

ASX Announcement: ROY

30 April 2009



THIRD QUARTER ACTIVITIES & CASHFLOW REPORT TO 31 MARCH 2009

URANIUM USA

- Encouraging U_3O_8 intercepts at Egnar, including:
3.05m @ 435ppm U_3O_8 and 2,043 ppm vanadium from 120.4m
including 1.52m @ 690ppm U_3O_8 and 3,610 ppm vanadium from 120.4m
- Of the 28 holes drilled in the Egnar-Wray Mesa area 18 holes intersected anomalous uranium mineralisation.
- Interpretation of the Egnar aeromagnetic and radiometric survey has been completed with thirteen target areas defined, most with known uranium associations.
- Review of drilling at Egnar-Wray Mesa by an independent expert has highlighted areas to concentrate future drilling on and areas to relinquish.
- Assessment of the airborne time domain electromagnetic survey by modelling is ongoing with several Priority 1 targets having been defined.
- Exposure to minimum expenditure commitments for the Arizona Strip Partners JV have been reduced by 32% per annum, with earn-in requirements reduced by 5% and earn-in time increased by 66%.

URANIUM NORTHERN TERRITORY

- The Heads of Agreement with Aldershot Resources Ltd has been finalised and Royal has taken over management of Aldershot's uranium properties.
- Applications for the Collaborative Exploration Initiative have been submitted for all tenement areas.
- Access negotiations for Ngalia and ABC are progressing on good terms.

IRON ORE AUSTRALIA

- All outstanding assays from the Warriedar JV area, including Shine, have now been received. Best result was 20 metres @ 64.8% Fe from 157 metres.
- DTR assay results from Shine have been finalised with best result of 104 metres @ 71.7% Fe with 47.98% weight recovery from 158 metres (inclined hole).

Royal Resources Limited (“Royal”) is actively exploring for high-grade uranium in the Northern Territory and the USA and for premium grade iron ore in Western Australia with site-specific and commodity-focused exploration teams.

Activities during the third Quarter have been hampered by extreme weather conditions in our areas of operation and slowed by the holiday season. The period has been used for consolidation, including the delivery and analysis of data sets (geochemical assays, geophysical surveys, and historic exploration information), planning for the 2009 drilling campaigns, realignment of budgets to ensure medium to long term viability, and assessing the exploration opportunities that the current economic conditions bring up.

A summary of the work completed on each of Royal's major exploration projects is outlined below.

USA URANIUM EXPLORATION

Royal's uranium exploration activities in the USA are controlled by four joint ventures, of which Royal is the manager-operator of three. Royal announced final drilling results for the Lynx-Royal and Colorado Plains JVs on the 29 April 2009.

Egnar – Lynx-Royal Joint Venture, Royal manages

The 2008 Egnar drilling programme consisted of 28 holes for a total of 3,205 metres as well as two holes from 2007 that were re-entered and extended (Figure 1). All holes were drilled vertically and wireline natural gamma logged. Anomalous intercepts have been geochemically assayed; significant results include:

Hole ID	UTM East	UTM North	From (m)	To (m)	Interval (m)	U ppm	V ppm
EG-08-005	684138	4202013	137.16	138.68	1.52	250	629
EG-08-025	684155	4201999	141.73	143.26	1.52	180	3220
EG-08-032	688142	4208001	106.68	108.2	1.52	100	321
EG-08-034	688179	4208082	120.4	123.44	3.05	435	2043
including			120.4	121.92	1.52	690	3610
EG-08-038	688067	4208160	114.3	115.82	1.52	220	4750

