ROYAL
RESOURCES LIMITED

ASX Announcement and Media Release

30 July 2014

Fourth Quarter Activities Report Ending 30 June 2014

Key Points:

RAZORBACK PREMIUM IRON PROJECT

- **Review by Oyster Consulting of the Pre-Feasibility Study optimisation confirms a robust approach is being taken to maximising the value of the Razorback Premium Iron Project**
- **Optimised financial model used in the Study has boosted the business case**
- **The Oyster Review provides independent verification by industry respected consultants and confirms that the case for advancing Razorback towards a Feasibility Study is conservative, logical and compelling**
- **The Mining Lease Proposal study advanced**
- **Geotechnical study strengthens the case for the application of semi- or fully mobile IPCC (In Pit Crushing and Conveying) at Razorback**
- **Re-examination of Iron Peak area identifies potential higher grade zones outside the Resource and close to the proposed beneficiation plant**
- **Royal negotiates an extension of time with Mintech and Goldus, in completing vendor payments**

RED DRAGON VENTURE AREAS

- **Geological mapping at Dragon's Head identifies significant iron mineralisation potential**

OTHER PROJECTS

- **Recent fieldwork at the George Project, NT demonstrates strong gold anomalism in both soils and rock chip sampling at Croc Paté and Happy Valley Prospects**

CORPORATE

- **A loan of $221,562 made to Aldershot Resources Ltd, of which Royal owns 40%, has been repaid in full**

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The Red Dragon Venture is located 250km NNE of Adelaide, South Australia and comprises a number of highly prospective iron ore areas. The Venture consists of four exploration licences: EL4267 and EL4811 are owned by Royal and cover the Razorback Ridge deposit and its extensions. EL5180 and EL5240 are exclusively optioned to Royal for iron ore exploration and development. Royal is focussing on the Razorback Premium Iron Project (RPIP), comprising the Razorback Ridge, Razorback West, Interzone and Iron Peak Prospects (Figure 1).

The extensive Braemar Iron Formation is the host rock to magnetite mineralisation on the project. This formation has a strike length of approximately 110km within the area controlled by Royal and has the potential to host an exploration target of **4.8 Billion tonnes to 8.0 Billion tonnes at 18% to 45%Fe**[1,2]. The potential quantity and grade of the exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The estimate of an exploration target tonnage should not be construed as an estimate of Mineral Resource. It is noteworthy that of this target, Royal has defined and announced over **3.9 Billion tonnes** of resources[3,4] from testing approximately 27% of the prospective horizon. The RPIP contains a magnetite concentrate equivalent resource of **418 Million tonnes at 67.4% Fe**[4]**.** The resource information was previously released to the market on 11 June 2013. The Mineral Resource information for the project was prepared and first disclosed under the JORC Code 2004 and the information has not been updated since to comply with the JORC Code 2012 on the basis the information has not materially changed since it was last reported.

RAZORBACK PREMIUM IRON PROJECT

During the Quarter, Royal announced (*28th May 2013)* that a full independent review of the Optimised Study of the Pre-Feasibility Study (PFS) for the Razorback Premium Iron Project (RPIP) has confirmed robust economics for the project. The Scoping Level Optimisation Study, completed by Royal and reviewed by industry-respected Oyster Consulting Pty Ltd, concentrated on opportunities identified during the PFS Base Case (*announced to ASX on 30th January 2013*).

The driver for the Oyster Consulting review was the substantial value added by Royal through their Optimisation Study of the PFS with changes made to recoveries, strip ratio, infrastructure outsourcing, in-pit crushing and conveying, production rate, and the basis for resource estimation. The changes resulted in an increase in the Net Present Value (NPV) of the project to over **$2,780M** with an annual EBITDA of **$474M** and included cost reductions and an increase in production from 8.2Mtpa to 9.3Mtpa. In referring to this NPV and EBITDA estimates Royal confirms that all material assumptions relating to the production target or the forecast financial information derived from that production target in the original announcement issued on 28 May, 2014 continue to apply and have not materially changed. Royal's Directors determined it was prudent to ensure the PFS aligns with these new metrics

[1] Announced 24th March, 2011, "EXPLORATION TARGET AND DRILLING UPDATE FOR RAZORBACK".

[2] The details contained in the report dated 24 March, 2011 "EXPLORATION TARGET AND DRILLING UPDATE FOR RAZORBACK" that pertains the quoted exploration target is based upon information compiled by Mr Marcus Flis, BSc (Hons), MSc, a full-time employee of the Royal Resources Limited. Mr Flis is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) 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 December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2004). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Flis consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

[3] Announced 21st November, 2012, "RED DRAGON VENTURE EXCEEDS 3 BILLION TONNES".

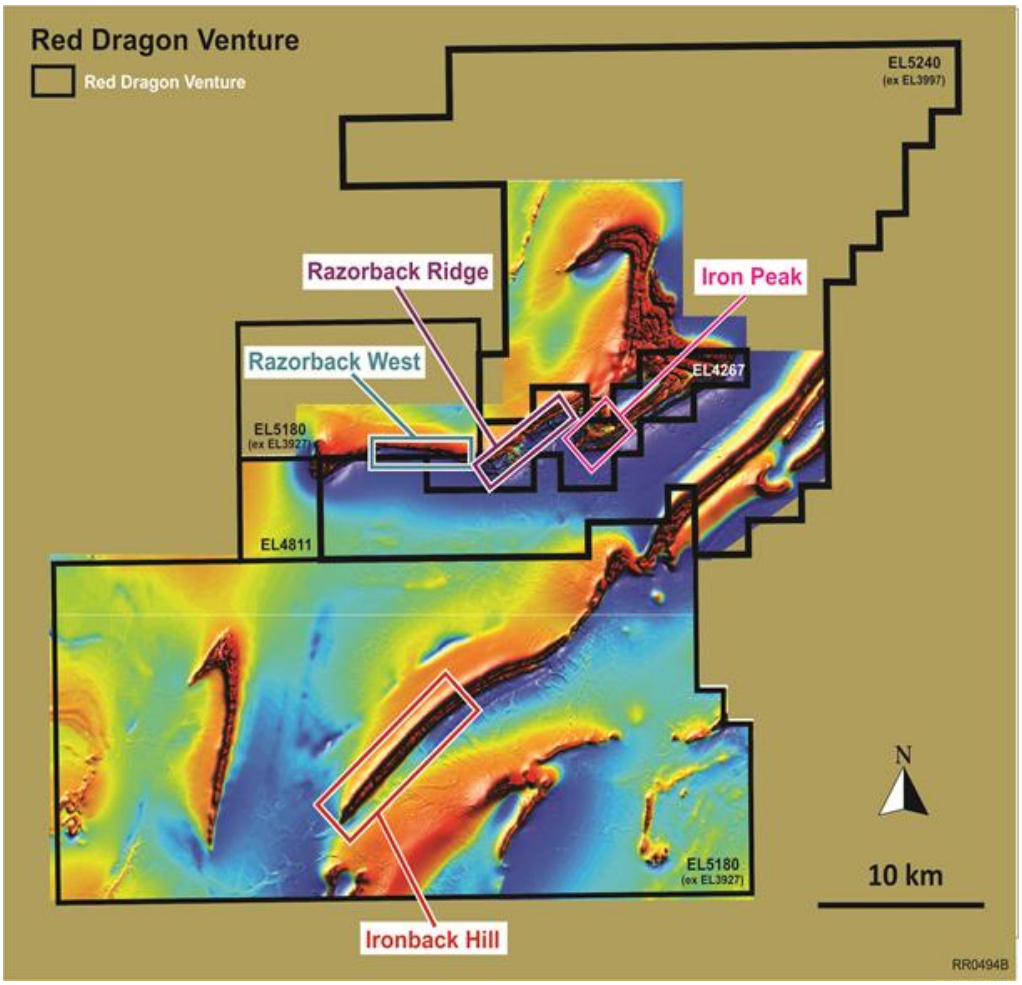
[4] Announced 11th June, 2013, "ROYAL OPTIMISES RAZORBACK RESOURCE".

