



ROYAL
RESOURCES LIMITED

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The Manager
Companies Announcement Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

Dear Sir/Madam



IRON ORE RIGHTS – WARRIEDAR JOINT VENTURE

Royal Resources Limited (“ROY”) is pleased to announce that an agreement has been reached with Gindalbie Metals Limited (“GML”) to progress the iron ore exploration on the Warriedar Joint Venture tenements located in the Midwest Iron Ore Province (see attached map) and at the same time retain ROY’s free carried interest in the other commodities within the existing joint venture.

Under the new Warriedar Joint Venture arrangement ROY (40%) and GML (60%) have agreed to the following terms:

- GML to spend \$1 million over 3 years to earn a 60% equity in any iron ore resource on the joint venture tenements;
- GML must spend a minimum of \$300,000 during the first 12 months, which must include a minimum of 1,500 metres of drilling before GML can withdraw; and
- GML shall pay ROY a royalty of \$0.35 per tonne mined from the joint venture tenements if ROY’s interest in the joint venture dilutes below 5%.

The Warriedar Joint Venture tenements cover an area of approximately 150km² and form part of ROY’s Pinyalling Hills Iron Ore project.

The exploration commitment by GML to extend their exploration for iron ore resources in the region reflects the long term view held by GML and ROY that the Midwest region is becoming one of the state’s major mineral resource areas.

The Warriedar Joint Venture tenements host Banded Iron Formation (BIF) units that extend southwards to the known iron ore deposits of Blue Hills, Murgada and Karara.

ROY's progressing iron ore exploration in the region has advanced a number of the prospect areas including Iron Ridge, Thatcher and the Plateau. These prospects are ready to be drilled as soon as the ground clearance approvals are granted by the Department of Industry and Resources.

Yours sincerely
ROYAL RESOURCES LIMITED

A handwritten signature in black ink, appearing to read 'Frank DeMarte', with a stylized, sweeping flourish extending to the right.

Frank DeMarte
EXECUTIVE DIRECTOR

For further information about Royal Resources Limited.

Website: www.royalresources.com.au

Contacts:

Philip Crabb
Director
Royal Resources Limited

or

Brian Richardson
Director
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The details contained in this report that pertain to ore and mineralisation is based upon information compiled by Mr Bryan Bourke, a full-time employee of the Company. Mr Bourke is a Member of the Australasian Institute of Geoscientist (AIG) 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). Mr Bourke consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

