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ASX Release

ASX Code: AYA, AYAO

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

Highlights

- **Planning completed for February drilling program of Northern coal targets at Talisker North.**
- **50-100 million tonne exploration target established at Talisker North. (See qualification below)**
- **Preliminary Logistics and infrastructure evaluation identifies transport options for Talisker North.**
- **Management continues to evaluate other projects opportunities, both domestically and off-shore, to grow shareholder value.**

Attila Resources Limited (ASX Code AYA / AYAO) is pleased to report that following on from the success of the 2011 maiden aircore drilling program at the Talisker North Coal Project where a 4 metre coal seam was intersected at a depth of 50 metres (drill hole Tal-006), the Company has completed planning for a further drilling program of prospects some 30 kilometres north-east of the discovery hole.

Follow up drilling to Attila's discovery hole Tal-006 (E09/1564) will be completed in the June 2012 Quarter once heritage assessment and possible heritage surveys are completed by the responsible Native Title Claimant group.

The February program will test other targets located on tenement E09/1747, significantly further north-east of the 2011 discovery on tenement E09/1564 and potentially opens up new prospective coal areas at Talisker North.

A 1,500 metre aircore drilling program is set to commence in February. An application for a Permit of Works has been lodged with the Department of Minerals and Energy, Western Australia and an aircore drill rig has been booked for the program.

In 1980, CRA Exploration intersected sub-bituminous coal seams on tenement E09/1747 in 3 regionally spaced drill holes totalling 1.1m-1.5m in seam thickness at between 43m-134m depth.

In addition to confirming the existence of potentially economic seams of coal at Talisker North, Attila has confirmed through the coal analysis carried out by ALS Accura in Collie, Western Australia, that the thermal coal at Talisker North compares favourably in quality to Collie coal. Collie coal is sub-bituminous, with an average calorific value of 20MJ/kg (4800 kcal/kg) on an "as received" basis and is suitable for power generation.

Although Collie coal has a lower ash and sulphur content, the calorific value of Talisker North coal is 4348 kcal/kg on an "as received" basis, 4396 kcal/kg on an "air dried" basis, and 5447 kcal/kg on a "dry" basis. The calorific value of Talisker North coal is 7263 kcal/kg on a "dry ash-free" basis and is also comparable in calorific value to Collie coal on this basis.

Fast Facts

Total Shares on Issue	22m
Options on Issue	12.5m
Market Capitalisation	\$4.18m
Cash	\$1.82m

Directors

Mr Grant Mooney
Mr Zlad Sas
Mr Bryn Hardcastle
Mr Leigh Ryan

Talisker North Coal

- New coal discovery
- 577km² of granted tenure
- Under explored coal basin
- Coal intersected in maiden program
- 4m of coal @ 50m

Cotter's Run Gold

- 3 block Exploration Licences within St Ives – Junction structural corridor
- Prospective for gold

Lefroy Gold

- 2 ELA's covering over 50km² Eastern Gold Fields
- Prospective for gold and nickel



Attila has established a 50-100 million tonne exploration target of sub-bituminous coal at Talisker North. (See qualification below).

The Company has also increased its tenement holding in the Talisker North region to 1,922 square kilometres through the application for a further 7 exploration licences totalling 1,345 square kilometres over 436 Blocks (refer to Figure 2). This establishes Attila as the majority landholder of the under-explored Talisker North Coal Basin, which the Company views as an emerging coal region.

During the Quarter the Company undertook a preliminary evaluation of infrastructure in the area, for the purposes of assessing the potential for shipping to end users should a commercial operation be established at Talisker North.

Key findings from the review are:

- Potential exists to export product through existing Geraldton port or the proposed Oakajee port in the future. The establishment of a port at Carnarvon in the future would also be an option.
- The project is ideally located within close proximity to gas through the Dampier to Bunbury pipeline adjacent to the project site.
- Upgrading of existing unsealed roads to a 100 kilometre long haul road would provide access to existing road systems in the region.
- Project is approximately 200 kilometres from proposed railway servicing regional iron ore projects.

