

ASX ANNOUNCEMENT

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Royal Resources Limited
ABN 34 108 102 432

For further information
regarding Royal Resources
Limited contact:

Marcus Flis
Chief Executive Officer

or

Brian Richardson
Director

Phone: + 61 8 9322 8542
Fax: + 61 8 9322 6577

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 7525, Cloisters
Square, Perth Western
Australia 6850



PREMIUM GRADE IRON ORE DISCOVERY AT PRAIRIE DOWNS, HAMERSLEY BASIN

Direct Shipping (DSO) grade Marra Mamba iron ore has been intersected on the Iron Ridge Prospect at Royal's 100% owned Prairie Downs Project.

Intercepts include:

- 34 metres @ 58.31% Fe from 12 metres, includes 10 metres @ 60.08% Fe.
- 20 metres @ 59.41% Fe from 22 metres, includes 8 metres @ 63.38% Fe.
- 8 metres @ 59.43% Fe from 20 metres, includes 4 metres @ 60.96% Fe.

The ore is low-phosphorous, generally low alumina, and with a high Loss On Ignition (LOI), suggesting an excellent Value In Use with high calcined iron values.

The details contained in this report that pertain to ore and mineralisation is based upon information compiled by Mr Brian Richardson, a full-time employee of the Company. Mr Richardson is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) 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 Richardson consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

Royal Resources Limited (ASX:ROY) is pleased to announce that the first phase of drilling on the Iron Ridge Prospect at its 100% owned Prairie Downs Project has been successfully completed with significant iron intercepts being encountered.

The tenement is located approximately 17 kilometres to the west of BHPB's Mt Whaleback iron mine at Newman, Western Australia (Figure 1).

A total of thirteen Reverse Circulation (RC) drill holes at approximately 100 metre intervals has been completed along one line on Royal's ground covering the western extension of BHPB's Silver Knight – Golden Flag Marra Mamba deposits (Figure 2).

Thick, near-surface intercepts of low phosphorous, high LOI Direct Shipping Ores (DSO) hosted by the Marra Mamba Iron Formation were intercepted. Within the drilled zone, the Marra Mamba occurs as a gently dipping horizon limited to the north by the Whaleback Fault and to the south by the boundary of Royal's tenement (Figure 3).

A summary of significant iron intersections is presented as Table 1. Of note are the particularly low phosphorous levels (0.034 to 0.087% P) and alumina values as low as 0.963% Al_2O_3 . LOI values of 6.62 to 9.85% would indicate the iron grades could be increased by calcining the ore.

"Along with our DSO prospect at Warriedar in the Mid West, the Hamersley Basin is shaping up as a significant iron ore play for Royal and, with recent tenement acquisitions, one we will be building on" observed Royal's Chairman, Phil Crabb.

A second phase of drilling is planned to elevate these results to a resource as soon as practicable.

