



**RUTILA**  
RESOURCES

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6 March 2015

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## **Todd Elect to Convert Tranche 2 of Facility B Loan into Rutila Equity**

The Board of Rutila Resources Ltd ("Rutila") writes to announce that The Todd Corporation Ltd (through its 100% subsidiary Balla One (Investment) Pty Limited) has provided Rutila with an Election Notice, setting out that it has elected to convert Tranche 2 of the Facility B Loan comprising \$5 million (plus outstanding interest) 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 28 November 2014 Rutila drew down Tranche 2 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 ("Tranche 2 Conversion Election Notice").

Todd has now provided the Tranche 2 Conversion Election Notice outlining their intent to convert into fully paid shares. Todd now has up until 31<sup>st</sup> December 2015 to elect to actually convert the loan plus outstanding interest by providing a Conversion Notice.

The pricing metrics of an equity conversion provided for in the Facility B Loan agreement is as follows:

$$\frac{\text{Total Outstanding}}{\text{Fixed Share Price}}$$

Where:

Total Outstanding = principal outstanding on Tranche 2 plus accrued interest

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

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