



ATTILA RESOURCES
LIMITED

Kodiak Coking Coal Project

*A financially robust, long life premium hard
coking coal mine*

August 2013

Highlights – Kodiak: a new HCC mine

- 70% interest in premium hard coking coal project in Alabama, USA (option to acquire 100%)
- Experienced Board and senior management team
- No off-take agreements – strategic flexibility

Gurnee Property

- Maiden Coal Reserves 48.2Mt Proven and Probable (ROM)
- Robust PFS delivered with all-in cash cost of US\$90/t FOB (lowest 10% in seaborne market)
- Low start up CAPEX, fast payback, strong NPV and IRR
- Operation fully permitted on private land owned by Attila
- Existing infrastructure in place - Wash plant, Rail load out, Rail, Power, Water, Offices, Workshops
- Port of Mobile only 350km via existing rail infrastructure – ample capacity on both

Seymour Property

- Recently optioned property, only 3km from Gurnee Property
- Exploration Target* of 87-93 Mt of coal across 4 coal seams
- Not considered in recently completed PFS



* The potential quantity and quality of coal in this exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resources and it is uncertain if further exploration will result in the determination of a Mineral Resource

Experienced Board & Senior Management Team

Name and position	Background
Max Brunsdon <i>Executive Director</i>	<ul style="list-style-type: none">• +30 years experience in coal• Sales / marketing / operations• Formerly BHP, Bathurst Resources Ltd
Evan Cranston <i>Executive Director</i>	<ul style="list-style-type: none">• +8 years experience corporate lawyer• Former Corporate Director of Ampella Mining Ltd
Alan Thom <i>Non-Executive Director – Mining</i>	<ul style="list-style-type: none">• Mining Engineer• Former GM at Bathurst Resources Ltd
Bryn Hardcastle <i>Non-Executive Director – Legal</i>	<ul style="list-style-type: none">• 12+ years legal experience• Principal Bellanhouse Legal
Shaun Day <i>Non-Executive Director – Finance</i>	<ul style="list-style-type: none">• Current CFO Sakari Coal Ltd with approx production of 11Mtpa
Alan Stagg <i>Independent Consultant Geologist -USA</i>	<ul style="list-style-type: none">• Principle Stagg – Stagg Resource Consultants• +40 years coal industry• Exploration / mining geology / engineering
Jerry Whitt Daryn Bookout <i>TBL Metallurgical Resources LLC</i>	<ul style="list-style-type: none">• JV Partner (USA Based)• Former mine owners• Extensive experience in Cahaba Coal basin and Alabama coal industry• Principals qualified mechanical engineer and surface miner
Craig Stepan <i>Logistics Manager – USA</i>	<ul style="list-style-type: none">• 35 years experience (ex-US Steel Corporation)• Extensive rail, barging and port experience

Capital Structure

Capital Structure	Shares	Options
Existing Shares (ASX:AYA)	57 million	
Listed Options (ASX:AYAO) \$0.20 expiring June 2014		11 million
Unlisted Options (various \$0.20 - \$1.35)		13.5 million
TOTAL	57 million	24.5 million

Cash (30 June 13) **\$2.8 million**

Debt (28m convertible notes, 3 year term, \$0.50) **\$14.0 million**

Market Cap at \$0.60 (including con notes) **\$50 million**



USA Metallurgical Coal Industry

Established coal industry

- A downturn in the steaming coal market = excess supply of:
 - Experienced labour
 - Skilled contractors
 - Equipment
 - Railway and port capacity

Reduced CAPEX

- Infrastructure already established with excess capacity

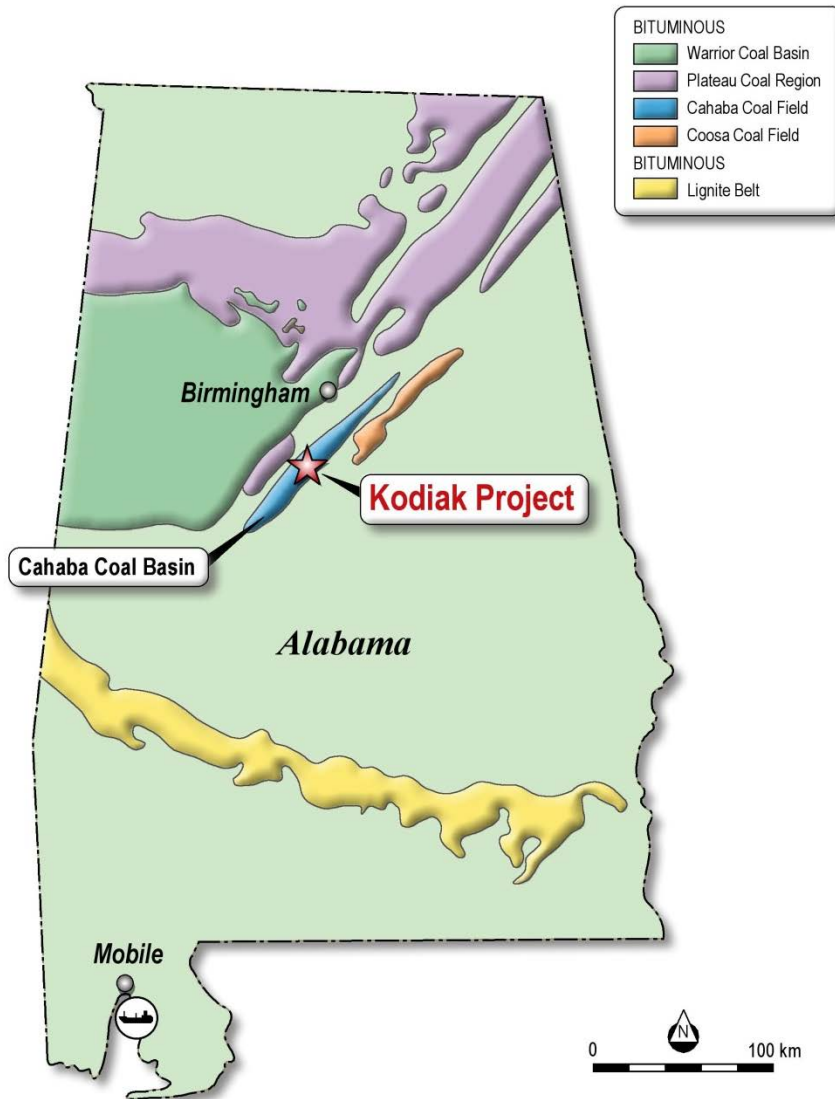
Reliable first world mining jurisdiction

