

**ASX / MEDIA ANNOUNCEMENT**

**ASX: AYA, AYAO  
25 February 2013**

## **KODIAK HARD COKING COAL PROJECT GURNEE UPDATE**

### **HIGHLIGHTS**

- **Stagg Resource Consultants engaged to commence scoping study on current 81Mt JORC Compliant Inferred Resource**
- **Resource upgrade underway to measured and indicated categories**
- **Dewatering of Coke No 1 mine commenced**
- **Mr Craig Stepan (ex-US Steel Corporation) engaged as logistics manager with 35 years' experience in rail, barging and port contracts**
- **COO recruitment underway**

**Attila Resources Limited (ASX: AYA, AYAO)** is pleased to provide the following update regarding its Gurnee Property at its 70% owned Kodiak Hard Coking Coal Project, Alabama, USA (Figure 1).

### **Commencement of Scoping Study**

Stagg Resource Consultants (Stagg) has been engaged to conduct a scoping study on the existing 81Mt inferred JORC Compliant Resource on the Gurnee Property as a prelude to initiating a bankable feasibility study. It is anticipated that the BFS will commence following the upgrade of the current resource into the JORC compliant measured and indicated categories expected to be released in the coming month. Attila is hoping to release the results of the scoping study in Quarter 2, 2013.

Stagg Resource Consultants is a full service consulting firm specialising in a broad range of practices ranging from geology, environmental and engineering services. It is headed by Alan Stagg who has over 35 years' experience in the coal industry. Stagg has over 15 years' experience working in the Cahaba Coal Field which is of significant importance when understanding the existing geology and mining conditions of historical operations in the coal basin.

Stagg has consulted to some of America's largest coal producers including Peabody Energy, Arch Coal, Alliance Coal, Rio Tinto and BHP. In addition to this Stagg has also acted for banking and financial institutions such as Bank of America, JP Morgan and Morgan Stanley.

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## Resource Upgrade Calculation Update

As announced on 17 January 2013, Attila has successfully completed its 24 hole 13,500m Phase 1 drill program on the Gurnee Property. With the acquisition of the Gurnee Property in June 2012, the Company acquired the historical database of over 100 coal bed methane wells and 9 historical diamond core holes including down hole geophysical logs for each hole. In order to establish a JORC resource on the Property, the drill program was designed to address the paucity of coal quality data obtained with the database and, in October 2012, Attila was able to establish a maiden inferred resource of 81Mt of hard coking coal based on results from the first half of the drill program.

Following the completion of the drill program, Attila now has sufficient coal quality data to convert the resource from inferred to measured and indicated. Stagg, who designed and oversaw the drill program, are in the process of assessing all data and preparing estimates of resource tonnage in the measured and indicated categories and it is anticipated that it will be completed within the next month.

## Commencement of Mine Dewatering

The first phase of mine dewatering at the Coke No 1 mine has now commenced. Dewatering is expected to be completed within 3 months and will allow access to historical workings which are expected to form part of Attila's new mine plan.

The commencement of mine dewatering is a significant milestone in the Company's history as it will fast track the time required to recommence mining operations (pending successful completion of the BFS). Further details of the expected mine plan will be released as part of the scoping study and subsequent bankable feasibility study.

## Recruitment of Logistics Manager

The Company is pleased to have engaged Mr Craig Stepan as its Logistics Manager. 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 after commencing his career with the company in 1971. Craig established his own consultancy business based in Mobile, Alabama in 2007 following his retirement from US Steel. Craig currently serves on the Board of Directors of the National Waterway Conference and the Warrior Tombigbee Waterway Association.

Attila currently has multiple transportation options available including existing rail to the Ports of Mobile, New Orleans and Jacksonville and barging options down the Warrior / Tombigbee rivers to Mobile and New Orleans port facilities (Figure 2). Craig will be responsible for investigating and securing logistical solutions to enable its hard coking coal reach the seaborne coal markets. Attila is very excited to have secured someone of Craig's calibre and welcomes him to the management team.

