

**ROYAL RESOURCES LIMITED**

**ABN 34 108 102 432**

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**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

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**Date of Meeting**

Thursday, 29 November 2007

**Time of Meeting**

2.30 pm  
Western Daylight Time

**Place of Meeting**

The Celtic Club  
48 Ord Street, West Perth  
Western Australia

**ROYAL RESOURCES LIMITED**  
**ABN 34 108 102 432**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders of Royal Resources Limited ABN 34 108 102 432 ("**Company**") will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 29 November 2007 at 2.30pm Western Daylight Time for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

**AGENDA**

**BUSINESS**

An Explanatory Memorandum containing information in relation to each of the following resolutions accompanies this Notice of Meeting.

Please note terms used in the resolutions contained in this Notice of Annual General Meeting have the same meaning as set out in the glossary of the Explanatory Memorandum accompanying this Notice.

**Financial Reports**

To receive and consider and adopt the annual financial statements of the Company for the year ended 30 June 2007, including the Statement of Financial Performance, the Statement of Financial Position, the Statement of Cash Flows, the Directors' Report, the Directors' Declaration and the Auditors' Report.

**Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following non-binding resolution as an **ordinary resolution**:

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act, the Remuneration Report as contained within the Directors' Report be adopted."*

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

**Resolution 2 – Re-election of Rick Wayne Crabb as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Rick Wayne Crabb, being a Director retiring by rotation in accordance with Rule 13.2 of the Company's constitution, and, being eligible, is re-elected as a Director."*

**Resolution 3 – Re-election of Frank DeMarte as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Frank DeMarte, being a Director retiring by rotation in accordance with Rule 13.2 of the Company's constitution, and, being eligible, is re-elected as a Director."*

#### **Resolution 4 – Approval of the Issue of Shares**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*‘That, for the purpose of Listing Rule 7.1 and all other purposes, the Company approves and authorise the Directors to allot and issue up to 40,000,000 fully paid ordinary shares in the capital of the Company at a minimum issue price per share which is at least 80% of the average market price of ordinary shares in the capital of the Company trading on ASX over the last 5 days on which sales were recorded before the day on which the issue was made (or if there is a prospectus relating to the issue, over the last 5 days on which sales in the shares were recorded before the date of the prospectus), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.’*

The Company will disregard any votes cast on Resolution 4 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**By order of the Board**



**Frank DeMarte**  
Company Secretary

Dated: 15 October 2007

## **PROXIES**

- Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- A shareholder entitled to attend and vote at the above meeting may appoint a proxy to attend and vote at this meeting, and a shareholder who is entitled to cast two or more votes at the above meeting may appoint two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
- A proxy may, but need not be a shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorising in writing or, if such appointor is a corporation, either under seal or under hand of a duly authorised officer, or officers (as the case may be) or attorney.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and must reach the Registered Office of the Company, or the Company's share registry, Computershare Investor Services Pty Limited, at least 48 hours prior to the Annual General Meeting. For the convenience of shareholders a Proxy Form is enclosed.

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding ordinary shares at 5.00pm Western Daylight Time on 27 November 2007 will be entitled to attend and vote at the Annual General Meeting.

**ROYAL RESOURCES LIMITED**  
**ABN 34 108 102 432**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice.

The Directors recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Capitalised terms used in this Explanatory Memorandum are defined in the Glossary appearing at the end of this Explanatory Memorandum.

The following information should be noted in respect of the various matters contained in the accompanying Notice:

**Financial Reports**

Appropriate time will be devoted to the consideration of the financial statements and reports of the Company for the year ended 30 June 2007 at the Annual General Meeting.

**RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

Section 298 of the Corporations Act requires that the annual directors' report contains a remuneration report prepared in accordance with section 300A of the Corporations Act ("**Remuneration Report**").

By way of summary, the Remuneration Report:

- (a) discusses the Company's policy and the process for determining the remuneration of its executive officers and employees;
- (b) addresses the relationship between the remuneration of the Company's executive officers and the performance of the Company; and
- (c) sets out remuneration details for each Director and each of the executive officers of the Company named in the Remuneration Report for the financial year ended 30 June 2007.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. Pursuant to section 250R(3), the vote on this resolution is advisory only and does not bind the Directors or the Company.

The Directors are submitting the Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report is set out in the Directors' Report section of the Company's 2007 Annual Financial Report.

The Directors recommend that shareholders vote in favour of Resolution 1.

Appropriate time will be devoted to the consideration of the Remuneration Report at the Annual General Meeting.

## **RESOLUTIONS 2 AND 3 - RE-ELECTION OF RICK WAYNE CRABB AND FRANK DEMARTE AS DIRECTORS**

Rule 13.2 of the Company's constitution provides that at every Annual General Meeting one third of the Directors shall retire from office. A retiring Director is eligible for re-election.

