

ASX Announcement: ROY

17 January 2011



ROYAL'S URANIUM PARTNER GIVEN GO-AHEAD FOR MILL

Key Points:

- **Energy Fuels Inc., Royal's JV partner in USA uranium projects, has been given the final approval to build an uranium mill**
- **The mill is within trucking distance of several of Royal's uranium properties**

On 6 January, 2011, Energy Fuels Inc. ("EFR", TSX:EFR) reported that it had been granted approval by the Colorado Department of Public Health and Environment ("CDPHE") of a Radioactive Materials License for the 500 ton per day Piñon Ridge uranium mill to be constructed twelve miles (approximately 19 km) west of Naturita, in Montrose County, Colorado, USA. The license approval is the most significant hurdle to be completed before EFR is allowed to build and operate the first conventional uranium mill to be constructed in the USA in 30 years, and contribute to the rapidly growing domestic and global demand for nuclear fuel to generate emission-free electrical power.

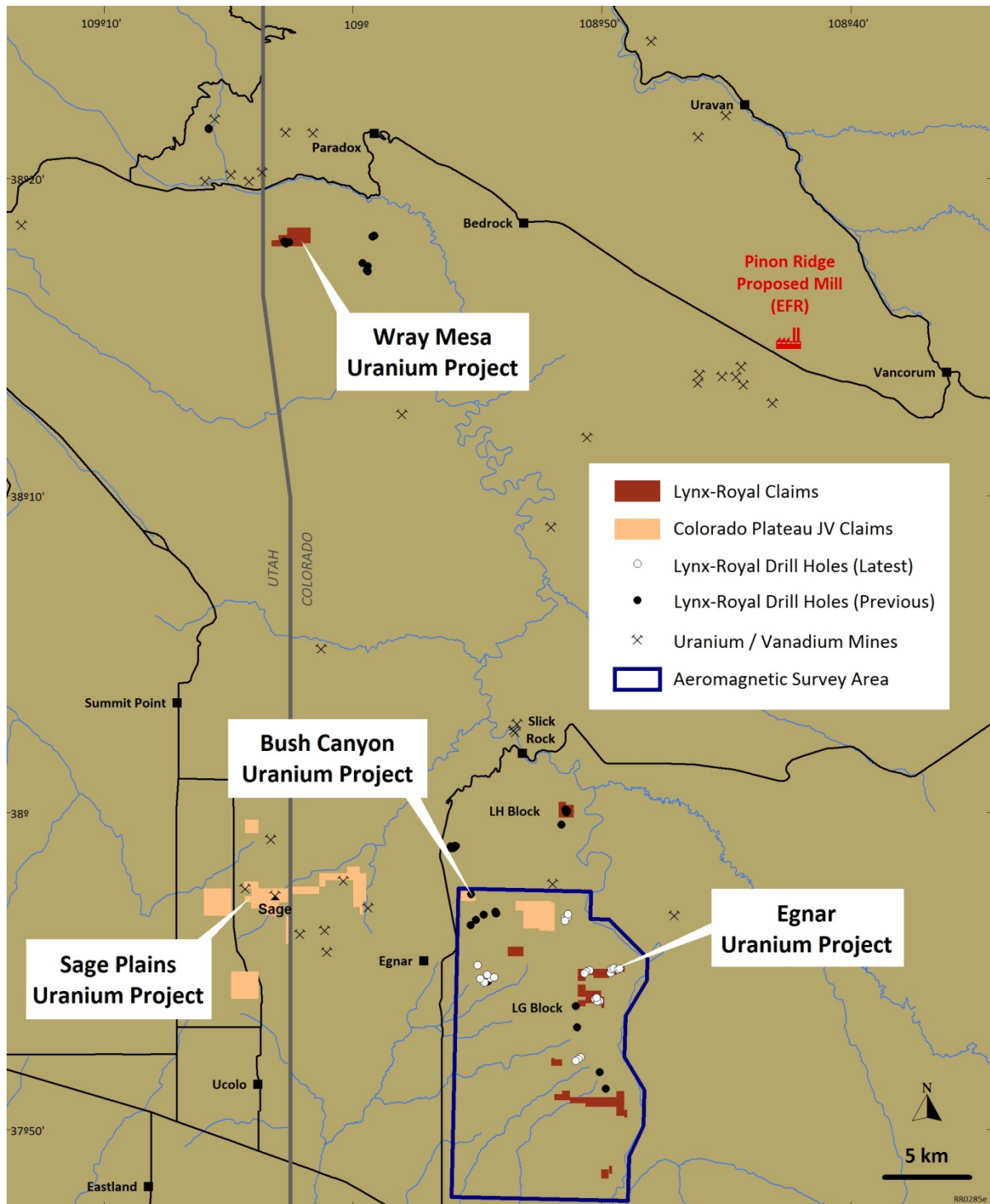
EFR has 60 days to review the CDPHE decision and the license, and to decide whether to request a formal hearing on the license. If EFR does not request a hearing, the CDPHE license approval becomes final. EFR may seek a hearing if they wish to challenge any conditions that came with the license. The final license approval could potentially be appealed through an appellate process that uses the existing record to review CDPHE's decision on the license.

Approximately two years ago Royal Resources Limited, through its wholly owned subsidiary Royal USA Inc, aligned with EFR through the formation of two strategic 50/50 partnerships: the Colorado Plateau Partners LLC and the Arizona Strip Partners LLC. These joint ventures have significant land positions and are actively exploring for new deposits. Colorado Plateau Partners LLC recently acquired mining claims and a Utah State Mineral Lease from Uranium One (announced 6 December, 2010) and is in advanced discussions with other parties to acquire additional properties.

The Piñon Ridge uranium mill occurs within easy trucking distance of uranium properties in which Royal maintains an interest, either through the Colorado Plateau Partners JV with EFR (Lynx-Royal 50%) or the Lynx-Royal JV with Lynx2 LLC (Royal 90%), see Figure 1. Royal does not own any interest in the mill.

Mr Phil Crabb, Royal's Chairman, noted, "Our strategy of partnering with a strong local uranium explorer and aspiring producer is starting to bear fruit. When the Piñon Ridge mill is completed there will be a ready destination for our uranium ore. Royal wishes EFR well in its endeavours to bring this mill to fruition."

Figure 1: Royal's uranium properties in the Uravan Mineral Belt, Colorado and Utah, USA. Note the proximity of EFR's proposed Piñon Ridge uranium mill to both the Lynx-Royal JV properties and those held with EFR under the Colorado Plateau JV properties



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