

ROYALCO RESOURCES LIMITED

ACN 096 321 532

Registered Office: 1st Floor, 394 - 396 Little Bourke Street, Melbourne, Victoria 3000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of Royalco Resources Limited ("Royalco" or the "Company") will be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne 3000 at 10.00 am on Friday 7 November 2014.

The following items of business will be considered:

Receipt and consideration of Accounts and Reports

To receive and consider the financial reports of Royalco Resources Ltd and the report of the Directors and Auditor for the year ended 30 June 2014.

Note: There is no requirement for shareholders to approve these reports other than the Remuneration Report as set out in Resolution 2. Accordingly no resolution will be put to shareholders on this item of business.

Resolution 1: Election of a Director

1. To consider, and if thought fit, to pass the following as an ordinary resolution:

“That Mr Piers Reynolds be re-elected as a director of the Company”.

Mr Reynolds was appointed a director of the company on 19 June 2012, and in accordance with the Company’s constitution, retires at this AGM, and being eligible, offers himself for election.

The Board (in the absence of Mr Reynolds, who abstains from voting) unanimously recommends the re-election of Mr Reynolds.

The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

Resolution 2: Adoption of Remuneration Report

2. To consider, and if thought fit, to pass the following as an ordinary resolution:

“That the Remuneration Report for the year ended 30 June 2014 be adopted”

Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement for Resolution 2

The Corporations Act 2001 (Corporations Act) restricts members of the key management personnel (**KMP**) which comprises Directors and other persons disclosed as KMP in the Remuneration Report and their Closely Related Parties from voting on Resolution 2.

Closely Related Party is defined in the Corporations Act and includes a spouse, dependents and certain other close family members, as well as companies controlled by a member of the KMP. The Company will disregard any votes cast (in any capacity) on Resolution 2 by or on behalf of:

- members of the KMP; and
- Closely Related Parties of those persons, unless the vote is cast:
 - as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
 - as proxy for a person entitled to vote by the Chairman of the Meeting where he has been expressly authorised to exercise the proxy (even though the resolution is connected directly or indirectly with remuneration of a member of the KMP).

What this means for Shareholders:

If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure you direct them how to vote on the Resolution 2.

Chairman's Voting Intention:

If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by either marking the boxes for Resolution 2 (for example, if you wish to vote against or abstain from voting), or you can give the Chairman your express authority to vote your proxy in accordance with the Chairman's intention set out below.

The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

The Board unanimously recommends that members vote in favour adopting the Remuneration Report.

CONTINGENT BUSINESS

Resolution 3: Holding a Spill Meeting

Resolution 3 will only be considered at the meeting if at least 25% of the votes cast on Resolution 2 (Adoption of Remuneration Report) are "against" the adoption of the Remuneration Report. The Explanatory Memorandum further explains the circumstances in which Resolution 3 will be put to the Meeting.

3. If the condition described above is satisfied, to consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That:

- (a) a meeting of the Company's members be held within 90 days of the of the 2014 Annual General Meeting (the "**Spill Meeting**");
- (b) each of David Ogg , Bruce Pertzelt and Piers Reynolds* cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting"

* This assumes Mr Reynolds is re-elected in Resolution 1 at the AGM

Voting Exclusion Statement for Resolution 3

The Corporations Act restricts members of the KMP which comprises Directors and other persons disclosed as KMP in the Remuneration Report and their Closely Related Parties from voting on Resolution 3.

The Company will disregard any votes cast (in any capacity) on the resolution in Resolution 3 by or on behalf of:

- members of the KMP; and
- Closely Related Parties of those persons, unless the vote is cast:
 - as proxy for a person entitled to vote on Resolution 3 in accordance with a direction on the proxy form; or
 - as proxy for a person entitled to vote on Resolution 3 by the Chairman of the Meeting where he has been expressly authorised to exercise the proxy (even though the resolution is connected directly or indirectly with remuneration of a member of the KMP).

What this means for Shareholders:

If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure you direct them how to vote on the Resolution 3.

Chairman's Voting Intention:

If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by either marking the boxes for Resolution 3 (for example, if you wish to vote against or abstain from voting), or you can give the Chairman your express authority to vote your proxy in accordance with the Chairman's intention set out below.

The Chairman of the Meeting intends to vote all available proxies against this resolution.

The Board unanimously recommends that members vote against the spill resolution.

Necessary information

Information relevant to each Resolution is set out in the Explanatory Notes which forms part of this Notice of Meeting to members.

By Order of the Board
Royalco Resources Limited



Nick Boicos
Company Secretary

Dated: 2 October 2014

EXPLANATORY NOTES

Receipt and consideration of Accounts and Reports

This item is self explanatory. It is intended to provide an opportunity for shareholders to raise questions on the reports themselves and on the performance of the company generally.

There is no requirement either in the Corporations Act or the Constitution for Members to approve the Financial Report, the Director's Report (other than the Remuneration Report as set out in Resolution 1) or the Auditors Report.

Resolution 1: Election of a Director

In accordance with the Company's constitution, Piers Reynolds resigns as a director, and being eligible, offers himself for re-election. Mr Reynolds has been a director since 2012. Background information relating to Mr Reynolds can be found in the Annual Report in the Directors Report section. The Board considers Mr Reynolds to be an independent director.

The Board (in the absence of Mr Reynolds, who abstains from voting) unanimously recommends the re-election of Mr Reynolds.

