

ASX / MEDIA ANNOUNCEMENT

ASX: AYA, AYAO  
14 November 2013

## **GAS DESORPTION TESTING AT KODIAK COKING COAL PROJECT DELIVERS POSITIVE RESULTS**

### **HIGHLIGHTS**

- **Gas desorption testing confirms low gas levels at Attila's Coke and Atkins Seams**
- **Levels low enough that only a simple ventilation system required**
- **Results average 5.1m<sup>3</sup>/t for Coke Seam and 6.5m<sup>3</sup>/t on Atkins Seam**
- **Results compare favourably with U.S. peers being less than half the gas levels in other major coal basins currently in production**
- **Bankable Feasibility Study progressing well due Q2 2014**

**Attila Resources Limited (ASX: AYA, AYAO)** is pleased to announce the results of gas desorption testing undertaken on representative samples across both the Coke and Atkins coal seams within the Gurnee Property at its Kodiak Coking Coal Project, Alabama, USA.

With an average gas yield of 5.1m<sup>3</sup>/t across the 15 samples tested for the Coke Seam, the results confirm that the Coke Seam falls into the category of mildly to moderately gassy. The Atkins seam is classified as moderately gassy with an average gas yield of 6.5m<sup>3</sup>/t across 17 samples tested. These results compare favourably with many of Attila's U.S. peers with mines currently operating in excess of 14.7m<sup>3</sup>/t (refer Table 2).

These low level results provide comfort that methane gas can be effectively and safely managed using a simple, conventional ventilation system.

Attila's Executive Director, Mr Evan Cranston commented "We are very pleased with the results from gas desorption testing, which further de-risk the Kodiak Hard Coking Coal Project. The low level of gas detected in the Coke and Atkins Seams provide us with confidence that in-seam gas can be easily managed with a simple ventilation system."

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“This is another important milestone for the Company as we move towards completion of a bankable feasibility study, which will incorporate a detailed design and costing for an appropriate ventilation system” he said.

## Background

Attila’s independent geological consultants, Stagg Resource Consultants Inc (“Stagg”) commissioned independent contractor, Whitney R Telle, to undertake the gas desorption study using core recovered from the Company’s phase 1 drilling program (refer Appendix A). Core from 17 of the 24 holes drilled in the phase 1 drilling program was tested in the gas desorption study, providing a comprehensive representation of both the Coke and Atkins coal seams, which comprise Attila’s proven and probable reserve of 48.2mt of high quality hard coking coal.

The results confirm the Coke Seam as only mildly to moderately gassy and the Atkins Seam as moderately gassy (refer Table 1). Stagg noted the levels of gas in the Coke and Atkins seams are very comfortably within a range that can be managed with a simple, well designed ventilation system, generally capable of managing gas levels of up to 31m<sup>3</sup>/t of specific methane emission, avoiding the need for a more capital intensive methane drainage program that can be required for more gassy mines.

**Table 1 : Gas yields and depth – Coke and Atkins Seam**

Drill Hole	Coke Seam		Atkins Seam	
	Depth (m)	Gas Yield (m <sup>3</sup> /mt)	Depth (m)	Gas Yield (m <sup>3</sup> /mt)
KOD-04			153	2.4
KOD-16	259	0.7	307	10.5
KOD-18	295	3.5	348	6.1
KOD-10	315	4.8	368	5.5
KOD-14	348	8	400	7.3
KOD-11	377	2.6	428	6.7
KOD-02	480	1.9	531	6
KOD-19	483	8	533	6.9
KOD-03	509	6	560	2.2
KOD-15	523	6.1	574	7.3
KOD-23			616	9.7
KOD-17	569	6.5	622	5.5
KOD-06	607	3.8	658	6.6
KOD-21	612	1.1	664	6.5
KOD-20	632	10.4	685	6.7
KOD-13	697	4.4	747	8
KOD-05	733	8.8	781	5.9
<b>Average</b>	<b>496</b>	<b>5.1</b>	<b>528</b>	<b>6.5</b>

The results from Attila's gas desorption testing have been compared with the published data from coal beds of a similar specification (refer Table 2). This analysis highlights that the Coke and Atkins seams compare very favourably with coal beds in other basins in the USA where gas levels in excess of 11m<sup>3</sup>/t are commonplace. The relatively low levels of gas detected has been attributed to the partial degasification of both the Coke and Atkins seams that has occurred as a result of the commercial coal bed methane production from wells drilled across Attila's licence area.

**Table 2 : Comparison of gas yields and depth across selected USA coal beds**

Coal Bed (State)	Number of Samples	Range of Depths (m)	Average Depth (m)	Average Gas Yield (m <sup>3</sup> /t)
Mary Lee (Alabama)	103	91-859	498	11.0
Hartshorne (Oklahoma)	20	53-439	194	12.0
Pittsburgh (Pennsylvania)	50	149-390	233	5.8
Pocahontas (Virginia)	24	401-674	534	14.7
<b>Attila's Gurnee Property</b>				
<b>Coke Seam</b>	<b>15</b>	<b>259-733</b>	<b>496</b>	<b>5.1</b>
<b>Atkins Seam</b>	<b>17</b>	<b>153-781</b>	<b>528</b>	<b>6.5</b>

*Source: U.S. Bureau of Mines Information Circular 9067*

The results from the gas desorption testing will be used to prepare detailed plans for a ventilation system that will be incorporated into the Company's bankable feasibility study which is on track for completion in Quarter 2 2014.

