

ASX / Media Release

**ASX: AYA, AYAO
30 April 2013**

Quarterly Activities Report March 2013

HIGHLIGHTS

Kodiak Coking Coal Project, Alabama USA

Gurnee Property

- **94% conversion of inferred JORC resource lifting the measured JORC resource to 71.6Mt and the indicated JORC resource to 4.8Mt**
- **Total JORC compliant resource of 78.4Mt of high quality hard coking coal**
- **Initial testing indicates extremely low ash, low sulphur, hard coking coal with superior fluidity**
- **Gurnee resource underpins the potential for a long life hard coking coal operation**
- **Scoping study commenced**
- **Feasibility rock mechanics and gas desorption test work well advanced**

Seymour Property

- **Maiden drill program of 4 diamond holes for approximately 2,400m of drilling commenced**
- **Aim to convert 87-93Mt Exploration Target* into JORC compliant resource following completion of program**
- **Program will assess coal quality, gas desorption testing and geotechnical data for mine planning**

Corporate

- **Shaun Day appointed as non-executive director**
- **Craig Stepan engaged as logistics manager for Kodiak Project**

Fast Facts

Total Shares on Issue	49.4m
Convertible Notes (\$0.50)	28.5m
Listed Options on Issue	10.4m
Market Capitalisation (undiluted at \$0.70)	\$35m
Cash at 31 Mar 2013	\$4.74m

Directors

Mr Max Brunson
Mr Evan Cranston
Mr Shaun Day
Mr Bryn Hardcastle
Mr Alan Thom

Kodiak Coking Coal, Alabama

- 11,700 acre Project area over 2 properties
- 78.4Mt Measured and Indicated Coal Resource at Gurnee
- Fully owned infrastructure on private land
- Fully permitted to commence mining at Gurnee
- Maiden drilling underway on Seymour Property

Talisker North Coal, WA

- New coal discovery
- 1,922km² land package
- Under explored coal basin
- Coal intersected in maiden program
- 4m of coal from 50m

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**This exploration target is not a Mineral Resource. The potential quality and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

Exploration Activities

Kodiak Coking Coal Project, Alabama USA (Attila Resources 70%)

Gurnee Property Phase 1 Drill Program and JORC Resource Upgrade

On 16 January 2013, Attila Resources Limited (“**Attila**” or “**the Company**”) announced the completion of Phase 1 drilling on its Gurnee Property at the Kodiak Coking Coal Project, Alabama (Figures 1 and 2). The program was extended to 23 continuously cored diamond drill holes, producing 13,500 metres of core, with holes ranging in depth between 168 and 798 metres and was designed to acquire coal bed thickness and coal quality data across the approximate 7,770 acre Gurnee Property.

The Company was pleased to announce a 94% conversion of its maiden inferred JORC Resource to the categories of measured and indicated based on the results from the completed drilling program. The new resource estimates were prepared by Attila’s independent consultants, Stagg Resource Consultants, Inc. (“**Stagg**”) as follows:

Coal Seam	Measured	Indicated	Inferred	Total
Coke	34.0Mt	3.2Mt	2.0Mt	39.2Mt
Atkins	37.6Mt	1.6Mt	-	39.2Mt
TOTAL	71.6Mt	4.8Mt	2.0Mt	78.4Mt

The majority of the resource is now contained in the category of highest confidence under the JORC Code. Only 2.5% of the resource remains in the inferred category.

Gurnee Property Coal Quality

Following the completion of the 24 hole, 13,500m diamond core drill program, Attila announced the following analytical data for the upgraded JORC resource:

Seam	Ash (%)	Sulphur (%)	Volatile Matter (%)	Fixed Carbon (%)	P ₂ O ₅ (%)	Calorific Value (kcal/kg)	FSI
Coke	2-6	0.4-0.9	32-36	59-63	0.14-0.33	7,950-8,400	7.5-9
Av	3.95	0.69	34	61.5	0.2	8,260	8.5
Atkins	3-5	0.5-0.8	30-35	59-69	0.15-0.30	7,920-8,375	7.5-9
Av	4.36	0.68	34	62.0	0.2	8,210	8.7

Coal reported on a dry basis and washed at 1.5SG

The fluidity of the coal is consistently high across both seams with some areas of the seams recording fluidities in excess of 30,000ddpm. Some areas of the resource nearer to the outcrop report lower fluidities which could be explained by the oxidization of the coal caused in most cases by the ingress of water. Based on the drilling results to date, Attila is confident of shipping a product specification of approximately 20,000ddpm on a pre-shipment basis.

