

COMPANY UPDATE

Attila Resources Limited (Attila) (ASX: AYA) is pleased to advise the following information pursuant to the recent 1-for-1 non-renounceable rights issue.

- \$829,112.44 was raised from the rights issue entitlements taken up by eligible shareholders and as a result of this cash received, 41,455,622 shares were allotted on 7 January 2016
- Based on the cash received from the rights issue, an updated use of funds raised from the rights issue is as follows:

Proposed Use	\$
Kodiak Project – continued care and maintenance and associated costs	709,295
Costs of Offer	19,817
Working Capital	50,000*
Due diligence investigations for potential acquisitions	50,000
Total	829,112

* In addition to the \$50,000 allocated to working capital from the rights issue funds, the Company will use its existing cash balance of approximately \$200,000 towards working capital.

- Based on cash received from the rights issue, an unaudited pro forma balance sheet for the Company as at 31 December 2015 is as follows:

BALANCE SHEET	Audited Balance Sheet as of 30 June 2015*	Movement for the period**	Unaudited Balance Sheet as of 31 December 2015*	Rights Issue Transaction ***	Pro Forma Balance Sheet – Post Entitlement Offer
	\$	\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	1,169,552	(910,507)	259,045	829,112	1,088,157
Trade and other receivables	35,874	63,215	99,089	-	99,089
Other current assets	8,718	5,909	14,627	-	14,627

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

BALANCE SHEET	Audited Balance Sheet as of 30 June 2015*	Movement for the period**	Unaudited Balance Sheet as of 31 December 2015*	Rights Issue Transaction ***	Pro Forma Balance Sheet – Post Entitlement Offer
Non Current Assets					
Financial assets	1,060,027	48,275	1,108,302	-	1,108,302
Property, plant & equipment	13,881,582	683,364	14,564,946	-	14,564,946
Exploration & evaluation expenditure	2,291,577	265,132	2,556,709	-	2,556,709
Intangible assets	3,395	-	3,395	-	3,395
TOTAL ASSETS	18,450,725	155,388	18,606,113	829,112	19,435,225
Current Liabilities					
Trade & other payables	366,673	30,042	396,715	-	396,715
Provisions	18,531	(18,531)	-	-	-
Borrowings	14,860,380	(14,860,380)	-	-	-
Non Current Liabilities					
Provisions	1,011,246	51,767	1,063,013	-	1,063,013
Borrowings	-	15,676,828	15,676,828	-	15,676,828
TOTAL LIABILITIES	16,256,830	879,726	17,136,556	-	17,136,556
NET ASSETS	2,193,895	(724,338)	1,469,557	829,112	2,298,669
EQUITY					
Issued capital	24,315,800	(42,538)	24,273,262	829,112	25,102,374
Reserves	6,683,073	838,505	7,521,578	-	7,521,578
Accumulated Losses	(28,804,978)	(1,520,305)	(30,325,283)	-	(30,325,283)
TOTAL EQUITY	2,193,895	(724,338)	1,469,557	829,112	2,298,669

* Since the last audited accounts as at 30 June 2015, the only equity transactions were capital raising costs for the rights issue and recognising a share based payment transaction.

** The most significant movements for the period from 30 June 2015 to 31 December 2015 were:

- Movement in the AUD:USD exchange rate from 0.7680 at 30 June 2015 to 0.7306 at 31 December 2015. This

is reflected in the \$822,505 increase in the foreign currency translation reserve.

- Reclassifying the convertible notes from current to non-current.
- Recognition of \$816,448 of interest accrued on convertible notes.
- Recognition of \$338,000 of accrued liabilities for amounts due to directors and director related parties at 31 December 2015. These accrued liabilities are recognised for accounting purposes and may never be paid. Agreement has been reached with these parties that they may only be paid on the successful sale of the Kodiak Project.

*** The rights issue transaction has been calculated based on the issue of 41,455,622 ordinary shares at \$0.02 per share with total costs of the rights issue already recognised.

- The Company notes that the Company's main liability is the non-current borrowing of \$15,676,828 in respect of the convertible notes on issue. The current term of the convertible notes is due to expire on 26 June 2016, however, the Company, at its sole election, can extend the repayment of the convertible notes to 26 June 2017. The Company will advise the market closer to the expiry of the current term of its intention regarding any such extension.

The Company confirms that it is in compliance with Listing Rule 3.1 regarding its continuous disclosure obligations and sees no reason why the ASX would not allow trading in its securities to recommence immediately.

For further information please contact:

Evan Cranston – Director: +61 (0) 408 865 838

Oonagh Malone – Company Secretary: +61 (0) 415 879 229