- 2nd largest supplier of metallurgical coal ~22% - seaborne trade
- 70-80% of exports to Asian and European markets
- Increased supply to Brazilian markets
- 40mtpa production from “thin seam mines” <1 metre in thickness
- Consistent and well understood coal quality

Diversification – alternative source of metallurgical coal to Asia

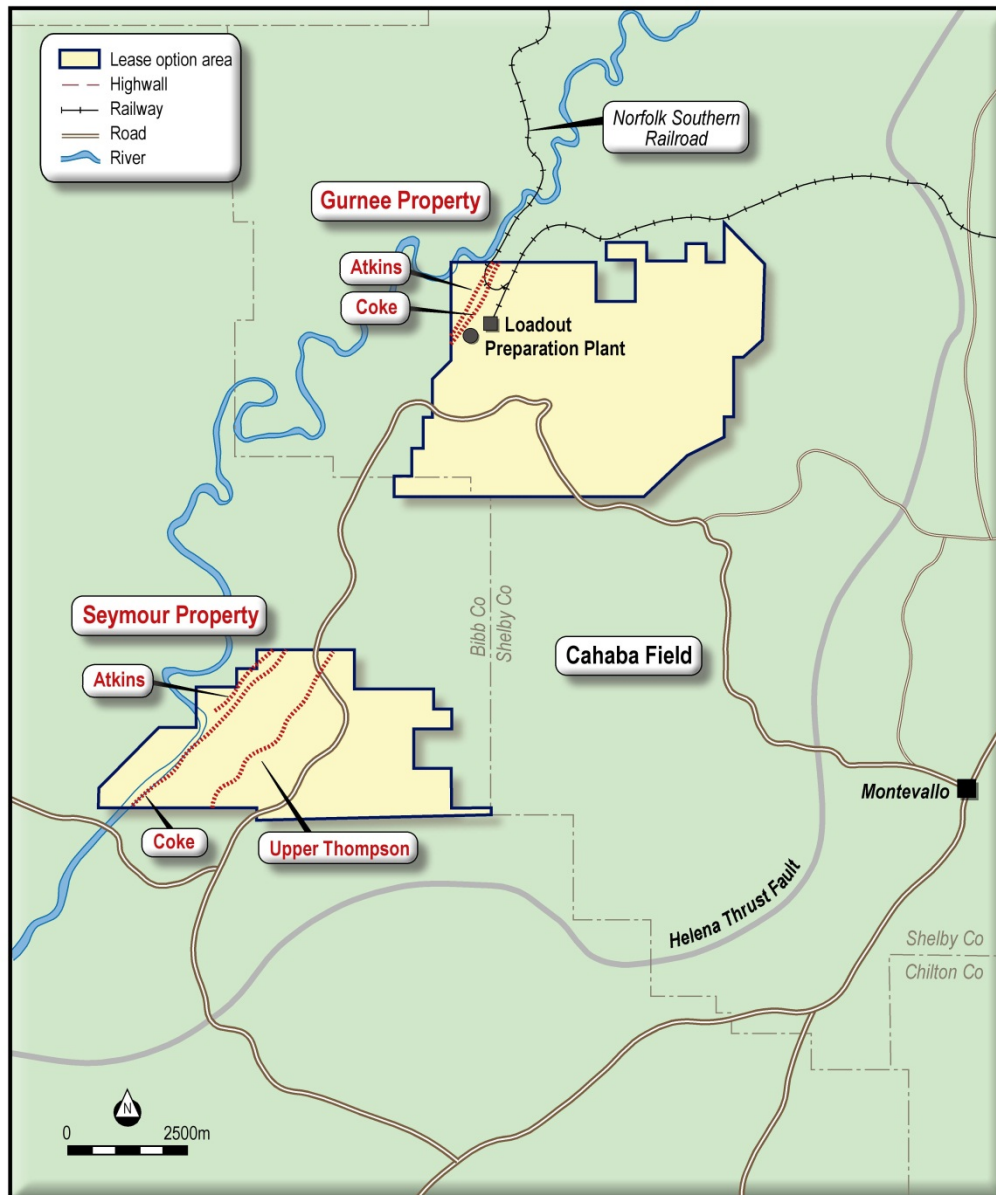
- Panama Canal expansion due for completion 2014
- Double capacity – post Panamax ships

Cahaba Basin



- Long established history of coal production
- 6 minable coal seams of metallurgical quality
- High volatile, low-sulfur, low-ash, superior fluidity premium hard coking coal
- Estimated +500 million tons of coal remaining in Cahaba Basin
- ~350km via existing rail to Port of Mobile – capacity on rail and at port
- Attila's Kodiak Phase 1 drilling is most extensive drill program to date in Cahaba Basin

Kodiak Coking Coal Project



- Located only 30 minutes from heart of Birmingham (population >1 million)
- Extensive surface infrastructure located on ~75 acres of land privately owned by Attila

Gurnee Property

- 7,770 acres with 2 coal seams under lease
- Rail siding owned by Attila with heavy gauge rail running to Port of Mobile

Seymour Property

- Only 3km from Gurnee Property
- 4,400 acres with an option over 4 coal seams

Infrastructure - already in place



- 1 Wash plant – capacity to produce up to 2Mtpa saleable coal
 - 2 Rail load out facility on rail spur
 - 3 Large 150,000t ROM Pad
 - 4 Offices & bath houses
 - 5 Equipped workshops with substantial stores, spares and mobile equipment
- Roads, power substations, dams and water supply infrastructure