Attila is very encouraged by the consistency of the coal quality across its Gurnee Property. The results indicate that the coal is an extremely high quality hard coking coal which is attracting interest from both the domestic and international market.

Gurnee Property Scoping Study

On 25 February 2013, the Company announced that Stagg Resource Consultants had been engaged to conduct a scoping study on the Gurnee Property resource as a prelude to initiating a bankable feasibility study. Attila is expecting to release the results of the scoping study in Quarter 2, 2013.

Commencement of Mine Dewatering

The first phase of mine dewatering at the Coke No 1 Mine on the Gurnee Property commenced and subsequent to the quarter end has been completed ahead of schedule. Dewatering will allow access to historical workings which are expected to form part of Attila's future mine plan. Further details of the mine plan will be released as part of the scoping study currently being undertaken by the Company.

Seymour Property Maiden Drill Program

On 20 December 2012, Attila announced that its 70% owned subsidiary, Kodiak Mining Company, had finalised the formal documentation securing the option to acquire additional coal leases at the Seymour Property as originally announced on 3 December 2012.

The Seymour Property is located approximately 3.5 kilometres south of Attila's existing infrastructure and 78.4Mt JORC Compliant Resource on its Gurnee Property (Figure 2) with the two properties collectively forming the Kodiak Hard Coking Coal Project. The Resource at the Gurnee Property is based on the Atkins and Coke coal seams which continue along strike and outcrop on the Seymour Property. The close proximity to the existing infrastructure, including a wash plant and rail load out facility, on the Gurnee Property will significantly reduce future capital requirements for any potential development on the Seymour Property.

Attila's maiden drill program is currently underway on the Seymour Property with the completion of the first drill hole intersecting all of the intended coal beds (Upper Thompson, Coke and Atkins) (Figure 3). Down hole geophysical logging of the first hole has confirmed the thickness of these three beds in the range of 3 to 4 feet, as anticipated from previous drilling. Drilling on the second hole is underway and results will be released to the market when received. Wedging of the holes will be undertaken to obtain additional geotechnical and gas desorption testing data as well as coal quality and petrographic data.

Seymour Property Exploration Target

The Seymour Property currently has an exploration target of 87-93Mt¹ of coal across 4 seams. Based on the existing database of over 75 historical drill holes, Attila has a high degree of confidence that this exploration target will convert into a JORC compliant resource with the expectation that coal qualities will be similar to that of the coal found approximately 3.5km away on the Gurnee Property.

The Atkins, Coke and Upper Thompson coal seams typically range in thickness between 0.75 metres to 2.1 metres on the Seymour Property, with averages in the range of 1.0 metres to 1.6 metres; these are slightly thicker than the same seams on the Gurnee Property. Based on the historical drilling that is available from the Seymour Property, and from adjacent properties, Stagg has determined that the Seymour Property contains an exploration target across these 3 seams in the combined range of 42 to 48 million tonnes of hard coking coal¹.

Additionally, based on the historical drilling that is available, Stagg has determined that the Seymour Property contains an exploration target in the Big Bone seam of the order of up to 45 million tonnes¹. This seam, which has a slightly higher ash content than the typical ash content of the Gurnee seams (in the order of 6%) is considered to have longer term potential for use as a blend in a hard coking coal product. This seam typically ranges in thickness between 2 and 3 metres. A detailed drilling program will be undertaken to further assess the quality of the coal and define a resource to JORC standards.

Further information on the exploration targets is detail at the end of this announcement.

Seymour Property – Coal Quality

The following table contains Stagg's anticipated typical specifications for washed coal (1.5 SG) for the three primary target coal seams, presented on a dry basis:

Seam	Ash (%)	Sulphur (%)	Volatile Matter (%)	Fixed Carbon (%)	Heat Content (kcal/kg)	Free Swelling Index	Fluidity (DDPM)
Atkins	3 – 5	0.3 – 0.6	33 – 36	59 – 61	8,100±	7 – 9	15,000 – 30,000
Coke	4 – 6	0.4 – 0.8	34 – 36	57 – 59	8,100±	6 – 9	15,000 – 30,000
Upper Thompson	6 – 8	0.5 – 0.9	35 – 37	55 – 58	7,900±	7 – 9	15,000 – 30,000

Further drilling and testing will be undertaken to confirm the chemical and petrographic characteristics of the target seams as indicated by the historical results.

