
ASX Announcement and Media Release

29 October 2015

First Quarter Activities Report Ending 30 September 2015

Key Points:

CORPORATE

- Royal now owns 100% of Razorback tenements by new agreements with the vendors
- The Company raises \$590,250 through the completion of a placement
- Royal continues to pursue finance for the next stage of the Razorback Project
- This includes establishing a presence in China, with a desk service and consulting through support of 'Red River Group'

RAZORBACK PREMIUM IRON PROJECT

- Metallurgical review of Razorback Project underway by 'Mining Operations Consultancy'
- Sighter test work underway on diamond core material from the Razorback Project, for the purpose of optimising the proposed beneficiation flowsheet

RED DRAGON VENTURE

- New geophysical modelling updates magnetite exploration target for the Red Dragon Venture

CORPORATE

Financing

During the quarter, Royal Resources Limited (Royal) embarked on discussions with various parties regarding the required funding for the next stage of the Razorback Project. This included preliminary discussions with interested parties while presenting at the 15th China International Steel and Raw Materials Conference in Qingdao China during September. A follow up trip to China has been planned for the next financial quarter.

In addition, to further assist in our current pursuit of a project partner and investment into the Project, Royal has set up a China desk and consulting arrangements through Red River Group. The Red River Group is an established company with offices in China and Australia that specialise in China-focused international networking and business advisory services.

Tenement Acquisition

Royal Resources Limited (Company) has entered into new Variation Deeds with Mintech Resources Pty Ltd and Goldus Pty Ltd for the early resolution of outstanding tenement payments by Royal to complete the acquisition of the Red Dragon Venture tenements (Figure 1). The new agreements (see *ASX Announcement 11th August 2015 for details*) provides Royal with 100% ownership of the tenements, which includes the Razorback Project.

Placement

During the quarter, Royal announced the successful completion of a placement to raise \$590,250 by the issue of 39,350,000 shares at an issue price of \$0.015 per share. The placement was conducted under the Company's existing 15% placement capacity available under ASX Listing Rules 7.1 and was made to a sophisticated investor. The funds raised will be used to replace part of the working capital used for the cash payments made in respect to the acquisition of the Razorback tenements in accordance with the third variation deed between the company and Goldus Pty Ltd as described in the announcement on 11 August 2015.

RED DRAGON VENTURE - MAGNETITE

The Red Dragon Venture is located 250km NNE of Adelaide, South Australia and comprises a number of highly prospective magnetite prospects. The venture consists of four exploration licences: EL5432 EL5180, EL5240 and EL4811 that are 100% owned by Royal. The extensive Braemar Iron Formation is the host rock to the magnetite mineralisation in the project area and formation has a strike length of over 100km within the ground controlled by Royal.

Royal is focussing on the Razorback Project, comprising the Razorback Ridge, Razorback West, and Iron Peak Prospects (Figure 1). Royal has defined and announced over **3.9 Billion tonnes** of resources,^{1,2} from testing approximately 27% of the prospective ore body. The Razorback Project contains a magnetite concentrate equivalent resource of **418 Million tonnes at 67.4% Fe²**.

¹ Announced 21st November, 2012, "RED DRAGON VENTURE EXCEEDS 3 BILLION TONNES".

