



RUTILA
RESOURCES

30 April 2015

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

**QUARTERLY ACTIVITIES REPORT FOR THE PERIOD
1 January 2015 to 31 March 2015**

HIGHLIGHTS

- **Ngarluma community endorsement and subsequent signing of a number of agreements (Native Title Agreements) with the Ngarluma Aboriginal Corporation providing relevant consents for the development of the Balla Balla Infrastructure (BBI) Port and that part of the proposed rail line to the central Pilbara region that is on Ngarluma country; providing consent for the development of the BBI overland conveyor connecting the PIOP mine to the BBI Rail stockyard on Eastern Guruma country;**
- **Signing of Project Agreement with Coolawanyah Station for the proposed BBI Rail and overland conveyor on Coolawanyah;**
- **Approval was given from the Environmental Protection Authority (EPA) Chairman for the expansion of capacity at the proposed BBI Port;**
- **The EPA recommended conditional approval of the BBI Rail and Conveyor Project;**
- **The process for the progression of the State Agreement was agreed with the Department of State Development;**
- **Ongoing negotiations with the Pilbara Port Authority, Pastoralists and Mining Tenement Holders during the quarter;**
- **Front End Engineering and Design (FEED) work continued during the quarter including ongoing geotechnical and hydrological field studies relating to the rail and port which are required for the Jetty and Rail design and review of Dynamic Simulation Model focusing on Marine, TSV/OGV relationship;**
- **Appointment of financial adviser by the BBJV;**
- **The Todd Corporation Ltd (Todd) provided an Election Notice, electing to convert Tranche 2 of the Facility B Loan comprising \$5 million (plus outstanding interest) into fully paid ordinary shares of Rutila. Todd may elect to convert the outstanding loan amount any time prior to 31 December 2015.**

1. BALLA BALLA JOINT VENTURE ACTIVITY

The principal focus of activity for Rutila Resources Limited (Rutila or the Company) continues to be undertaking the FEED study and development of the Definitive Feasibility Study (DFS) for the port and rail infrastructure project known as BBI, part of the BBJV with Todd of New Zealand, which includes the Balla Balla VTi magnetite deposit (Balla Balla Mine).

Rutila in its capacity as Manager of the BBJV continued to progress all development fronts of the BBI Project including relating to Access and Approvals, Engineering and Design, Marketing and Project Finance during the March 2015 quarter.

Progress with Access and Approvals included the Company receiving Ngarluma community endorsement and subsequent signing of a number of Native Title Agreements with the Ngarluma Aboriginal Corporation providing consents for the development of the BBI Port and that part of the proposed rail line to the central Pilbara region that is on Ngarluma country.

These important agreements have achieved the critical outcome of alignment and partnership between the Ngarluma community and the stakeholders of BBI.

In addition, the Eastern Guruma people endorsed the signing of a Land Access Agreement with the Wintawari Guruma Aboriginal Corporation providing consent for the development of the BBI overland conveyor connecting the Flinders PIOP mine to the BBI Rail stockyard on Eastern Guruma country. These agreements follow the earlier completion of native title agreements with the Yindjibarndi Aboriginal Corporation in relation to the development of the rail line through Yindjibarndi country.

All necessary native title agreements for BBI project tenure and related approvals associated with the proposed BBI operation are now in place. Rutila has continued to demonstrate respect and work with the Traditional Owners to complete all site avoidance heritage surveys for the proposed BBI Rail centerline and BBI Port infrastructure.

Rutila continues to progress access negotiations with key stakeholders, largely pastoralists and mining tenement holders for the BBI Project. During the quarter, a Project Agreement was signed with Coolawanyah Station to provide consents for the proposed BBI Rail (and associated infrastructure) and overland conveyor on Coolawanyah.

Rutila continued negotiations relating to the Pilbara Port Authority agreements and in January 2015 announced the EPA Chairman had approved the expansion of capacity at the proposed BBI Port. This proposed expansion involves minor amendments to the original design approved by the Minister for the Environment in August 2013, including an extension to the trestle jetty, and the use of additional barges.

In addition, the EPA Chairman recommended conditional approval of the BBI Rail and Conveyor Project. Rutila has since been notified that no public appeals were raised to the proposed EPA conditions and now await approval from the Minister of the Environment.

FEED work continued during the quarter including undertaking of geotechnical and hydrological field studies relating to the rail and port, the output of which will ultimately feed into the Jetty and Rail design process.

During the March 2015 quarter the BBJV finalised the process of appointing an independent financial adviser to provide advisory services relating to the form of structuring and obtaining of project development finance. As a result of this process, Bank of Tokyo Mitsubishi has been appointed by the BBJV as its financial adviser.

