



9 April 2008

The Manager  
Companies Announcement Office  
ASX Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

**Via Electronic Lodgement**

Dear Sir/Madam

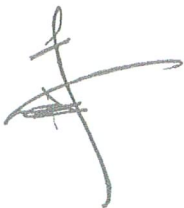
**APPENDIX 3B – ISSUE OF OPTIONS TO CEO**

We enclose an Appendix 3B in respect to the issue of 4,500,000 incentive options granted to the Company's Chief Executive Officer in accordance with his Employment Agreement on the following terms and conditions:

- (1) 1,500,000 options to acquire ordinary fully paid shares in the capital of the Company, have an exercise price of 25 cents each and expiring 6 April 2011;
- (2) 1,500,000 options, vesting on the date which is 12 months from the grant date, with each option to acquire ordinary fully paid shares in the capital of the Company, have an exercise price of 30 cents each and expiring 6 April 2012; and
- (3) 1,500,000 options, vesting on the date which is 24 months from the grant date, with each option to acquire ordinary fully paid shares in the capital of the Company, have an exercise price of 50 cents each and expiring 6 April 2013; and

The options will not be quoted on the Australian Securities Exchange.

Yours sincerely  
ROYAL RESOURCES LIMITED



Frank DeMarte  
COMPANY SECRETARY

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000

Name of entity

**ROYAL RESOURCES LIMITED**

ACN

**34 108 102 432**

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

1 +Class of +securities issued or to be issued (i), (ii) & (iii) Unquoted Options

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued  
(i) 1,500,000  
(ii) 1,500,000  
(iii) 1,500,000

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+ See chapter 19 for defined terms.

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

(i) The Options to acquire ordinary fully paid shares in the Company, have an exercise price of 25 cents per option and will expire on 6 April 2011.

(ii) The Options vesting on the date which is 12 months from the grant date, with each option to acquire ordinary fully paid shares in the Company, have an exercise price of 30 cents per option and will expire on 6 April 2012.

(iii) The Options vesting on the date which is 24 months from the grant date, with each option to acquire ordinary fully paid shares in the Company, have an exercise price of 50 cents per option and will expire on 6 April 2012.

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

(i) , (ii) & (iii) No, the Options will not rank equally in all respects from the date of allotment with existing class of quoted securities unless the Options are exercised.

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

5 Issue price or consideration

(i),(ii) & (iii) The Options were issued for no consideration.

6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)

(i), (ii) & (iii) Granting of Options to CEO.

7	Dates of entering <sup>+</sup> securities into uncertificated holdings or despatch of certificates	(i), (ii) & (iii) 7 April 2008
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		Number	<sup>+</sup> Class
8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the securities in clause 2 if applicable)	92,460,720	Ordinary fully paid.
		39,730,858	Options expiring 11 July 2009 exercisable at 20 cents each.

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<sup>+</sup> See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	
	4,800,000	Options expiring 31 January 2011 exercisable at 20 cents each.
	295,000	Options expiring 30 April 2009 exercisable at 32 cents each.
	6,750,000	Options expiring 30 June 2012 exercisable at 50 cents each.
	250,000	Options expiring 10 January 2011 exercisable at 34 cents each.
	1,350,000	Options expiring 15 January 2011 exercisable at 50 cents each.
	500,000	Options expiring 9 March 2010 exercisable at 20 cents each.
	500,000	Options expiring 9 March 2010 exercisable at 40 cents each.
	1,500,000	Options expiring 6 April 2011 exercisable at 25 cents each.
	1,500,000	Options expiring 6 April 2012 exercisable at 30 cents each.
1,500,000	Options expiring 6 April 2013 exercisable at 50 cents each.	

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not Applicable

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

Not Applicable

12	Is the issue renounceable or non-renounceable?	Not Applicable
13	Ratio in which the +securities will be offered	Not Applicable
14	+Class of +securities to which the offer relates	Not Applicable
15	+Record date to determine entitlements	Not Applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not Applicable
17	Policy for deciding entitlements in relation to fractions	Not Applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	Not Applicable
19	Closing date for receipt of acceptances or renunciations	Not Applicable
20	Names of any underwriters	Not Applicable
21	Amount of any underwriting fee or commission	Not Applicable
22	Names of any brokers to the issue	Not Applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not Applicable

+ See chapter 19 for defined terms.

25	If the issue is contingent on +security holders' approval, the date of the meeting	Not Applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not Applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not Applicable
28	Date rights trading will begin (if applicable)	Not Applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not Applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not Applicable
33	+Despatch date	Not Applicable

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1.
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

## Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000
  - 100,001 and over
- 37  A copy of any trust deed for the additional +securities

(now go to 43)

### Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- o Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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+ See chapter 19 for defined terms.

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class
-	-

(now go to 43)

## All entities

### Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
Company Secretary

Date: 9 April 2008

Print name: FRANK DeMARTE

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