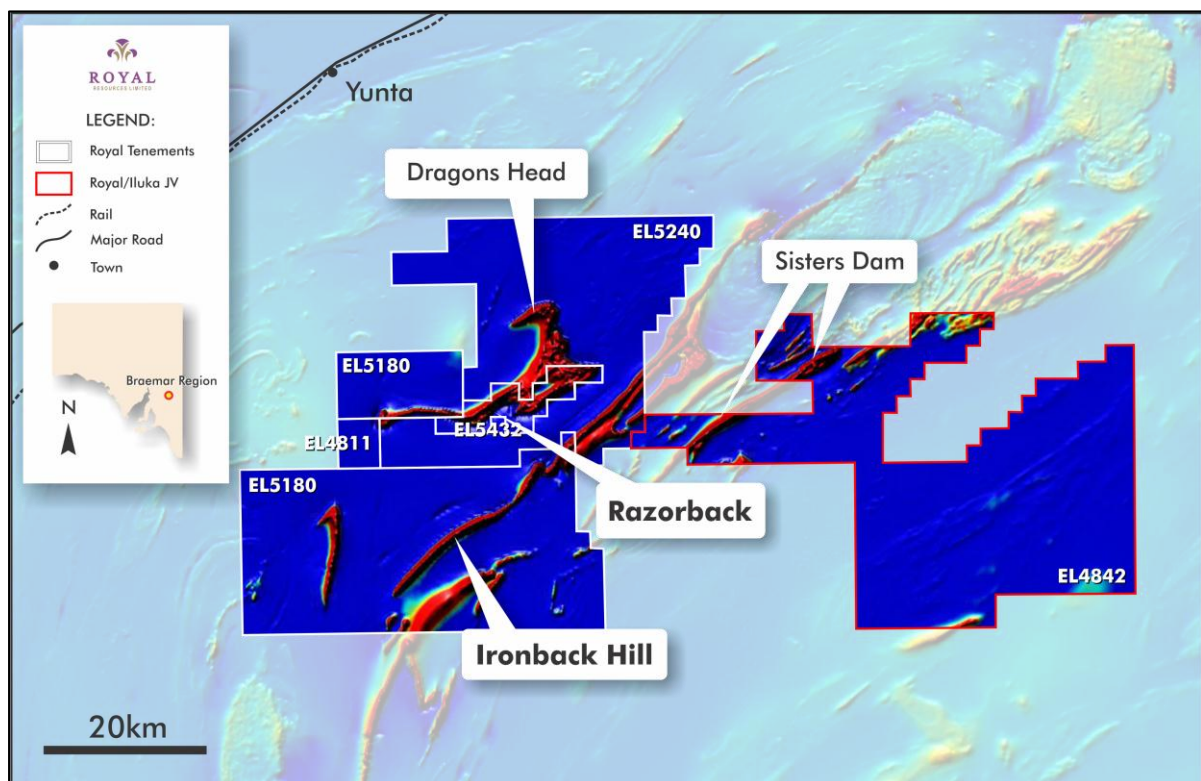
² Announced 11th June, 2013, "ROYAL OPTIMISES RAZORBACK RESOURCE".

RAZORBACK MAGNETITE PROJECT

Areas of activities at Razorback during the quarter include:

- An external review of previous metallurgical studies and processing flow sheet is currently underway by 'Mining Operations Consultancy'. This has included metallurgical sighter test work on diamond core material from the Razorback Project.
- A geometallurgical study on the Razorback Project, to better understand the mineralogy and rock properties of the deposit.

Figure 1: Red Dragon Venture prospect locations and area of the Razorback Magnetite Deposit



