ASX ANNOUNCEMENT

30 April 2007

Royal Resources Limited
ABN 34 108 102 432

For further information regarding Royal Resources Limited contact:

Philip Crabb
Chairman

or

Brian Richardson
Director

Phone: + 61 8 9321 2152
Fax: + 61 8 9321 9670

Website:
www.royalresources.com.au

Email:
info@royalresources.com.au

Registered Office:
Suite 2,
Level 3, IBM Building
1060 Hay Street, West Perth
Western Australia 6005

Po Box 7363,
Cloisters Square
Perth Western Australia
6850

ROYAL
RESOURCES LIMITED

THIRD QUARTER ACTIVITIES REPORT & CASHFLOW REPORT 31 MARCH 2007

HIGHLIGHTS

IRON ORE

- **Outcropping hematite mineralisation located in the Warriedar Joint Venture tenements in the Midwest region.**
- **Ballot in Warden's Court won for Pilbara iron ore tenement E47/1615. Granting of tenement underway.**
- **Strategic review completed on Royal's iron ore projects in the Midwest and Pilbara.**

URANIUM USA

- **Uranium Exploration Joint Venture formed with Lynx 2 LLC of Salt Lake City, Utah, USA.**

GOLD

- **Reverse circulation (RC) drilling completed on Jezabeel prospect, Norseman. Wide zones of gold mineralisation intersected.**
- **Sale of Rothsay gold project and gold exploration rights on the Midwest region tenements at advanced stage.**

Royal Resources Limited ("Royal") is a major tenement holder in the Midwest Iron Ore Province, of Western Australia. Since listing in April 2006 Royal has added to its iron ore projects and now has a further eight tenements in the Pilbara region of Western Australia.

In the Midwest area Royal holds title to approximately 470 square kilometres and a further 150 square kilometres in two joint ventures. Royal has an iron ore joint venture with Gindalbie Metals Limited (60%) ("Gindalbie") whereby Gindalbie are earning their interest through the expenditure of $1 million over three years. The second JV is for gold and base metals with Monarch Gold Mining Company Limited (60%). Royal's (40%) interest in the joint venture is free carried up to the definition of mineral reserves.

Royal is continuing to advance a number of the iron ore prospects in the Midwest region and will be increasing its exploration efforts in the Pilbara during 2007.

Royal announced in early April 2007 that it has entered into an Option and Joint Venture Agreement with Lynx2 LLC ("Lynx") of Salt Lake City, Utah, USA with the purpose of acquiring uranium and other mineral properties. Lynx and its principals have agreed to an exclusive arrangement with Royal and initial prospect areas identified are now being acquired for the joint venture.

Royal is continuing to advance a number of its projects. (See Project Location Map). The results of these studies and planning programs for the next quarter follows:

PLATEAU IRONSTONE PROJECT

In 2006 Royal completed two drilling programs on its Plateau Ironstone project located in the Fields Find area of the Midwest region. The Plateau iron mineralisation comprises a near surface hematite-goethite pisolite ironstone. The best intersection to date from the widely spaced drilling is 5 metres from surface @ 57.8% Fe. The near surface extent, 1 – 12 metres, and the relatively low levels of contaminants, particularly the exceptionally low phosphorous are two positive factors for producing a Direct Shipping Ore ("DSO").

As an indication of the Plateau mineralisation potential an area of 1 square kilometre with a indicative width of 5 metres has the potential to contain about 15 million tonnes of goethite-hematite pisolitic mineralisation.

Royal is continuing to look at a number of options including the opportunity to develop early cash flow by direct sales through the Port of Geraldton or via gate sales to existing or prospective iron ore producers in the Midwest region.