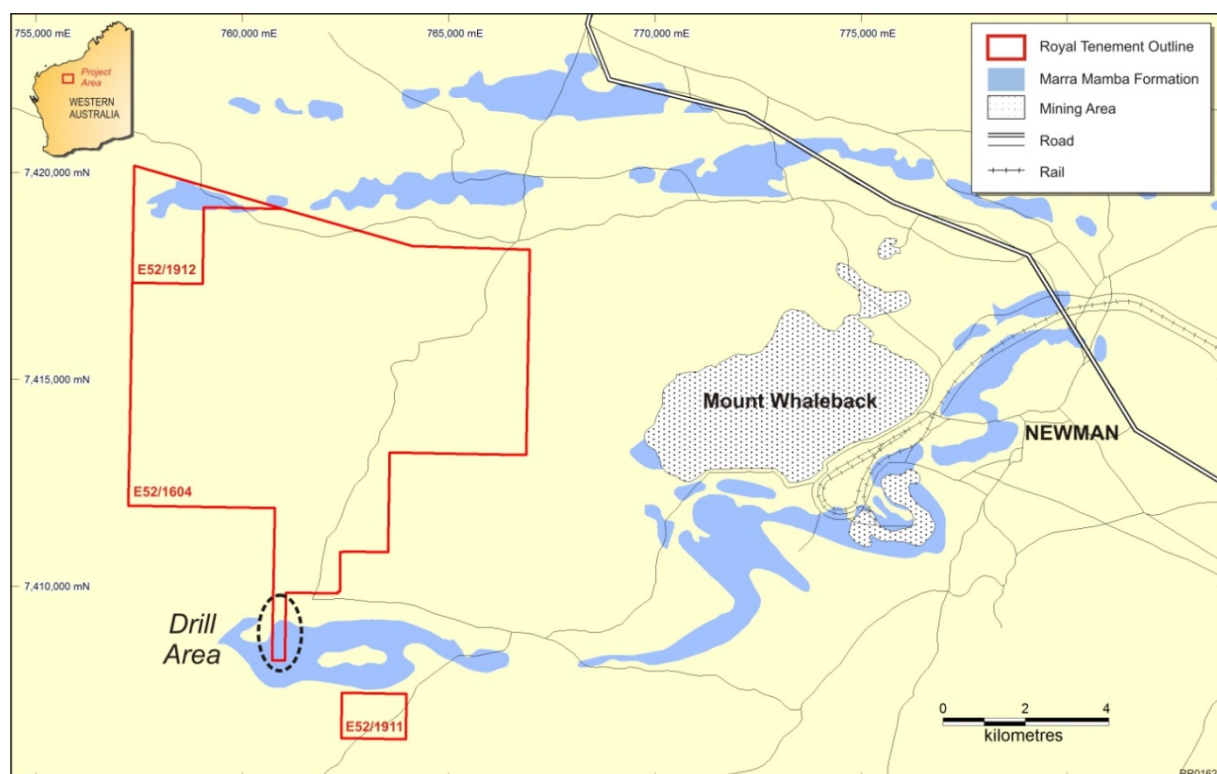


FIGURE 1: PRAIRIE DOWNS E52/1604 LOCATION

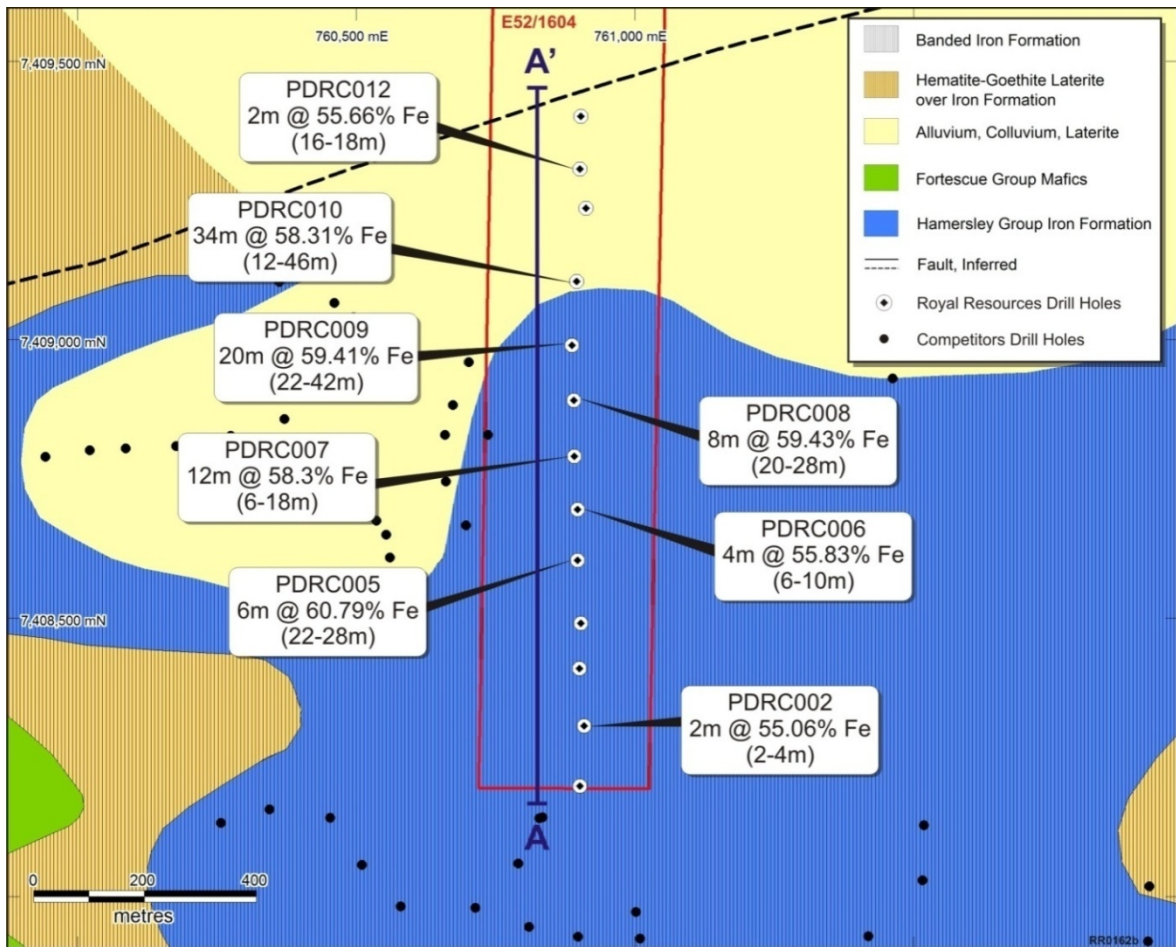


FIGURE 2: DRILLING PATTERN AND SIGNIFICANT INTERCEPTS, IRON RIDGE PROSPECT, PRAIRIE DOWNS PROJECT

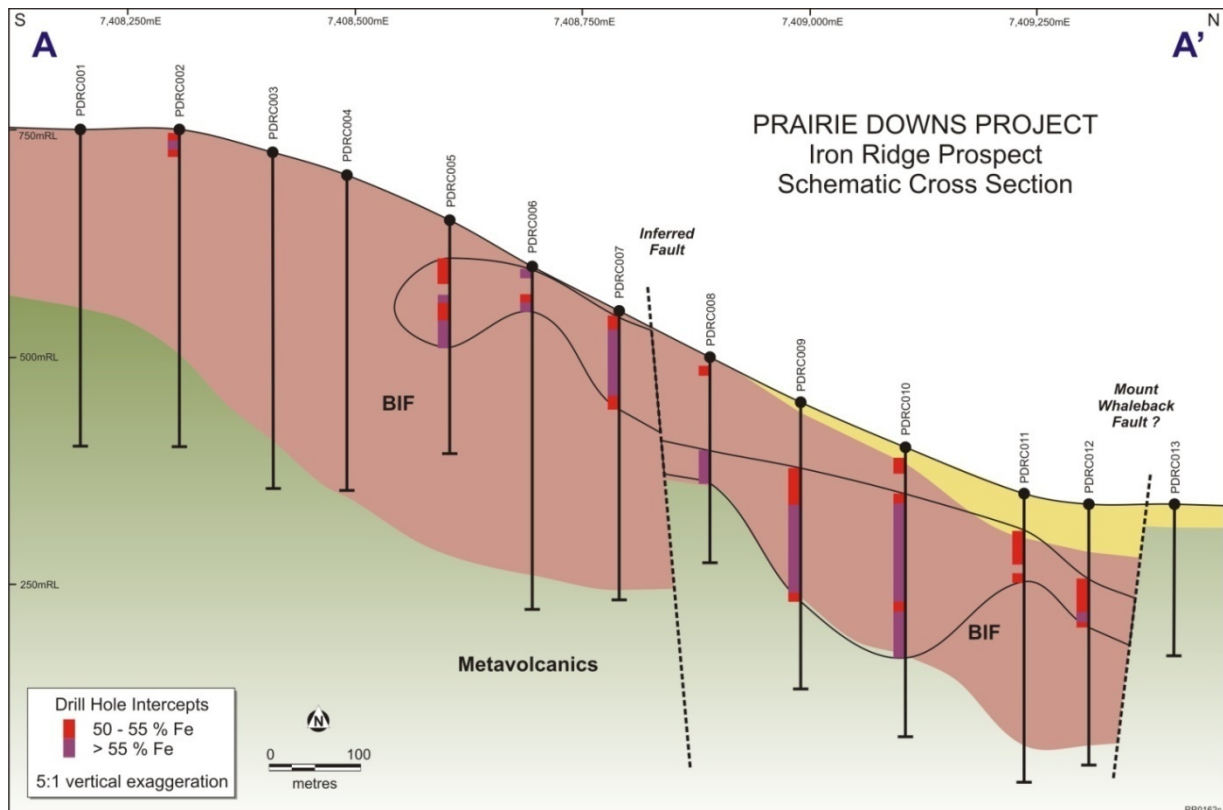


FIGURE 3: CROSS-SECTION, IRON RIDGE PROSPECT, PRAIRIE DOWNS PROJECT, E52/1604

TABLE 1: SUMMARY OF SIGNIFICANT INTERSECTIONS FROM 2008 RC DRILLING, IRON RIDGE, PRAIRIE DOWNS PROJECT

Hole ID	Easting	Northing	Azimuth	Dip	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	SiO2 %	Al2O3 %	P %	S %	LOI %
PDR001	760901	7408199	0	-90	69				<i>no high grade intercept</i>					
