

---

**ASX Announcement and Media Release**

29 July 2015

# *Fourth Quarter Activities Report Ending 30 June 2015*

**Key Points:**

**CORPORATE**

- Royal continues to pursue funding for the next stage of the Razorback Project
- Royal surrenders non key tenement and looks at opportunities to divest others, so as to focus on the Braemar Region

**RAZORBACK PREMIUM IRON PROJECT**

- A geometallurgical work program is underway on the Razorback Project, to better understand the mineralogy and rock properties of the deposit, and assist in optimising future beneficiation studies

**BRAEMAR EXPLORATION**

- Ground magnetic survey planned for the Sisters Dam and Dragon's Head Prospect next Quarter

## CORPORATE

### Financing

During the Quarter, Royal embarked on discussions with various parties regarding the required funding for the next stage of the Razorback Project. In addition, Royal participated in a South Australia Trade Mission with the Premier to the Shandong Province, China during May.

## RED DRAGON VENTURE

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: EL5432 (ex EL4267) and EL4811 are owned by the Company 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, and Iron Peak Prospects (Figure 1).

The extensive Braemar Iron Formation is the host rock to magnetite mineralisation in the project area. This formation has a strike length of approximately 110km within the ground 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<sup>1,2</sup>**. 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<sup>3,4</sup> from testing approximately 27% of the prospective horizon. The RPIP contains a magnetite concentrate equivalent resource of **418 Million tonnes at 67.4% Fe<sup>4</sup>**.

### RAZORBACK PREMIUM IRON PROJECT

Areas of activities at Razorback during the quarter include:

- A geometallurgical study on the Razorback Project, to better understand the mineralogy and rock properties of the deposit, and assist in optimising future beneficiation studies.
- Regulatory reporting to the State Government
- Continued work on aspects of optimisation of the Prefeasibility Study, in areas of mining and processing.

---

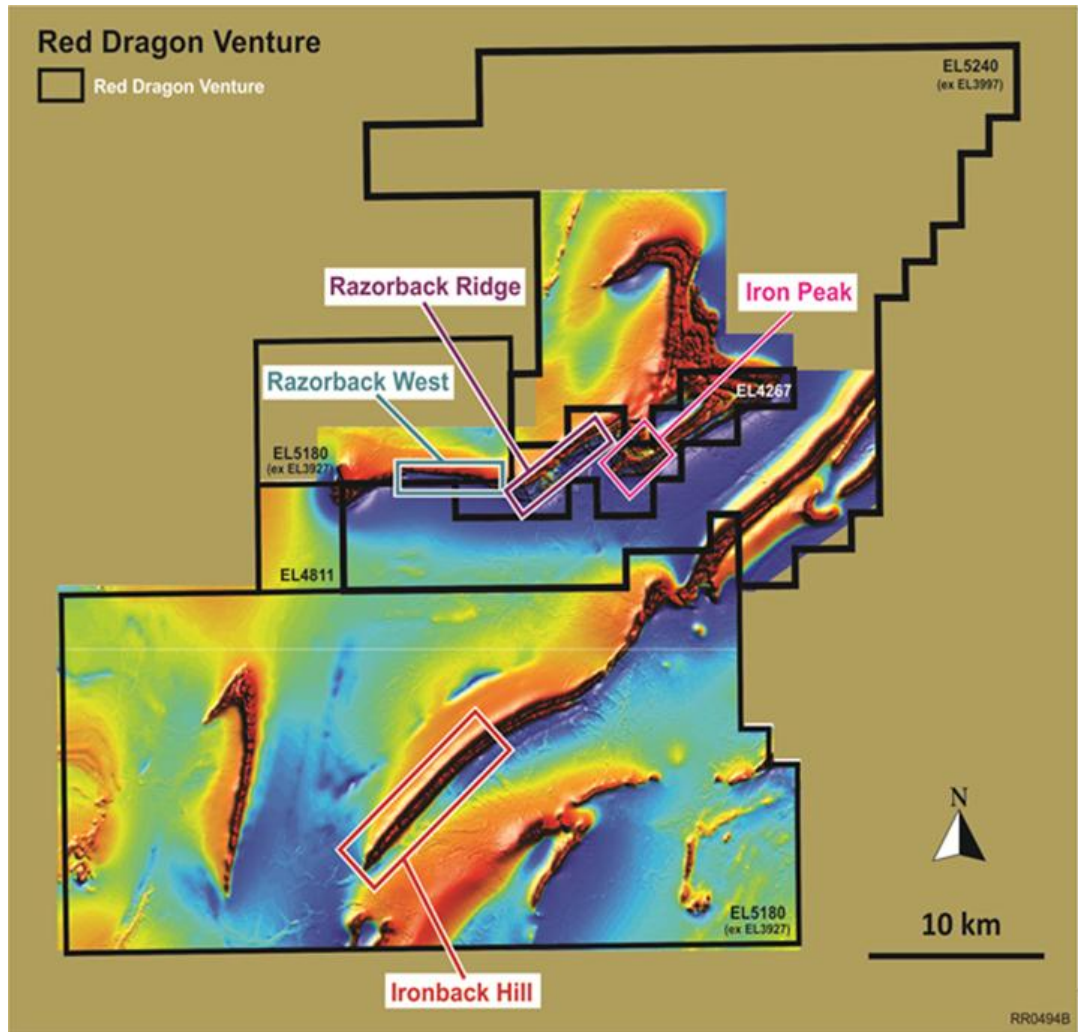
<sup>1</sup> Announced 24th March, 2011, "EXPLORATION TARGET AND DRILLING UPDATE FOR RAZORBACK".