WARRIEDAR JOINT VENTURE

On 23 April 2007, Royal made the following announcement to the ASX Limited ("ASX") regarding the discovery of significant hematite mineralisation on the Midwest Warriedar Joint Venture tenements:

"The Warriedar Joint Venture between Royal Resources Limited ("Royal") and Gindalbie Metals Limited ("Gindalbie") covers tenements in the central area of the Midwest iron ore province. Gindalbie can earn a 60% interest in the iron ore rights by the expenditure of $1,000,000 on exploration over three (3) years

Recent regional mapping and surface sampling by Gindalbie over prospective Windanning Banded Iron Formation ("BIF") units identified a number of significant targets called the Lister, Gap and Shine Prospects situated where the Windanning Formation comes into close proximity to the Mougooderra Shear Zone (see Warriedar Joint Venture Project map). A fourth target at the Hippo Prospect identified high-grade iron with low-contaminants associated with scattered subcrop of goethite-rich BIF outcrops. ***The Shine Prospect consists of a single zone over 900 metres of***

strike with widths between 10 – 20 metres thickening to maximum of 40 metres*. Lister and Gap consist of 2 – 3 zones of enrichment over 500 metres and 280 metres respectively. Widths are typically mapped as between 5 – 20 metres; however widths cannot be accurately predicted due to the nature of outcrops.*

At the Hippo Prospect located 20 kilometres south of Lister mineralisation consists of high-grade low-contaminant material associated with scattered small goethite-rich BIF outcrops. These zones are interpreted to represent narrow BIF units, however outcrop is very poor and requires RAB/RC drilling to determine the significance of the outcrops. Several other smaller hematite occurrences were identified which require further investigation.

These four (4) new discoveries have the potential to host additional resources to further strengthen Gindalbie's current hematite resource inventory in the Karara Hematite Project. Gindalbie is targeting commencement of hematite mining and exporting mid 2008 and Royal has an opportunity to be a participant in this operation.

Better results from rockchip sampling of the newly discovered hematite occurrences are tabulated below."

Rockchip results for Warriedar Joint Venture

Sample	North MGA Z50	East MGA Z50	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
			Lister Prospect				
GR1729	6,802,308	493,197	57.7	8.1	4.4	0.01	4.4
GR1728	6,802,319	493,143	57.8	3.9	3.1	0.15	8.8
GR1738	6,802,337	493,154	58.5	5.4	1.8	0.09	8.6
GR1734	6,802,361	493,190	58.3	3.7	1.8	0.09	10.2
GR1733	**6,802,386**	**493,235**	**64.0**	**3.5**	**1.0**	**0.11**	**3.8**
GR1740	6,802,665	493,310	58.8	2.8	1.5	0.03	10.8
			Gap Prospect				
GR1743	6,807,218	493,910	63.5	2.5	1.0	0.14	5.1
GR1744	6,807,222	493,937	62.0	2.6	2.0	0.08	6.2
GR1747	6,807,228	493,973	61.6	3.5	2.1	0.07	5.7
GR1745	6,807,267	493,897	62.2	3.3	0.7	0.02	6.5
GR1746	**6,807,388**	**493,965**	**64.0**	**1.5**	**1.2**	**0.09**	**5.7**
			Shine Prospect				
GR1750	6,808,037	493,852	62.1	4.9	2.3	0.02	3.5
GR1749	6,808,120	493,909	63.0	1.6	0.6	0.07	7.2
GR1751	**6,808,164**	**493,881**	**64.2**	**1.3**	**0.9**	**0.05**	**5.7**
GR1752	6,808,399	493,843	59.9	4.0	2.1	0.07	7.0
GR1753	6,808,710	493,759	61.6	3.1	2.1	0.12	6.3
GR1755	**6,808,804**	**493,739**	**66.7**	**1.7**	**0.6**	**0.13**	**2.1**
GR1754	6,808,915	493,669	62.7	2.5	1.3	0.12	5.9

Sample	North MGA Z50	East MGA Z50	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
			Hippo Prospect				
GR1961	**6,781,212**	**493,518**	**64.7**	**0.5**	**0.2**	**0.02**	**6.8**
GR1959	6,781,518	493,625	63.5	0.7	0.3	0.06	8.1
			Regional Rockchips				
GR1723	6,798,079	492,049	56.4	4.4	2.2	0.19	11.6
GR1721	6,799,178	492,760	55.9	4.9	6.4	0.04	6.6
GR1724	6,799,852	492,785	55.9	3.0	5.5	0.03	10.2
GR1965	6,800,307	492,885	57.3	5.3	2.8	0.08	9.3
GR1726	6,801,671	493,272	57.6	5.6	4.0	0.10	6.4

NEWMAN, PILBARA – IRON ORE CLAIM E47/1615

On 7 March 2007, Royal announced to the ASX that it had been successful in a ballot with respect to Exploration Licence Application EL47/1615 located about 45 kilometres to the northeast of Newman (see Pilbara Tenement location map). The tenement covers approximately 208 square kilometres. BHP Billiton's Newman – Port Hedland railway traverses through the western boundary of the tenement.