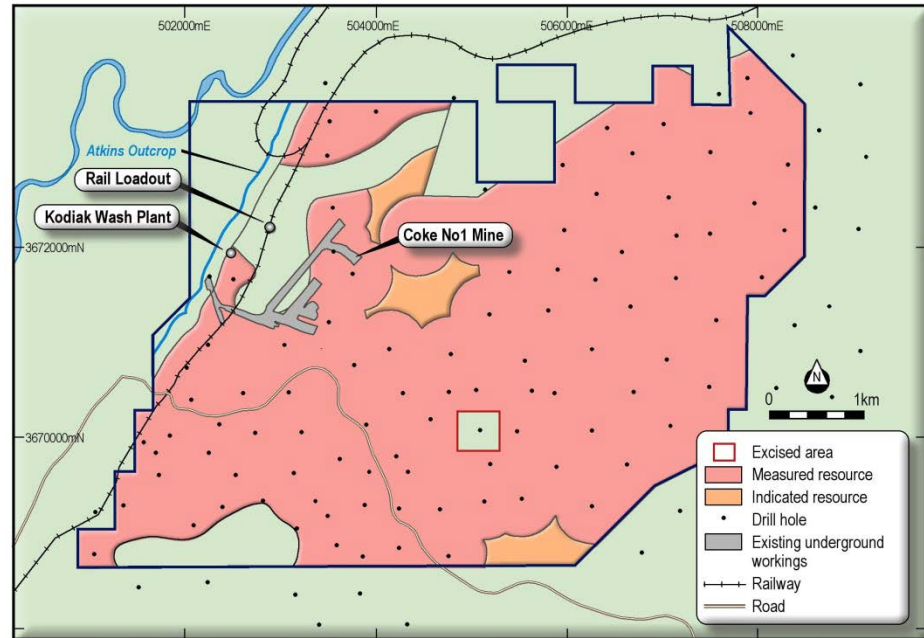
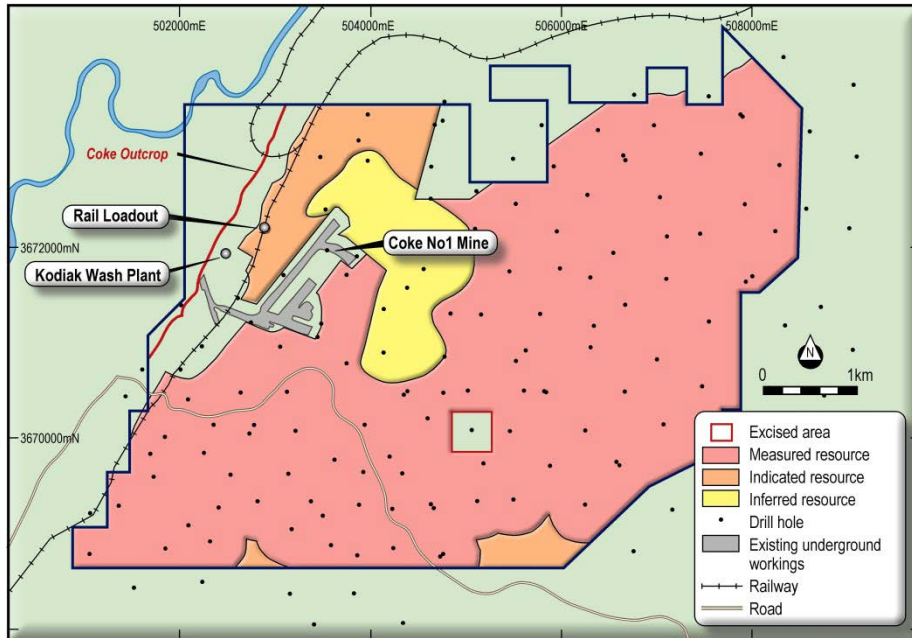
Existing Infrastructure



Existing Infrastructure



Gurnee Property – PFS Confirms Robust Project



- 24 diamond core holes for 13,500m of drilling completed in FY13
 - Largest drill program ever conducted in Cahaba Basin by a single coal mining company
 - Over 120 holes in total used for resource estimate
- **Measured and indicated resource of 76.4Mt (JORC)** contained on current mineral rights lease – Coke and Atkins Seams (total resource 78.4Mt)
- **Maiden Reserves 48.2Mt (ROM) 23.4Mt (Clean preparation yield 48%)**
- Metallurgical test work proved exceptional coal quality

Robust Pre-Feasibility

Lowest quartile cash costs, low start-up CAPEX, fast payback, strong cashflow, NPV and IRR

- ~2Mtpa of high quality coking coal production per annum
- +12 year LOM
- Low cash costs of only US\$90 FOB LOM, including taxes and royalties
- Total up-front funding requirement of only US\$52.1M
 - Staged development option reduces up-front funding requirement to US\$27M whilst maintaining FOB all-in cash cost of US\$90/t
- Extensive existing infrastructure and logistics routes enable short timeframe to first production
- Strong NPV, strong IRR and fast payback

Coal Price US\$/t	NPV _{8%} * (US\$M)	IRR %	Payback Period (Years)
140.00	237.5	48%	2.7
172.50	493.2	100%	1.6

