ASX ANNOUNCEMENT

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OPEN BRIEFING - CORRECTION

In an Open Briefing report lodged with the Australian Stock Exchange ("ASX") on 21 December 2006 it was reported that the combined inferred gold resources for the Rothsay and Baron Rothschild gold projects were 249,000 ounces of gold. This should have read 149,000 ounces of gold.

ROYAL RESOURCES LIMITED

Brian Richardson
DIRECTOR

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Title: Open Briefing®. Royal Resources. Chairman Updates Exploration Program

Record of interview:

corporatefile.com.au
Royal Resources Limited (ASX code – ROY) is exploring for iron ore and gold in Western Australia. Can you quickly summarise the exploration work Royal has carried out since listing in April 2006?

Chairman Rick Crabb
Royal has been very active in pursuing its exploration objectives in the last 8 months and despite a number of setbacks in gaining regulatory approvals we have achieved considerable progress. We have carried out a broad assessment of our prospective iron ore resources and our Plateau prospect is returning results that we believe are encouraging. The near surface hematite/goethite ironstone we have identified at the Plateau prospect has potential as a Direct Shipping Ore (DSO) through the Port of Geraldton or alternatively as a suitable blending ore as gate sales to the other Midwest iron ore producers.

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In early August 2006 and more recently, Royal completed drilling programs on the Plateau iron ore prospect area. How much drilling have you done? What intersections did you obtain that could reasonably be classified as having commercial potential? What is the forward plan?

Chairman Rick Crabb
The first RC program comprised 25 holes and we have very recently completed a further 23 holes within a much smaller area to assess the lateral continuity of the hematite goethite zone. The results received to date from both drilling programs are very encouraging and we will continue to build on this with further drilling to a point where we can outline a JORC compliant resource. The drill intersections we have recorded to date are very comparable to those of the "Channel Iron Deposits" of the Pilbara and therefore are being assessed as "Direct Shipping Ore (DSO).

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You've estimated that a small part of the Plateau prospect area contains 12-14 million tonnes of Direct Shipping Ore. What has drilling revealed about the lateral continuity of the ironstone/hematite mineralisation? What proportion of the total prospect area contains the 12-14 million tonnes? How will you advance the prospect to potential production?

Chairman Rick Crabb
The drilling has confirmed that although there is the inevitable variability in the width and grade of the mineralisation in the small area we targeted there is good continuity in the lateral distribution of the mineralisation. The area assessed in this last drilling covered an area of approximately 0.8 km^2 which is about 7% of the area covered by the Plateau prospect and there remain a number of further targets that we can look at in more detail. Our current drilling is still very widely spaced and to continue to advance the prospect we will complete further infill drilling and also extend this to other areas where we have identified near surface mineralisation. In 2007 we are expecting to identify further areas of mineralisation and to keep adding to the potential resource base.

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What other iron ore prospects have emerged as your main priorities for drilling as a result of your exploration work since listing?

Chairman Rick Crabb
In August 2006 we completed an airborne magnetic and radiometric survey over our Tallering project which is located immediately to the east of the Mount Gibson Tallering Peal iron ore mining operations. The magnetics data confirmed that the same Banded Iron Formations (BIF) being mined at Tallering extend into Royal's tenement. We have completed two drill holes into the BIF and we are encouraged that this area holds very good promise for locating prospective hematite mineralisation. The two holes completed in the BIF indicate that the unit is in excess of 60 metres in width and there is an interpreted 3 kilometres of strike in Royal's tenement.

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When do you expect to do the next round of drilling? What approvals do you need?

Chairman Rick Crabb
Over the last 8 months we have completed much of the ground work to comply with the statutory requirements to complete our field programs and going forward now we do not envisage that we will have as many delays that we have experienced this year. For our ongoing drill programs, and we have another commencing in early January 2007, we have laid the ground work and a majority of the approvals we require for this work we have existing approvals.

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You recently announced that your Tallering Project is far more geologically complex and therefore of greater exploration interest than previously interpreted. Can you explain why?

Chairman Rick Crabb
The Tallering project area does not have much outcrop and the area is extensively covered with thick bush and recent sediments. The airborne magnetic survey maps below all this and the imaged data we received following the survey shows the project area has considerably more geological complexity than we would have thought. For example the BIF units in the western area of the tenement had not previously been mapped and subsequent field reconnaissance work confirmed their presence in an area where there is relatively thick bush cover. The area is also extensively dissected by intrusive dykes which indicate that the area has been one tectonic activity and therefore one of change and complexity.

