

# ATTILA RESOURCES LIMITED

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ABN 53 142 165 080

**INTERIM FINANCIAL REPORT**  
**for the Half-Year Ended 31 December 2010**

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## **Corporate Directory**

### **DIRECTORS**

Mr Grant Mooney (Non Executive Chairman)  
Dr Bernardo da Veiga (Executive Director)  
Mr Zlad Sas (Non Executive Director)

### **COMPANY SECRETARY**

Mr Grant Mooney

### **REGISTERED AND BUSINESS ADDRESS**

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Subiaco WA 6008  
Australia  
Telephone: +61 8 6142 0989  
Fax: +61 8 9388 8824  
Email: [admin@attilaresources.com](mailto:admin@attilaresources.com)

### **ACCOUNTANTS**

Acute Management Services  
53/15 Labouchere Road  
South Perth WA 6151

### **AUDITORS**

Maxim Audit  
243 Hay Street  
Subiaco WA 6008

### **SHARE REGISTRY**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153  
Telephone: +61 8 9315 2333  
Facsimile: +61 8 9315 2233

### **INTERNET ADDRESS**

[www.attilaresources.com](http://www.attilaresources.com)

### **ASX CODES: AYA**

### **COUNTRY OF INCORPORATION AND DOMICILE**

Australia

## Directors' Report

The Directors are pleased to present their report on Attila Resources Limited ("Attila" or "the Company") for the half-year ended 31 December 2010.

### Directors:

The following persons were directors of Attila during the whole half year and up to the date of this report. Directors were in the office for the entire period unless otherwise stated.

Grant Mooney  
Dr Bernardo da Veiga  
Zlatomir (Zlad) Sas

### Review of operations

The operating loss of the Company for the six months after providing for income tax amounted to \$256,961.

	31 December 2009	31 December 2010
Operating Loss	-	\$256,961

Attila was incorporated on 19 February 2010.

The Company entered into agreements with Crosspick Resources Pty Ltd and Nearfield Resources Pty Ltd to acquire the Cotters Run, Lefroy and Talisker North Projects on 22 September 2010.

The Company lodged its prospectus with the Australian Securities and Investments Commission (ASIC) on 19 October 2010, to raise \$2.2 million through the issue of 11 million ordinary shares at an issue price of \$0.20 per share.

The Company closed the offer oversubscribed and was admitted to the official list on the ASX on 6 December 2010 and quotation commenced on 8 December 2010.

During the period the Company has sourced a geological team and commenced a review of the Company's data base centred on its coal and gold projects.

Management has continued to evaluate other projects opportunities, both domestically and off-shore, to grow shareholder value.

### Dividends

No dividends have been paid or declared since the start of the financial period and the directors do not recommend the payment of a dividend in respect of the financial half year ended 31 December 2010.

## **Directors' Report (continued)**

### **Auditor's Independence Declaration**

A copy of the lead auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 13.

Signed in accordance with a resolution of the Board of Directors:



Dr Bernardo da Veiga  
Executive Director

Dated at Perth this 11<sup>th</sup> day of March 2011

**Statement of Comprehensive Income  
For the Half-Year Ended 31 December 2010**

	Note	31 December 2010	31 December 2009
<b>Revenue</b>		13,942	-
Exploration & evaluation expenditure	2	(158,375)	-
Employee benefits		(44,727)	-
Depreciation and amortisation expense		(386)	-
Professional expense		(14,739)	-
Administration expenses		(52,676)	-
<b>Loss before Income tax expense</b>		<b>(256,961)</b>	-
Income tax expense		-	-
<b>Loss for the half-year</b>		<b>(256,961)</b>	-
<b>Other comprehensive income for the half-year, net of tax</b>		-	-
<b>Total comprehensive loss for the half-year</b>		<b>(256,961)</b>	-
Loss for the half-year attributable to:			
Members of the entity		(256,961)	-
		<b>(256,961)</b>	-
Total comprehensive loss for the half-year attributable to:			
Members of the entity		(256,961)	-
		<b>(256,961)</b>	-
<b>Earnings per share from continuing operations:</b>		<b>Cents</b>	<b>Cents</b>
Basic loss per share		(2.62)	-
Diluted loss per share		(2.12)	-