EXPLORATION POTENTIAL

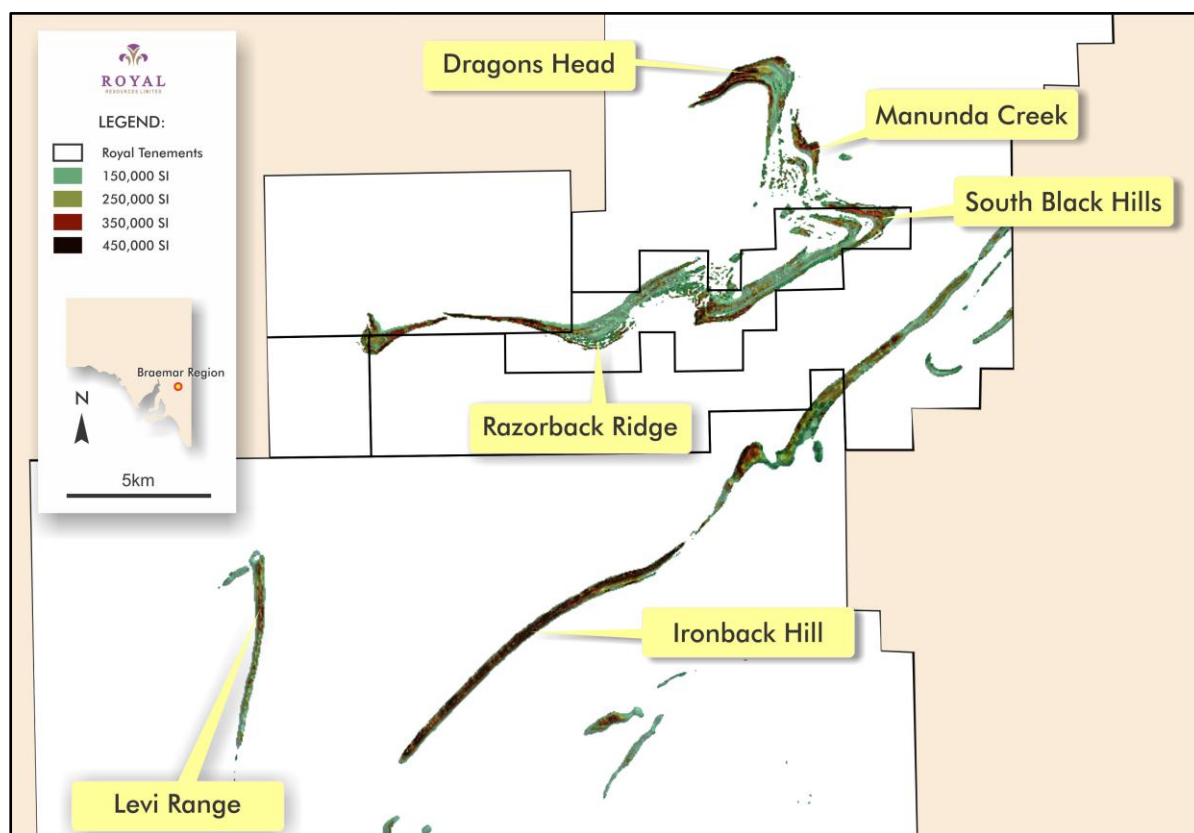
A revised exploration target for the Red Dragon Venture has been derived from recent inverted 3D modelling of Royal's detailed aeromagnetic data (See *Appendix 2* for methodology). The new model shows a total exploration target for the entire area held by Royal, to a depth of 400m RL, of between 16 billion tonnes to 32 billion tonnes, at similar grades to that seen at Razorback Ridge, ie, 11% to 25% magnetite DTR recovery. Note that 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.

This new model is substantially larger than the previous Exploration Target modelled by Royal in early 2011 (See *ASX announcement 24th March 2011*), which demonstrated a potential to host an exploration target of 4.8 Billion tonnes to 8.0 Billion tonnes at 18% to 45% Fe³. Similar aeromagnetic data and software is used in the current model as the 2011 model, but updated constraints have been applied. The new modelling uses parameters aligned with those determined from the optimised Prefeasibility Study and resource drilling, (see *ASX announcements on 11th July 2013 and*

27th November 2013) namely the reclassification of ore previously considered internal waste, increased in model depth by 100 metres, and a DTR cut off grade of 11% magnetite for the Razorback deposit. This estimation is considered a fair and representative estimation of the exploration potential based on the improved knowledgebase of the Red Dragon Venture.

The magnetic model of the Razorback deposit itself also identifies exploration targets near the current JORC 2004 Resource in untested Unit A and G at Razorback Ridge, as well as targets at the Interzone and Iron Peak prospects. Several areas in the Red Dragon Venture are identified as potential stand alone prospects of a similar nature to Razorback, including Manunda, South Black Hills, Dragon's Head, Big Cox and Ironback Hill East (Figure 2). It has been recommended that a fence line of drill holes at these recognised targets be undertaken to verify the model, and assist to prioritise and rank the areas for future resource development. Some of the key targets (i.e. Dragon's Head and Manunda) have already had exploration drilling, confirming the presence of thick, magnetite-rich strata, of similar or better grade to Razorback Deposit (see ASX announcement on 4th October 2012 and 1st July 2014).

