

ASX Announcement : ROY

15 September 2008

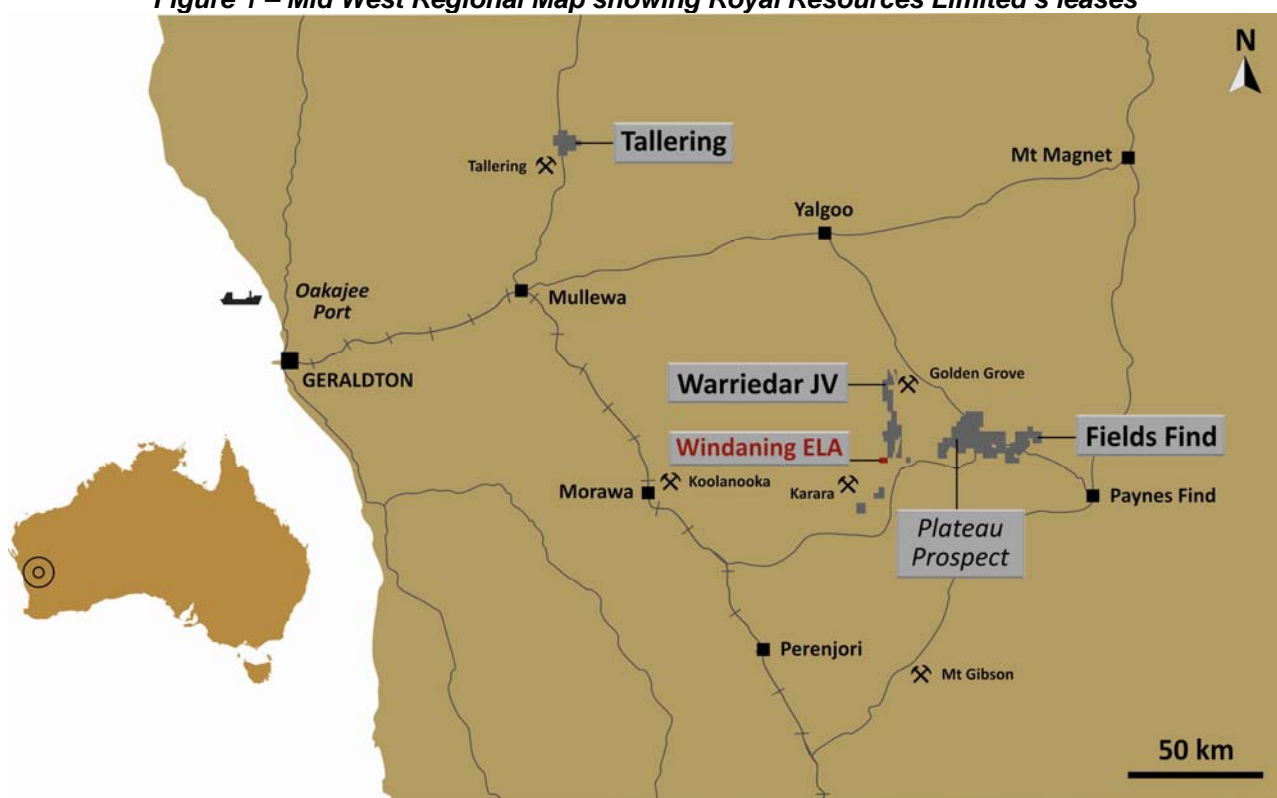


SUCCESSFUL BALLOT FOR IRON ORE LICENCE IN THE MID WEST

Royal Resources Limited is delighted to announce that it has been successful in a ballot in respect to Exploration Licence Application ELA 59/1522, to be known as Windaning. The tenement is located in the Yalgoo-Singleton Archaean greenstone belt of the emerging Mid West iron province (Figure 1). This belt includes the banded iron formation (bif) that hosts the significant iron resources of Karara, Mungada, and Blue Hills. The ballot gives priority to Royal's application and the process of granting the licence is now underway.