PILBARA IRON ORE

Royal holds a 100% interest in eight tenements in the Pilbara where the primary exploration focus will be for iron ore. Three of the tenements are part of the Prairie Downs project located immediately to the west of the world class Mt Whaleback iron ore mine. The remaining five tenements are located to the north and west of Newman and are presently proceeding through the granting procedure.

Royal is currently completing its data research on each of the tenements and will undertake field reconnaissance on each of the tenements during the next quarter.

STRATEGIC REVIEW – MIDWEST AND PILBARA IRON ORE PROJECTS

In April 2007 Royal commissioned an Independent Iron Ore expert to undertake a strategic review of the alternatives available to Royal in extracting value from its iron ore tenements both in the Midwest and the Pilbara. The review noted that value from the tenements can be generated from an iron ore asset either by sale or in the development of a mining operation and each of Royal's project areas was assessed on this basis. The report has provided a focus for planned exploration for the remainder of 2007.

USA URANIUM EXPLORATION JOINT VENTURE

In April 2007, Royal announced that it has entered into a Joint Venture/Option Agreement with a USA company Lynx2 LLC ("Lynx") who have extensive experience in uranium exploration and mine development.

The principals of Lynx, in addition to their uranium experience, have a very good knowledge of other mineral commodities. Royal see the alliance as a small step in being able to get very good exposure to North and South America exploration opportunities.

The areas being acquired by Royal and Lynx for its first project are located in a region where there has been significant past production of uranium and geologically offers considerable scope for further resources.

Over the next three months Royal and the Joint Venture partners will continue with land acquisition and registration. When this has been completed Royal will be able to provide more detail on the projects and their locality.

WATER TANK PROJECT

The Water Tank gold project, located approximately five (5) kilometres to the east of Norseman, is one of Royal's more prospective gold areas.

In the southern area of the project previous exploration located a strongly anomalous gold zone extending over a strike of about 700 metres and up to 80 metres wide within the saprolite horizon of weathered mafic volcanics. The prospect area is uniformly covered with 20 – 25 metres of transported clays and alluvium masking much of the bedrock.

In late February – early March 2007 seven reverse circulation drill holes were completed on four 100 metre spaced sections to test for prospective bedrock structures hosting or sourcing the interpreted supergene gold mineralisation.

