



RUTILA
RESOURCES

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Australian Securities Exchange
Exchange Centre
20 Bridge Street
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Todd to Convert Tranche A of Facility B Loan into Rutila Equity

- **Todd increases shareholding to 46% of Rutila**
- **Significant vote of confidence in Company's Projects and development path**

The Board of Rutila Resources Ltd ("Rutila") writes to announce that The Todd Corporation Ltd (through its 100% subsidiary TIO(NZ) Limited) has provided Rutila with an Election Notice, setting out that it has elected to convert Tranche A of the Facility B Loan comprising \$5 million into fully paid ordinary shares of Rutila.

By way of background, on 27 June 2014 Rutila shareholders approved the Facility B Loan totalling \$10 million from Todd (two Tranches of \$5 million). This Facility B Loan was convertible into either fully paid ordinary shares in Rutila, or alternatively into increased direct project ownership of those assets held by the Balla Balla Joint Venture.

On 22 July 2014 Rutila drew down Tranche A of the Facility B Loan. Todd had a minimum of 3 months from this draw down date to notify Rutila of its intent to convert into either Rutila equity or direct project ownership. Further, Todd had up until 31st December 2015 to elect to actually convert the loan plus outstanding interest.

On 24th October 2014 Todd notified Rutila of their desire to convert Tranche A into Rutila equity and have requested this conversion take place effective on this date. The pricing metrics of an equity conversion provided for in the Facility B Loan agreement is as follows:

Total Outstanding
Fixed Share Price

Where:

Total Outstanding = principal outstanding on Tranche A plus accrued interest

Fixed Share Price = the volume weighted average price for the 30 days prior to the Conversion Notice less 20%



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Accordingly, Rutila will issue a total of 39,944,863 fully paid ordinary shares in Rutila, taking Todd's holding in Rutila to 55,944,863 fully paid ordinary shares, representing approximately 46% of the Company.

Rutila's Executive Chairman noted: "The Board welcomes the greater involvement of Todd Corporation in this exciting project through its increased equity position in Rutila. BBI is clearly a large scale and important project and it is only through a close and trusting partnership with Todd Corporation that all parties will be able to take advantage of this opportunity in the near term. We look forward to working closely with Todd as our major shareholder to deliver the opportunity in front of us."

Todd Corporation Group CEO, Mr Jon Young noted: "Todd is committed to developing a potential new infrastructure solution for the Pilbara and the Balla Balla mine. This new investment by Todd will further strengthen Rutila's funding base and is indicative of Todd's support for the company and its management team"

For further information please contact Mr. Nicholas Curtis, Executive Chairman, on +61 2 9259 4400.