Qualification of Exploration Target

*This exploration target is based on recent exploration drilling by Attila, and previous programs by Griffin Coal and CRAE at the Talisker North Project. The exploration target at Talisker Range is conceptual in nature, not a Mineral Resource pursuant to the JORC Code and may never become a resource. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. * 50-100Mt exploration target of sub-bituminous coal ranging in quality from 7-20% moisture, 14-28% ash, 22-39% volatile matter, 35-41% fixed carbon, 0.7-1.71% sulphur, and a calorific range of 4061-4300 kcal/kg ("analysis on an air dried basis") based on recent exploration drilling by Attila, and previous programs by Griffin Coal and CRAE at the Talisker North Project.*

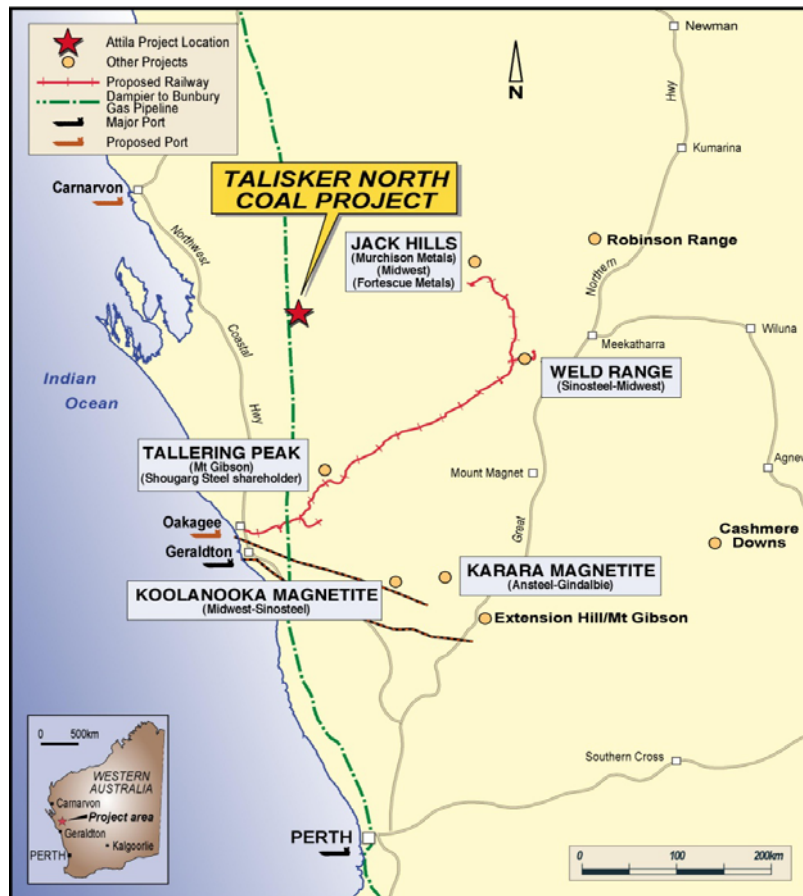


Figure 1: Location map of regional infrastructure

Upcoming Exploration Activities

Testing of Northern Targets (February 2012)

A 1,500 metre aircore program testing targets on E09/1747 is scheduled to commence mid February. Geophysical studies of the holes will be undertaken where significant coal intersections are achieved.

Testing of Discovery Hole Tal-006 Region (June 2012)

Upon Completion of the 1,500 metre aircore program in February testing northern prospects at Talisker North, Attila's technical team will commence a second drilling campaign in the region of the 2011 discovery hole Tal-006. This second phase is expected to comprise 110 aircore/RC holes to 100 metres depth to be drilled totalling 11,000 metres of drilling and clearing of 20 line kilometres of drill line traverses centred around discovery hole Tal-006. The drilling will be along lines spaced every 200 metres with holes drilled every 200 metres. All holes of interest will be logged with down-hole geophysical tools. A larger sample of the coal intersected at Tal-006 will also be obtained for further metallurgical and washability testing to assist in determining the export quality of the coal at Talisker North.



Cotters Run Project

The Cotters Run Project comprises a three-block exploration licence E15/1120 that cover a known gold occurrence within the structural corridor of the strongly-mineralised St Ives-Junction Gold Belt (>8moz endowment). Previous exploration at Cotters Run by Billiton Australia and Acacia Resources during the period 1989 to 2003 delineated an area of Au soil anomalism at the Le Mans Prospect.

No significant work was undertaken during the quarter.

Lefroy Project

The Lefroy project comprises two exploration licence applications in an area 80 kilometres southeast of Kalgoorlie jointly known as the Lefroy Project. E15/1227 is an eight-block (23 square kilometres) licence covering a segment of greenstone terrain within the prospective Hogans Find structural zone located 19 kilometres east of Kambalda. E15/1228 is a 9 block (26 square kilometres) application a further 8 kilometres to the east that contains magnetic chert/BIF stratigraphy within the Mt Belches sedimentary sequence.