<sup>2</sup> 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, at the time, 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.

<sup>3</sup> Announced 21<sup>st</sup> November, 2012, "RED DRAGON VENTURE EXCEEDS 3 BILLION TONNES".

<sup>4</sup> Announced 11<sup>th</sup> June, 2013, "ROYAL OPTIMISES RAZORBACK RESOURCE".

\* <sup>c</sup>DTR or equivalent Davis Tube Recovery explained in ASX announcements on the 11<sup>th</sup> June 2013 and 10<sup>th</sup> July 2013.



**Figure 1: Red Dragon Venture showing prospect locations and area of the Razorback Premium Iron Project**

## BRAEMAR REGIONAL EXPLORATION

During last Quarter, Royal Resources Limited (Royal) secured the exclusive right to explore for iron ore within a highly prospective area of the Braemar Region of South Australia. This agreement is in line with Royal's new long term strategy of becoming the dominant magnetite player in the region. Royal has executed an Iron Ore Rights Agreement (Agreement) with Iluka Resources Limited (Iluka) granting Royal the exclusive right to explore for iron ore and carry on mining operations subject to the terms and conditions of the Agreement on tenement EL4842. The tenement adjoins Royal's Red Dragon Venture Exploration Leases that contain the Razorback Premium Iron Project (Figure 2).

The Sisters Dam Prospect, which is located within EL4842, is a concealed magnetic target in the Braemar Region of SA, untested by drilling (see Figure 2). Just 30km east of the Razorback Premium Iron Project and only a few kilometres from the proposed slurry pipeline of Braemar Infrastructure Pty Ltd, the Sisters Dam magnetic anomaly is interpreted as a highly prospective portion of Braemar Iron Formation, buried along the northern edge of the Murray Basin. The Braemar Iron Formation is known to contain magnetite and is the host formation for Royal's Razorback project and other deposits in the region.

A Ground Magnetic Survey is planned on the target area for the next Quarter.

