

ASX Announcement: ROY
5 March 2010



ACQUISITION OF URANIUM PROPERTY IN ARIZONA, USA

Key Points:

- **Joint Venture acquires known mineralized breccia pipe, and second breccia pipe target, both outside Department of Interior withdrawal area boundary**
- **No up-front cost**
- **VTEM geophysical exploration techniques applied and verified for breccia pipe exploration**
- **Three new breccia pipe targets located with further exploration planned**

Royal Resources Limited wishes to announce that its joint venture partner in the Arizona Strip Partners Joint Venture (ASPJV), Energy Fuels Resources, has today made an announcement to the Toronto Stock Exchange. ASPJV is pleased to announce that it has acquired additional ground containing an uranium mineralised collapse breccia pipe in the Arizona Strip, USA. The ground was acquired with no upfront costs and will be incorporated into the ASPJV's current exploration programme.

The ASPJV is also pleased to announce that it has advanced interpretation of the VTEM airborne electromagnetic survey and has identified three high priority uranium breccia pipe targets that will be targeted for further exploration work, including drilling.

The ASPJ is a joint venture between Royal Resources and Toronto Stock Exchange listed Energy Fuels Resources (EFR). Royal is earning a 50% interest in the JV by expending US\$1.9M over six years. Energy Fuels Resources is the manager.

The full EFR announcement released to the Toronto Stock Exchange is reproduced below:

Energy Fuels and Royal Resources Announce Uranium Property Acquisition and Arizona Strip Exploration Activities

Energy Fuels Inc. (TSX-EFR) (“Energy Fuels” or the “Company”), and **Royal Resources Limited (ASX-ROY)** (“Royal”), its joint venture partner, are pleased to announce that Arizona Strip Partners LLC (“ASP”) joint venture formed in May of 2008 by the companies has succeeded in acquiring two breccia pipe properties in Coconino County, Arizona from Neutron Energy, Inc. (“Neutron”). Historical uranium production from the Arizona Strip was at an average grade of 0.65% U₃O₈ or 13 lbs. per ton, which drives ASP’s interest in the region.

This property acquisition includes all available data including geophysical logs and lithologs, from Neutron. These two properties are both in near proximity to drilled out ore bearing pipes, and one of these properties is a geologically confirmed mineralized breccia pipe. ASP acquired the properties with no up-front costs. Neutron will retain a 2% Net Smelter Royalty on any production. If an ore body is drilled out, and upon completion of a feasibility study conducted by ASP, Neutron has a one time option to elect to participate in that project at a 30% working interest, by surrendering its royalty and paying to ASP a 150% reimbursement of 30% of ASP’s costs, incurred to the point of completion of the feasibility study.

The two properties, known as the “Cyclone Target” and the “Horsey Target” are Mineral Exploration Permits acquired by Neutron through the Arizona State Lands Department and not regulated by either the Bureau of Land Management or the US Forest Service. The properties are located south of the Grand Canyon and both are outside the boundary of the US Department of Interiors’ withdrawal area, currently undergoing a two year environmental impact study. Each Mineral Exploration Permit is good for 5 years and, should a minable discovery be made, can be converted to an Arizona State Mining Lease, subject to a production royalty.

Cyclone Target

This is a confirmed mineralized breccia pipe. Rocky Mountain Energy drilled two shallow holes and seven deep holes in 1990 that confirmed mineralization. Neutron drilled four deep holes in 2008 and mineralization from 0.01% U₃O₈e up to 0.076% U₃O₈e was encountered in each of the Neutron drill holes. Further exploration will be needed to fully develop this target, and because of the target being State of Arizona lands, and outside of the withdrawal area, ASP is confident that this exploration can be successfully undertaken.

Horsey Target

This target consists of 87.67 acres. There has been no drilling done however a track-etch survey was completed on the target. The Horsey target exhibits good surficial characteristics of a potential pipe and a good surface collapse structure was observed by ASP field examination.

Additionally, ASP reports exploration success applying Versatile Time Domain Electromagnetic (“VTEM”) geophysical survey techniques to search for breccia pipes on the Arizona Strip. VTEM is a geophysical technique that provides the depth and resolution believed necessary to conduct breccia pipe exploration. During November 2008, GeoTech Ltd. of Ontario, Canada flew a helicopter-borne VTEM survey for ASP covering 15 survey blocks on the Arizona Strip, for a total of 538 line-kilometers. Data was processed and modeled by Australian firm Montana GIS. Several major findings from the VTEM work include:

- A strong anomalous VTEM signature exhibited over five known undeveloped breccia pipes, both horizontally and vertically, proves to ASP that VTEM geophysical surveys can be used successfully to discover new breccia pipes.

- The anomalous signature exhibited over five known breccia pipes varies dramatically from pipe to pipe due to variation in geological settings and in the size and extent of the collapse.
- High resolution data analysis has been completed on seven of the 15 blocks surveyed. Processing and modeling of the eight remaining survey blocks is progressing.
- Based on the interpretation of those seven blocks, ASP has successfully identified three new breccia pipe targets on properties controlled by ASP, all of which are located outside of the DOI withdrawal area.
- ASP intends to conduct additional exploration on the three targets identified. The more detailed data collected from those exploration efforts will be analyzed to further understand and better apply the application of VTEM geophysical survey data regionally.

Stephen P. Antony, P.E., a Qualified Person as defined by National Instrument 43-101, has reviewed and approved the content of this release.

The details contained in this report that pertains to ore and mineralisation is based upon information compiled by Mr Marcus Flis BSc (Hons), MSc, a full-time employee of the Royal Resources Limited. Mr Flis is a Fellow 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 Flis consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

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