***** $_c$DTR or equivalent Davis Tube Recovery explained in ASX announcements on the 11th June 2013 and 10th July 2013.

and that the financial model remains valid. As required under JORC Code 2012, it is noted that at a Scoping Level there is a lower level of technical and geological confidence associated with inferred mineral resources than at a PFS level, and therefore there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

Oyster Consulting's review concluded that Royal has adopted a logical and robust approach to maximising the Razorback Project value. It also noted that, in many instances, Royal's optimisation study was conservative resulting in potential economic upside as further studies progress closer to the Feasibility Study. Portions of the PFS optimisation which Oyster reviewed were still at scoping level and further work is required over coming months to bring this to PFS level. Royal is confident that this will be achieved.

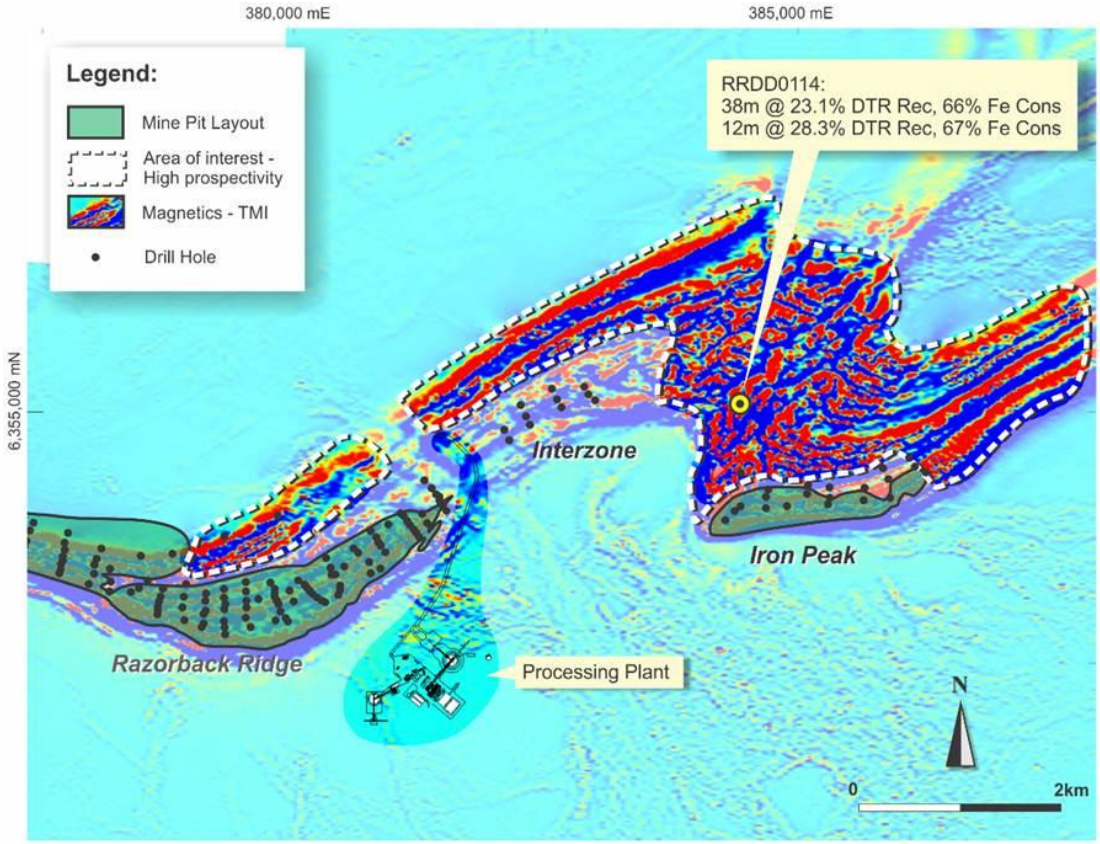
Figure 1: Red Dragon Venture showing prospect locations



Other areas of activities at Razorback during the Quarter, which details were included in an ASX market update on the 1st July 2014:

- A geological study of the Iron Peak area within the Razorback Premium Iron Project has further delineated areas of potentially high grade magnetite mineralisation, outside the present Resource Areas (see Figure 2)
- Geotechnical studies, in particular rock strength testing, to assist in assessing pit wall stability and applicability of surface miners and/or IPCC (in pit crushing and conveying). While further work is required on equipment specification, the rock strength tests indicate the application of a semi-mobile In-Pit Crusher is valid and that large portions of the RPIP ore body are amenable to mining by Continuous Surface Mining.
- Preparation of portions of the Mining Lease Proposal in-house

Figure 2: Iron Peak area within the Razorback Premium Iron Project



RED DRAGON EXPLORATION

Detailed field and geophysical mapping was completed During the Quarter at the Dragon's Head Prospect within the Red Dragon Venture, approximately 12 km northeast of the Razorback Premium Iron Project (Figure 1). The mapping of the Braemar Iron Formation indicates thick sections of iron mineralisation at surface, with the fold hinge area suggesting the iron rich and magnetic strata up to 1.6 kilometres thick.

In addition, recent ground magnetic surveying across the Braemar Iron Formation and reassessment of 2012 exploration drilling at Dragon's Head indicates a significant thick section of strata has yet to be tested by drilling, in particular the typically magnetite-rich Unit, D, B and A at the base of the sequence (*see ASX announcement 1st July 2014 for further details*). Table 1 depicts magnetite intersections from the from 2012 drilling, depicting similar grades to that observed at Razorback (in Braemar Iron Formation Unit G).

Table 1: Dragon's Head RC Drillhole magnetite intersects

Hole ID	Easting	Northing	RL (m)	End of hole (m)	From (m)	To (m)	Intersection from 45µm grind
RRRC0286	386472	6364972	211	228	68	134	66m @ 15.3 % DTR Recovery, 71% Fe Concentrate
RRRD0287#	386399	6365270	210	301	118	150	32m @ 17.2 % DTR Recovery, 65% Fe Concentrate
RRRC0288	386359	6365359	211	120	6	16	10m @ 16.4 % DTR Recovery, 64% Fe Concentrate
					44	72	28m @ 15.4 % DTR Recovery, 64% Fe Concentrate
					80	110	30m @ 16.3 % DTR Recovery, 64% Fe Concentrate

Co-ordinates in MGA Zone 54 (GDA94); Holes inclined 60° to approximately 350° azimuth

[#]Note that the results of drillhole RRDD0287 are taken from RC pre-collar, with approximately 150 metres of diamond core tail to a depth of 301 metres currently being analysed with DTR. SATMAGAN analysis of the assayed pulp from the diamond core shows magnetite mineralisation continues down hole

PROJECT ACQUISITION COSTS

Royal announced to the ASX on the 10th July 2014, it has negotiated changes to the Variation Deeds entered into with Mintech Resources Pty Ltd (Mintech) and Goldus Pty Ltd (Goldus) for an early resolution of outstanding tenement payments by Royal to complete the acquisition of the Red Dragon Venture tenements, host to the Razorback Premium Iron Project, previously announced on 24 December 2013. In accordance with the terms and conditions of the Variation Deeds, Royal was required to make the tenement acquisition payments to Mintech and Goldus on the 1 July 2014. Royal has negotiated an extension of time to complete the acquisition of the Red Dragon Venture tenements from 1 July 2014 to 3 November 2014 by making cash payment of $100,000 of which $50,000 being an interest component and $50,000 as an interim instalment.