The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

Resolution 2: Adoption of Remuneration Report

In accordance with the Corporations Act, the Company submits its remuneration report to shareholders for consideration and adoption by way of a non – binding resolution.

The remuneration report is set out in the Company's Annual Report. The report:

- Explains the board's policies in relation to the nature and level of remuneration paid to directors, secretaries and key management personnel of the Company;
- Sets out the Company's policy with regards to both executive director and non – executive director remuneration;
- Explains the policy with regards to the issue of options to both directors and executives.

In considering this resolution, the attention of Shareholders is drawn to the following matters, as further set out in the Remuneration Report:

- The annual remuneration of the Executive Chairman as at 1 January 2014 has been reduced by 15%.
- Executive Director Mr David Ogg transitioned to a non executive role as at 1 January 2014 providing a reduction in annual remuneration.

The Corporations Act's "two strikes rule" provides that if at least 25% of votes cast on the adoption of the Remuneration Report at two consecutive AGMs are against adopting the Remuneration Report, members will have the opportunity to vote on a "spill resolution".

At the Company's AGM held in 2013, the Company recorded a "first strike" and accordingly if a "second strike" is recorded at this Meeting then a "spill resolution" will be put to the Meeting as Resolution 3. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that members vote in favour adopting the Remuneration Report.

The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

CONTINGENT BUSINESS

Resolution 3: Holding a Spill Meeting

The Corporations Act's "two strikes rule" provides that if at least 25% of votes cast on the adoption of the Remuneration Report at two consecutive AGMs are against adopting the Remuneration Report, members will have the opportunity to vote on a "spill resolution"

At the Company's AGM held in 2013, the Company recorded a "first strike" because at least 25% of the votes cast on the adoption of the Remuneration Report were against adopting that report.

If **at least 25%** of the votes cast on the adoption of the Remuneration Report in Resolution 2 of this meeting (2014 AGM) are against adopting the report, then a "second strike" will be recorded and a "spill resolution" will be put to the Meeting as Resolution 3.

If **less than 25%** of the votes cast on Resolution 2 are against adopting the Remuneration Report at the 2014 AGM, there will be no "second strike" and Resolution 3 will not be put to the Meeting.

If put, the spill resolution will be considered as an **ordinary resolution**.

If the spill resolution is passed, an extraordinary general meeting of members must be held within ninety (90) days of the 2014 AGM (**Spill Meeting**). All Directors who were in office when the last Directors' report was approved (except for the Managing Director) will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

Each Director is eligible to seek re-election as a Director of the Company at the Spill Meeting. If the Spill Resolution is passed, members should note that each of the relevant Directors intends to stand for re-election.

The Board unanimously recommends that members vote against the spill resolution.

The Chairman of the Meeting intends to vote all available proxies against the spill resolution.

NOTES

Voting Entitlements

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as shareholders as at 7.00 pm on Wednesday 5 November 2014.

Proxies

If you are a shareholder entitled to attend and vote, you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a shareholder of the Company.

If you wish to appoint one proxy, please use the form provided. If you wish to appoint two proxies, please follow the instructions in point 4 on the reverse side of the proxy form.

The Company's constitution provides that on a show of hands, every person present and qualified shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, neither proxy may vote on a show of hands.

If you appoint a proxy who is also a shareholder or is also a proxy for another shareholder, your directions may not be effective on a show of hands. But your directions will be effective if a poll is required and your proxy votes.

To be effective, the proxy form must be received by fax to the Company at 03 9670 4479, or at our registered office, 1st Floor, 394 – 396 Little Bourke Street, Melbourne Victoria 3000 not later than 10.00 am (AEDT) on Wednesday 5 November 2014.

Admission to Meeting

Shareholders who will be attending the meeting, and who will not be appointing a proxy, are asked to bring the proxy form to the meeting to help speed admission.

Shareholders who do not plan to attend the meeting are encouraged to complete and return the proxy form for each of their shareholdings in the Company.

All correspondence to:
1st Floor
394 – 396 Little Bourke Street
MELBOURNE VIC 3000
Telephone 61 3 9602 3626
Facsimile 61 3 9670 4479

I/We the shareholder(s) named above hereby appoint(s) the Chairman of the meeting as proxy, **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered security holder) you are appointing as your proxy in the box below, or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne 3000 at 10.00 am on Friday 7 November 2014 and at any adjournment of that meeting.

of

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the Company. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Item 3 where the Chairman intends to vote against.

The proportion or number of my/our voting rights which this proxy is appointed to represent is

| | | |
|---|-----|--------------|
| % | No. | (see note 4) |
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Voting Instructions

Resolutions

- 1.To re-elect Piers Reynolds as a director of the Company.
- 2.To adopt the Remuneration Report for the year ended 30 June 2014
- 3 Holding a Spill Meeting

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AGAINST

ABSTAIN

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If no direction is given above or if more than one box is marked, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of the resolutions to be considered by the meeting and any adjournment of the meeting.

Signature(s)

Date

Individual or
Shareholder 1

Sole Director and Sole Company
Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

NOTES ON PROXY FORM

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Please note: you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box underneath your name and address. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name and address of that person in the boxes on the form for that purpose. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3. Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either security holder may sign.

Power of Attorney: to sign under Power of Attorney, you should have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form should be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

6. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10.00 am on Wednesday 5 November 2014, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged:

- (a) by mail or by hand to the address set out below:

Royalco Resources Limited
1st Floor
394 – 396 Little Bourke Street
MELBOURNE VIC 3000

- (b) by facsimile to (03) 9670 4479.