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

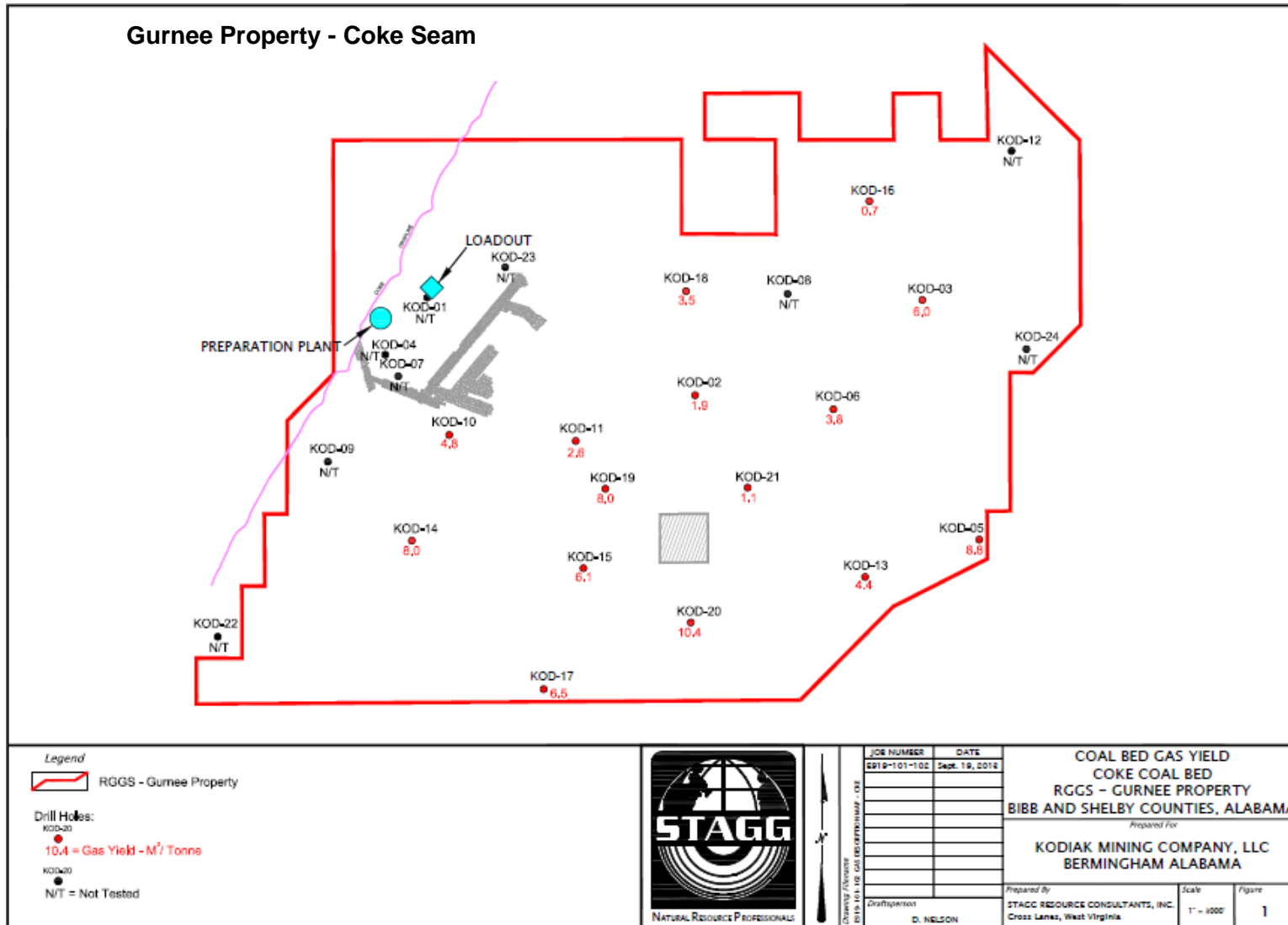
**Evan Cranston, Executive Director**

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Competent Person Statement

*The information in this report relating to Exploration Results and to JORC Compliant (Coal) Resources and Reserves for the Kodiak Coking Coal Project in Shelby County, Alabama, USA has been reviewed and is based on information compiled by Mr Alan Stagg of Stagg Resource Consultants Inc. Mr Stagg is a Registered Member of the Society of Mining, Metallurgy, and Exploration, Inc. (SME), 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.*

### Appendix A: Location of Drill Holes Used For Gas Desorption Testing



**Gurnee Property – Atkins Seam**