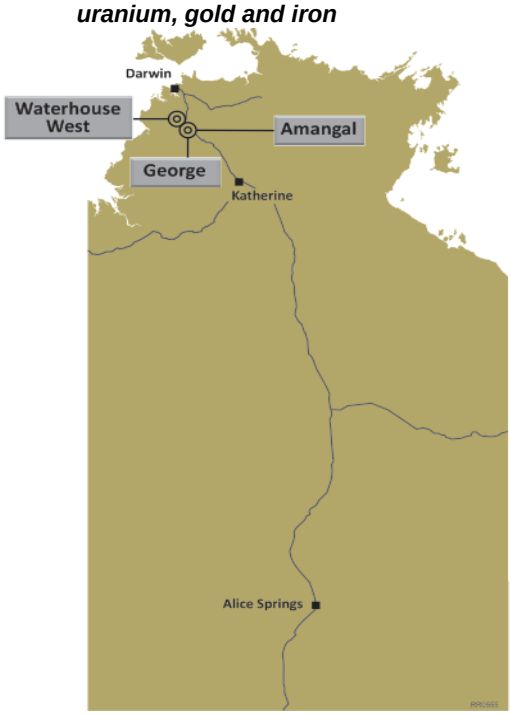
OTHER COMMODITY PROJECTS

Royal maintains a watch on opportunities outside our flagship Razorback Premium Iron Project. This includes low cost exploration undertaken on the company's tenements in the South Australia, Northern Territory and Western Australia, as well as opportunistic pegging of what Royal's technical team consider highly prospective ground ignored or undervalued by our peers. Whilst these activities are very low cost, they will provide avenues for potential discoveries once the RPIP is developed.

NORTHERN TERRITORY – George Gold (EL24550 & EL27354)

Work during the Quarter continues demonstrating excellent gold prospectively for its George Project, through recent fieldwork. The mineralisation observed shows similar characteristics to other Pine Creek Gold Deposits.

Figure 3: Project Locations, Northern Territory uranium, gold and iron



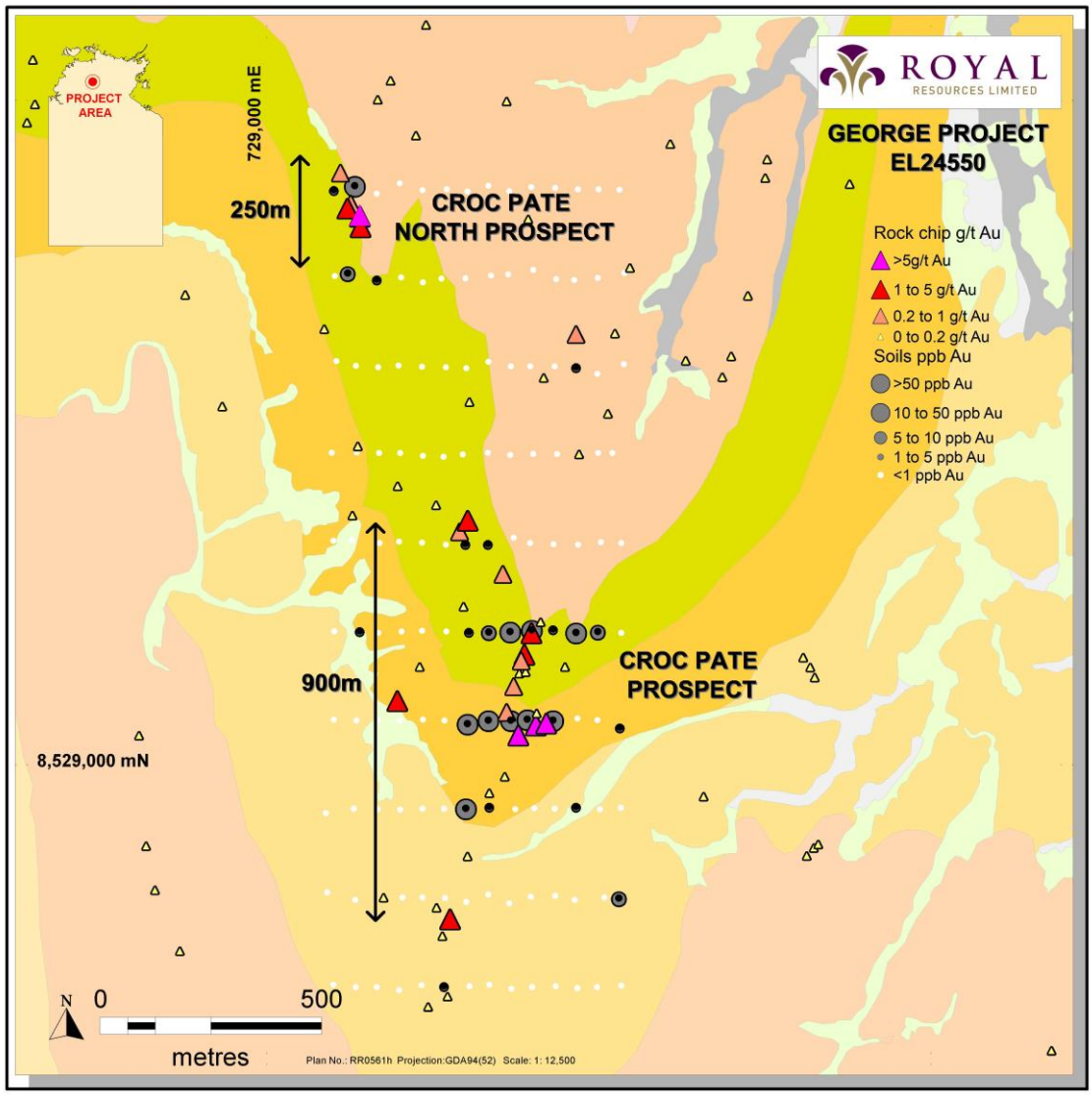
The George Project is located approximately 100 kilometres southeast of Darwin, in the Northern Territory (Figure 3). The project contains Early Proterozoic-aged sedimentary rocks of the gold-rich Pine Creek Geosyncline. Close to the Adelaide River Township, the two granted tenements that make up the project cover 88 km^2. An additional 137 km^2 of contiguous tenement to the east is also under Application. Royal Resources has 100% ownership of the George Project.

Historic exploration at George during the late 1980's to early-mid 1990's, targeted anticlinal fold hinges which led to the discovery of a number of gold occurrences in outcropping quartz veins, returning rock chips up to **170g/t Au** (*see ASX announcement 25th November 2013*). During the 2013 field season, Royal undertook field reconnaissance over the tenement, with the discovery of a new gold Prospect at Croc Paté (*see ASX announcement 25th November 2013*). Fieldwork by Royal Resources during June 2014 targeted the Croc Paté and Happy

Valley Prospects, with 145 soil samples and 55 rock chip samples collected, in addition to structural mapping.

At the Croc Paté Prospect, results from 2013 and 2014 fieldwork demonstrate gold mineralisation >0.2g/t Au intermittently over an approximate 900 metre strike length. The recent work returned surface rock chip samples with gold assays up to **11g/t Au** (*Results in Appendix 1*). Mineralisation usually occurs over a 2 to 4 metre width at surface, hosted within euhedral pitted (after sulphide) quartz veins, goethitic (after sulphide) shear zones and hydrothermally altered siltstones. Mineralisation is sited within anticlinal hinge zone of Burrell Creek Formation siltstones, greywackes and conglomerates, typical of mineralisation observed elsewhere in the Pine Creek Geosyncline. Soil sampling programme covering the same area, also demonstrated gold anomalism (Figure 4). In addition, further mineralisation was identified approximately 500 metres north of Croc Paté, with a maximum of 8.3g/t Au sampled from a goethite-rich shear zone at Croc Paté North.