* 100% ownership

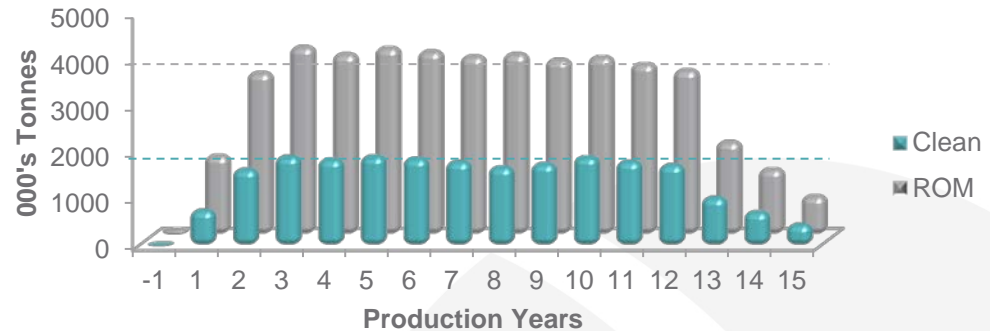
- Excellent quality hard coking coal product with ultra-low ash, low sulphur, high FSI and superior fluidity values
- Off-take free, ensuring maximum financial flexibility
 - Significant interest from multiple off-take partners has already been received by Attila

Robust Pre-Feasibility – Very Low Cash Costs

Low start-up CAPEX, fast payback, strong cashflow, strong NPV and strong IRR

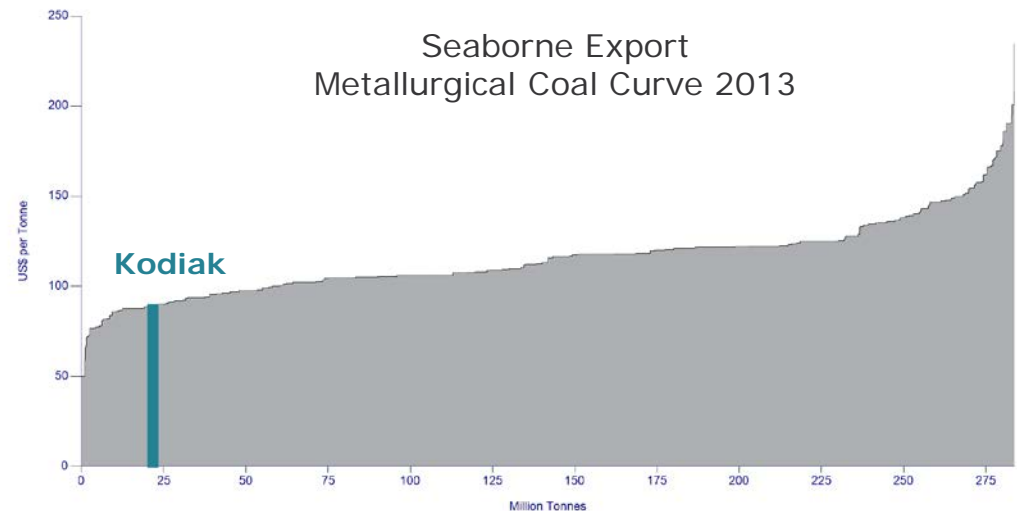
- All in cash costs of only US\$90 LOM
 - Lowest 10% of global producers on seaborne export met coal cost curve
- Annual production 1.8 – 2.0Mtpa after 3 years
- 15 year mine life
- Potential to improve yield and investigate middlings fraction to lower costs further and improve revenues

Kodiak Mine Production Profile



Description	Outcome
Physicals	
Life of Mine ROM Production	48.2Mt
Rom production rate	4Mtpa
LOM Yield	48%
Marketable Coal Production	23.4Mt
Annual Marketable Coal	1.8-2.0Mtpa
Operating Costs (LOM)	US\$
Mining Operating Costs	\$23.48/t
Labor Costs	\$24.17/t
Preparation and handling	\$9.32/t
Administration	\$1.90/t
Other	\$0.61/t
Taxes	\$1.73/t
Transport and handling FOB (Mobile)	\$18.02/t
Total (ex Royalties)	\$79.23/t
Royalties (assuming US\$140 FOB)	\$11.41/t
Total all in cost LOM	\$90.64/t

Seaborne Export Metallurgical Coal Curve 2013

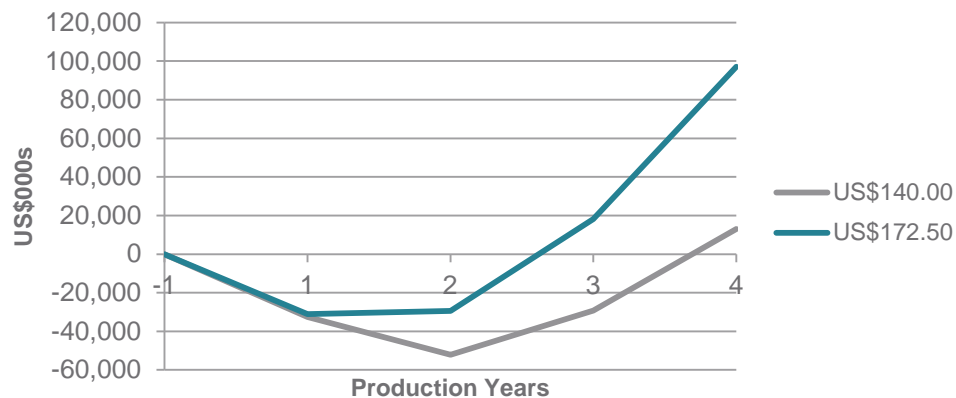


Low CAPEX and Funding Requirement

Low start-up CAPEX, fast payback, strong cashflow, strong NPV and strong IRR

- Immediate cash-flow from coal sales reduces upfront funding requirement
- Total up-front funding requirement of only US\$52.1M after leasing of equipment and machinery at current coal prices
- Staged development option - 1Mtpa for 5 years, then ramp-up to 2Mtpa from cashflow
 - Reduces up-front funding requirement to US\$27M
 - Maintains FOB cash cost of US\$90/t
- Existing infrastructure on site (eg, wash plant, rail facilities etc) and existing logistics routes with ample capacity drive low CAPEX and allows for quick start-up

Cumulative Cash-flow During Development (Base Case)