The accompanying notes form part of these financial statements

**Statement of Financial Position  
As at 31 December 2010**

	Note	31 December 2010 \$	30 June 2010 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,275,723	27,026
Trade and other receivables		16,113	313
Other current assets		9,673	-
<b>TOTAL CURRENT ASSETS</b>		<b>2,301,509</b>	<b>27,339</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		5,014	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>5,014</b>	-
<b>TOTAL ASSETS</b>		<b>2,306,523</b>	<b>27,339</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		68,268	34,600
<b>TOTAL CURRENT LIABILITIES</b>		<b>68,268</b>	<b>34,600</b>
<b>TOTAL NON CURRENT LIABILITIES</b>		-	-
<b>TOTAL LIABILITIES</b>		<b>68,268</b>	<b>34,600</b>
<b>NET ASSETS</b>		<b>2,238,255</b>	<b>(7,261)</b>
<b>EQUITY</b>			
Issued Capital	3	2,503,978	1,501
Share Option Reserve		7,665	7,665
Accumulated Losses		(273,388)	(16,427)
<b>TOTAL EQUITY</b>		<b>2,238,255</b>	<b>(7,261)</b>

The accompanying notes form part of these financial statements

**Statement of Changes in Equity  
For the Half-Year ended 31 December 2010**

	Ordinary Shares	Accumulated losses	Share Option Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2009</b>	-	-	-	-
Issue of shares	-	-	-	-
Loss attributable to members of the entity	-	-	-	-
Issue of Directors' Options	-	-	-	-
<b>Balance at 31 December 2009</b>	-	-	-	-
<b>Balance at 1 July 2010</b>	1,501	(16,427)	7,665	(7,261)
Issue of shares	2,556,000	-	-	2,556,000
Transaction costs	(53,523)	-	-	(53,523)
Loss attributable to members of the entity	-	(256,961)	-	(256,962)
Issue of Directors' Options	-	-	-	-
<b>Balance at 31 December 2010</b>	<b>2,503,978</b>	<b>(273,388)</b>	<b>7,665</b>	<b>2,238,255</b>

The accompanying notes form part of these financial statements



**Statement of Cash Flows  
For the Half-Year ended 31 December 2010**

	Note	31 December 2010	31 December 2009
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees (inclusive of GST)		(118,998)	-
Bank charges		(559)	-
Interest received		13,942	-
<b>Net cash (outflow) inflow from operating activities</b>		<u>(105,615)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tenement option		(55,000)	-
<b>Net cash (outflow) inflow from investing activities</b>		<u>(55,000)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issues	7	2,409,312	-
<b>Net cash inflow (outflow) from financing activities</b>		<u>2,409,312</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>		2,248,697	-
Cash and cash equivalents at the beginning of the half-year		27,026	-
		<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>2,275,723</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements

## Notes to the Financial Statements

### Note 1: Basis of preparation of half-year financial statements

These general purpose financial statements for the half-year reporting period ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2010 and any public announcements made by Attila during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Attila is a listed public company limited by shares, incorporated on 19 February 2010 and domiciled in Australia. The company listed on the Australian Securities Exchange during the period ended 31 December 2010.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent financial statements except for the adoption of following new accounting policies:

#### a. Property, Plant and Equipment

Plant and equipment are brought to account at cost or at fair value, less where applicable any accumulated depreciation or impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal.

The gain or loss on disposal of all fixed assets, including revalued assets, is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the statement of comprehensive income. Any realised revaluation increment relating to the disposed asset which is included in the revaluation reserve is transferred to retained earnings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and the cost of item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their useful lives commencing from the time the asset is held ready for use. Plant and equipment are depreciated on a reducing balance or straight line basis at rates based upon their expected useful lives as follows:

Furniture, fittings and equipment	3-8 years
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**Note 1: Basis of preparation of half-year financial statements (continued)**

**b. Intangibles**

*(i) Trademark, licences, and logo*

Trademark and licences and logo are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is calculated and determined based on case by case basis.