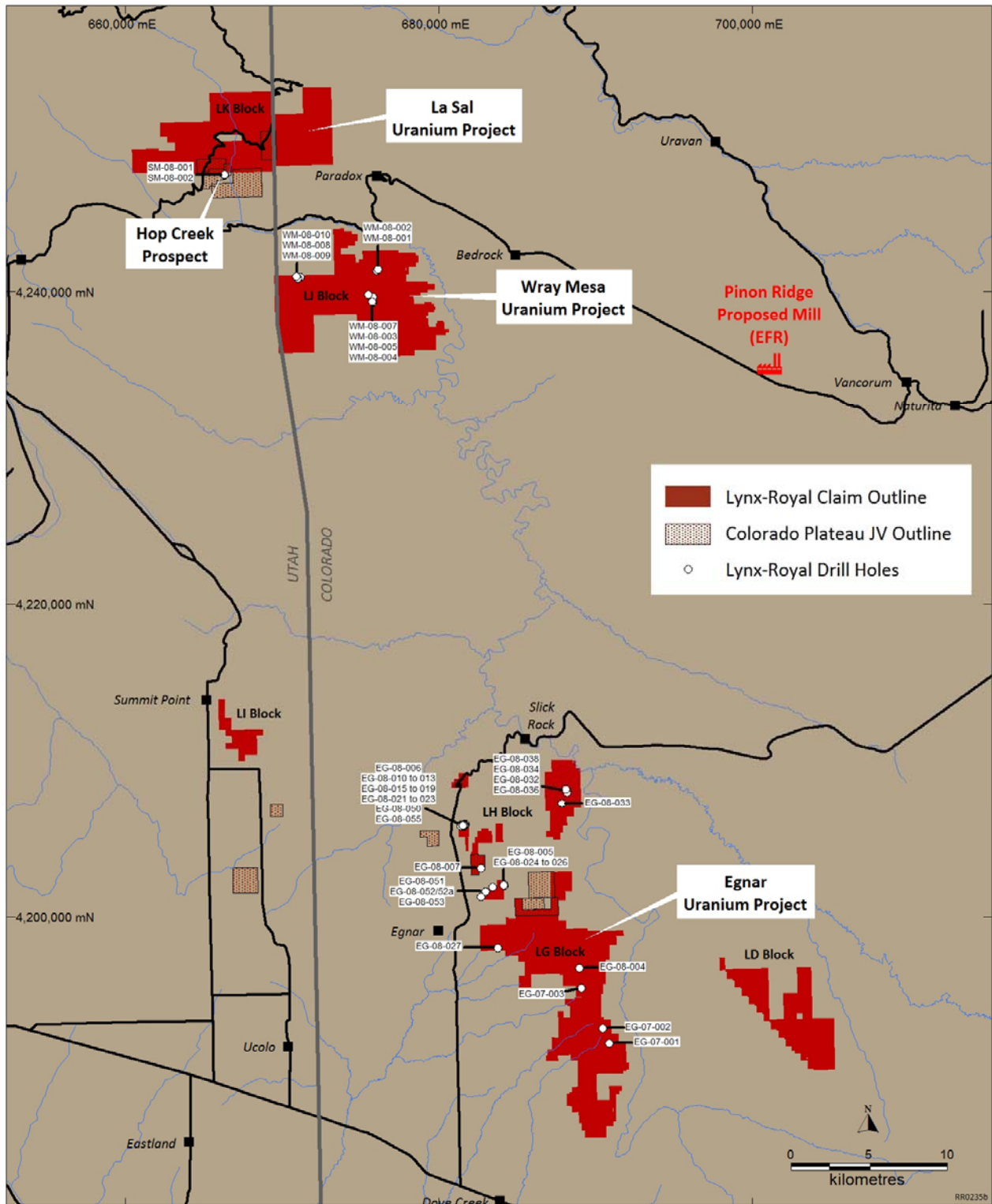
Note: Drilling was undertaken in units of feet and converted to metres and rounded to two decimal points for reporting purposes. UTM coordinates are in NAD 83 Zone 12N.