Pursuant to clause 13.2 of the Company's constitution, Rick Crabb and Frank DeMarte, being Directors, retire by way of rotation and, being eligible, offer themselves for re-election as Directors.

## **RESOLUTION 4 – APPROVAL TO THE ISSUE OF SHARES**

Resolution 4 seeks, pursuant to Listing Rule 7.1, shareholder approval to the issue of up to 40,000,000 Shares at a minimum issue price which is at least 80% of the average market price of Shares trading on ASX over the last 5 days on which sales were recorded before the day on which the issue was made (or if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date of the prospectus).

The Company proposes to issue the Shares to a number of sophisticated and/or professional investors yet to be determined by the Directors.

### ***Listing Rule 7.1***

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of a company's shares then on issue.

The Shares to be issued pursuant to Resolution 4 will exceed the 15% threshold. Accordingly, shareholder approval under Listing Rule 7.1 is being sought.

### ***Additional Information***

In compliance with Listing Rule 7.3, shareholders are advised as follows in relation to the Shares to be issued pursuant to Resolution 4:

- (a) the maximum number of Shares to be issued is 40,000,000 Shares;
- (b) the Company will allot and issue the Shares no later than three months after the date of the Annual General Meeting, or such later date as approved by ASX. The Shares will be allotted on one date;
- (c) the Shares will be issued at a minimum issue price which is at least 80% of the average market price of Shares trading on ASX over the last 5 days on which sales were recorded before the day on which the issue was made (or if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date of the prospectus);
- (d) the Shares to be issued are fully paid ordinary shares which will rank equally with all other existing issued ordinary fully paid shares in the capital of the Company on issue;
- (e) the allottees of the Shares will be a number of sophisticated and/or professional investors yet to be determined by the Directors. None of the allottees will be related parties of the Company; and
- (f) the funds raised from the issue will be used for:
  - increased exploration and evaluation activities on Egnar, Wray Mesa, La Sal and Thirtynine Mile uranium claims in the USA;
  - evaluation of other uranium opportunities in the USA; and
  - working capital and administration expenses.

## GLOSSARY

The following terms have the following meanings in this Explanatory Memorandum:

"**Annual General Meeting**" means the annual general meeting of the Company;

"**ASX**" means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Company**" means Royal Resources Limited ABN 34 108 102 432;

"**Corporations Act**" means Corporations Act 2001 (Cth);

"**Director**" means a director of the Company, and "**Directors**" has an equivalent meaning;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Notice**" means the Notice of Annual General Meeting accompanying this Explanatory Memorandum; and

"**Share**" means a fully paid ordinary share in the capital of the Company.

ABN: 34 108 102 432

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

# Proxy Form

**All correspondence to:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 557 010  
(outside Australia) 61 3 9415 4000  
Facsimile 61 8 9323 2033  
www.computershare.com



000001 000 ROY  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



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I N D

## Appointment of Proxy

I/We being a member/s of Royal Resources Limited and entitled to attend and vote hereby appoint



the Chairman  
of the Meeting  
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Royal Resources Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday 29 November 2007 at 2:30PM (WDT) and at any adjournment of that meeting.

## Voting directions to your proxy - please mark



to indicate your directions

- Item 1 Adoption of Remuneration Report
- Item 2 Re-election of Rick Wayne Crabb as a Director
- Item 3 Re-election of Frank DeMarte as a Director
- Item 4 Approval of the Issue of Shares

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## Appointing a second Proxy

I/We wish to appoint a second proxy



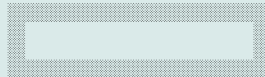
Mark with an 'X' if you wish to appoint a second proxy.

AND



%

OR

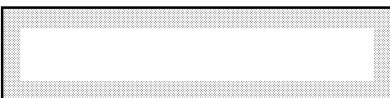


State the percentage of your voting rights or the number of securities for this Proxy Form.

## PLEASE SIGN HERE

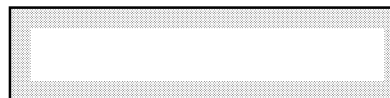
This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



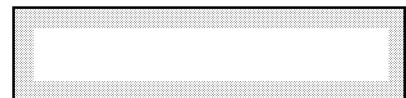
Individual/Sole Director and  
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /



# How to complete the Proxy Form

## 1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

## 3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's Share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Share registry or at [www.computershare.com](http://www.computershare.com).

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 2:30PM (WDT) on Thursday 29 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged using the reply paid envelope or:

- IN PERSON Registered Office - Level 3 IBM Building 1060 Hay Street West Perth WA 6005 Australia  
Share Registry - Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth WA 6000 Australia
- BY MAIL Registered Office - Level 3 IBM Building 1060 Hay Street West Perth WA 6005 Australia  
Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
- BY FAX 61 8 9323 2033