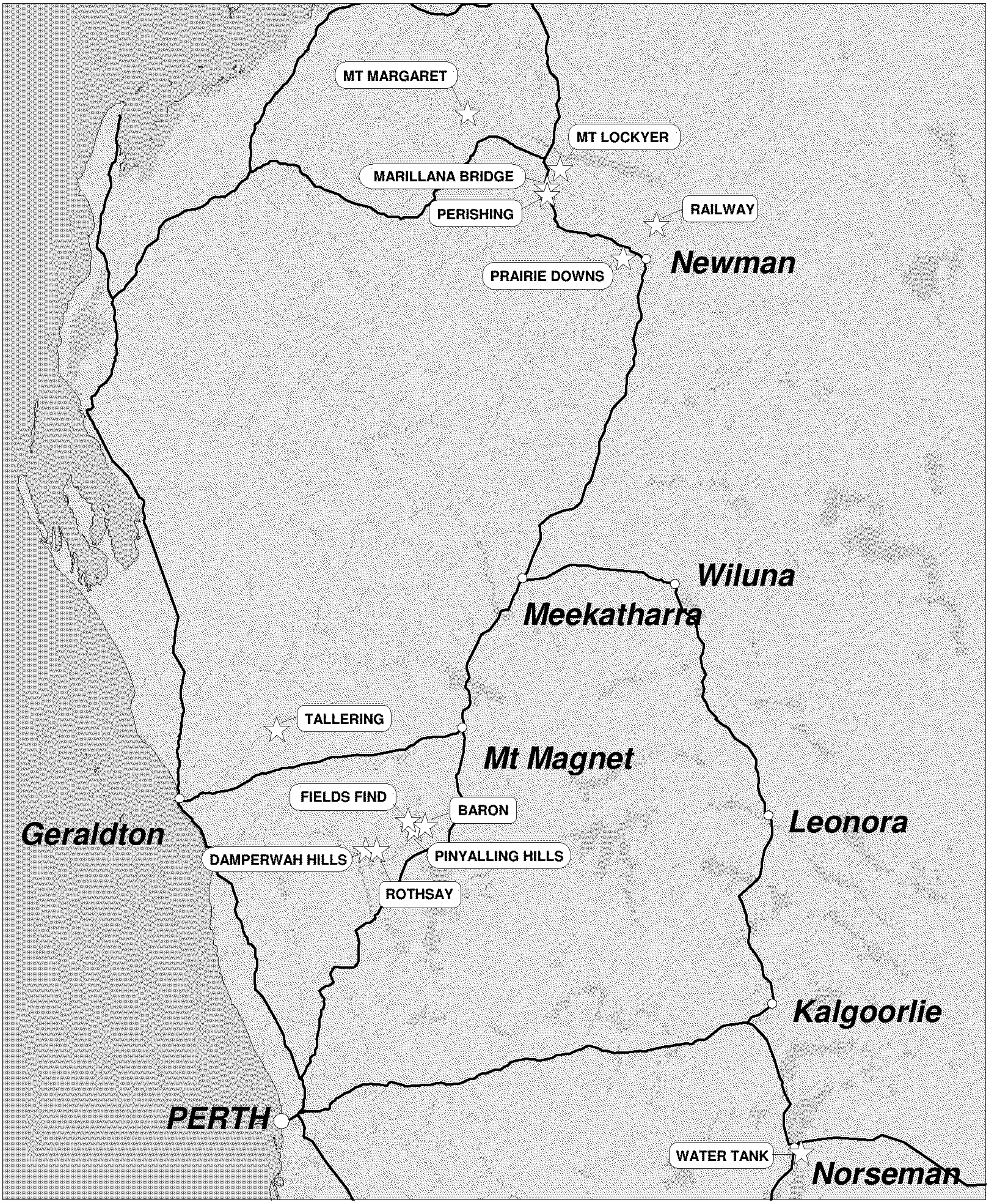
The assay results from the drilling have confirmed the wide distribution of gold in the partly weathered supergene zone with four of the seven holes recording multiple zones of anomalous gold geochemistry. The best intersection was in hole WTRC 040 which assayed 3 metres @ 2.67 g/t Au from 25 metres to 28 metres.

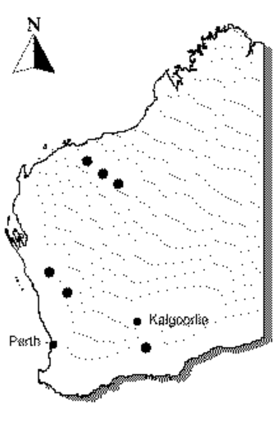
The Water Tank project is not one of Royal's core project areas and for this reason the company is presently discussing Joint Venture opportunities with a number of mining and exploration companies who are active in the Norseman area.

ROTHSAY GOLD PROJECT AND FIELDS FIND GOLD EXPLORATION

Royal is presently considering a number of proposals for the purchase of its Rothsay gold project and is expecting to make an announcement in the next quarter. Interest has also been expressed in a possible Joint Venture for gold in the Fields Find and Baron Project areas.

The details contained in this report that pertains 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.