An independent consultant's assessment of the 2007/08 drilling campaigns concluded that:

- Holes EG-08-032, 034, and 038 intercepted favourable Upper Salt Wash sands in an area untested by past drilling.
- Holes EG-08-005 and 025 lie over a known palaeochannel, the Legin Channel, and is highly prospective.
- Hole EG-08-027 on the Fire House prospect returned up to 47ppm eU₃O. The prospect also overlies the Legin Channel and is highly prospective.
- Two areas have been recommended for relinquishment.

A high-resolution, low-level aeromagnetic and radiometric survey was completed over LG Block of Egnar in late 2008. Extensive data enhancement was completed and an interpretation report written. The interpretation report highlighted thirteen primary exploration targets that have been recommended for follow-up by drilling. These occur on known (historic) uranium mineralisation trends, are closely associated with interpreted faulting, and at least in some cases have or are linked to anomalous uranium radiometric anomalies.

Figure 1 – Egnar, Wray Mesa and La Sal Projects, 2008 drill hole locations



Wray Mesa – Lynx-Royal Joint Venture, Royal manages

Drilling at Wray Mesa during 2008 consisted of nine drill holes, for a total of 1,845 metres. While the results returned no high grade intercepts, with the best intercept being 90ppm U, the tested areas were notable for their thick sequences of anomalously high uranium. For example, hole WM-08-009 recorded 41m of anomalous uranium (>10 times background) from 133.5m, possibly indicating uranium mobilisation and proximity to major mineralisation.

La Sal - Colorado Plateau Joint Venture, Royal manages

Two drill holes for 564 metres were completed on the Hop Creek prospect in late 2008. Previous exploration work by Hunt Oil and Climax Uranium in the early 1960's intersected mineralisation in the range 0.12 to 0.75% U_3O_8 . Downhole wireline logging returned eU_3O_8 values of less than 20ppm which were confirmed by assaying (eU_3O_8 , or equivalent U_3O_8 , are uranium values determined from calibrated natural gamma log data). The drill holes were not well placed, due to time and land disturbance constraints.

Tallahassee Valley - Geolynx Joint Venture, Royal manages

Analysis of the historic drilling results of the neighbouring Hansen uranium orebody (18 to 30 million pounds U_3O_8 @ 0.07 to 0.19% eU_3O_8 and controlled by Uranium One and ranch owners) concluded that this mineralisation does not contain any minable high-grade pods. This result downgrades Royal's interest in the Tallahassee Conglomerate, which hosts the Hansen, in this area. Targets within the Crampton Claims, adjacent to areas that have historically produced 0.19 to 0.31% eU_3O_8 , are unaffected by these results.

Arizona Strip – Arizona Strip Partners Joint Venture (ASPJV), Energy Fuels manages

A resolution of "conflicted claims" in an underlying JV has resulted in a 19% decrease in the claims held by the ASPJV. Royal has requested and received a proposal to decrease the minimum expenditure commitment in order for Royal to earn-in to the properties. The earn-in period will be increased from three years to five years, with the expenditure commitment reduced by US\$150,000.

An airborne Time Domain Electromagnetic (TDEM) survey, using the VTEM system, was completed over 18 areas covering 23 interpreted collapse breccia pipes in late 2008. Final data has been received and modelling begun. In the meantime, qualitative assessment of the data has identified a number of excellent Priority 1 targets. Numeric modelling of these is being used to refine the targets for drilling.