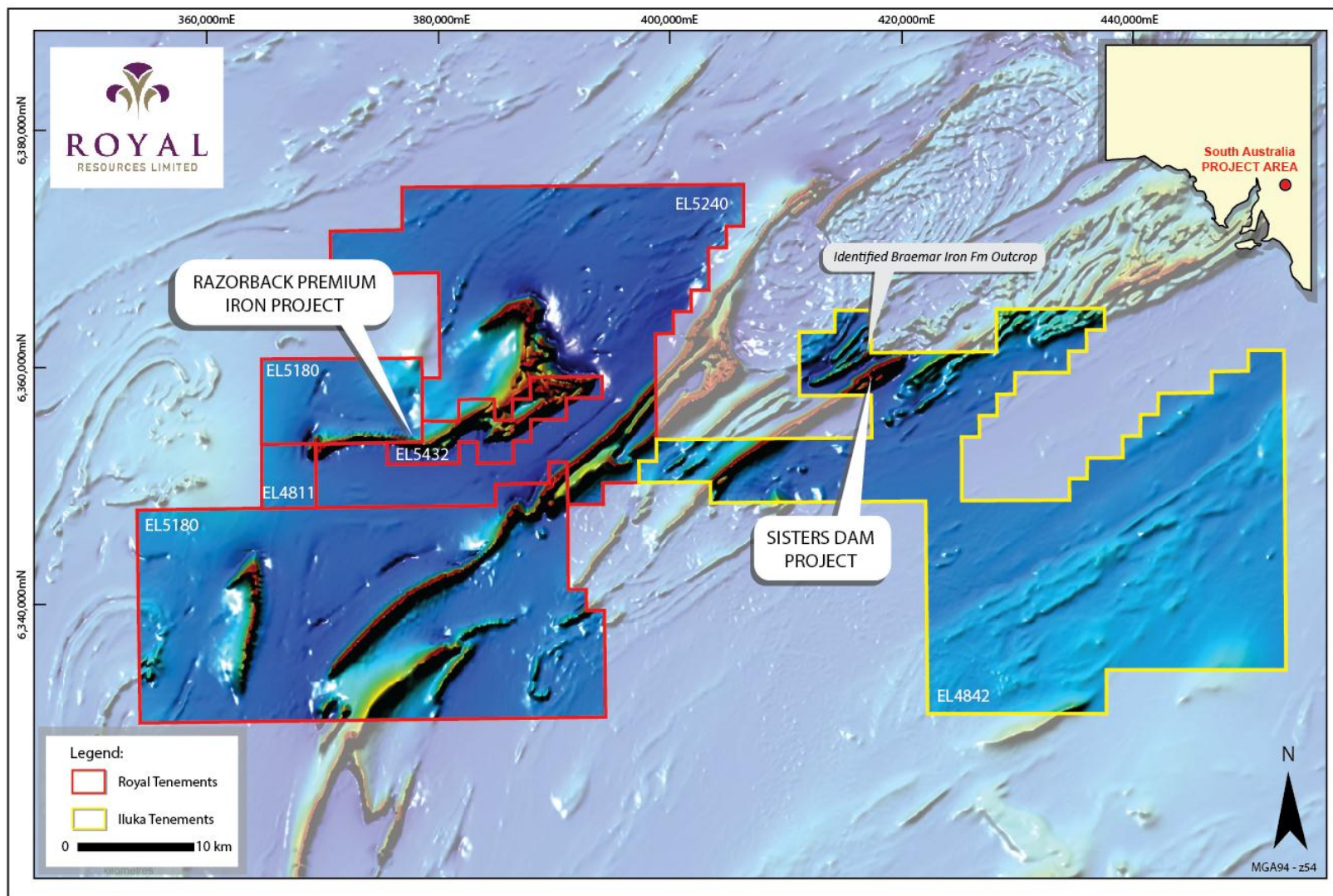


Figure 2: TMI RTP aeromagnetic image identifying the new Sisters Dam Prospect, within EL4842



## OTHER COMMODITY PROJECTS

### NORTHERN TERRITORY – George Gold, Uranium (EL24550 & EL27354)

The George Project is located approximately 100 kilometres southeast of Darwin, in the Northern Territory (Figure 3). The project contains known uranium and gold mineralisation, hosted in Early Proterozoic-aged sedimentary rocks of the Pine Creek Geosyncline. Close to the Adelaide River Township, the two granted tenements that make up the project cover 88 km<sup>2</sup>. An additional 137 km<sup>2</sup> of contiguous tenement to the east was under application, but has now been forfeited. Royal Resources has 100% ownership of the George Project.

Royal is currently looking at opportunities to divest this asset.