¹ This exploration target is not a Mineral Resource. The potential quality and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Based on the results of two diamond core drill holes from a drilling program conducted on the property in 1983, the following qualities are suggested for coal from the Big Bone seam at yields of 30 percent or less, presented on a dry basis:

Seam	Ash (%)	Sulphur (%)	Volatile Matter (%)	Fixed Carbon (%)	Heat Content (kcal/kg)	Free Swelling Index	Fluidity (DDPM)
Big Bone	10±	0.8±	35±	58±	7,000±	n/a	20,000±

Kodiak Project – Logistics

The Kodiak Project is ideally located to take advantage of existing rail and port infrastructure that can cater to both the domestic and export markets (Figure 4). With a heavy gauge rail line running through the Kodiak property and a loadout facility on site, there is immediate access to the extensive rail network traversing the United States and from there, 2 nearby major coal handling ports. There is also the possibility of barging coal along the Black Warrior and Tombigbee Rivers which will be investigated as part of a study on the export market potential. Importantly, it is envisaged that there will no major CAPEX requirements necessary for either domestic or export sales.

Mr Craig Stepan has been engaged as Logistics Manager for the Kodiak Project. Craig has over 35 years' experience in transportation / logistics, commercial marine terminal management, and bulk materials mining, purchasing and handling. Craig was the former General Manager / President of US Steel Corporation's logistics department following which he established his own consultancy business based in Mobile, Alabama in 2007.

Talisker North Coal Project, WA (Attila Resources 100%)

No further exploration work was undertaken during the quarter at the Talisker North Thermal Coal Project. Given the current downturn in thermal coal markets, the Company is seeking divestment opportunities for this project.

Cotters Run Gold Project, WA (Relinquished)

The Company elected not to renew the tenement comprising the Cotters Run Gold Project during the quarter to enable further efforts to be focused on its coal projects.

Lefroy Gold Project, WA (Attila Resources Limited 100%)

Subsequent to the end of the quarter, the Company elected not to renew one of the two tenements comprising the Lefroy Project. No significant work was conducted on the remaining tenement, E15/1228, during the quarter. It is the Company's intention to relinquish the remaining tenement upon renewal later in the year.

Corporate Activities

On 18 January 2013, Shaun Day was appointed as a Non-Executive Director. Shaun has extensive experience in the area of commercial finance which will be invaluable to Company as it enters the next phase of development. Leigh Ryan stepped down from the Board and the Company thanks Leigh for his contribution to the successful growth of Attila.

The Company held a general meeting of shareholders on 27 March 2013 to approve the ratification of the recent share placement, the re-election of Shaun Day as a director, the issue of options to directors and the Attila Resources Limited Performance Rights Plan. All resolutions were passed on a show of hands.

The Company announced its interim financial report for the half-year ended 31 December 2012 on 18 March 2013.

As stated in the June 2012 Quarterly Activities Report, the Company received a statement of claim filed at the Supreme Court relating to an alleged contract with Monomatapa Coal Limited for a fee in respect of the acquisition of the Kodiak Coal Project.

As stated in the December 2012 Quarterly Activities Report, the Company received a statement of claim filed at the Circuit Court of Shelby County, Alabama relating to an alleged unfair dismissal claim by Mr Don Brown. The Company intends to defend this matter.

Cash at bank at quarter end was \$4.74 million.

For further information please contact:

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Competent Person Statements and Qualifications of Exploration Targets

The information in this report that relates to the JORC Compliant (Coal) Resource for the Kodiak Coking Coal Project in Shelby County, Alabama, USA has been reviewed and is based on information compiled by Mr Alan Stagg, a consultant to the Company through Stagg Resource Consultants Inc. Mr Stagg is a member of SME Registered Member of the Society of Mining, Metallurgy, and Exploration, Inc., registration number 3063550RM, 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 "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Stagg consents to the inclusion in the report on the matters on this information in the form and context in which it appears.