2. EXPLORATION ACTIVITIES

Eucla West Fraser Range Exploration

The Company in conjunction with its consultant geologist CSA Global is in the process of finalising the results and subsequent reporting of the recent Bristol graphite and McLaren HMS bulk sample metallurgical test work programs of work.

3. NEW SOUTH WALES TENEMENTS OVERVIEW

No significant exploration activities are recorded for the Company's NSW projects during this quarter.

3.2.1 EL 8059 Wymah North (Rutila, previously 100%, now 0%)

No exploration activities were conducted on this tenement during the reporting period. Due to Rutila's focus being centered on its Balla Balla Joint Venture and Eucla West Fraser Range Project, the Company did not renew this License upon its expiry during the quarter.

3.2.2 EL 7397 Wymah (Rutila 100%)

No exploration activities were conducted on this tenement during the reporting period. This licence is prospective for tin, tungsten and molybdenum mineralisation. Future activity on this tenement is subject to on-going review.

3.2.3 EL 6381: Captains Flat (Rutila, 25%)

Rutila awaits settlement of the sale of its 25% interest in the Captains Flat Project as outlined in the December 2014 quarterly.

3.2.4 EL 6358: Mayfield Project (Rutila 46.55%)

Application for the renewal of EL 6358 for a further two year period has been submitted to the NSW Department of Trade and Investment. No significant exploration activities have taken place on this tenement during the quarter. Future activities are currently subject to on-going review.

3.2.5 EL 6691 (Mayfield North) and EL 6376 (Michelago) – (Rutila previously 100%, now 0%)

No exploration activities were conducted on these tenements during the reporting period. Due to Rutila's focus being centered on its Balla Balla Joint Venture and Eucla West Fraser Range Project, the Company did not renew these Licenses upon their expiry during the March 2015 quarter.

4. MINING TENEMENTS

Pursuant to listing rule 5.3.3, Rutila wishes to provide the following information on the mining tenements held at the end of quarter ending 31st March 2015:

Location	Project name	Tenement	Interest at beginning of quarter	Interest at end of quarter
NSW - Australia	Wymah	EL 7397	100%	100%
NSW - Australia	Wymah North	EL 8059	100%	0%
NSW - Australia	Captains Flat	EL 6381	25%	25%
NSW - Australia	Mayfield Project	EL 6358	46.55%	46.55%
NSW - Australia	Mayfield North	EL 6691	100%	0%
NSW - Australia	Michelago	EL 6376	100%	0%
Fraser Range – Western Australia	West Eucla	E69/2386	25.05%	25.05%
Fraser Range – Western Australia	West Eucla	E69/2388	25.05%	25.05%
Fraser Range – Western Australia	West Eucla	E69/2436	25.05%	25.05%
Pilbara Region Western Australia	Balla Balla	E47/1743	68%	68%
Pilbara Region Western Australia	Balla Balla	E47/1744	68%	68%
Pilbara Region Western Australia	Balla Balla	E47/1829	68%	68%
Pilbara Region Western Australia	Balla Balla	E47/2165	68%	68%
Pilbara Region Western Australia	Balla Balla	E47/2225	68%	68%
Pilbara Region Western Australia	Balla Balla	G47/1229	68%	68%
Pilbara Region Western Australia	Balla Balla	G47/1230	68%	68%
Pilbara Region Western Australia	Balla Balla	G47/1231	68%	68%
Pilbara Region Western Australia	Balla Balla	G47/1234	68%	68%
Pilbara Region Western Australia	Balla Balla	G47/1238	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0057	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0168	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0171	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0174	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0175	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0229	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0242	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0243	68%	68%

