



25 May 2012

Attention: Ms Kerrie Papamihail

Australian Compliance Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Via email: Kerrie.Papamihail@asx.com.au

Dear Kerrie

We refer to your letter dated 22 May 2012 (a copy of which is attached) and respond to your queries as follows:

1. Does the Company consider the Option Agreement to be material to the Company?

Yes.

2. When did the Company become aware of the Option Agreement? Please Include details of the relevant time and circumstances of the Company becoming aware of the Option Agreement.

The Company became aware of a potential transaction to acquire an interest in the Kodiak Project on or around 5.30pm on Sunday 6 May 2012 at a meeting with Konkera Corporate.

3. If the answer to any part of question 1 is "yes" and the Company became aware of the Option Agreement, prior to the time of the Company making the Announcement, please advise why the Company did not make an announcement at an earlier time? Please comment specifically on the application of listing rule 3.1.

The Company commenced preliminary discussions with TBL Metallurgical Resources LLC and Konkera Corporate on a possible joint venture and acquisition of an interest in the Kodiak Project following the initial meeting on 6 May 2012. The Company then commenced negotiation of a heads of agreement (**Option Agreement**).

The Company did not release an ASX announcement prior to 22 May 2012 because there was no certainty that the terms of the Option Agreement would be agreed. The Option Agreement was negotiated up until the date of execution on 22 May 2012.

The Company executed the Option Agreement on 22 May 2012 and immediately released the ASX Announcement.

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4. *If the answer to question1 is "no", please advise the basis on which the Company does not consider the Option Agreement to be material.*

Not applicable.

5. *Please confirm that the Company is in compliance with listing rule 3.1*

Yes.

Yours faithfully

GRANT J. MOONEY
Company Secretary

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22 May 2012

Mr. Grant Mooney
Company Secretary
Attila Resources Limited
Suite 23, 513 Hay Street
SUBIACO WA 6008

By email: grant@mooney.net.au

Dear Grant

Attila Resources Limited (the "Company")

We refer to the following:

1. The announcement titled "Attila signs option to acquire 70% interest in hard coking coal mine" ("Option Agreement") (the "Announcement") lodged by the Company with ASX at 13:19 (EST) on Tuesday, 22 May 2012; and
2. The increase in the Company's share price from a low of 13 cents on 16 May 2012 to a closing price of \$0.18 on 18 May 2012 prior to the release of the Announcement.
3. An opening price of \$0.25 and a closing price of \$0.40 following the release of the Announcement on 22 May 2012.

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive officer (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity".

Further we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Paragraph 18 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

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Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

- 3.1A.1 A reasonable person would not expect the information to be disclosed.
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.
- 3.1A.3 One or more of the following applies.
- It would be a breach of a law to disclose the information.
 - The information concerns an incomplete proposal or negotiation.
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
 - The information is generated for the internal management purposes of the entity.
 - The information is a trade secret."

Finally, we would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 34 to 40 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

"'Confidential' in this context has the sense of 'secret'..." and loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts reports".

Having regard to the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Does the Company consider the Option Agreement to be material to the Company?
2. When did the Company become aware of the Option Agreement? Please include details of the relevant time and circumstances of the Company becoming aware of the Option Agreement.
3. If the answer to any part of question 1 is "yes" and the Company became aware of the Option Agreement, prior to the time of the Company making the Announcement, please advise why the Company did not make an announcement at an earlier time?. Please comment specifically on the application of listing rule 3.1?
4. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Option Agreement to be material.
5. Please confirm that the Company is in compliance with listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Please note the ASX reserves its right under listing rule 18.7A to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5:00pm (WST) on Friday 25 May 2011.

Your response should be sent to ASX by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

If you have any queries regarding any of the above, please contact me on (08) 9224 0023.

Yours sincerely

[sent electronically without signature]

Kerrie Papamihail
Assistant Manager, Listings (Perth)