**Note 2: Exploration and evaluation expenses**

Attila acquired the 'Lefroy' and 'Cotters Run' tenements for \$100,000, satisfied by way of the issue of 500,000 ordinary shares in November 2010. The tenements are considered to have greenfield gold prospectivity. In addition, the 'Talisker North Coal' tenement was acquired at a cost of \$50,000 cash in November 2010. This tenement offers the opportunity for coal exploration.

	<b>Half-Year ended 31 December 2010</b>	<b>Year ended 30 June 2010</b>
<b>Opening Balance</b>	-	-
Net expenditure incurred during the year	8,375	-
Tenement acquisition costs during the year	150,000	-
Tenements disposed of during the year	-	-
Expenditure written off	(158,375)	-
<b>Closing Balance</b>	<u>-</u>	<u>-</u>

**Note 3: Issued Capital**

**a. Issue of ordinary shares during the half-year:**

<b>Details</b>	<b>Number of Shares</b>	<b>\$</b>
Opening balance	1,500,001	1,501
Shares Issued 01 August 2010	6,000,000	6,000
Shares Issued 30 September 2010	1,000,000	50,000
Shares Issued 15 October 2010	2,000,000	200,000
Shares Issued 29 November 2010	11,500,000	2,300,000
Less:		
Costs of issue		(53,523)
	<u>22,000,001</u>	<u>2,503,978</u>

Holders of ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held and the amount paid up.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Note 3: Issued Capital (continued)**

**b. Options Over Ordinary Shares**

As of 30 June 2010 the Company had 1,500,000 unlisted options exercisable at \$0.20 by 10 March 2014. 1,000,000 unlisted options were issued during the half-year which are exercisable at \$0.20 by 1 August 2014. Each option entitles the holder to subscribe for one share upon exercise of each option. The weighted average contractual life is 4 years. The fair value of options granted is estimated as at the grant date using the Black Scholes option valuation method taking into account the terms and conditions upon which the options are granted

**Note 4: Contingent Assets and Liabilities**

The Company had no contingent assets or liabilities as at 31 December 2010, other than the contingent consideration outlined in relation to Talisker North option agreement referred to in Note 8.

**Note 5: Segment Information**

The company operated solely in Australia in mineral exploration for the whole of the year.

**Note 6: Events Subsequent to Reporting Date**

There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the result of those operations, or the state of affairs of the Company, in future financial years.

**Note 7: Non-cash Financing and Investing Activities**

During the year the Company purchased exploration licence E15/1120 for non-cash consideration of 500,000 fully paid ordinary shares at a deemed issue price of 20 cents per share.

**Note 8: Commitments**

In relation to Exploration Licence E09/1747 in the Talisker Basin, the company has agreed to pay the vendor \$200,000 or issue 1,000,000 fully paid ordinary shares after the announcement of one or more categories of Inferred, Indicated, or Measured coal Mineral Resources, as defined in the JORC Code, in excess of 100,000,000 tonnes. The vendor has the right to elect whether to take the contingent consideration in cash or shares.



**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF ATILA RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010 there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

Maxim Audit  
Chartered Accountants

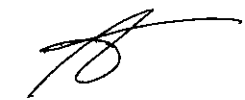
M.A Lester  
Perth WA  
Dated this 11<sup>th</sup> day of March 2011.

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes set out on page 6-12 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
  - (b) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance, for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that Attila will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



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Dr Bernardo da Veiga  
Executive Director

Date: 11th day of March 2011



**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ATTILA RESOURCES LIMITED**

**Report on the Half-year Financial Report**

We have reviewed the accompanying half-year financial report of Attila Resources Limited (the company) which comprises the condensed statement of financial position as at 31 December 2010, the condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Attila Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the Corporations Act, provided to the directors of Attila Resources Limited on 11<sup>th</sup> March 2011, would be in the same terms if provided to the directors as at the time of this auditor's review report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Attila Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



Maxim Audit  
Chartered Accountants



M. A. Lester  
Perth WA

Dated this 11th day of March 2011