Qualification of Exploration Target – Seymour Property

This exploration target is based primarily on information gained during exploration drilling for coal bed methane beginning in the late 1980's and continuing on an intermittent basis to the present. Although none of these programs were intended to define exploration targets and to quantify Mineral (Coal) Resources and Reserves related to the mining of coal, the geophysical logs of these holes provide a wealth of information in this regard. Approximately a hundred such wells have been drilled on or in close proximity to the property to be leased, with the geophysical logs from all wells on the property having been reviewed and coal beds correlated by Mr Stagg. Additionally, information regarding the thickness and general bed composition of the Upper Thompson, Coke, Atkins, and Big Bone has been extracted and used by Mr Stagg to quantify tonnage in these beds. The information gathered in this fashion has been supplemented with the results of nine diamond core drill holes at various locations on the property and with data from prospect pits along the beds' outcrops. Accordingly, the lateral continuity and geometry of the Upper Thompson, Coke, Atkins, and Big Bone coal beds is well established. Because no quality data can be derived from the geophysical logging and because visual observations of the target coal beds and the strata lying above and below cannot be made, the tonnage estimated does not qualify as a Mineral (Coal) Resource.

The information in this report that relates to exploration results on the Talisker North Project is based on information compiled by Mr. Leigh Ryan, a consultant to the Company, who is a member of the Australian Institute of Geoscientists. Mr. Ryan has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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. Ryan consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Qualification of Exploration Target – Talisker North

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.