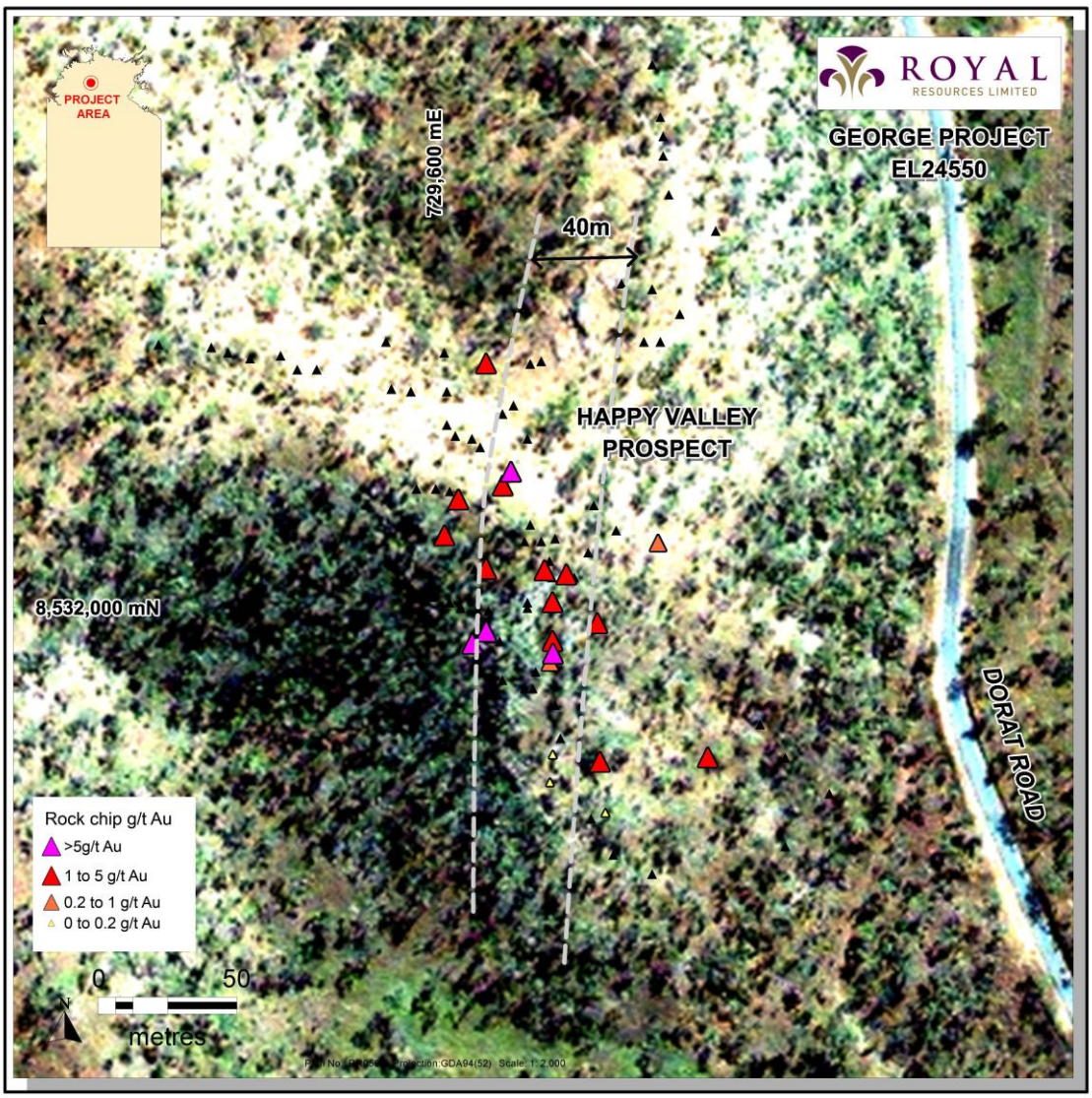
Figure 4: Sampling and Geology at Croc Paté, George Project



Gold mineralisation at the Happy Valley Prospect consists of quartz and weathered sulphide veins / sulphides in wall rock, hosted within an anticlinal hinge of Burrell Creek Formation conglomerates (Figure 5). Detailed mapping at the Happy Valley Prospect is still in progress. Rock chip samples up to **13g/t Au** collected during 2013 reconfirmed mineralisation identified

previously in the early 1990's. In addition, fifteen rock chips from historic data averaging 3.75g/t Au over a 150 metre strike length are evident within a zone of shearing and alteration approximately 40 metres wide. Further mineralisation was identified 1,000 metres along strike to the northwest of the Happy Valley Prospect. Best results are 2g/t Au from this year and a 4g/t Au from the 2013 field season.

Figure 5: Sampling and Satellite Imagery at Happy Valley Prospect, George Project



Once funds are available, and subject to continuing good results, Royal Resources' plans to advance the project by conducting ground geophysics and exploration drilling.

NORTHERN TERRITORY – Waterhouse West Iron (EL24563)

During the Quarter in conjunction with field work with George Project, mapping, rock chipping and ground magnetic profiling were undertaken at the Camp Creek Magnetite Prospect, Waterhouse West. Results of this work are still being assessed.

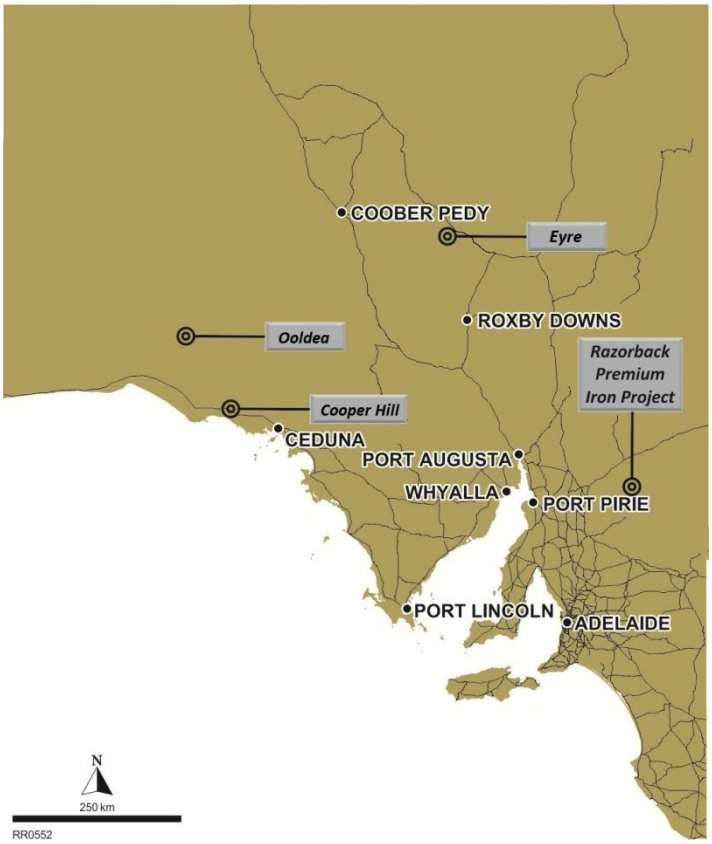
SOUTH AUSTRALIA – Cooper Hill Gold, Nickel, Copper (EL5340)

The Cooper Hill Tenement is located on the western edge of the Gawler Craton, South Australia and is prospective for ultramafic-mafic complex related Ni-Cu deposits and IOCG (Au-Cu) style mineralisation. No work was completed during the Quarter.

SOUTH AUSTRALIA – Eyre IOCG Project (Under Application)

No work was completed on the Lake Eyre IOCG Project, as tenement is still under application.