Figure 2. 3D Geophysical modelling of the Red Dragon Venture



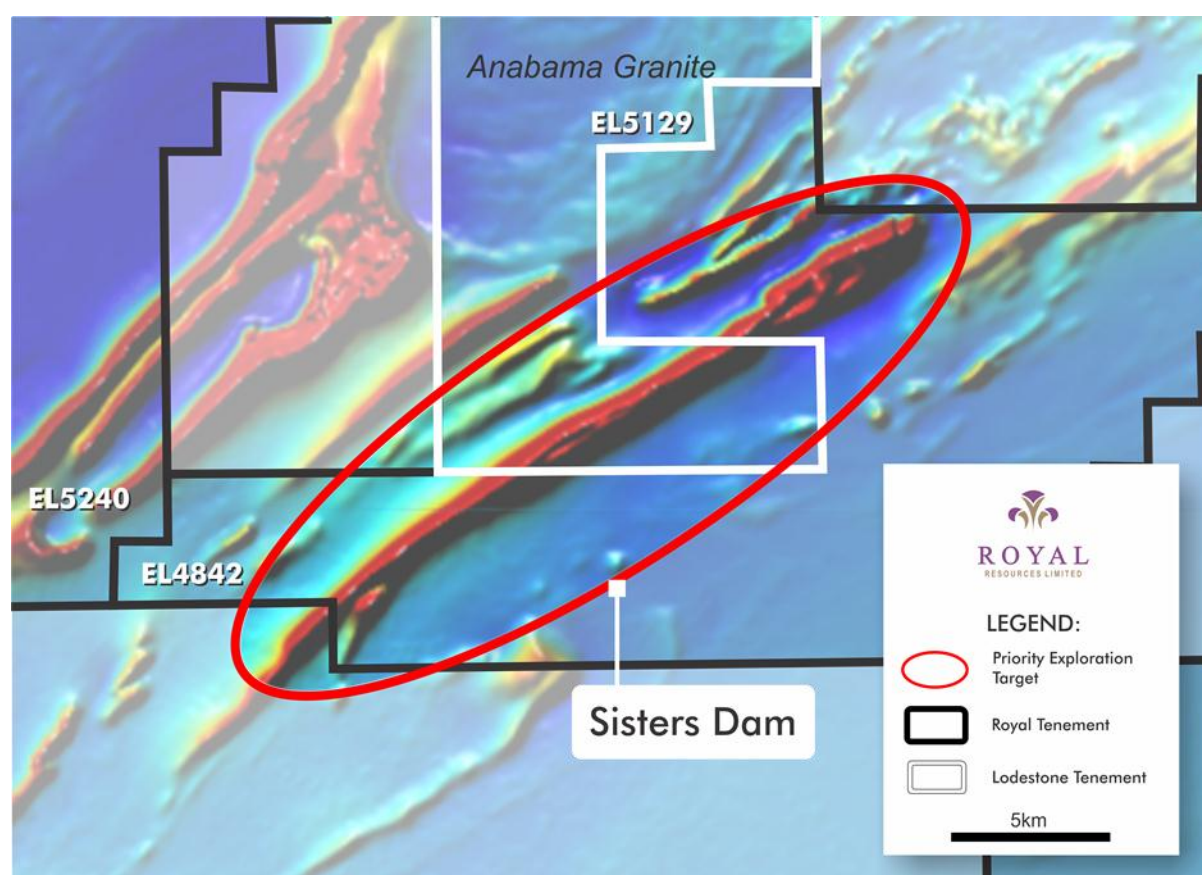
³ The details contained in the report dated 24 March, 2011 "EXPLORATION TARGET AND DRILLING UPDATE FOR RAZORBACK" that details the quoted exploration target as based upon information compiled by Mr Marcus Flis, BSc (Hons), MSc, at the time, a full-time employee of the Royal Resources Limited. Mr Flis 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.

SISTERS DAM - MAGNETITE

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 1). 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.