NORTHERN TERRITORY URANIUM EXPLORATION

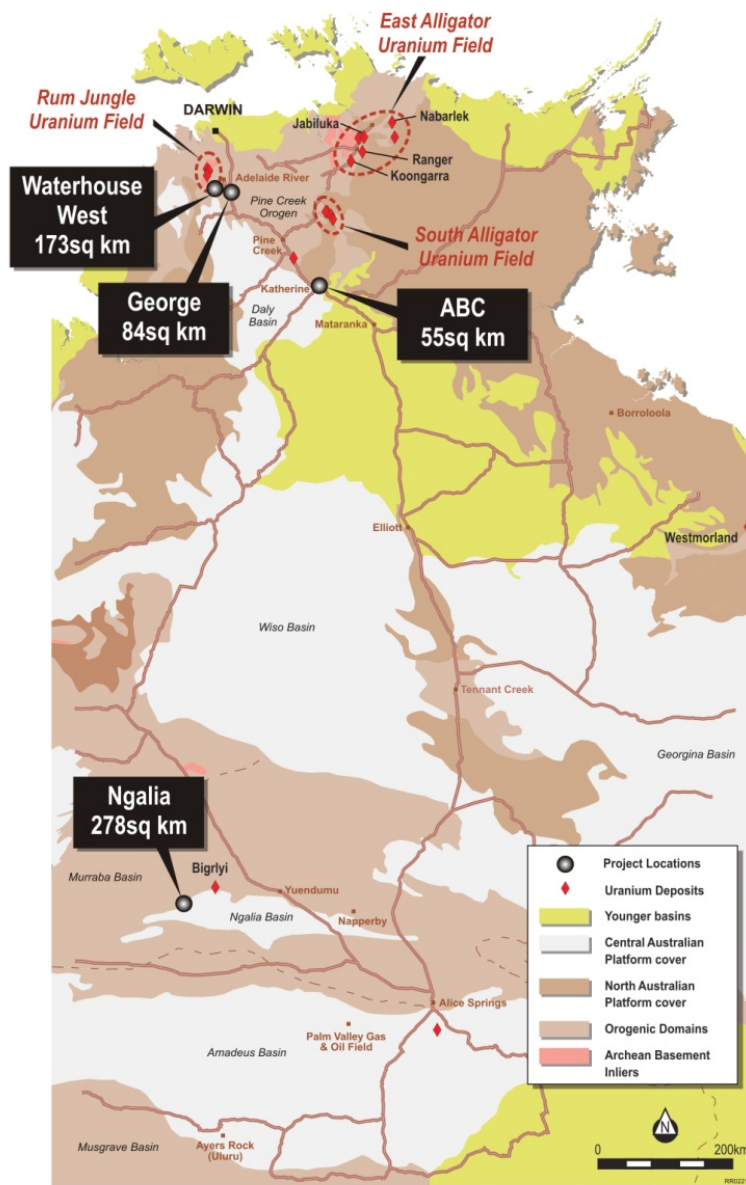
George EL24550, Waterhouse West EL24563, ABC ELA24555 and Ngalia EL24571

As announced on 16 February 2009, Royal has entered into a Heads of Agreement with Aldershot Resources Limited to earn-in to their four projects in the Northern Territory (Figure 2). On achieving an expenditure of \$900,000 within three years Royal will earn 60% of the four tenements. All conditions precedent were met on 24 March 2009 and Royal is now operator-manager.

Submissions were prepared for the NT Government's Geophysics and Drilling Collaborations program for the four project areas. This program assists with the cost of exploring new areas or new exploration models and will, if accepted, support Royal's 2009 drilling program.

Access negotiations with the North and Central Lands Councils are progressing, the latter to progress the granting of ABC. Both negotiations are being undertaken in a positive and constructive atmosphere.