Figure 6: South Australia Tenement Locations



WESTERN AUSTRALIA – Watertank Gold Project Gold

No work was completed on the Watertank Gold Prospect during the Quarter.

CORPORATE

A summary of Royal Resources corporate activities during the Quarter include:

- Discussions underway with various parties regarding potential financing of the Razorback Project
- A market update presentation released to the ASX on the 10th June 2014, which coincided with an investor road show to Melbourne and Sydney
- Release of the fifth issue of the Razorback Newsletter
- Aldershot Resources Ltd is a Toronto Stock Exchange Venture listed company of which Royal owns 40%. Aldershot held a loan of $221,562 from Royal, including accrued interest, to undertake general exploration. Following the sale of Aldershot's Turee Ck tenement on the southern boundary of the Hamersley Basin to Fortescue Metals Group, that loan has been repaid in full

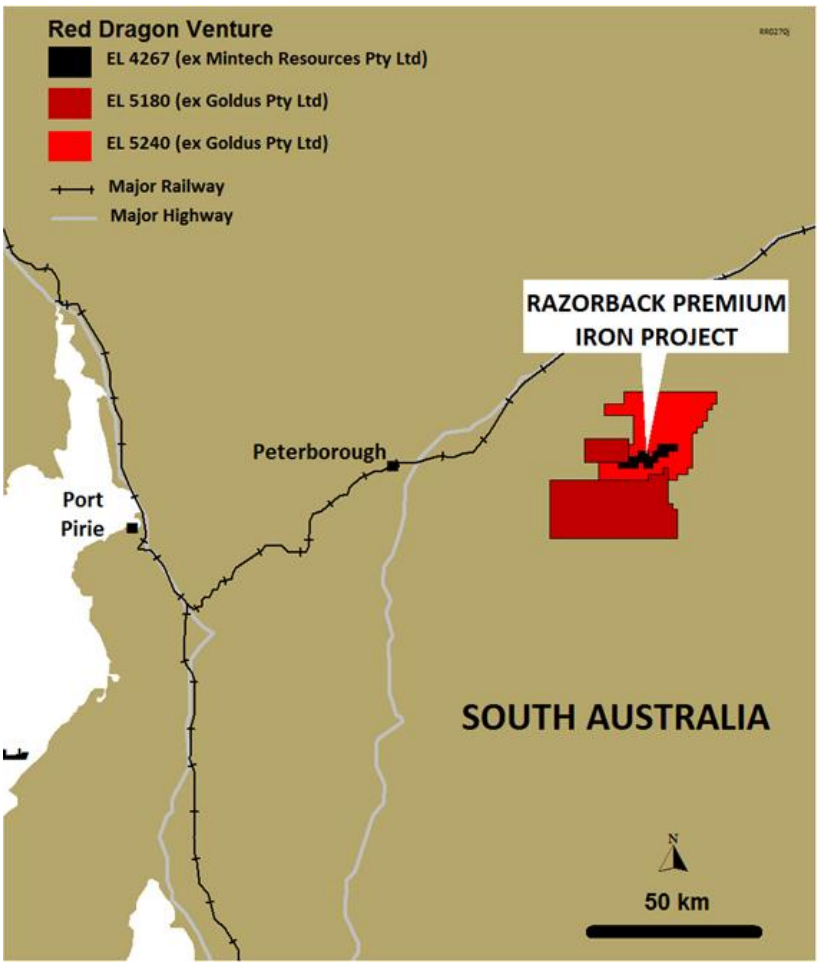
About Royal Resources Limited

Royal Resources Limited is a mineral exploration company exploring for iron ore in South Australia and for iron, gold and uranium in the Northern Territory. The Razorback Premium Iron Project (RPIP) is centred on the Razorback Ridge deposit within the Red Dragon Venture. It has a JORC (2004) Resource of 2.7 Billion tonnes at 15.3% recovery, including 1.04 Billion tonnes at 16.2% recovery in the Indicated Resource category.

The completed Pre-Feasibility Study shows it to be technically feasible and economically attractive. The Project is targeting production of 9.3Mtpa of premium grade magnetite concentrate by conventional open pit mining and beneficiation. The resulting low-contaminant 67.4% Fe product will attract premium pricing to haematite fines. The RPIP has a potential mine life in excess of 50 years and will employ a workforce of over 650.

The details contained in this report that pertains to ore and mineralisation and the resource underpinning the production target is based upon information compiled by Mr Marcus Flis, BSc (Hons), MSc, a full-time employee of the Royal Resources Limited, Gavin England BSc (Hons), PhD, a full-time employee of the Royal Resources Limited and Mr Lynn Widenbar BSc(Hons), MSc, DIC, Principal Consultant Widenbar and Associates Pty Ltd . Mr Flis is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Widenbar is a Member of the AusIMM. Dr England is a member of Australian Institute of Geosciences (AIG). These three people have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC 2004 Code). Mr Flis, Dr England, and Mr Widenbar consent to the inclusion in this report of the matters based upon their information in the form and context in which it appears.

The information for the Razorback Premium Iron Project was prepared and first disclosed under the JORC Code 2004. The information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.



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Appendix 1

The Mineral Resource information below for the project was prepared and first disclosed under the JORC Code 2004 and the information has not been updated since to comply with the JORC Code 2012 on the basis the information has not materially changed since it was last reported. The Resource was first announced on 11th June 2013.

Table 1: Total JORC(2004) Mineral Resource from the Razorback Premium Iron Project (11% eDTR cutoff).

Prospect	JORC Resource Classification	Million Tonnes*	eDTR%#	Fe%	SiO_2%	Al_2O_3%	P%
Razorback	Indicated	833	16.0	21.7	45.2	7.3	0.20
	Inferred	1,532	14.6	16.1	50.2	8.5	0.17
Iron Peak	Indicated	203	16.8	20.0	45.0	7.67	0.18
	Inferred	163	15.6	17.1	46.7	8.0	0.16
Total	**Mineral Resources**	**2,732**	**15.3**	**18.2**	**48.1**	**8.0**	**0.18**
CONTAINED CONCENTRATE EQUIVALENT		**418**		**67.4**	**4.74**	**0.54**	**0.016**

* Tonnages rounded to significant values; total may not appear correct as a result. The resource has been estimated in accordance with the JORC (2004) Code.

eDTR is determined by DTR and SATMAGAN magnetite estimated % data (see ASX announcement 11th June 2013)

Appendix 2

Table 2A: Iron Peak Drillhole RRDD0114 Davis Tube Recovery (DTR) Results – 45 micron grind

Hole ID	From (m)	To (m)	Sample ID	Head	Mass Recovery	Concentrate Sample Data						
				Fe %		Fe %	SiO2 %	Al2O3 %	P %	S %	TiO2 %	LOI %
RRDD0114	75	80	D00461	26.52	27.4	68.22	5.16	0.2	0.003	0.006	0.04	-2.97
RRDD0114	80	85	D00462	29.93	26.3	69.29	3.93	0.14	0.001	0.002	0.03	-3.03
RRDD0114	85	91	D00463	28.79	25.2	68.01	4.62	0.14	0.001	0.004	0.02	-3.02
RRDD0114	91	97	D00464	26.73	22.8	66.43	6.72	0.35	0.004	0.013	0.05	-2.72
RRDD0114	97	103	D00465	20.07	13.0	59.28	14.35	0.77	0.008	0.006	0.12	-1.78
RRDD0114	103	108	D00466	31.64	35.9	67.78	4.22	0.18	0.004	0.004	0.03	-2.88
RRDD0114	108	113	D00467	22.2	14.0	66.91	6.04	0.48	0.009	0.005	0.06	-2.54
RRDD0114	154	162	D00468	27.56	27.8	67.96	4.53	0.26	0.004	0.001	0.04	-2.92
RRDD0114	162	166	D00469	27.71	31.1	68.49	4.04	0.22	0.005	0.007	0.04	-3.00