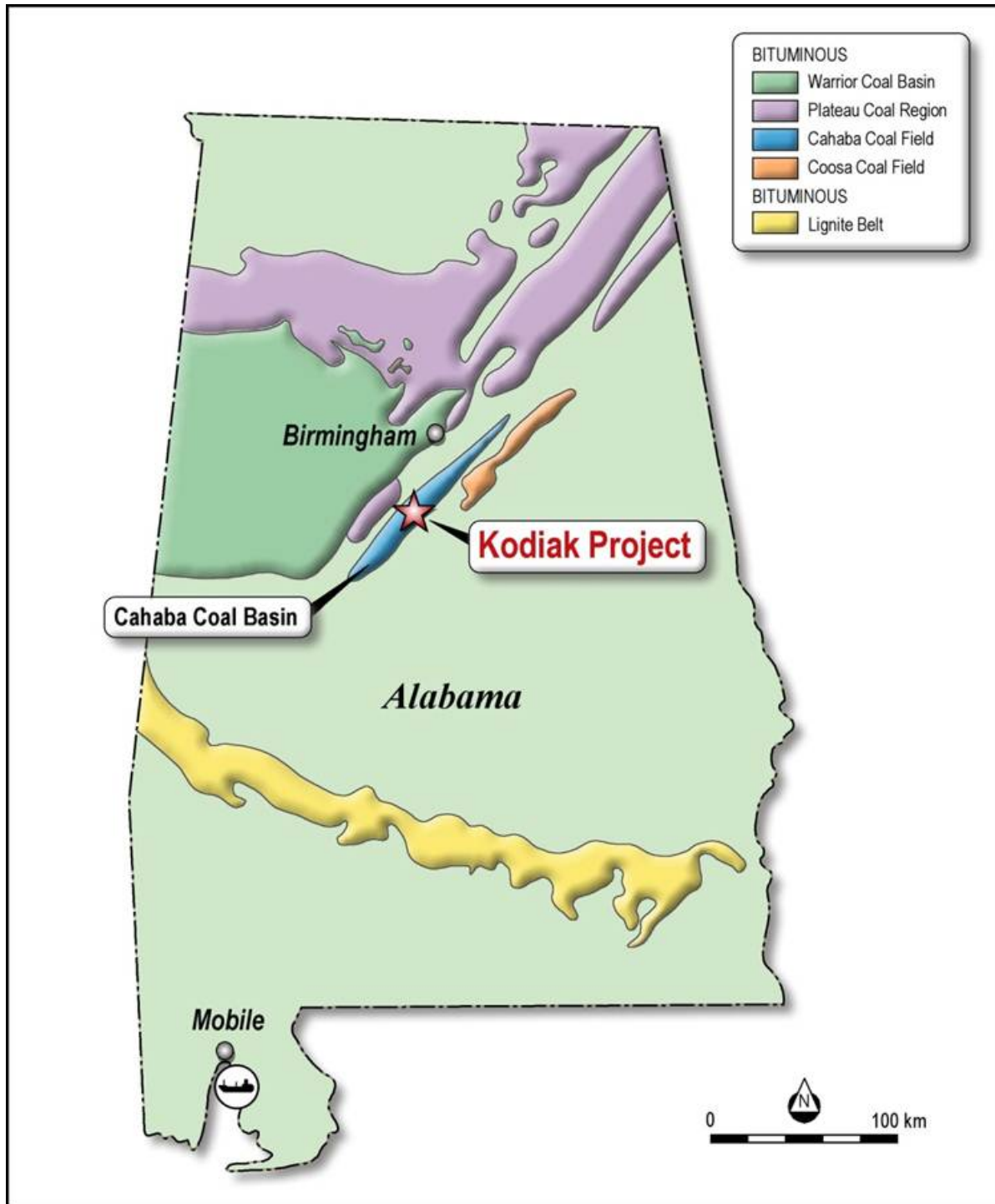


Figure 1. Kodiak Coking Coal Project, Shelby County, Alabama.