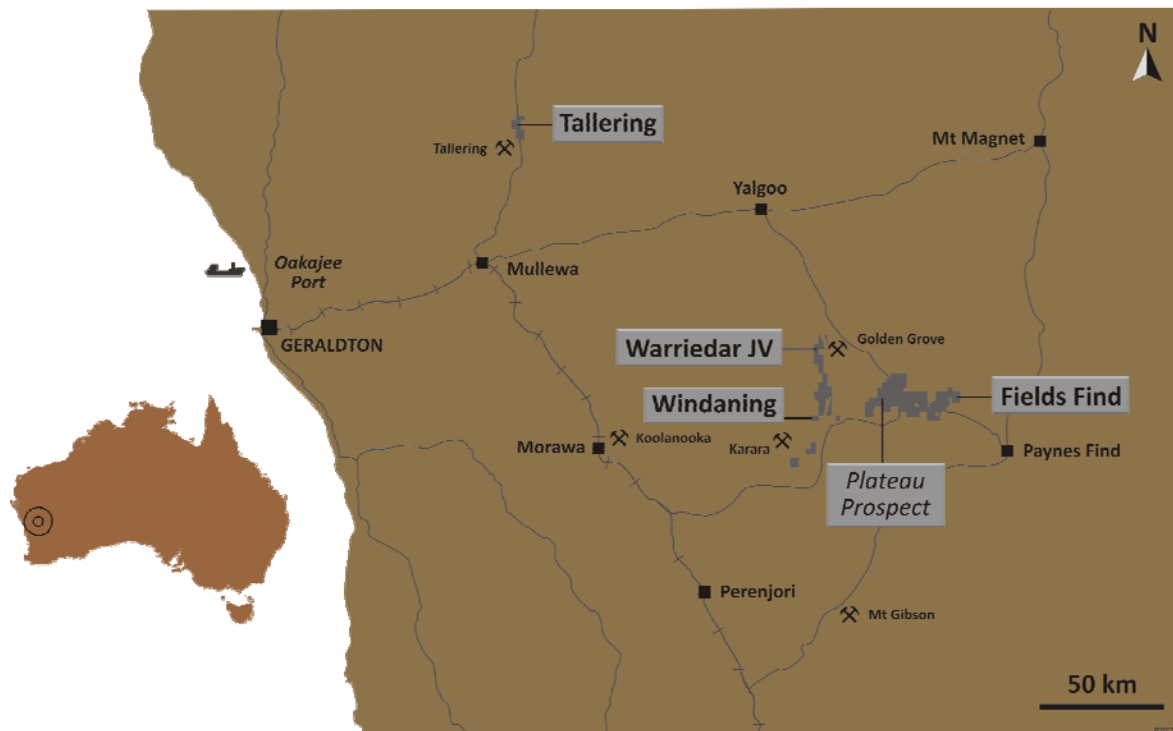
Figure 2 – Project Locations, Northern Territory



MID WEST IRON ORE PROJECTS

Royal holds 459 square kilometres, incorporating 38 exploration licences, mining leases, and prospecting permits in the Mid West (Figure 3). Of these, 137 square kilometres are in the Warriedar Joint Venture with Gindalbie Metals Ltd, in which Royal has a 40% interest and 322 square kilometres are 100% owned by Royal. The target in all is for high grade hematite iron ore.

Figure 3 – Royal's Mid West Tenement holdings at 31 March 2009



Warriedar Joint Venture, Gindalbie manages

On 1 April 2009 Royal reported final assays received from the 2008 drilling at Shine Prospect, including Davis Tube Recovery (DTR) test work. Notable assay results include:

Hole ID	From (m)	To (m)	Interval (m)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%
SND006	157	177	20	64.76	2.49	0.96	0.118	0.012	3.38

DTR assays indicated that there exists an attractive magnetite potential below the Shine DSO hematite mineralisation. Significant results include:

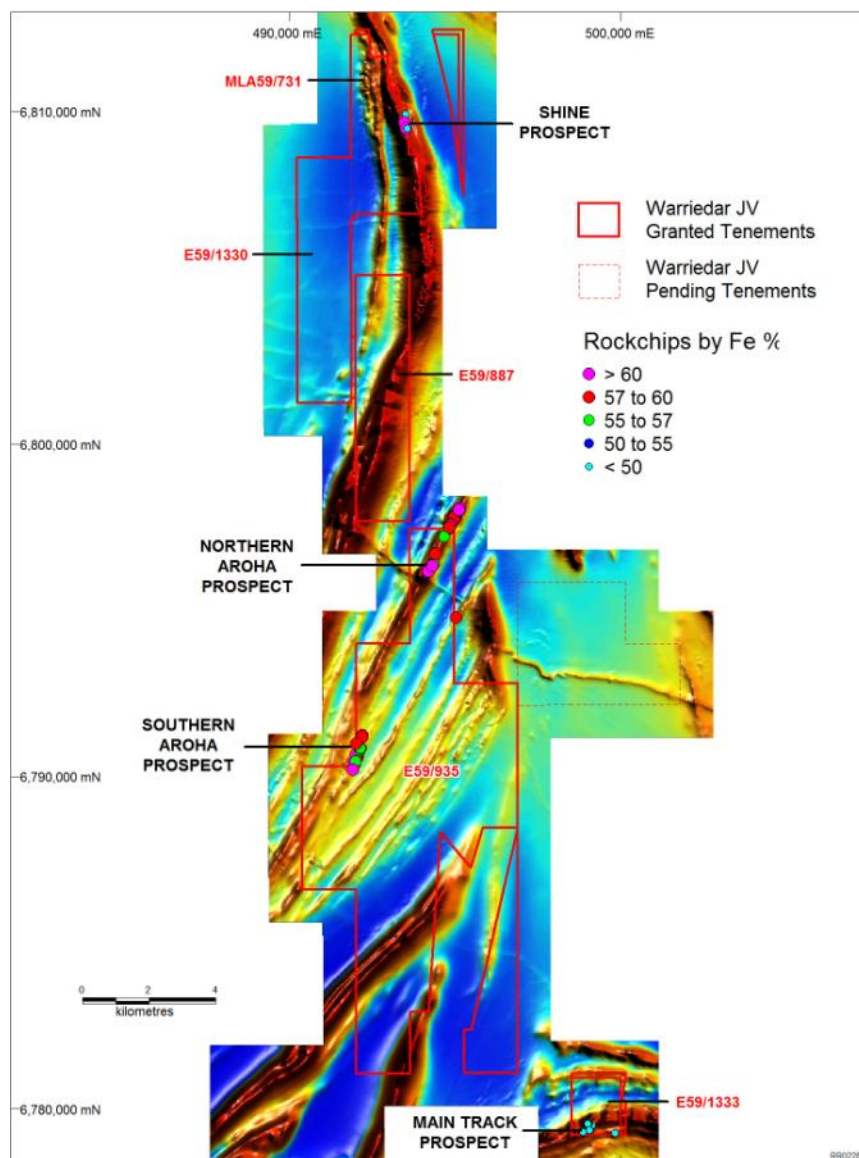
Hole ID	From (m)	To (m)	Interval (m)	% Weight Recovery	Fe%	SiO ₂ %	P%	S%
SND002	158	178	20	63.1	71.7	0.4	0.007	0.032
SND003	158	262	104	47.98	71.02	0.93	0.006	0.128
SND008	136	356	220	37.17	70.17	2.02	0.009	0.069
SND0010	136	253.6	117.6	33.72	69.46	2.81	0.016	0.051
SND0012	92	192	100	29.07	69.58	2.76	0.012	0.016
SND0020	168	202.1	34.1	30.15	70.13	2.38	0.010	0.020
SND0023	128	152	24	31.02	70.17	0.82	0.008	0.007
SND0023	160	236	76	31.88	69.16	3.05	0.015	0.046
SND0025	166	182	16	41.81	69.38	1.26	0.005	0.548
SND0025	190	232.2	42.2	53.74	70.97	1.15	0.003	0.002

Note: A nominal cut-off of 20% weight recovery with a maximum of 8m internal waste was used to locate significant intersections

Exploration work undertaken in the Warriedar JV ground during the quarter included:

- Flying a high resolution aeromagnetic survey to fill-in areas not previously covered
- A close-spaced ground magnetic survey covering the Shine-Gap-Lister line of mineralisation to map structure and attempt to directly detect high grade iron mineralisation
- Geological mapping of Aroha, North Shine, and Main Track Prospects where outcropping high-grade hematite mineralisation is noted (Figure 4)
- Rock chip sampling of Aroha, North Shine, and Main Track Prospects
- Continuation of fauna, flora, soils, and groundwater investigations in support of a mining operation at Shine.