Table 2B: Dragon's Head RC drilling Davis Tube Recovery (DTR) Results – 45 micron grind

Hole ID	From (m)	To (m)	Sample ID	Head	Mass Recovery	Concentrate Sample Data						
				Fe %		Fe %	SiO2 %	Al2O3 %	P %	S %	TiO2 %	LOI %
RRRC0286	48	68	D01353	15.36	11.0	70.16	2.65	0.15	0.006	<0.001	<0.01	-3.29
RRRC0286	68	96	D01354	16.48	14.9	71.04	1.66	0.11	0.004	<0.001	<0.01	-3.46
RRRC0286	96	106	D01355	15.46	16	70.89	1.98	0.13	0.004	0.002	0.01	-3.65
RRRC0286	106	134	D01356	19.36	15.5	71.01	1.77	0.13	0.003	0.005	0.01	-3.58
RRRC0286	134	160	D01357	18.35	13.1	70.35	2.54	0.19	0.006	0.005	0.03	-3.59
RRRC0286	160	194	D01358	11.18	9.7	69.23	3.56	0.45	0.023	0.005	0.02	-3.65
RRRC0286	220	228	D01359	12.19	8.7	68.44	4.5	0.24	0.004	0.014	0.28	-3.30
RRRC0287	118	134	D00109	14.44	16.5	65.5	8.24	0.33	0.008	<0.001	0.14	-2.90
RRRC0287	134	150	D00110	14.67	18.0	64.76	9.06	0.39	0.010	0.009	0.09	-2.79
RRRC0288	6	16	D00111	15.82	16.5	63.89	9.46	0.38	0.011	0.0005	0.06	-1.92
RRRC0288	28	44	D00112	11	8.9	60.66	13.2	0.73	0.012	0.015	0.16	-1.94
RRRC0288	44	60	D00113	14.88	15.8	63.57	10.05	0.44	0.017	0.003	0.1	-2.26
RRRC0288	60	72	D00114	13.52	14.8	64.4	9.38	0.43	0.014	0.004	0.11	-2.71
RRRC0288	72	80	D00115	8.45	5.9	NSS	NSS	NSS	NSS	NSS	NSS	NSS
RRRC0288	80	90	D00116	16.55	19.4	64.92	9.19	0.4	0.013	0.0005	0.09	-3.05
RRRC0288	90	100	D00117	17.34	16.4	64.39	9.68	0.45	0.014	0.016	0.1	-.297
RRRC0288	100	110	D00118	12.18	13.2	63.9	10.15	0.4	0.009	0.006	0.12	-2.68
RRRC0288	110	116	D00119	11.24	11.6	64.39	9.66	0.49	0.009	0.002	0.11	-3.01

NSS – Not sufficient sample for XRF analysis

Appendix 3

JORC Code (2012)

Section 1 - Sampling Techniques and Data (Razorback Premium Iron Project)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• RRDD0114 is a single exploration diamond hole at Iron Peak and RRCC0286-288 were a fence line of RC holes at Dragon's Head Prospect • All sampling is of industry standard • Drill core samples – longitudinal half core cut via diamond saw, with further quarter core cut and sampled – mineralised intervals crushed and composited under laboratory conditions, before fine crushing and homogenisation • Intervals of quarter core cut to 1m lengths. • RC sampled over a 1 metre lengths, but composited to 2 metres for assay. • Samples typically 2-3 kg before compositing. All samples submitted as dry. • Drill hole depth as measured via core recovery and cumulative final drill hole length down hole. • Samples submitted to ALS Adelaide for crushing, homogenisation and grinding, than forwarded to ALS Perth, whereby a 10g sample is utilised for XRF analysis. Samples included CRM standards and duplicate samples. • DTR samples were composited from the coarse residues of the XRF and SATMAGAN samples. Sample intervals designed to relate to geological / geochemical boundaries of similar character. • The composited samples are homogenised at ALS Adelaide. • A 150g sample is split and forwarded to ALS Perth for pulverisation to 45 um. A 20g subsample is utilised for DTR analysis with a 10g sample retained for XRF analysis of concentrate and head fractions.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drill type for RRDD0114 was via Diamond drill core. Standard industry drill rigs employed for drilling. • Size: HQ -standard tube to end of hole (174m total). • Core barrel recovered via wireline, drill runs no greater than 6m, typically 3m. • Drilling azimuth was designed perpendicular to geological strike, measured by compass-clinometer. Down hole inclination designed to strike strata perpendicular to rock dip within limitations of drill rig. Measured initially on drill rig via protractor with further down hole surveys carried out via multishot, reflex or Camteq down hole camera systems at 30m intervals down hole. • Core has been oriented via digital ori-tool • Drill type for holes at the Dragon's Head was via Reverse Circulation (RC). Standard industry drill rigs employed for drilling. • The RC drilling was carried out by truck mounted UDR600 rig, using 5.5 inch face bits.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core logging and geotechnical logging record core recovery, recovery +98%. • Diamond drilling recovery is measured against driller marked runs and returns with core loss/gain noted for each drill run (typically 3m runs for HQ). • Rock competency very high at RPIP, use of standard tube drilling methodology deemed suitable given high core return rates.

		• Given the whole-rock sampling nature of diamond core, sampling bias to loss/gain of fine/coarse material is low to none. • Core is representative of intersected lithologies. • RC sampling done on 1 metre intervals into green plastic bags. Sample Recovery was good at Dragon's Head, thus relationship between sample size and grade is irrelevant.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Diamond holes are geologically, photographically and geotechnically logged from SOH to EOH. • RC holes are geologically logged from SOH to EOH. • RC chips are recovered into chip trays for each 1m drilled. • Qualitative logging includes: lithology, colour, mineralogy, veining and structure, geological strata horizons, weathering, texture, degree of oxidation. • Diamond core quantitative logging includes structure (Alpha and Beta measurements with nature of contacts/breaks recorded for diamond drill holes), magnetic susceptibility, specific gravity and geotechnical readings. • Every drill hole is 100% logged. • RC drilling at Dragon's Head showed good recovery. • Geological logging was of sufficient detail to allow the creation of a geological model.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 1m core lengths of HQ core were sawn longitudinally into halves by diamond core saw, followed by one half undergoing halving into quarters. Quarter samples were submitted for analysis with ¾'s of the core remaining on site for reference, QAQC or future test work • All diamond core has been orientated and processed by trained technicians and geologists for a combination of logging, core orientation, meter marking, S.G. recovery and core tray marking. • RC samples were riffle split to produce a 2-3kg geochemical sample, the rest to a green plastic bag.. • RC duplicates were taken from a second shoot on the splitter, in typical industry standard to produce a sample. In addition, spear sampling of the green bags were used as a field duplicate. • QAQC methods include the use of frequent duplicates (6 per 100 samples) by the analysis of a further ¼ core samples and insertion of certified reference (5 per 100 samples) materials-standards into all sampling regimes. In addition, umpire samples and field resamples have been undertaken during all drilling regimes. • Sample sizes and quality were deemed appropriated given the bulk commodity nature of iron-ore deposits.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Certified and accredited laboratories utilised for all assays (ALS Global and Bureau Veritas) • Composited coarse residual material left after first pass XRF from diamond core is homogenised to produce a 150g sample for DTR and XRF. • DTR and XRF is the suitable method of iron ore analysis. • Magnetic susceptibility – All pulp samples submitted undergo a magnetic susceptibility measurement via a SATMAGAN apparatus designed to determine magnetite component of