LEGEND

☆ Granted tenements

☆ Tenement Applications

ROYAL
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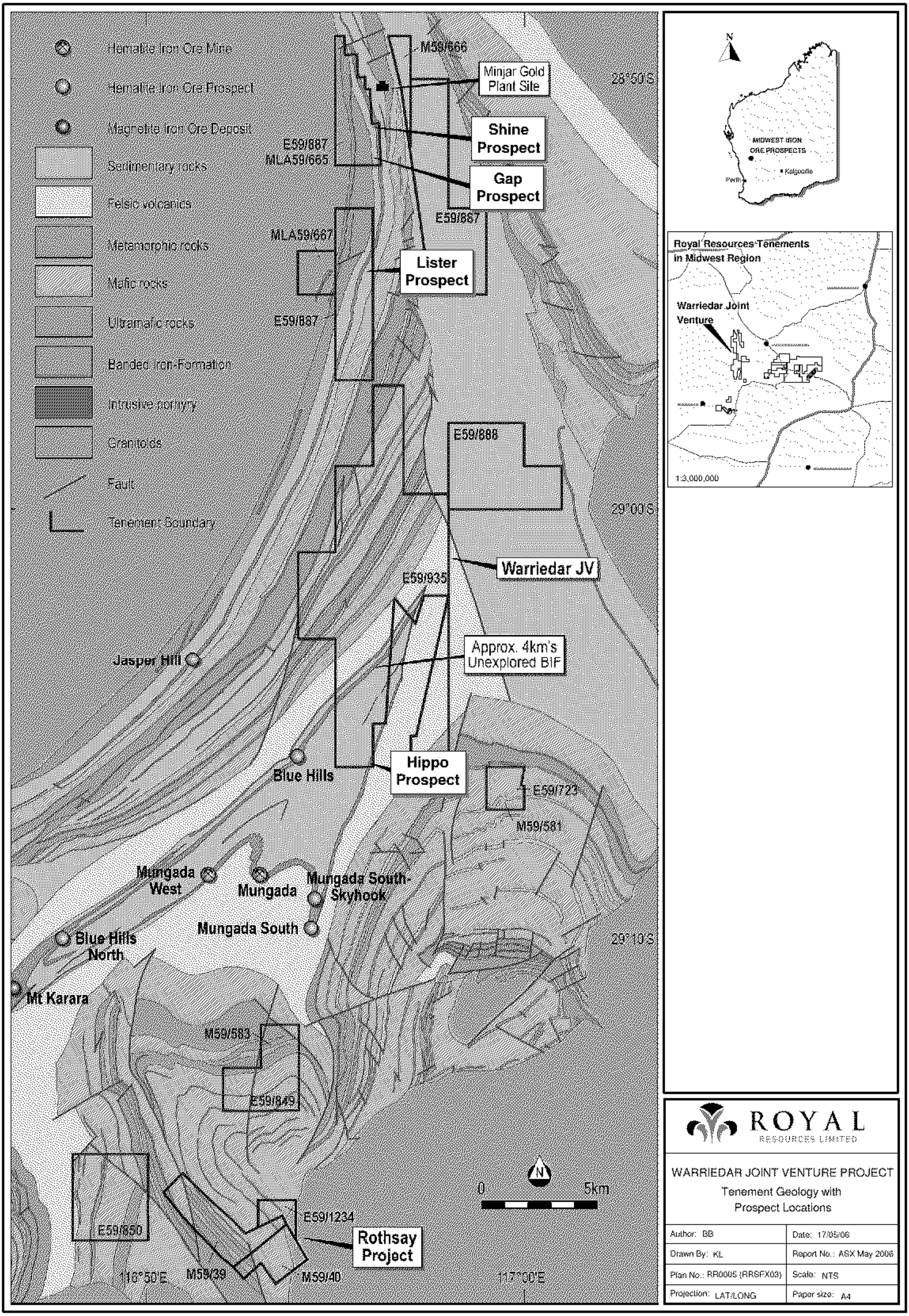
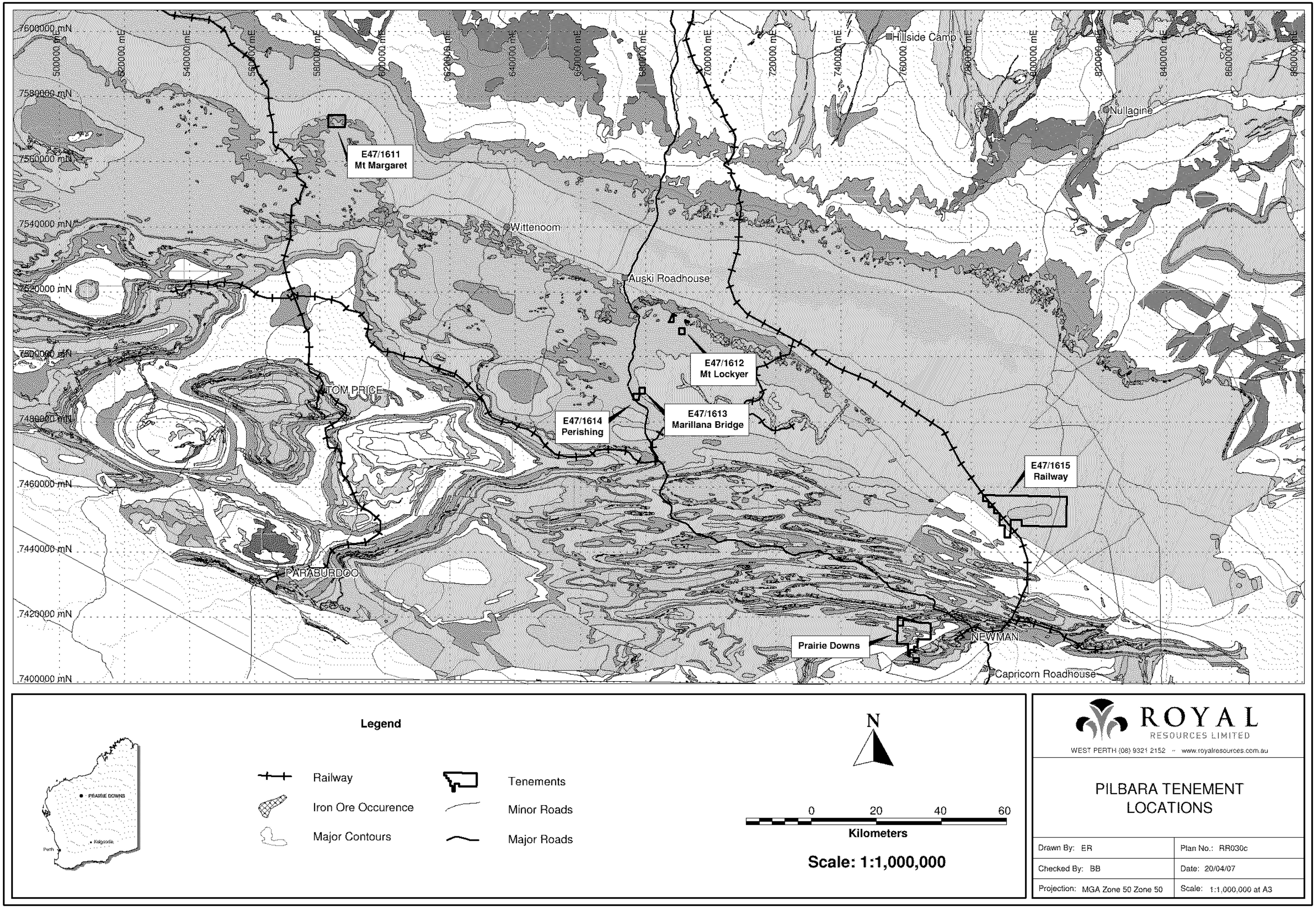
PROJECT LOCATIONS