Location	Project name	Tenement	Interest at beginning of quarter	Interest at end of quarter
Pilbara Region Western Australia	Balla Balla	L47/0244	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0245	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0325	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0384	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0385	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0386	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0690	68%	68%
Pilbara Region Western Australia	Balla Balla	L47/0723	68%	68%
Pilbara Region Western Australia	Balla Balla	M47/0297	68%	68%
Pilbara Region Western Australia	Balla Balla	M47/0298	68%	68%
Pilbara Region Western Australia	Balla Balla	M47/0311	68%	68%
Pilbara Region Western Australia	Balla Balla	M47/0312	68%	68%
Pilbara Region Western Australia	Balla Balla	M47/0360	68%	68%
Pilbara Region Western Australia	Balla Balla	M47/0361	68%	68%
Pilbara Region Western Australia	Balla Balla	M47/0541	68%	68%
Pilbara Region Western Australia	Balla Balla	M47/0804	68%	68%
Pilbara Region Western Australia	Balla Balla	P47/1300	68%	68%
Pilbara Region Western Australia	Balla Balla	P47/1437	68%	68%
Pilbara Region Western Australia	Balla Balla	P47/1521	68%	68%
Pilbara Region Western Australia	Balla Balla	P47/1522	68%	68%
Pilbara Region Western Australia	Balla Balla	E47/2251	68%	68%
Pilbara Region Western Australia	Balla Balla	E47/2382	68%	68%
Pilbara Region Western Australia	Balla Balla	E47/2959	68%	68%
Pilbara Region Western Australia	Balla Balla	M47/0458	0%	68%*
Pilbara Region Western Australia	Balla Balla	P47/1678	0%	68%*
Pilbara Region Western Australia	Balla Balla	P47/1679	0%	68%*

*Rutila, as manager of the BBJV has entered into a conditional agreement to purchase M47/0458 along with the associated prospecting licenses, P47/1678 and P47/1679.

Other than outlined above, no other mining tenements or beneficial percentage interests held in farm-in or farm-out agreements were acquired or disposed of during the quarter.

Competent Persons Statement – Eucla West

The review of the Eucla West exploration activities and results is based on information compiled by Mr Ralph Porter who is a member of the Australian Institute of Geoscientists. Mr Porter is a consultant to Rutila Resources Limited and is employed by CSA Global Pty Ltd. Mr Porter has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking as a competent person as defined in the 2004 Edition of the “Australasian Code for Reporting Exploration results, Mineral Resources and Ore Reserves”. Mr Porter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – NSW Projects

The review of NSW exploration activities and results contained in this report is based on information compiled by Mr. M Rampe, a director of Harvest Exploration Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr. Rampe consents to the inclusion of this information in the form and context in which it appears in this report. The Company is reporting the historical exploration results under the 2004 edition of the Australasian Code for the Reporting of Results, Mineral Resources and Ore Reserves (JORC code 2004).

Disclaimer

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the author at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Rutila Resources Limited

ABN

30 139 886 187

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation		
- Balla Balla Project	(134)	(507)
- Infrastructure	(2,379)	(7,387)
- Fraser Range & Other	(30)	(135)
(b) development	-	-
(c) production	-	-
(d) administration	(660)	(2,538)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(3,203)	(10,567)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(25)	(25)
(b) equity investments		
(c) other fixed assets	(53)	(198)
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)	(2)	(68)
Net investing cash flows	(79)	(291)
1.13 Total operating and investing cash flows (carried forward)	(3,282)	(10,858)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,282)	(10,857)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		177
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		10,000
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	18	18
	Net financing cash flows	18	10,195
	Net increase (decrease) in cash held	(3,264)	(663)
1.20	Cash at beginning of quarter/year to date	4,354	1,753
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,090	1,090

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	336
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payments include Non-Executive Director Fees, Executive Chairman's Salary, payments to director - related entities.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	\$10,000	\$10,000
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	
- Eucla West	-
- Balla Balla	132
- Infrastructure	4,382 - 5,150
4.2 Development	
4.3 Production	
4.4 Administration	
- Admin and Wages	1,020
4.5 Expected receipts from JV Partners	(1,650 - 1,887)
Total	3,884 - 4,390

The estimated cashflow outflows above have been given in a range as the progression of certain planned work as part of the front end engineering study and approvals process is dependent on the completion of certain milestones and receipt of data.

In order to fund the planned exploration and evaluation activities for the next quarter Rutila will need to source additional funds. The Company is in discussions with its joint venture partner and major shareholder in relation to obtaining additional funding support.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,090	4,354
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,090	4,354

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Refer to commentary in Quarterly Activity Report		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Refer to commentary in Quarterly Activity Report		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Nil	-	-	-
7.2				
7.3	81,465,344	81,465,344	\$0.20	\$0.20
7.4				
7.5	Nil			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	600,000			\$0.67	15/6/2015
	5,475,000			\$0.54	1/12/2015
	50,000			\$0.56	10/9/2017
	1,000,000			\$0.50	29/5/2015
	6,500,000			\$0.50	31/12/2015
	1,450,000			\$0.30	2/10/2017
	7,450,000			\$0.30	20/12/2017
	2,000,000			\$0.50	27/6/2017
	2,000,000			\$0.30	27/6/2017
	50,000			\$0.56	1/1/2018
	2,325,000			\$0.30	17/7/2018
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date:

(Director/Company secretary)

Print name:

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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