

ASX Announcement

31 August 2015

Issue of Redeemable Convertible Notes

Royal Resources Limited (Company) wishes to advise that subsequent to the announcement on 11 August 2015 and in accordance with the Third Variation Deed between Mintech Resources Pty Ltd, Razorback Iron Pty Ltd and the Company in respect to the acquisition of a 100% interest in EL5432 (formally EL4267) covering the Razorback Ridge area, the Company has issued Redeemable Convertible Notes with a face value of \$2.5 million on the following terms and conditions;

- (a) the Redeemable Convertible Notes have a 48 month term;
- (b) interest of 7% per annum, payable 12 months in arrears on the anniversary of the Completion Date (31 August 2015);
- (c) at least 5 days before maturity or redemption of the Redeemable Convertible Notes the Company can elect the:
 - (i) Redeemable Convertible Notes be redeemed by cash equivalent to the face value of the Redeemable Convertible Notes;
 - (ii) Redeemable Convertible Notes convert into fully paid ordinary shares in the Company equivalent to the face value of the Redeemable Convertible Notes at a price equivalent to the Company's 90 consecutive day VWAP;
 - (iii) Redeemable Convertible Notes convert into a combination of cash and fully paid ordinary shares as defined in (i) and (ii); or
 - (iv) Company may extend the maturity date by a single further period of 12 months on a cash payment of \$250,000 extension fee to Mintech.

For further information contact:

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