Notes.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Kodiak Project means the property and coking coal leases located on the Gurnee and Seymour properties in Shelby and Bibb Counties, Alabama, USA.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of annual general meeting.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Trading Day has the same meaning as in the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.