The tenement is located approximately 15 kilometres to the north and along strike of Gindalbie Metals Limited's Karara Magnetite project and 4.5 kilometres north of Midwest Corporation Limited's Mungada West Prospect. The latter has a resource grading in excess of 60% Fe hematite ore. Most importantly, it lies 30 kilometres south of the Warriedar JV's Shine Prospect, a joint venture between Gindalbie (60%) and Royal (40%). Shine is currently undergoing resource definition work (Figure 1). The ELA covers an area of 6 square kilometres and contains in excess of 3.5 kilometres strike length of prospective bif (Figure 2).

Figure 1 – Mid West Regional Map showing Royal Resources Limited's leases

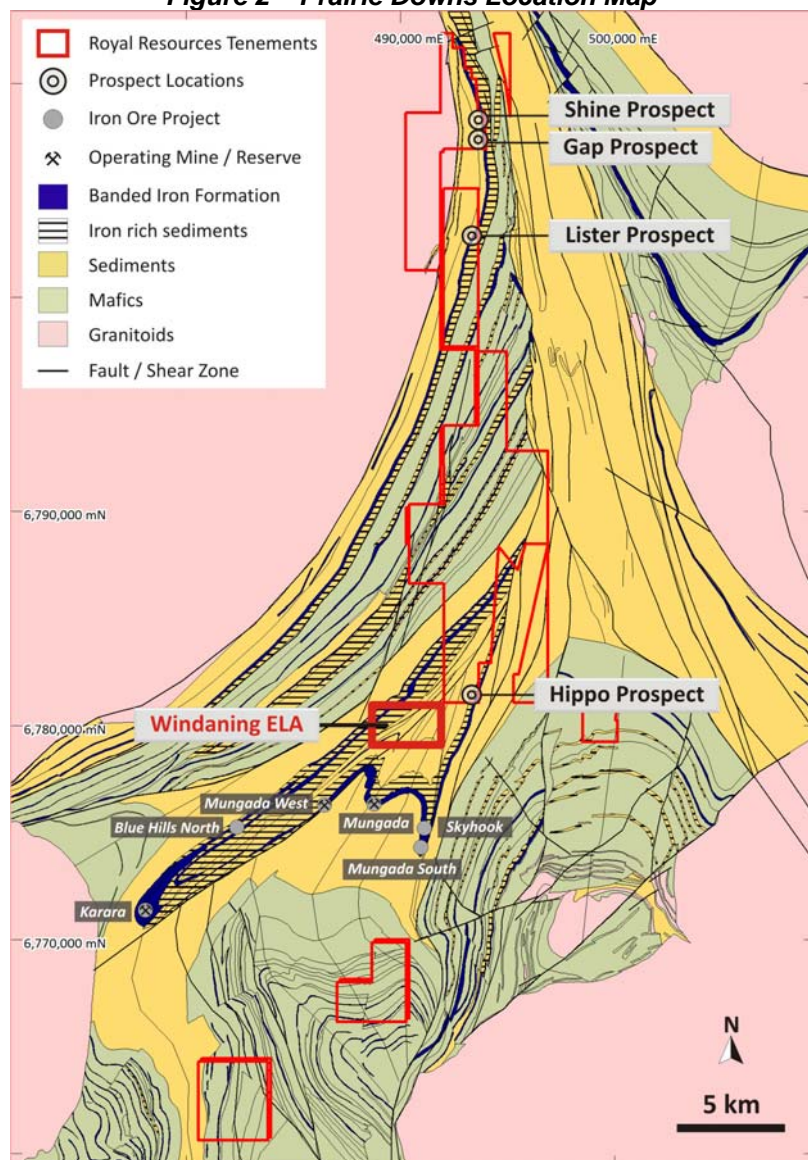


A full literature search, data compilation, and reconnaissance geological mapping will be undertaken pending granting of the licence.

Acquisition of ELA59/1522 adds to the considerable land position Royal has in the emerging iron ore region of the Mid West. Royal is actively exploring for premium grade hematite, remanent style iron, and upgradeable magnetite iron deposits on tenements it holds in both its own right or in joint venture. The Shine Prospect is the most advanced of these and is flagged for early development.

The Board of Royal is pleased at the outcome of the ballot and is keen to initiate the search for significant tonnages of both premium grade hematite and upgradeable magnetite ore in this highly prospective area. Mr Phil Crabb, Chairman of Royal, noted that “with the progression of Shine, the increased land holding gives Royal a critical mass for a long-lived and good business in the Mid West”.

Figure 2 – Prairie Downs Location Map



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