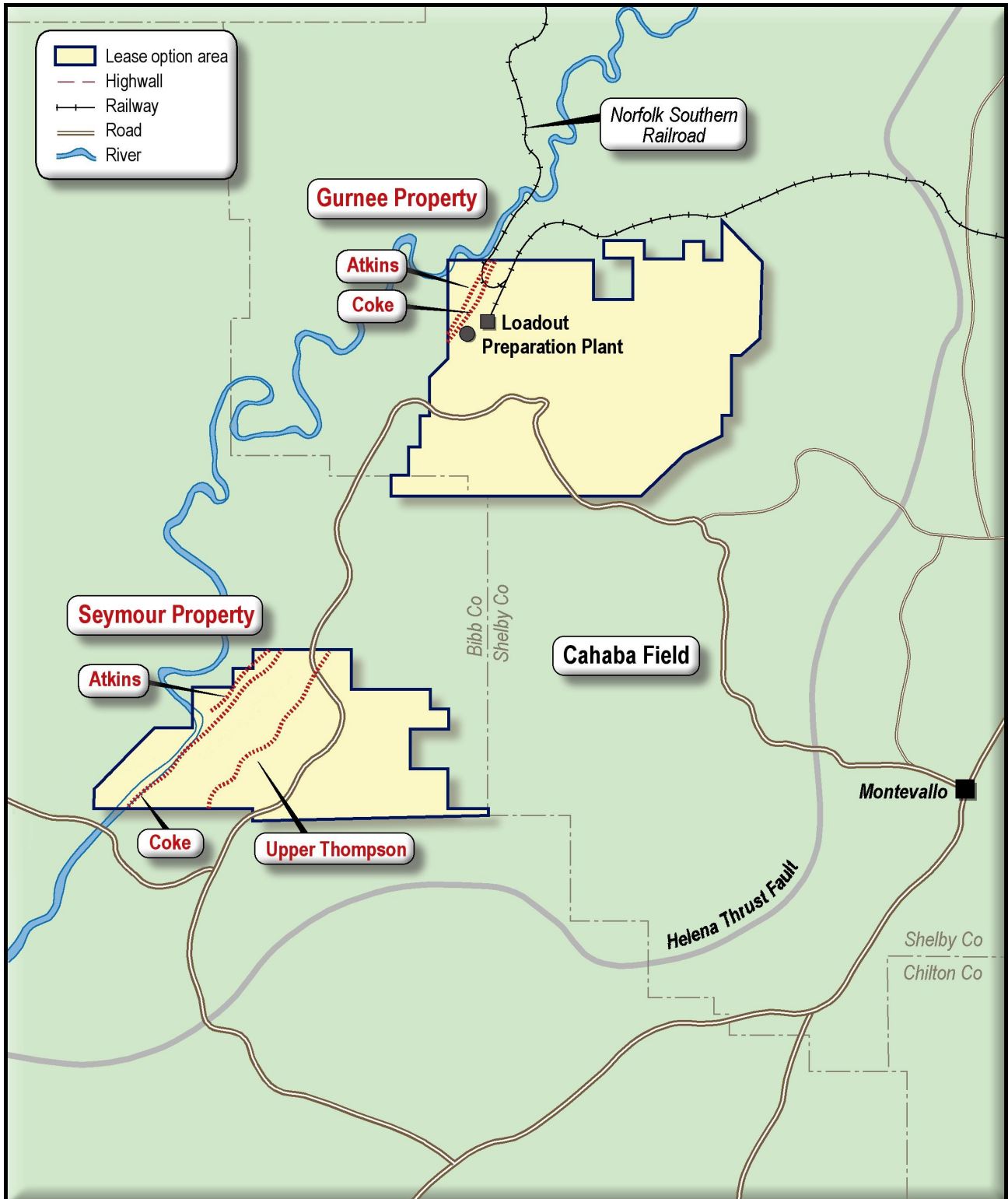


Figure 2. Kodiak Coking Coal Project – Gurnee and Seymour Properties

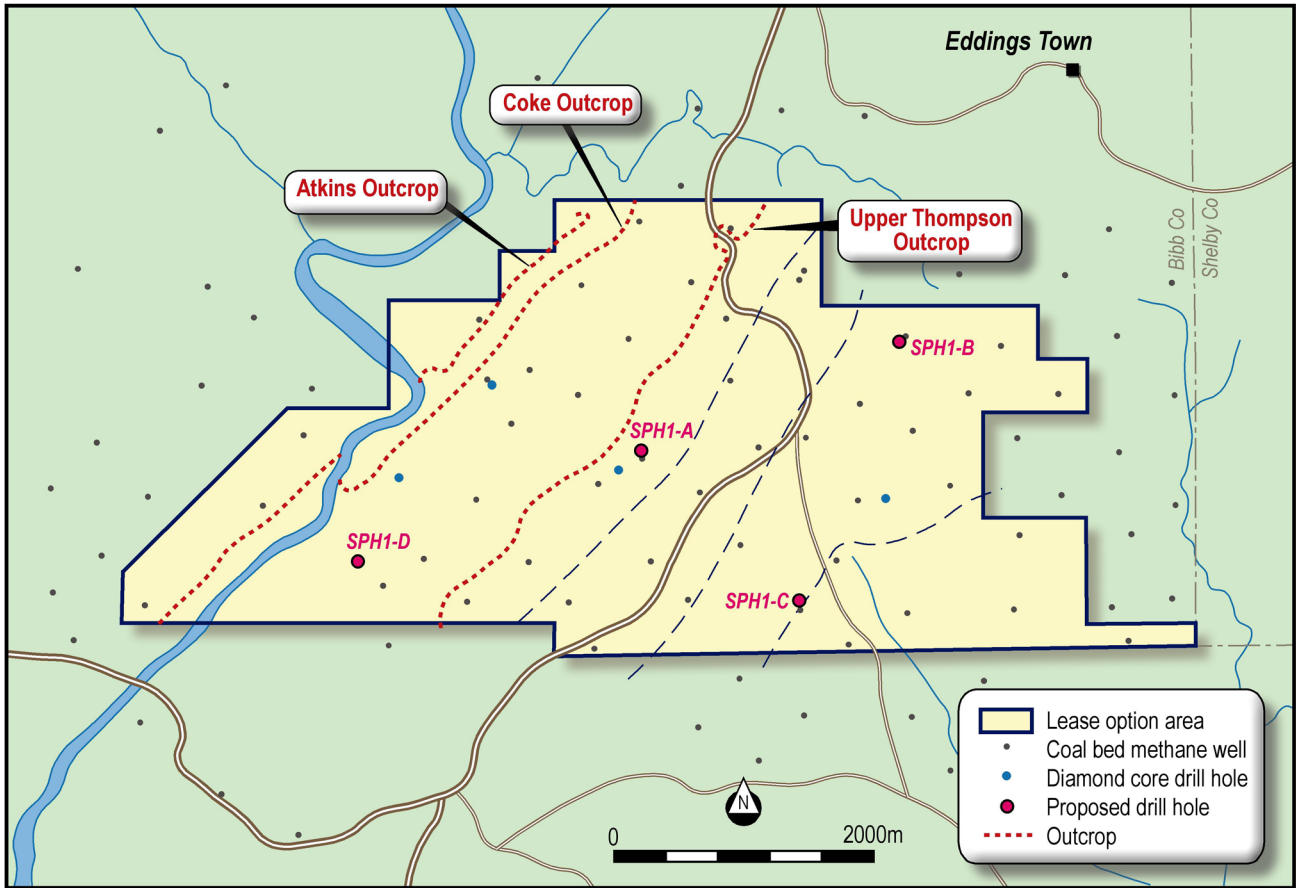


Figure 3. Planned drill holes in Phase 1 Seymour Drill Program.



Figure 4. Extensive rail and river systems traversing Alabama.