While no work was undertaken on the Sisters Dam prospect during the quarter, a ground magnetic survey is planned for the coming months.

Figure 3: TMI RMT 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 4). 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 km². Royal Resources has 100% ownership of the George Project.

Royal is currently looking at opportunities to divest this asset.

Figure 4: Project Locations, Northern Territory uranium and gold



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.

Figure 5: Cooper Hill Tenement Location



For further information contact:

Gordon Toll

Executive Chairman & CEO

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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 and Mr Widenbar is a member of Australian Institute of Geosciences (AIG) and Australian Institute of Mining and Metallurgy.. 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 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.

Dr England was responsible for the formulation of the current exploration target in this document. Note that there has been insufficient exploration to define a Mineral Resource in the reported exploration target 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.

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.

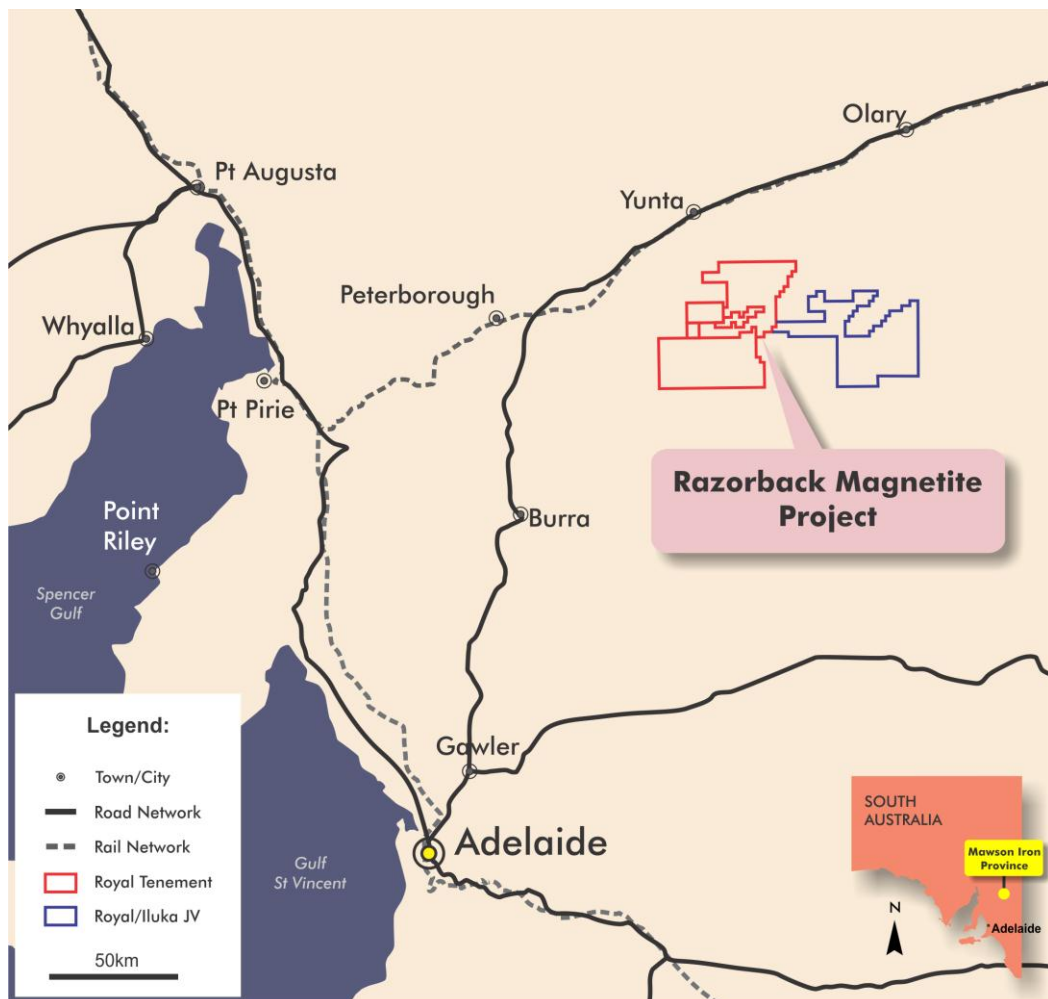
Table 1: Total JORC₍₂₀₀₄₎ Mineral Resource from the Razorback Premium Iron Project (11% eDTR cutoff).

