



30 December 2014

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

RUTILA RESOURCES INVITED TO NEGOTIATE A STATE AGREEMENT WITH THE WESTERN AUSTRALIAN GOVERNMENT ON BEHALF OF THE BALLA BALLA JOINT VENTURE

- Rutila as Manager of the Balla Balla Joint Venture has been invited to negotiate a State Agreement with the Government of Western Australia to facilitate the construction of a Railway in the Pilbara, linking the Balla Balla Port with Flinders Mines Limited 25mtpa Pilbara Iron Ore Project (PIOP).
- Front End Engineering and Design (FEED) is underway for the Rail and Port facilities, and subject to reaching FID, targeting project construction to commence in Q4 of 2015 and estimated completion to be towards the end of 2017.
- All required access with Native Title participants, pastoralists and mining tenement holders largely complete.

The Board of Rutila is pleased to announce that after extensive consultation with the State Government of Western Australia, the Company has received approval from the Premier of Western Australia and Minister for State Development, The Hon Colin Barnett MLA, to negotiate on behalf of the Balla Balla Joint Venture a State Agreement. Subject to the Balla Balla Joint Venture receiving a State Agreement, this will enable the construction of a private railway line to service potential iron ore mines in the Pilbara and deliver ore through the proposed Balla Balla port.

The Company submitted a comprehensive Project Definition Document (PDD) to the Department of State Development (DSD) in September 2014. There remains certain outstanding commercial issues from DSD's review of the PDD that need to be fully resolved before the proposed State Agreement can be submitted to the parliamentary process. The Company is confident that all remaining issues can be resolved in a timely manner. The Company will commence liaising with the Department immediately to negotiate the State Agreement.

The project will be developed as a State significant project under the Governments Lead Agency guidelines through the DSD.

The Company and its joint venture partner, Todd Corporation, view this as a significant milestone on the pathway to becoming a low cost iron ore exporter from the Pilbara.

FEED is underway, with the appointment of Coffey International who is currently completing geotechnical and hydrological field studies relating to rail and port, BAM Clough for the jetty design, and AECOM who have commenced the rail design.

Access and approvals are also significantly advanced with the granting of a section 91 access licence in December 2014. Negotiations with Native Title holders, pastoralists and mining tenement holders are largely complete.

Rutila's Executive Chairman Mr Nicholas Curtis commented "We are pleased with the outcome of the review by the Department of State Development and ongoing consultation with the Western Australian Government Agencies and look forward to working with the department to advance the project. We recognise that in the current iron ore pricing environment the development of greenfield iron ore projects is challenging, however given the robust economics of this project, notably the low capital intensity, we are confident the project will generate sufficient returns to allow the development of the project".

Todd Corporation's CEO Mr Jon Young noted "The Todd Corporation is pleased to receive the support of the Western Australian Premier, The Hon Colin Barnett MLA, in inviting the Joint Venture to negotiate a State Agreement".

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For further information please contact Mr. Nicholas Curtis, Executive Chairman on +61 2 9259 4400.

About Rutila Resources:

ASX Code: RTA	RTA Directors
Issued Capital: Ordinary Shares: 121,410,197 Options (Exp 6/15, Ex \$0.67): 600,000 Options (Exp 12/15, Ex \$0.54): 5,475,000 Options (Exp 9/17, Ex \$0.54): 50,000 Options (Exp 12/15, Ex \$0.50): 6,500,000 Options (Exp 5/15, Ex \$0.50): 1,000,000 Options (Exp 10-12/17, Ex \$0.30): 8,900,000 Options (Exp 6/17, Ex \$0.30): 2,000,000 Options (Exp 6/17, Ex \$0.50): 2,000,000 Options (Exp 1/18, Ex \$0.56): 50,000 Options (Exp 7/18, Ex \$0.30): 2,325,000	Mr Nicholas Curtis: Executive Chairman Dr. Matthew James: Non Exec Director Mr Emmanuel Correia: Non Exec Director Mr Harold Wang: Non Exec Director Mr Michael Wolley: Non Exec Director
Principal Place of Business Level 24, 56 Pitt Street Sydney NSW www.rutila.com.au	Company Secretary Mr Shane Hartwig