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



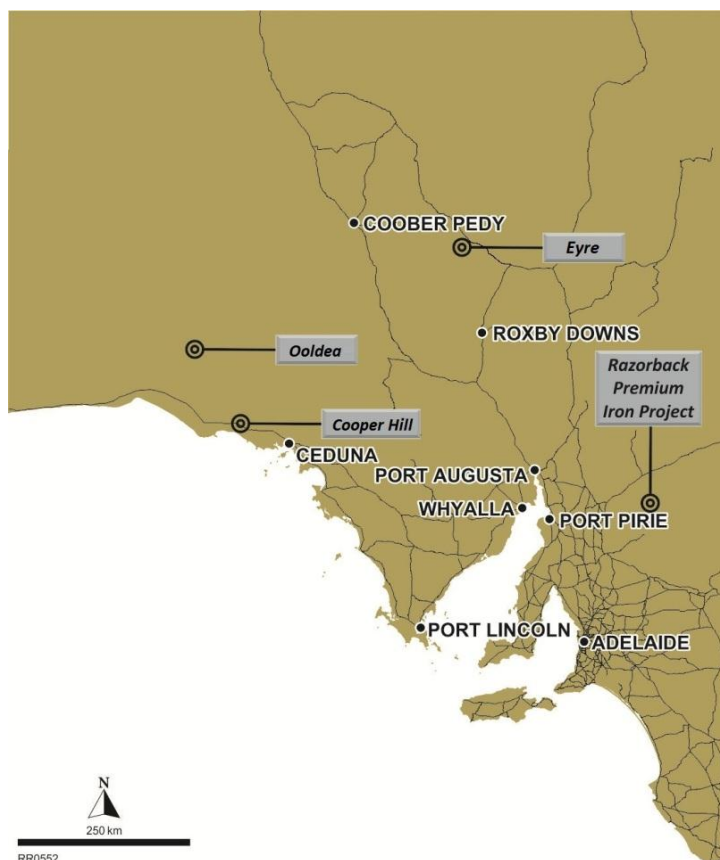
### SOUTH AUSTRALIA – Cooper Hill Gold, Nickel, Copper (EL5340)

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 (Figure 4). No activities were completed during the Quarter. Royal is currently looking at opportunities to divest this asset.

### SOUTH AUSTRALIA – Eyre IOCG Project

During the Quarter, Royal began the process of surrendering the Tenement.

**Figure 4: South Australia Tenement Locations**



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 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 . Dr England is a member of Australian Institute of Geosciences (AIG). These two 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). 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.

**For further information contact:**

**Gordon Toll**

Executive Chairman & CEO

+61 8 9427 0516

## Appendix 1

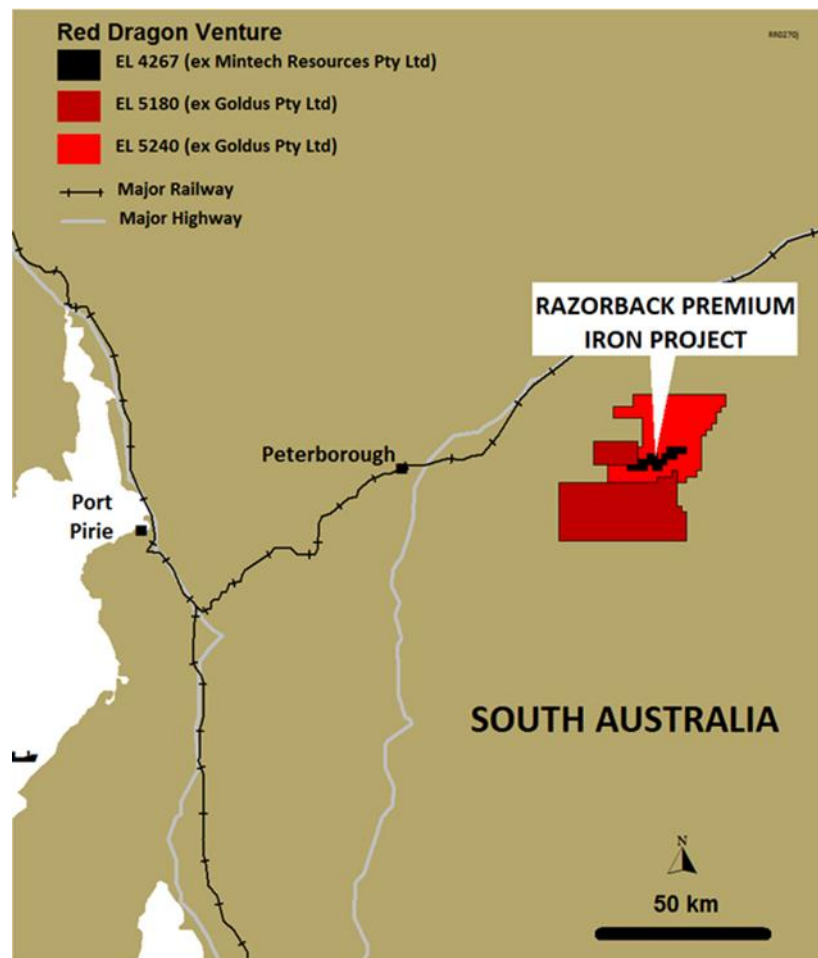
The Mineral Resource information below for the project was prepared and first disclosed under the JORC Code 2004 and the information has not been updated since to comply with the JORC Code 2012 on the basis the information has not materially changed since it was last reported. The Resource was first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

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

Prospect	JORC Resource Classification	Million Tonnes*	eDTR% <sup>#</sup>	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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
<b>Total</b>	<b>Mineral Resources</b>	<b>2,732</b>	<b>15.3</b>	<b>18.2</b>	<b>48.1</b>	<b>8.0</b>	<b>0.18</b>
<b>CONTAINED CONCENTRATE EQUIVALENT</b>		<b>418</b>		<b>67.4</b>	<b>4.74</b>	<b>0.54</b>	<b>0.016</b>

\* 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.