PDR002	760909	7408307	0	-90	69	2	4	2	55.06	11.37	0.946	0.016	0.022	8.25
PDR003	760900	7408410	0	-90	74				<i>no high grade intercept</i>					
PDR004	760903	7408491	0	-90	69				<i>no high grade intercept</i>					
PDR005	760897	7408604	0	-90	51	22	28	6	60.79	2.20	2.187	0.052	0.089	9.31
PDR006	760897	7408695	0	-90	75	6	10	4	55.83	10.39	1.981	0.061	0.039	8.40
PDR007	760891	7408791	0	-90	63	6	18	12	58.30	7.51	1.637	0.039	0.045	8.27
						6	8	2	61.78	5.11	0.963	0.034	0.035	6.72
PDR008	760890	7408891	0	-90	45	20	28	8	59.43	3.09	2.716	0.057	0.159	9.85
						22	26	4	60.96	2.06	1.927	0.068	0.142	9.12
PDR009	760887	7408990	0	-90	63	22	42	20	59.41	4.03	3.373	0.081	0.135	8.27
						30	38	8	63.38	1.66	1.889	0.087	0.097	6.85
PDR010	760895	7409105	0	-90	63	12	46	34	58.31	4.72	3.219	0.054	0.192	9.22
						24	34	10	60.08	3.15	2.985	0.047	0.388	8.44
PDR011	760912	7409236	0	-90	63				<i>no high grade intercept</i>					
PDR012	760901	7409307	0	-90	57	16	18	2	55.66	5.12	4.616	0.052	0.000	11.58
PDR013	760903	7409401	0	-90	33				<i>no high grade intercept</i>					

* Intersections based on cut-off grade of 55% Fe (including maximum dilution of 2m < 55%). Coordinates taken by handheld GPS in MGA Zone 50 (GDA 94). RC samples taken as 2m composites. Assay analysis performed at Spectrolab Geraldton.