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## **ASX Announcement**

3 November 2014

# *Future Directions for Royal*

As recently advised to the market, the Board of Directors of Royal Resources Limited (Company) has been considering the next phase of the development of the Razorback Premium Iron Project (RPIP), and as the first step in that process, Gordon Toll has joined the board and taken up the position of Chief Executive Officer.

Mr Toll is the founder of a group of private investment Companies (the Lodestone Group) which controls 22.5% of the Company. Mr Toll also owns Braemar Infrastructure Pty Limited ([www.braemarinfrastructure.com](http://www.braemarinfrastructure.com)), with whom the Company has a strategic alliance in the development of an iron concentrate export solution for the Braemar region on a multi user basis (Infrastructure Solution), which has obtained Major Development Status from the South Australian Government, plus Braemar Iron Pty Ltd which owns or have the rights to significant iron ore rich areas adjoining the Company's RPIP and surrounding leases. This development is known as the Braemar Iron Project.

A Conceptual Feasibility Study has been completed by the Lodestone Group for the Braemar Iron Project which shows the conceptual feasibility of the proposed Infrastructure Solution having an initial capacity of 25 million tonnes per annum (mtpa). The Infrastructure Solution contemplates the subsequent expansion of infrastructure to achieve a capacity of up to 100 mtpa.

The Company advises that this conceptual feasibility study is not based on any assumptions of actual use of the Infrastructure Solution by the Company or any other users in the Braemar region with the exception of the Braemar Iron Project.

The Company is pleased to announce it is now analysing the pooling of its intellectual, physical, and geological assets with those of the Lodestone Group. The aim of the pooling is to secure the Lodestone Group asset base necessary to underpin the financing and development of the Braemar region of South Australia as a very substantial producer of high grade, low cost iron ore concentrates for supply to the global steel industry. Analysis of the data of both the Company and the Lodestone Group, together with discussions of the form and the structure of this pooling, have now commenced. It is intended that an expanded version of the RPIP will be the starting point of the development of the Braemar Iron Ore Province by the Company to a much larger capacity.

When the details and scope of the proposed arrangement are finalised further announcements will be made. Any proposed corporate transaction and or arrangement between the Company and the Lodestone Group will, as required, be subject to shareholder approval.

**For further information contact:**

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