Figure 4 - Results of iron assays of rock chips over aeromagnetic data



The JV partners are planning a programme of shallow, first pass exploration drilling at North Shine and Main Track to investigate the high grade outcrops mapped.

Tallering E59/1117

No work has been undertaken on this tenement during the reporting period.

Windaning ELA59/1522

This tenement is pending granting, expected by June 2009. The area contains two Aboriginal Heritage sites. A request for access has been submitted to the Traditional Owners (the Widi Mob). The request is due for discussion by the end of April 2009.

High resolution aeromagnetic data was acquired over the tenement and is now undergoing interpretation. The target is high-grade hematite mineralisation (58 – 65% Fe) of a size that will support the Warriedar JV's proposed mining operation at Shine; namely 5 – 10Mt.

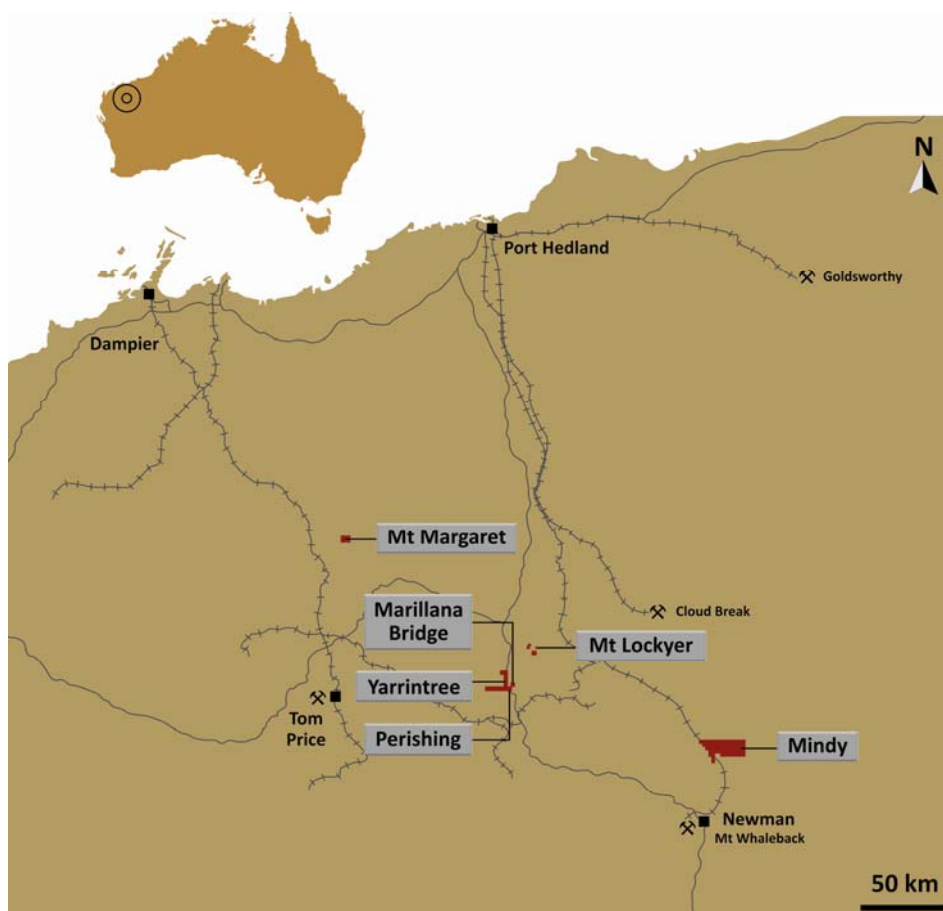
Reids Ridge – ML 59/728

The Application for this Mining Lease over forfeited tenement has been withdrawn. The application was in conflict with a third party as well as the original owner who had applied for restoration. An assessment of the lease by Royal has indicated that the prospectivity of the ground, in spite of it being in an historic gold mining area, was very low, particularly for the size of resource being sought.