No significant work was undertaken during the quarter.

For further information please see www.attilaresources.com or contact:

Grant Mooney, Chairman

Phone: (08) 6142 0989

Competent Person Statement

The information for this announcement is based on information compiled by Mr Zlad Sas BSc (Hons) who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Sas is a Director of Attila Resources Limited, and 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 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'. Mr Sas consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

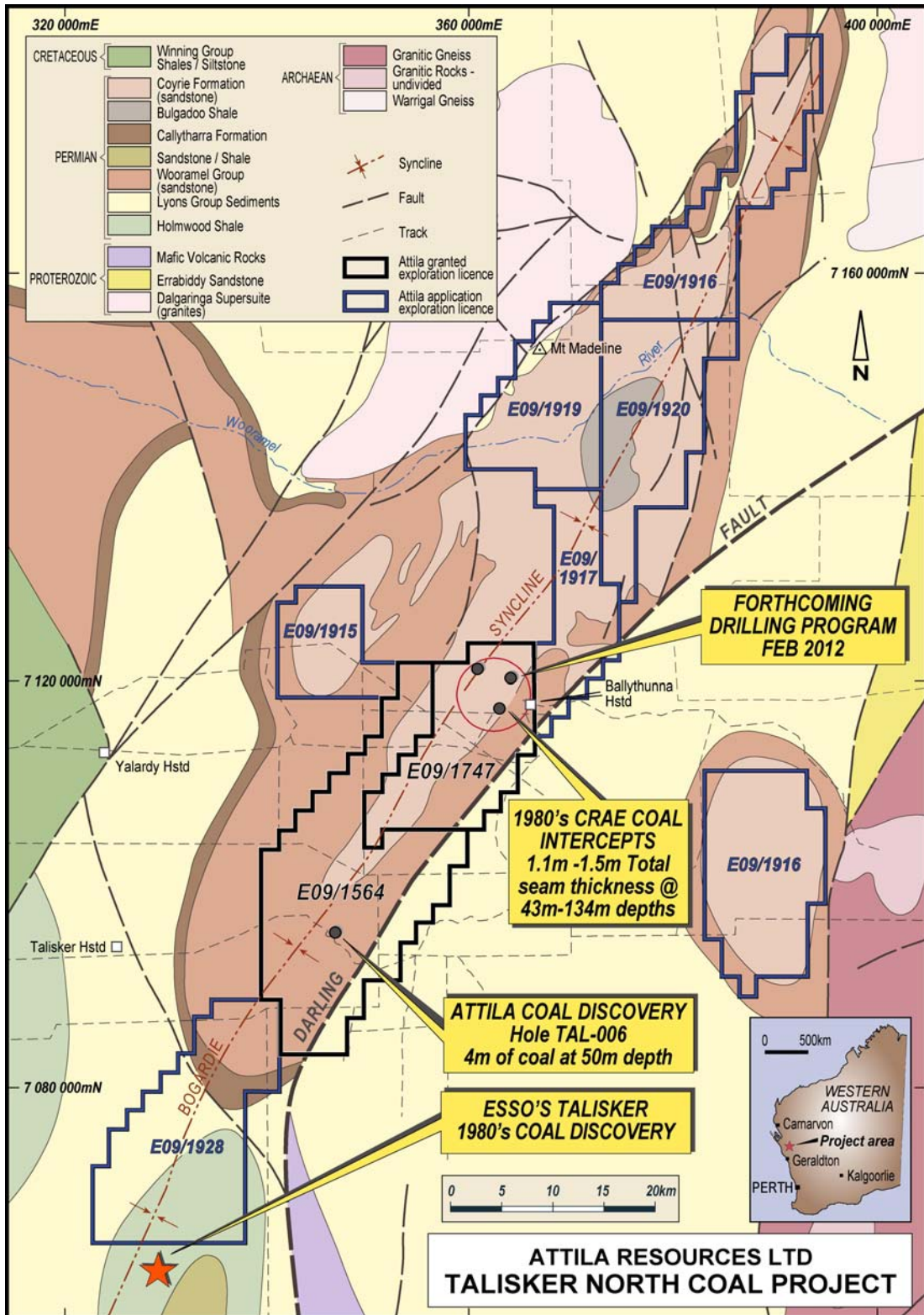


Figure 2: Talisker North Coal Project