Capital Expenditure Description	Amount US\$M
Construction and General Operations (permitting/ site development/ vehicles)	2
Coal Handling, Processing and Loading (overland conveyors and preparation plant upgrades)	11.5
Outside Mine Support (facility repairs ROM conveyor, surface mobile equipment, boreholes, transformer)	4.5
Underground Mine Development (ventilation shafts, hoists, fans, decline to Atkins, electrical installation)	31
Underground Mine Support (outby equipment, safety and communications, safety engineering)	24.3
Underground Mining Equipment (conveyor systems and installation, miner sections x 6)	108
Total	181.3

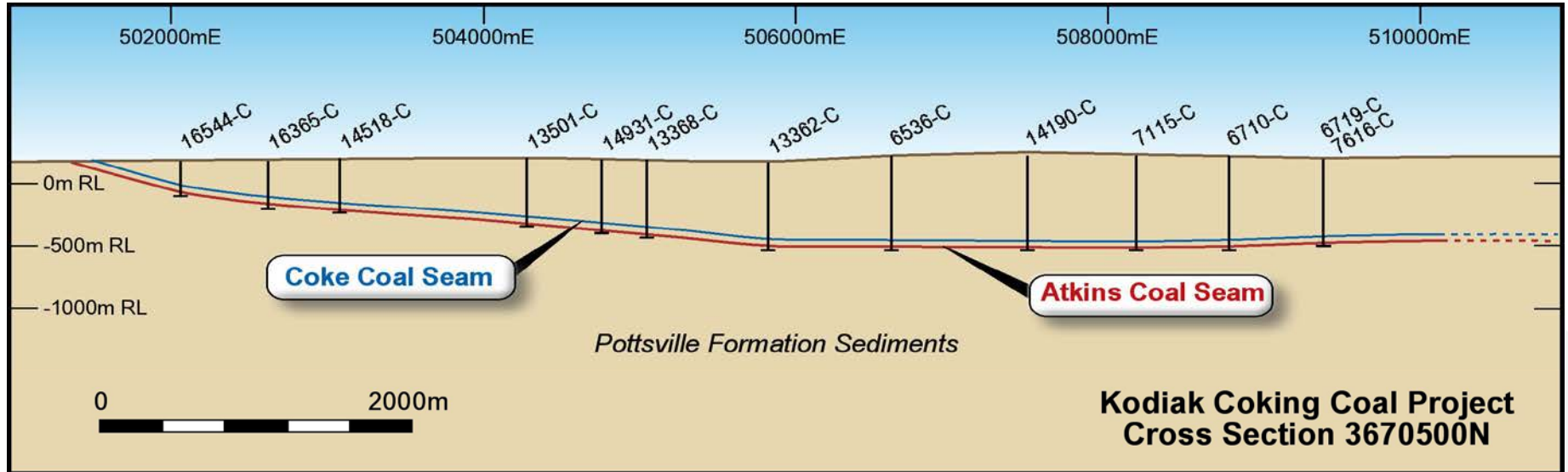
Funding Profile – Base Case

Selling Price of Coal US\$/t	Maximum Cash Exposure US\$M
140.00	52.1
172.50	31.1

Funding Profile – Staged Ramp-Up

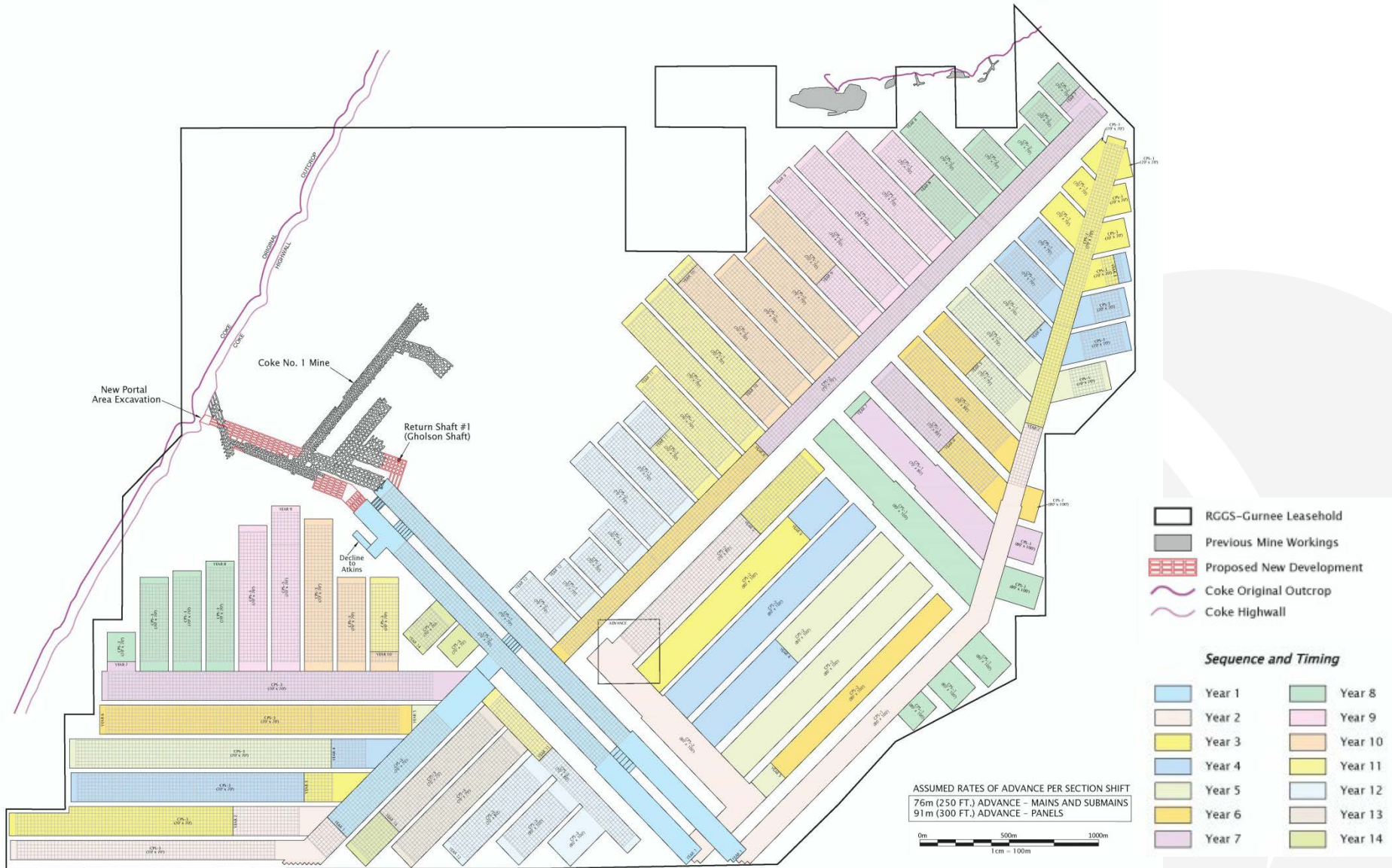
Selling Price of Coal US\$/t	Maximum Cash Exposure US\$M
140.00	27.4
172.50	25.9