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



## 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

<b>Royal Resources Limited</b>
--------------------------------

ABN

<b>34 108 102 432</b>
-----------------------

Quarter ended ("current quarter")

<b>30 June 2015</b>
---------------------

### 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	(107)	(679)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(143)	(1,738)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	16	88
1.5	Interest and other costs of finance paid	-	-
1.6	Income tax benefit – R&D refund	382	382
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		<b>148</b>	<b>(1,947)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(11)	(29)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	12	13
1.10	Loans to other entities	-	(125)
1.11	Loans repaid by other entities	-	-
1.12	Other – Redemption of security bonds (provide details if material)	(13)	(23)
<b>Net investing cash flows</b>		<b>(12)</b>	<b>(164)</b>
1.13	Total operating and investing cash flows (carried forward)	136	(2,111)

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	136	(2,111)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	214
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 – Share issue costs	-	(21)
	<b>Net financing cash flows</b>	<b>-</b>	<b>193</b>
	<b>Net increase (decrease) in cash held</b>	<b>136</b>	<b>(1,918)</b>
1.20	Cash at beginning of quarter/year to date	1,617	3,671
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,753</b>	<b>1,753</b>

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

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	51
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

None

### 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

### **Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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

### **Estimated cash outflows for next quarter**

	\$A'ooo
4.1 Exploration and evaluation	41
4.2 Development	-
4.3 Production	-
4.4 Administration	307
<b>Total</b>	<b>348</b>

### **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'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	553	317
5.2 Deposits at call	1,200	1,300
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,753</b>	<b>1,617</b>

---

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### 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	-	-	-

#### 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	-	-	-	-
7.2	-	-	-	-
7.3	353,979,539	353,979,539	-	-
7.4	-	-	-	-
7.5	-	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-  -	-  -	-  -	-  -
7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	2,100,000	-		\$0.225	09/07/2015
	500,000	-		\$0.19	29/07/2015
	5,750,000	-		\$0.28	29/11/2015
	500,000	-		\$0.075	25/03/2016
	2,700,000	-		\$0.049	01/07/2016
	6,750,000	-		\$0.21	27/11/2016
	1,450,000	-		\$0.07	01/07/2017
	6,500,000	-		\$0.16	27/11/2017
	6,500,000	-		\$0.10	31/10/2018
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (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:  
(Company Secretary)

Date: 29 July 2015

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.

== == == == ==

---

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

---

The following tenements held by Royal (and its controlled entities) as at 30 June 2015

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
<b>NORTHERN TERRITORY</b>						
GEORGE	EL24550	100%	100%	-	-	-
AMANGAL	EL27354	100%	100%	-	-	-
<b>SOUTH AUSTRALIA</b>						
PUALCO <sup>(1)</sup>	EL5180	-	-	-	-	-
RED DRAGON <sup>(1)</sup>	EL5240	-	-	-	-	-
RAZORBACK RIDGE <sup>(2)</sup>	EL5432	100%	100%	-	-	-
DRAGON'S TAIL	EL4811	100%	100%	-	-	-
COOPER HILL	EL5340	100%	100%	-	-	-
LAKE EYRE	EL5441	100%	100%	-	-	-
TWO SISTERS <sup>(3)</sup>	EL4842	-	-	-	-	-

- 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. Although Royal has not satisfied the 3 November 2014 extended deadline, neither party has terminated the variation deed and therefore the revised terms and condition are on going.
- 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. Although Royal has not satisfied the 3 November 2014 extended deadline, neither party has terminated the variation deed and therefore the revised terms and condition are on going.
- Note 3 Pursuant to an Iron Ore Rights Agreement with Iluka Resources Limited, Royal has been granted exclusive rights to explore for iron ore and carry on mining operations subject to the terms and conditions of the Agreement.

---

+ See chapter 19 for defined terms.