		a given sample. • Laboratory QAQC consisted of standards, blanks and lab duplicates. QAQC sample results display adequate levels of accuracy and precision.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Dr Gavin England, a Royal Resources Employee has the necessary qualifications to verify intersections. • Independent verification by resource geologists of Widenbar and Associates have been undertaken during resource modelling of which assay data from RRDD0114 was included. • Sampling and assay data was entered and compiled using LogChief point-of-capture software and Datashed database management for validation. The LogChief software was utilised in field and includes validation formatting during data entry. Data was uploaded to a web/cloud hosted file directory for input by a Royal Resources database administrator. • RRDD0114 was not twinned, however twinned holes drilled during the drill programme coinciding with RRDD0114 show excellent correlation of results.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill holes have been surveyed using a differential GPS, by Royal Resources +- 0.01m error for easting and northing and +-0.02m for elevation. • Grid System – MGA94 Zone 54 • Downhole Surveys every 30m utilising a Reflex multishot tool. Note the inaccuracy of azimuth in magnetic rocks. • High resolution DTM and satellite imagery datasets confirm elevation and drill hole placements.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• RRDD0114 was a single exploration test hole drilled into an exploration target at the Iron Peak prospect • The nearest hole RRDD0116, also an exploratory diamond hole was drilled 690m to the south • Drilling at Dragon's Head was 100m spaced. This is a sufficient spacing for the deposit type. • Sample compositing for DTR samples has been applied for RRDD0114. 1m or 2m intervals which were first XRF and SATMAGN assayed have been than composited to 5 to 20m intervals for DTR analysis
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill hole placement was designed to intersect mineralisation perpendicular to interpreted mineralisation. • RRDD0114 and Dragon's Head stratigraphy averaged a -60 dip, intersecting mineralisation approximately perpendicular to dip. The drilling orientation is adequate for a non-biased assessment of the deposit with respect to interpreted structures and controls on mineralisation
Sample security	• *The measures taken to ensure sample security.*	• Samples collected from the Razorback site were transported to Burra by Royal Resources, which were then forwarded by courier to ALS Adelaide. Upon delivery of marked samples a work order was issued and processing commenced at ALS. • Royal has received all exploration data associated with this core.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• QAQC reporting which included the RRDD0114 dataset was submitted to Widenbar and Associates for review and deemed appropriate.

Section 2 - Reporting of Exploration Results (Razorback Premium Iron Project)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Razorback Premium Iron Project Tenement EL4267 is 100% Royal owned and operated. Dragon Head is in EL5180 is owned by Goldus Pty Ltd and Royal has a 100% Fe option. A 1.25% net based royalty exists to be paid to the previous owner. • EL4267 tenement is currently under renewal.EL5180 is an active licence • The project area covers a combination of Perpetual and Pastoral Lease. The Iron Peak and Dragons Head prospect lies on a Pastoral • Perpetual leases are not subject to Native Title however Pastoral leases are. • The tenements are in good standing
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical exploration for Iron Ore on the Braemar Iron Fm has been undertaken by the South Australian Chamber of Mines . Minor drilling (3 diamond drill holes) and an Adit excavated to test iron mineralisation in the 1960's • Previous RC and DDH drilling by Royal JORC 2004 Resources to define the Razorback Premium Iron project adjacent to the Iron Peak Prospect undertaken as of April 2010.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Meta-Sedimentary Fe precipitate within the Braemar Iron Formation, Sturtian Neoproterozoic - Adelaide Geosyncline. • Classified as 'Raptian-type' iron formation. Interbedded to interlaminated ironstone with tillitic and massive ironstone subunits within interstitial to sub-economic siltstone subunits.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• All relevant information is expressed in the tables within the main text

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Weighted averages of DTR recovery and head grades were utilised to accurately define total intersection values. Assay data is relatively homogenous with variances weighted by interval length with respect to grade. • Assays are rounded to either 2 or 3 significant figures. • No metal equivalent reporting is used or applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Intersection width is measured down the hole trace and is an approximate to true width of mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include,*	• All diagrams are to scale, contain MGA94 Zone 54 co-ordinates and display a North Arrow and scale bar for reference.

	but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All significant assay results are presented in Table 2A and 2B • All samples are deemed appropriate and representative of mineralisation. Samples were selected using XRF head grade and SATMAGAN results. • Core not assayed were deemed either low grade or no grade. Note a diamond tail on RRDD0287 is currently being analysed using DTR
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The Iron Peak and Razorback Ridge resources adjacent to RRDD0114 represent significant proven mineralisation to JORC2004 Indicated level, nearby. • Both head and concentrate fractions of assay results display very low deleterious elements such as phosphorus and titanium, representing a clean ROM and Concentrate product.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• To delineate further mineralisation at the Iron Peak Prospect drilling is proposed. • Further drilling will help to define known structure, folding and faulting in this area • Figure 2. Displays areas or possible resource extension. • At Dragon's Head, DTR analysis underway for diamond tail at RRDD0287 and an additional diamond RRDD0128 (as seen in Figure 4).

Appendix 3 - Royal Resources June 2014 Sampling - George

Table 1. Recent significant rock chip samples taken at prospects within the George Project

Prospect	Sample Number	Easting*	Northing*	Au (g/t) Fire Assay
Regional	120796	729790	8531056	0.247
Happy Valley	120801	729659	8531994	**1.724**
Happy Valley North	120805	729155	8532968	0.548
Happy Valley North	120806	729166	8532894	0.208
Happy Valley North	120808	729143	8532655	0.834
Happy Valley North	120809	729143	8532530	0.338
Happy Valley North	120811	729227	8532321	0.450
Happy Valley North	120813	729373	8532348	0.292
Happy Valley North	120814	729325	8532234	**1.996**
Happy Valley North	120815	729329	8532204	0.935
Happy Valley North	120816	729326	8532172	**1.758**
Croc Paté	120823	729294	8529142	**2.85**
Croc Paté	120826	729435	8529525	0.341
Croc Paté	120828	729581	8529246	**1.906**
Croc Paté	120829	729574	8529233	0.852
Croc Paté	120830	729574	8529233	0.736
Croc Paté	120831	729557	8529175	0.201
Croc Paté	120832	729541	8529117	0.857
Croc Paté	120833	729567	8529064	**11.296**
Croc Paté North	120844	729189	8530265	0.701
Croc Paté North	120845	729211	8530212	**2.629**
Croc Paté North	120846	729209	8530236	**8.381**
Croc Paté North	120847	729166	8530335	0.323

Table 2. Recent significant soil samples taken at Croc Paté Prospect within the George Project

Prospect	Sample Number	Easting*	Northing*	Au (ppb) Fire Assay
Croc Paté	120649	729400	8528500	3
Croc Paté	120662	729449	8528901	**47**
Croc Paté	120663	729502	8528905	4
Croc Paté	120667	729698	8528905	3
Croc Paté	120676	729499	8529499	1
Croc Paté	120677	729448	8529499	2
Croc Paté	120686	729209	8529302	2
Croc Paté	120691	729456	8529300	2
Croc Paté	120692	729501	8529299	9
Croc Paté	120693	729549	8529300	10
Croc Paté	120694	729598	8529304	**50**
Croc Paté	120695	729646	8529306	3
Croc Paté	120696	729698	8529298	17
Croc Paté	120697	729747	8529300	7
Croc Paté	120706	729453	8529092	13
Croc Paté	120707	729500	8529100	18
Croc Paté	120708	729551	8529100	**20**
Croc Paté	120709	729588	8529102	**91**
Croc Paté	120710	729646	8529100	11
Croc Paté	120713	729797	8529084	4
Croc Paté	120740	729698	8529898	3
Croc Paté	120756	729198	8530307	15
Croc Paté	120757	729151	8530298	3
Croc Paté	120759	729182	8530110	7
Croc Paté	120760	729248	8530096	2
Croc Paté	120761	729248	8530096	3
Croc Paté	120773	729795	8528698	6