Prospect	JORC Resource Classification	Million Tonnes*	eDTR%#	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%
Razorback	Indicated	833	16	21.7	45.2	7.3	0.2
	Inferred	1,532	14.6	16.1	50.2	8.5	0.17
Iron Peak	Indicated	203	16.8	20	45	7.67	0.18
	Inferred	163	15.6	17.1	46.7	8	0.16
Total	Mineral Resources	2,732	15.3	18.2	48.1	8	0.18
CONTAINED CONCENTRATE EQUIVALENT		418		67.4	4.74	0.54	0.016

* Tonnages rounded to significant values; totals 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)

Figure 6. Regional Geographical setting of the Red Dragon Venture



Appendix 2

Exploration Targeting Methodology

The Exploration Target is derived from the modelling of high resolution aeromagnetic data collected by UTS Geophysics in 2009-2010 on behalf of Royal Resources Limited. Flight line space was at 50 metres, with a 20 metres sensor height.

The exploration targeting study reported here is a combination of work completed by Royal Resources staff and Scientific Computing and Applications, an independent geophysical modelling company, was engaged to undertake the work. SCA use industry-respected University of British Columbia software to produce a constrained magnetic model based on 3-D voxels, or blocks (at either 40m³ or 100m³), that explains the observed aeromagnetic data (Figure 3). As the model returns a magnetic susceptibility distribution, rather than discrete bodies, the results need to be calibrated to known results. For this, the existing Razorback Deposit was used. This defined a magnetic susceptibility shell of 0.10 SI, determined as approximately equivalent to 11 % magnetite which is the current Razorback JORC 2004 Resource cut off (*see ASX announcement on 11th June 2013*), from which a volume is derived. A density of 3.2 t/m³ was applied to the modelled volume to convert it to a tonnage, identical to that used in the Razorback Resource JORC2004 calculation. The tonnage derived from the model is in line with Royal's estimate based on a geologically derived tonnage defined from strike length and average thicknesses of the magnetite horizon and supported by geological reconnaissance, exploration drilling and outcropping mapping.

As the magnetic model defines all magnetite in the area of interest, and not just the drilled resource, this procedure returns a very conservative tonnage estimate. That total tonnage was further discounted for areas that are unlikely to be realistic targets for mining, viz: areas where the bedded magnetite horizon is too thin to mine, areas which may be environmentally problematic to access (e.g., in major water courses), or zones that are "stranded", ie, too small and too distant from the major deposits to be economically viable.

1. JORC Code (2012)

1.1 Section 1 - Sampling Techniques and Data (Red Dragon Exploration Target)

There is no new drilling or surface sampling reported in this magnetic model, therefore not applicable to Section 1- Sampling techniques and data.

1.2 Section 2 - Reporting of Exploration Results (Exploration Target)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• Red Dragon Tenements EL5240, EL4811, EL5180 and EL5432 are 100% Royal owned and operated. A 1% royalty of value of product leaving the mine gate exists to be paid to the previous owner.• The project area covers a combination of Perpetual and Pastoral Lease.• Perpetual leases are not subject to Native Title, however Pastoral leases are.• Royal Resources has a Native Title agreement in place• The tenements are in good standing.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none">• Acknowledgment and appraisal of exploration by other parties.	<ul style="list-style-type: none">• Historical exploration for Iron Ore on the Braemar Iron Fm has been undertaken by the South Australian Chamber of Mines at Razorback. Minor drilling (3 diamond drill holes) and an Adit excavated to test iron mineralisation in the 1960's