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## Recruitment of COO

The Company has also commenced its recruitment search for a USA based Chief Operations Officer to assist in its progression from explorer to a successful coal development company and producer. Attila envisages this position will complement the depth of knowledge provided by its existing JV partners, TBL Metallurgical Resources, who were the former mine owners and have over 30 years' experience in all facets of coal mining and, more importantly, in excess of 15 years' experience in coal mining in the Cahaba Coal Field.

Attila will provide the market with an update when appropriate.

For further information please see [www.attilaresources.com](http://www.attilaresources.com) or contact:

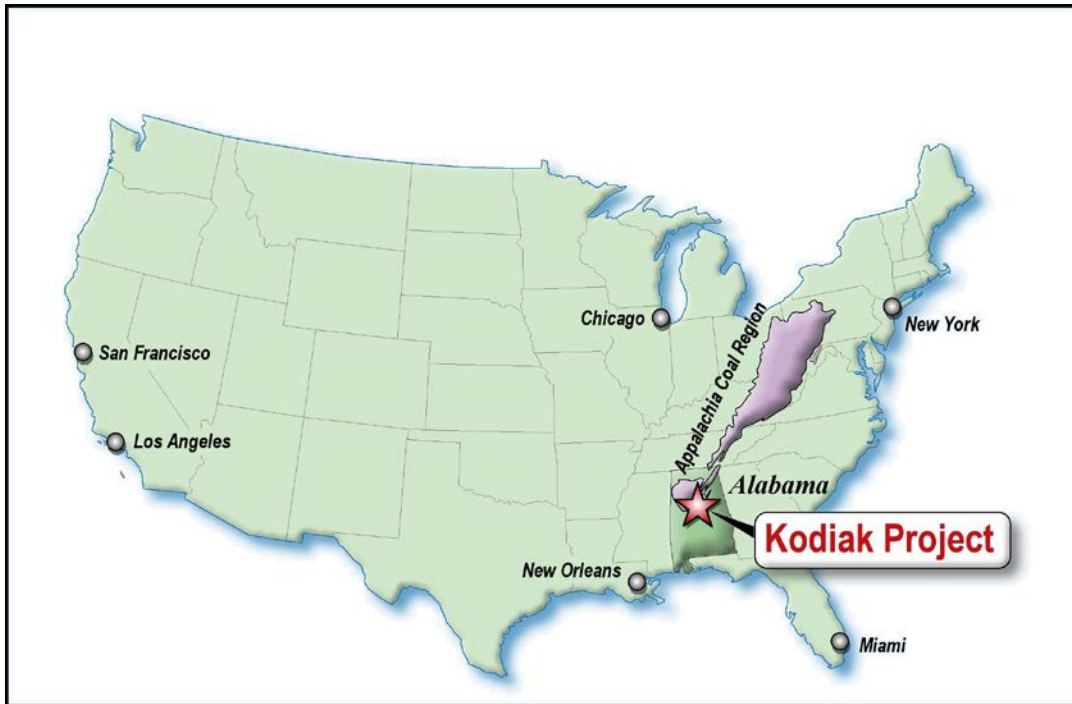
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Competent Person Statement

*The information in this report that relates to exploration results is based on information compiled by Mr. Alan Stagg, Attila's independent consulting geologist, who is a Registered Member of the Society for Mining, Metallurgy, and Exploration (SME), a Recognized Overseas Professional Organization as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves." Mr. Stagg 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 "Australian Code for Reporting of Mineral Resources and Ore Reserves." Mr. Stagg consents to the inclusion in the announcement of the matters based on information in the form and context in which it appears.*

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**Figure 1.** Kodiak Hard Coking Coal Project, Alabama, USA.



**Figure 2.** Railways and river systems traversing Alabama, USA.

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