** All co-ordinates in MGA 94 Zone 52*

Appendix 4

JORC Code (2012) - George

Section 1 - Sampling Techniques and Data (George Project)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock chip and soil samples were taken as grab samples of geologically representative material. • Rock samples typically weigh 0.7 to 1.5 kg in size. • Soil samples typically weigh 1kg and were sieved using a –6mm mesh. • Samples were sent to Intertek Genalysis Laboratory Services, Adelaide. • Rock chip and soil samples are pulverized, homogenized and split to produce a 50g sample for fire assay charge.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Rock chip and soil samples are geologically described and a summary code from Royal (ROY) Geology Codes applied.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not Applicable
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Rock chip and soil samples were collected for gold analysis, with samples being tested at Intertek Genalysis Laboratory Services, Adelaide. • Gold has been analysed using Fire Assay, with an ICPS-MS finish (Intertek code FA50MS02). In Fire Assay gold has a 1 ppb detection limit. • With gold, Fire Assay is considered the more definitive technique. • ICPS-MS (Inductively coupled plasma mass spectrometry is recognised as an effective, cost effective method

		for low level gold detection. • Duplicate soil samples were taken every 20th sample. • Internal laboratory standards have been checked.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sample number and location were recorded in handheld GPS, as well as field notebook. • Sampling information recorded into the ROY database at the end of each field day. • Data managed by ROY in proprietary database management system (i.e. Datashed).
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample points were surveyed by a handheld GARMIN 60 GPS, with horizontal accuracy of + /- 5 m. • Grid System – MGA94 Zone 52. • Topographic elevation derived from a 20 metre grid cell size DTM from a 2007 Fugro Aeromagnetic Survey flown at 100m line spacing, to give an accuracy of ~ +/- 5m.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Several samples were taken at each Prospect site. • Samples are grab samples and are first pass level of exploration.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Rock chip samples where taken in faults zones and veins within identified structures. Most cases, the extent of these features where not known (particularly in 3D), as they occur as sporadic outcrop and sub-crop.
Sample security	• *The measures taken to ensure sample security.*	• Samples collected in the field by ROY staff and taken to the Darwin Intertek Genalysis sample dispatch location.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews completed on this batch of samples.

Section 2 - Reporting of Exploration Results (George Project)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• George Exploration Tenements EL24550 and EL27354 are 100% Royal. • The EL24550 tenement has been held since December 2005 and is up for renewal in December 2013. EL27354 was granted in December 2009 and is up for renewal December 2014. ELA 30074 is currently under application. • The project area covers a mixture of Freehold, Crown Lease and Pastoral Lease. The main area of focus in this current work was over Freehold. • Freehold is exempt from Native Title.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Recent exploration for uranium. • Low level gold exploration has taken place in the 80's and 90's by previous companies, where prospects have been identified and had limited drilling.

Geology	• *Deposit type, geological setting and style of mineralisation.*	• Saddle reef / structurally-controlled gold mineralization, within metamorphosed Proterozoic sedimentary rocks within the Burrell Creek Formation of the Pine Creek Orogen.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Not Applicable

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• All diagrams are to scale, contain MGA94 Zone 52 co-ordinates and display a North Arrow.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All relevant assay results are presented in Appendix "Table of Results". • Rockchip samples taken are representative of vein and altered wall rock material identified in the field.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Mineralisation appears in a fault / shear zone 4 to 40 metres wide containing sets of veins 20cm wide, with veins usually less than 1 metre wide. Some alteration apparent in wall-rock also contains mineralisation. • Mineralisation associated with anticlinal fold closures and North – South faulting.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The assay results and geological observations warrant further mapping and sampling to better define mineralization. • Geophysical surveying and "wildcat" drilling is also a recommended follow up to this work.

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Royal Resources Limited

ABN	Quarter ended ("current quarter")
34 108 102 432	**30 June 2014**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	686	(271)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(431)	(2,516)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	68	257
1.5	Interest and other costs of finance paid	-	-
1.6	Income tax benefit – R&D refund	-	3,792
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	**323**	**1,262**
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	(1,850)
	(b) equity investments	-	-
	(c) other fixed assets	-	(9)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	12
1.10	Loans to other entities	(35)	(55)
1.11	Loans repaid by other entities	187	187
1.12	Other – Payment for security bonds (provide details if material)	-	-
	Net investing cash flows	**152**	**(1,715)**
1.13	Total operating and investing cash flows (carried forward)	475	(453)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	475	(453)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	**-**	**-**
	Net increase (decrease) in cash held	475	(453)
1.20	Cash at beginning of quarter/year to date	3,196	4,124
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**3,671**	**3,671**

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	170
1.24	Aggregate amount of loans to the parties included in item 1.10	35

1.25 Explanation necessary for an understanding of the transactions

The exploration and evaluation expenditure shown in 1.2(a) includes an amount of $756,250 being stamp duty refund in relation to the Razorback acquisition costs.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	87
4.2	Development	-
4.3	Production	-
4.4	Administration	566
	Total	**653**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	371	196
5.2	Deposits at call	3,300	3,000
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**3,671**	**3,196**

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	EL5441	Exploration Licence	-	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities** Shares	348,629,539	348,629,539	-	-
7.4	Changes during quarter (a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	**+Convertible debt securities** (*description)*	-	-	-	-

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	-	-	-
7.7	**Options** *(description and conversion factor)*	4,500,000 2,100,000 500,000 5,750,000 500,000 2,700,000 6,750,000 6,500,000 6,500,000	- - - - - - - - -	*Exercise price* $0.55 $0.225 $0.19 $0.28 $0.075 $0.049 $0.21 $0.16 $0.10	*Expiry date* 26/11/2014 09/07/2015 29/07/2015 29/11/2015 25/03/2016 01/07/2016 27/11/2016 27/11/2017 31/10/2018
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	1,515,000	-	$0.24	09/06/2014
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 30 July 2014
(Company Secretary)

Print name: Frank DeMarte

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.

The following tenements held by Royal (and its controlled entities) as at 30 June 2014

Tenement/ Project Name	Tenement Number	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during the Quarter	Disposed during the Quarter	Joint Venture Partner/Farm-In Party
WESTERN AUSTRALIA						
WATERTANK	P63/1361	100%	100%	-	-	-
WATERTANK	P63/1362	100%	100%	-	-	-
WATERTANK	P63/1363	100%	100%	-	-	-
NORTHERN TERRITORY						
GEORGE	EL24550	100%	100%	-	-	-
WATERHOUSE WEST	EL24563	100%	100%	-	-	-
AMANGAL	EL27354	100%	100%	-	-	-
SOUTH AUSTRALIA						
PUALCO (1)	EL5180	-	-	-	-	-
RED DRAGON (1)	EL5240	-	-	-	-	-
RAZORBACK RIDGE (2)	EL5432	100%	100%	-	-	-
DRAGON'S TAIL	EL4811	100%	100%	-	-	-
COOPER HILL	EL5340	100%	100%	-	-	-
LAKE EYRE	EL5441	-	100%			

Note 1 As announced by Royal on 24 December 2013, Royal has negotiated the final acquisition payments to an Option Deed for exclusive right to explore for iron only from Goldus Pty Ltd. On 10 July 2014, Royal negotiated an extension of time with Goldus Pty Ltd to complete the acquisition from 1 July 2014 to 3 November 2014.

Note 2 As announced by Royal on 24 December 2013, Royal has negotiated the final acquisition payments to purchase the tenement from Mintech Resources Pty Ltd. On 10 July 2014, Royal negotiated an extension of time with Mintech Resources Pty Ltd to complete the acquisition from 1 July 2014 to 3 November 2014.