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Earlier this year, Royal announced a joint venture agreement with Gindalbie covering the Warriedar Joint Venture (ROY 40%). Warriedar is part of your Pinyalling Hills Iron Ore project. Can you give an update on that JV?

Chairman Rick Crabb
Yes, the Warriedar Joint Venture (JV) is part of our Pinyalling Hills Iron Ore projects which as you will be aware also includes Royal's other iron ore prospects we have in the Midwest region. We recently announced that the budget and program for the next 6-9 months on the Warriedar Joint Venture tenements has been approved. Gindalbie is planning to spend about $370,000 over the next 6-9 months with a majority of this expenditure to be on drilling. Royal is very encouraged by the efforts by Gindalbie in progressing the exploration on these highly prospective tenements in the Midwest region.

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In mid year, Royal joined the Geraldton Iron Ore Alliance alongside Mt Gibson Iron Ore, Gindalbie Metals, Midwest Corporation, Golden West, Murchison Metals and Precious Metals Australia. As the smallest in that group by market capitalisation, how can you work towards maximising the benefits of the alliance for Royal?

Chairman Rick Crabb
Royal's membership of the Alliance is a very positive one. Although we are presently one of the smaller players in the Alliance we feel we have benefited significantly in learning form the other members and at the same time our support in their more significant environmental and infrastructure issues has been positive for them. The long term development of the iron ore industry in the Midwest region requires significant planning at all levels of government and the Alliance being able to present a united industry position is paramount if it is to succeed.

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Your two gold projects, Rothsay and Baron Rothschild, have combined inferred resources of 149,000 ounces. You've explained previously that Baron Rothschild has potential for extension at depth and that there are four highly prospective areas in the Rothsay area. What conclusions did you draw from the recent drilling at Baron Rothschild? When do you expect to do further drilling at either project?

Chairman Rick Crabb
We completed two drill holes at the Baron Rothschild with the objective of locating a footwall lode that was interpreted from the block and wire frame modelling undertaken in early 2006. The drilling intersected about 12 metres of gold mineralisation within the footwall position however the tenor of the grades was in the 1-2 g/t Au range and not the higher grades anticipated. The inferred gold resource still remains at about 62,000 ounces of gold.

We have not undertaken any detailed gold exploration at Rothsay over the last 8 months. We have had a number of ASX listed companies approach us with the intention of buying the gold project and with one company these discussions are reasonably advanced. We are expecting to know the outcome of Rothsay sale in the beginning of 2007.

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Royal also recently announced that it would be increasing its efforts in exploring for base metals in the Midwest region of Western Australia. Can you explain why you're re-initiating base metal exploration in this area? What's the forward plan?

Chairman Rick Crabb
Royal has long recognised that no exploration company can overlook what has been undertaken in the past. The Fields Find layered intrusion since the 1960's has been regarded as a prospective geological feature where extensive soil and drill hole anomalies of Cu, Ni, and Platinum Group Elements (PGE's) are evident but no bedrock source for this mineralisation has been located. A number of holes recently completed by Royal intersected disseminated sulphides in an unexposed layered gabbro. Royal considers this to be a major breakthrough in the exploration opportunities in the Fields Find layered intrusion for locating potential massive sulphide sources.

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In summary, what projects are shaping as your better exploration projects?

Chairman Rick Crabb
In looking forward Royal have a number of projects that have been progressed since we floated 8 months ago. Our iron ore exploration in the Midwest region has not been without a number challenges however we have been successful in outlining a prospective mineralised area at our Plateau prospect. We have acquired a number of very exciting tenements in the Pilbara and we will be actively exploring these in 2007. The Tallering project is in its early stages and we believe there are very good geological reasons for locating a range of minerals including iron ore, gold and base metals. The Fields Find nickel, copper and PGE opportunities cannot be ignored and we are hopeful we can unlock the enigmatic secrets of this area. All in all I believe Royal is well positioned to have an exciting and rewarding 2007.

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Thank you Rick.

For further information on Royal Resources visit www.royalresources.com.au or call Rick Crabb on 08 9321 9680.

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