Gurnee Property – Favourable Mining Characteristics

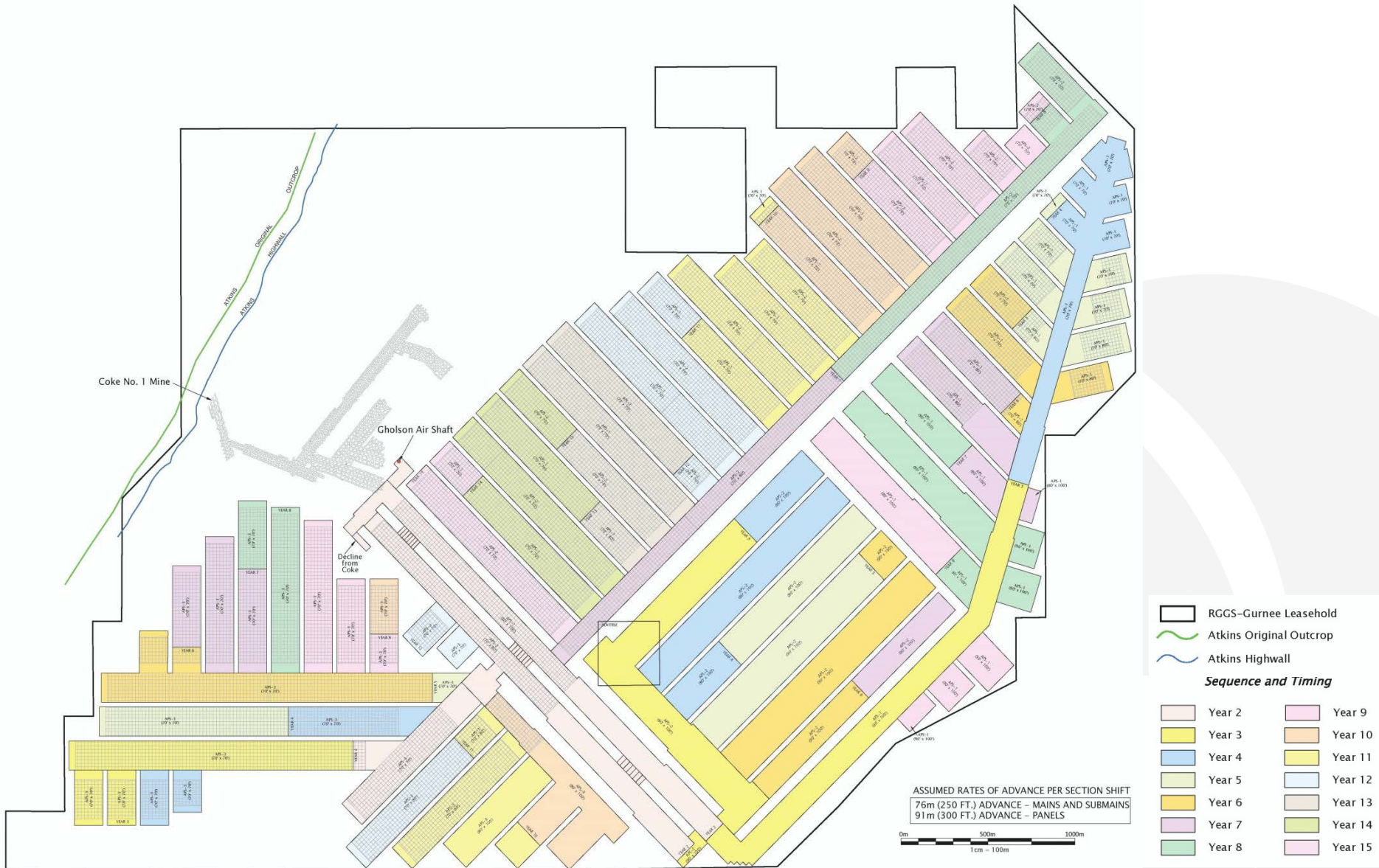


- Favourable dipping seams for continuous miners
- Already developed workings on steepest dipping coal at outcrop 16-18°
- Conceptual mine plan contemplates initial production on 6° dipping Coke Seam
- Dip reduces further to ~ 2° in basin
- Ramp down to Atkins Seam on similar dipping slopes – no steeply dipping seams to contend with
- Seam's average thickness ~ 4 feet with no offsetting faults – favourable mining conditions