	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • 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.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ◦ 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. 	<ul style="list-style-type: none"> • Not applicable
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Not applicable
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • 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'). 	<ul style="list-style-type: none"> • Not applicable
<i>Diagrams</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All diagrams are to scale, contain MGA94 Zone 54 co-ordinates and display a North Arrow and scale bar for reference.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Not applicable
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Exploration drilling has been performed at Manunda Creek and Dragon Head (see ASX announcement on 4th October 2012 and 1st July 2014). • Braemar Iron Formation mapping has been performed at a 1:25,000 scale across the tenement. • JORC 2004 Resources were determined at Razorback Deposit and Ironback Hill Prospect, with latest Resource update completed and reported to the ASX in 11th June 2013 • A base case PFS was reported to the ASX at Razorback on 13th Jan 2013 and optimisation reported 27th Nov 2013 • This data was used in determining constraints on the Exploration Target reported.
<i>Further work</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • As the exploration Target is derived from aeromagnetic modelling, they will require drilling to determine true mineralisation thickness and grade.

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

34 108 102 432

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (3 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(164)	(164)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(379)	(379)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	9	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income tax benefit – R&D refund	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(534)	(534)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	(770)	(770)
	(b) equity investments	-	-
	(c) other fixed assets	(2)	(2)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Redemption of security bonds (provide details if material)	-	-
Net investing cash flows		(772)	(772)
1.13	Total operating and investing cash flows (carried forward)	(1,306)	(1,306)

+ 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)	(1,306)	(1,306)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	590	590
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	-	-
	Net financing cash flows	590	590
	Net increase (decrease) in cash held	(716)	(716)
1.20	Cash at beginning of quarter/year to date	1,753	1,753
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,037	1,037

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

On 31 August 2015, the Company issued redeemable convertible notes with a face value of \$2.5 million in accordance with the Third Variation Deed between Mintech Resources Pty Ltd, Razorback Iron Pty Ltd and the Company dated 11 August 2015 on the terms and conditions announced on 31 August 2015

- 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	186
4.2 Development	-
4.3 Production	-
4.4 Administration	191
Total	377

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	137	553
5.2 Deposits at call	900	1,200
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,037	1,753

+ 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	EL5441	Exploration Licence	100%	-
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 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	393,329,539	393,329,539	-	-
7.4 Changes during quarter				
(a) Increases through issues	39,350,000	39,350,000	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities (description)	-	-	-	-

+ 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	Options (description and conversion factor)	5,750,000 500,000 2,700,000 6,750,000 1,450,000 6,500,000 6,500,000	- - - - - - -	<i>Exercise price</i> \$0.28 \$0.075 \$0.049 \$0.21 \$0.07 \$0.16 \$0.10	<i>Expiry date</i> 29/11/2015 25/03/2016 01/07/2016 27/11/2016 01/07/2017 27/11/2017 31/10/2018
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	2,100,000 500,000	-	\$0.225 \$0.19	09/07/2015 29/07/2015
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:
(Company Secretary)

Date: 29 October 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.

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+ 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 September 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
NORTHERN TERRITORY						
GEORGE	EL24550	100%	100%	-	-	-
AMANGAL	EL27354	100%	100%	-	-	-
SOUTH AUSTRALIA						
PUALCO ⁽¹⁾	EL5180	-	100%	-	-	-
RED DRAGON ⁽¹⁾	EL5240	-	100%	-	-	-
RAZORBACK RIDGE ⁽²⁾	EL5432	100%	100%	-	-	-
DRAGON'S TAIL	EL4811	100%	100%	-	-	-
COOPER HILL	EL5340	100%	100%	-	-	-
VICTORY DAM	EL5441	100%	-	-	-	-
TWO SISTERS ⁽³⁾	EL4842	-	-	-	-	-

- Note 1 Pursuant to a new Variation Deed dated 11 August 2015, Royal has negotiated to finalise the acquisition of 100% interest in EL5432 covering the Razorback Ridge area on the terms and conditions announced on 11 August 2015.
- Note 2 Pursuant to a new Variation Deed dated 11 August 2015, Royal has negotiated and completed the acquisition of 100% interest in EL5180 and EL5240 covering the area surrounding the Razorback Ridge area on the terms and conditions announced on 11 August 2015.
- 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.