Drawn By: ER	Plan No.: RR038a
Checked By: BB	Date: 25/01/07
Projection: MGA Zone 50 (GDA 94)	Scale: 1:4,000,000 at A3


Hematite Iron Ore Mine
Hematite Iron Ore Prospect
Magnetite Iron Ore Deposit
Sedimentary rocks
Felsic volcanics
Metamorphic rocks
Mafic rocks
Ultramafic rocks
Banded Iron-Formation
Intrusive porhyry
Granitoids
Fault
Tenement Boundary
M59/666
Minjar Gold Plant Site
28°50'S
Shine Prospect
E59/887
MLA59/665
Gap Prospect
E59/887
MLA59/667
Lister Prospect
E59/887
E59/888
29°00'S
Warriedar JV
E59/935
Approx. 4km's Unexplored BIF
Jasper Hill
Blue Hills
Hippo Prospect
E59/723
M59/581
Mungada West
Mungada
Mungada South-Skyhook
Mungada South
Blue Hills North
29°10'S
Mt Karara
M59/583
E59/849
E59/850
0
5km
E59/1234
Rothsay Project
116°50'E
M59/39
M59/40
117°00'E
MIDWEST IRON ORE PROSPECTS
Perth
Kalgoorlie
Royal Resources Tenements in Midwest Region
Warriedar Joint Venture
1:3,000,000
ROYAL RESOURCES LIMITED
WARRIEDAR JOINT VENTURE PROJECT
Tenement Geology with Prospect Locations
Author: BB
Date: 17/05/06
Drawn By: KL
Report No.: ASX May 2006
Plan No.: RR0005 (RRSFX03)
Scale: NTS
Projection: LAT/LONG
Paper size: A4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740000 mE
760000 mE
780000 mE
800000 mE
820000 mE
840000 mE
860000 mE
880000 mE
Hillside Camp
Nullagine
E47/1611
Mt Margaret
Wittenoom
Auski Roadhouse
E47/1612
Mt Lockyer
TOM PRICE
E47/1614
Perishing
E47/1613
Marillana Bridge
E47/1615
Railway
PARABURDOO
NEWMAN
Prairie Downs
Capricorn Roadhouse
Legend
Railway
Iron Ore Occurence
Major Contours
Tenements
Minor Roads
Major Roads
PRAIRIE DOWNS
Perth
Kalgoorlie
N
0
20
40
60
Kilometers
Scale: 1:1,000,000
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PILBARA TENEMENT
LOCATIONS
Drawn By: ER
Plan No.: RR030c
Checked By: BB
Date: 20/04/07
Projection: MGA Zone 50 Zone 50
Scale: 1:1,000,000 at A3

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

ROYAL RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
34 108 102 432	**31 March 2007**

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors			
1.2	Payments for	(a) exploration and evaluation	(215)	(687)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(168)	(370)
1.3	Dividends received			-
1.4	Interest and other items of a similar nature received		41	121
1.5	Interest and other costs of finance paid			-
1.6	Income taxes paid			-
1.7	Other (provide details if material)			-
	Net Operating Cash Flows		(342)	(936)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c)other fixed assets	-	(4)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c)other fixed assets	-	26
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other (provide details if material)		-	-
	Net investing cash flows		-	22
1.13	Total operating and investing cash flows (carried forward)		(342)	(914)

1.13	Total operating and investing cash flows (brought forward)	(342)	(914)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 expenses	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(342)	(914)
1.20	Cash at beginning of quarter/year to date	2,676	3,248
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,334	2,334

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

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	49
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Not Applicable

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

Not Applicable

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

Not Applicable

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	250
4.2	Development	-
	Total	250

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	2	-
5.2	Deposits at call	2,419	2,680
5.3	Bank overdraft	(87)	(4)
5.4	Other (bank guarantees)	-	-
	Total: cash at end of quarter (item 1.22)	2,334	2,676

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interests in mining tenements acquired or increased	Rothsay East Iron Fist Iron Lady Iron Duke	E59/1234 P59/1745 P59/1746 P59/1747	Nil Nil Nil Nil	100% 100% 100% 100%

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**	50,071,198	43,536,539	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	**+Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	**Options** *(description and conversion factor)*			***Exercise price***	***Expiry date***
		20,114,406	20,114,406	$0.20	11/11/2007
		23,909,406	23,909,406	$0.20	11/07/2009
		4,800,000	-	$0.20	31/01/2011
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	- -	- -	- -	- -
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Company Secretary Date 30 April 2007

Print name: FRANK DE MARTE

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 infor5mation 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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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