Gurnee Property - Coke Seam Mine Plan

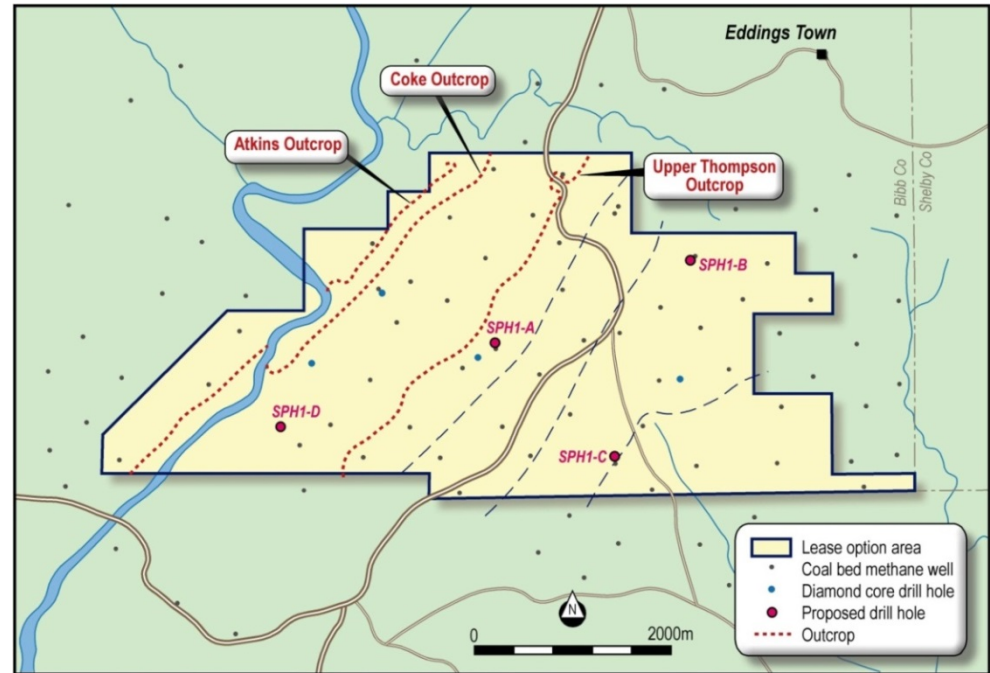


Gurnee Property - Atkins Seam Mine Plan



Seymour Property – Resource Growth Potential

- Recently secured option to acquire licence for 4 coal seams across the 4,000 acre Seymour Property
- Only 2 miles south of Gurnee Property
- Exploration Target 42-48 Mt of hard coking coal (3 seams)
 - average thickness 4 – 5 feet*
- Additional Exploration Target of 45 Mt in Big Bone Seam
 - average thickness 7 -10 feet*
- Over 70 historical drill holes over Seymour Property
- 2 diamond drill hole program recently completed by Attila with aim of converting the exploration target on Coke, Atkins and Upper Thompson seams into JORC resource
 - Upgrade due 2H 2013



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Coal Quality – High Volatile Bituminous Coal

Dry Basis

Ash (%)	Sulphur (%)	Volatile Matter (%)	Fixed Carbon (%)	Calorific Value (kcal/kg)	FSI	Fluidity (DDPM)
4-5	0.6-0.7	32-35	60-63	8,000-8,400	8-9	>10,000 -30,000+