PILBARA IRON ORE PROJECTS

Royal holds a 100% interest in six tenements in the Pilbara region where the focus is on exploring for high grade iron ore (Figure 5).

Figure 5 – Royal's Pilbara Tenement holdings at 31 March 2009



Mt Lockyer E47/1612

Assessment of regional aeromagnetic data has identified structural complexity in the banded iron formation that may be conducive to high-grade hematite mineralisation development. Sampling undertaken in 2006 returned assays of +58% Fe. The recent availability of aeromagnetic data has now placed these samples into context of the local geology and structure. Field reconnaissance will be undertaken during the next quarter to assess the target.

Mindy E47/1615

An Information Memorandum has been completed for this tenement to pursue its farm-out.

Yarrintree ELA47/1927

A Works Program for a Heritage Survey has been submitted to the DIA which will be acted on pending this tenement's granting, expected by June 2009.

CORPORATE**Water Tank P63/1361, 1362, and 1363**

Discussions are underway with interested parties for the farm-out of these tenements.

For further information contact:

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Chief Executive Officer
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The information contained in this report that relates to exploration results, mineral resources or ore resources is based upon information compiled by Mr Marcus Flis. 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Flis is a full time employee of the Company and consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

ROYAL RESOURCES LIMITED

ACN

34 108 102 432

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(303)	(3,588)
(b) development	-	-
(c) production	-	-
(d) administration	(646)	(849)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	51	177
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(898)	(4,260)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	(98)	(98)
(c) other fixed assets	-	(23)
1.9 Proceeds from sale of:		
(a)prospects	-	2,000
(b)equity investments	-	-
(c)other fixed assets	-	62
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – placement of security deposits	(32)	(130)
Other - Payment for Licences and Software	-	(37)
Net investing cash flows	(130)	1,774
1.13 Total operating and investing cash flows (carried forward)	(1,028)	(2,486)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,028)	(2,486)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,028)	(2,486)
1.20	Cash at beginning of quarter/year to date	4,149	5,607
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,121	3,121

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	72
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Not Applicable

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	17	239
5.2 Deposits at call	3,188	3,910
5.3 Bank overdraft	(84)	-
5.4 Other (bank guarantees)	-	-
Total: cash at end of quarter (item 1.22)	3,121	4,149

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	Warriedar	P59/1799	Nil	40%
6.2	Interests in mining tenements acquired or increased	Warriedar	M59/581	40%	Nil

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	92,460,720	92,460,720	-
7.4	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	+Convertible debt securities <i>(description)</i>	-	-	-
7.6	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through securities matured, converted	-	-	-

Appendix 5B
Mining exploration entity quarterly report

7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	39,730,858	39,730,858	\$0.20	11/07/2009
	4,800,000	-	\$0.20	31/01/2011
	295,000	-	\$0.32	30/04/2009
	6,750,000	-	\$0.50	30/06/2012
	250,000	-	\$0.34	10/01/2011
	1,350,000	-	\$0.50	15/01/2011
	500,000	-	\$0.20	9/03/2010
	500,000	-	\$0.40	9/03/2010
	1,500,000	-	\$0.25	06/04/2011
	1,500,000	-	\$0.30	06/04/2012
	1,500,000	-	\$0.50	06/04/2013
	420,000	-	\$0.34	30/06/2011
	3,000,000	-	\$0.30	30/11/2013
	100,000	-	\$0.08	31/12/2011
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Director /Company Secretary)
Print name: FRANK DE MARTE

Date: 30 April 2009

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** the issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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