As Received Basis

Moisture (%)	Ash (%)	Sulphur (%)	Calorific Value (kcal/kg)
2.33	5.57	0.51	7,860

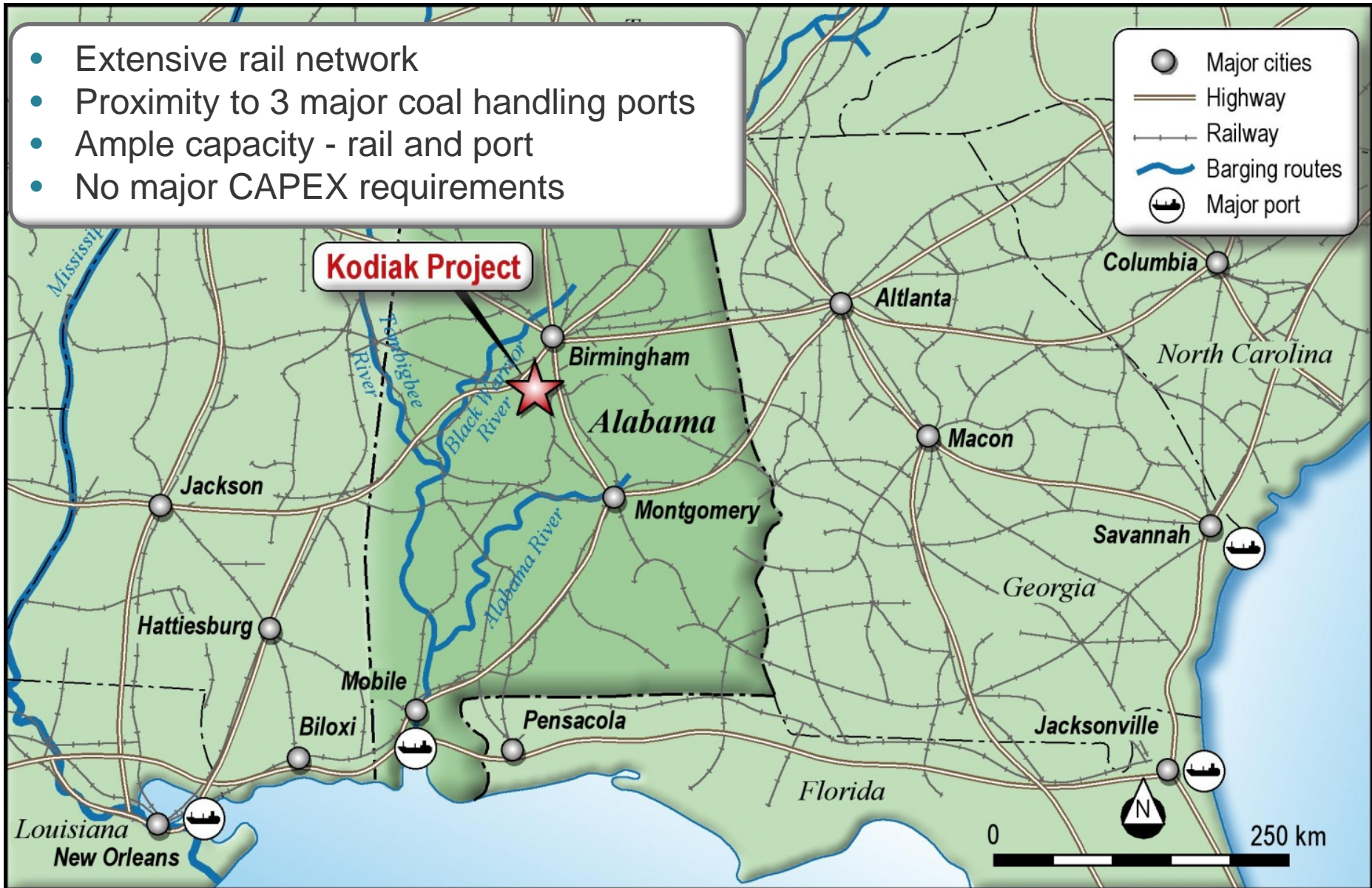


Ideal for export metallurgical coal markets



Existing Logistics - Ample capacity

- Extensive rail network
- Proximity to 3 major coal handling ports
- Ample capacity - rail and port
- No major CAPEX requirements



Existing Logistics - Ample capacity

Heavy gauge rail through Kodiak Property



Barging coal down Black Warrior / Tombigbee River



Exporting coal through Port of Mobile, Alabama



Port of Mobile

- Panamax and Cape size loading capacity
- Existing Port capacity of 30Mtpa
- USA's 3rd largest coking coal export Port by volume

U.S. Coking Coal Export Market

European Market

- **169.4Mt** - Steel production in 2012
- **23.4Mt** – High Grade Coking Coal imported from the U.S. in 2012
- **US\$25/t** - Freight advantage over Australia

East Asian Market

- **903.7Mt** - Steel production in 2012
- **14.9Mt** – High Grade Coking Coal imported from the U.S. in 2012
- **4%** of Chinese imports sourced from the U.S.
- **22Mt** – annual increase in Chinese demand for High Grade Coking Coal

Indian Market

- **76.6Mt** - Steel production in 2012
- **3.4Mt** – High Grade Coking Coal imported from U.S. in 2012

Brazilian Market

- **33Mt** - Steel production in 2012
- **47mt** - Forecast steel production by 2016
- **8Mt** – High Grade Coking Coal imported from the U.S. in 2012
- **US\$12/t** - Freight advantage over Australia

Sales & Marketing

- Continued strong demand for hard coking coal
- Increasing cost pressure for existing coal producers
- Ideal blending coal, superior fluidity, low ash, low sulphur
- No existing off-take agreements
 - Maximum flexibility to derive value
- Marketing discussions underway



Domestic Sales

- Discussions for Mine Gate Sales from rail load out
- Lower margin but immediate sales

Export market

- Study on export market underway
- Ideally located to sell into Brazilian and European market
- Strong, and increasing demand coming from Asia
- Higher margin but added FOB costs transport / loading

Attila's Vision

To become America's next mid tier coal producer

- **Gurnee Property underpins long mine life operation capable of producing 2Mtpa premium hard coking coal**
- **Maiden Proven and Probable Reserves 48.2Mt**
- Ability to improve project economics in the BFS by reviewing production rates, preparation yields and sale of middling's fractions not contemplated in current PFS
- Significant resource growth potential at Seymour Property
- Future production expansion potential from Seymour Property, not contemplated in current PFS
- Further opportunity to consolidate basin
- Own and operate multiple long life highly profitable coking coal mines in the Cahaba Basin



Coal production from successful wash plant restart

Peer Analysis

Company	Attila (ASX:AYA)	Bathurst (ASX:BTU)
Project	Kodiak	Buller
CV/kg	8,200	8238
Ash	2 - 5%	5-6%
Fixed Carbon	59 - 69%	58.9%
Volatile Matter	32 - 35%	34-36%
Free Swell Index	8 - 9	4 - 9
Sulphur	0.6 - 0.7%	0.7 - 2.5%
JORC Resource	78.4Mt	94Mt
JORC Reserves (ROM)	48.2Mt	31.1Mt
Exploration Target*	87-93Mt	N/A
Target Production	~2.0Mtpa	2.4Mtpa
Permitting	✓	✗
Market Cap (diluted with con notes)	~\$50 million	~\$125 million

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Cokal (ASX:CKA)

- Indonesia
- 77Mt JORC
- 70% coking coal
- Proposed 1-2 Mtpa production
- Market cap ~\$80M

Jameson (ASX:JAL)

- Canada
- Potential coking coal
- 90Mt JORC
- Market cap ~\$45M

Carabella (ASX: CLR)

- Australian
- 140Mt JORC
- CAPEX \$500 - 900M
- Target 2.5Mtpa HCC (2018)
- Market cap ~\$41M

Tigers Realm (ASX: TIG)

- Russian
- 400Mt JORC
- CAPEX \$2B
- Target 6Mtpa
- Market cap ~\$105M

Attila's Competitive Advantage

- ✓ Low market capitalisation for near term production
- ✓ USA project = first world mining jurisdiction
- ✓ Maiden JORC proven and probable reserves 48.2Mt underpins long mine life
- ✓ PFS completed confirming 2Mtpa saleable coal
- ✓ Lowest 10% cash costs for metallurgical coal producers
- ✓ 87 – 93Mt Exploration Target on Seymour Property*
- ✓ Premium hard coking coal product
- ✓ Full infrastructure already in place – low CAPEX to develop
- ✓ Permitting already granted – no delays
- ✓ No offtake contracts – strategic feasibility
- ✓ Experienced management team

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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.

*Further Information on the Exploration Target

This exploration targets are 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 seams correlated by Mr. Stagg. Additionally, information regarding the thickness and general seam 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 seams and the strata lying above and below cannot be made, the tonnage estimated does not qualify as a Mineral (Coal) Resource.



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