

20 January 2017

Dear Shareholders,

CHAIRMAN’S LETTER

The attached documentation relates to a “Spill Meeting” of Royalco Resources Limited as required by the provisions of the Corporations Act.

Your Board unanimously recommends you vote in favour of Resolutions marked 1, 2, 3 and 4, and against Resolutions 5, 6, 7 and 8.

Your Board supports Resolutions 1, 2, 3 and 4

Resolution 1 relates to the re-election of Mr Bruce Pertzelt to the Board. Mr Pertzelt is a longstanding director of Royalco who brings significant experience to Royalco (as outlined in the Explanatory Notes). Mr Pertzelt's ongoing directorship is desirable to ensure that Royalco has continuity and stability during the currency of the takeover offer. The Board considers that Mr Pertzelt's experience and knowledge are a significant benefit to Royalco and unanimously recommends that shareholders vote in favour of Resolution 1.

Resolutions 2, 3 and 4 have been proposed by Fitzroy River Corporation Limited, which as at the date of this letter holds a 41.31% relevant interest in Royalco. Fitzroy's interest in Royalco is expected to increase as a result of its ongoing takeover offer for Royalco. The Board supports Fitzroy's takeover offer and Fitzroy's nominated directors and unanimously recommends that shareholders vote in favour of Resolutions 2, 3 and 4.

Your Board does NOT support Resolutions 5, 6, 7 and 8

The Board unanimously recommends that you vote against Resolutions 5, 6, 7 and 8. These Resolutions are proposed by other shareholders of Royalco.

The provisions of the Corporations Act relating to the requisition of "spill meetings" by shareholders of companies were intended to prevent the abuse of power by company boards and give shareholders a greater say in relation to directors' entitlements. An unfortunate consequence of these provisions is that they also

provide an opportunity for shareholders to obtain control of a board without making a takeover offer to all shareholders.

In this particular situation, there is an attempt by two shareholders of Royalco, High Peak Royalties Limited and Noontide Investments Limited to gain board control of Royalco without any takeover offer being made to shareholders. This fact was highlighted by Fitzroy in its Bidder's Statement dated 21 December 2016.

It should also be noted that:-

- (a) Messrs Wooles, King and Carrol are Directors of High Peak. During their time as directors, High Peak's share price has underperformed and revenue generation is virtually non-existent;
- (b) Neither High Peak and Noontide nor any individuals nominated by High Peak and Noontide have provided Royalco as part of the nomination process with any background information for provision to shareholders as to the capabilities of any of these individuals, and it is not clear what benefit they would provide; and
- (c) Noontide is High Peak's largest shareholder and may be acting in conjunction with High Peak.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P. J. Topham', followed by a long horizontal line extending to the right.

Peter J. Topham
Chairman and Managing Director

ROYALCO RESOURCES LIMITED
ACN 096 321 532

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of the members of Royalco Resources Limited will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne at 9.00 am on Wednesday 22nd February 2017.

The following items of business will be considered:

THE DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE **FOR RESOLUTIONS 1 TO 4. REFER TO THE ACCOMPANYING LETTER AND EXPLANATORY NOTES FOR DETAILS.**

Resolution 1: Re-election of Mr Bruce Pertzel as a Director

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

“That Mr Bruce Pertzel, being a director of the Company who will cease to hold office immediately before this General Meeting in accordance with section 250V(1)(b) of the Corporations Act and, being eligible, is re-elected as a director of the Company with immediate effect at the closing of the General Meeting”.

Resolution 2: Appointment of Mr Malcolm McComas as a Director

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

"That Mr Malcom McComas is appointed as a director of the Company with immediate effect at the closing of the General Meeting."

Resolution 3: Appointment of Ms Susan Thomas as a Director

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

"That Ms Susan Thomas is appointed as a director of the Company with immediate effect at the closing of the General Meeting."

Resolution 4: Appointment of Mr Justin Clyne as a Director

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

"That Mr Justin Clyne is appointed as a director of the Company with immediate effect at the closing of the General Meeting."

THE DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE AGAINST RESOLUTIONS 5 TO 8. REFER TO THE ACCOMPANYING LETTER AND EXPLANATORY NOTES FOR DETAILS.

Resolution 5: Appointment of Mr Anthony Wooles as a Director

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

"That Mr Anthony Wooles is appointed as a director of the Company with immediate effect at the closing of the General Meeting."

Resolution 6: Appointment of Mr Geoffrey King as a Director

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

"That Mr Geoffrey King is appointed as a director of the Company with immediate effect at the closing of the General Meeting."

Resolution 7: Appointment of Mr Andrew Carroll as a Director

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

"That Mr Andrew Carroll is appointed as a director of the Company with immediate effect at the closing of the General Meeting."

Resolution 8: Appointment of Mr Nigel Harvey as a Director

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

"That Mr Nigel Harvey is appointed as a director of the Company with immediate effect at the closing of the General Meeting."

The Explanatory Notes and information for shareholders form part of the Notice of General Meeting

By Order of the Board
Royalco Resources Limited



Nick Boicos
Company Secretary

Dated: 20 January 2017

NOTES

Information relevant to each Resolution is set out in the Explanatory Notes which forms part of this Notice of Meeting to members.

Voting Entitlements

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as shareholders as at 7.00 pm on 20 February 2017.

Proxies

If you are a shareholder entitled to attend and vote, you are entitled to appoint up to two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a shareholder of the Company.

If you wish to appoint one proxy, please use a form provided. If you wish to appoint two proxies, please follow the instructions on the reverse side of the proxy form.

To be effective, the proxy form must be received by our share registry, Security Transfer Australia Pty Ltd not later than 9.00 am (AEDT) on 20 February 2017. The proxy form does need to be returned to the share registry if the votes have been lodged online.

Admission to Meeting

Shareholders who will be attending the meeting and who will not be appointing a proxy, are asked to bring the proxy form to the meeting to help speed admission.

Shareholders who do not plan to attend the meeting are encouraged to complete and return the proxy form for each of their shareholdings in the Company.

Voting Exclusions

There are no voting exclusions applicable to any resolution.

EXPLANATORY NOTES

The directors of the Company recommend that shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions.

Background to the General Meeting (Spill Meeting)

At the 2016 Annual General Meeting (AGM) more than 25% of votes cast were against the adoption of the Remuneration Report for the 2016 financial year (a second strike). As a result, shareholders were required to vote on a resolution (spill resolution) on whether another General Meeting should be held (Spill Meeting) within 90 days of the passing of the resolution. All directors of the Company (other than the Managing Director) who were directors of the Company when the directors report (including the Remuneration Report) was being considered at the second AGM, must stand for re-election, should they wish to continue as directors. The spill resolution was passed at the 2016 AGM and accordingly the Company's directors have called this General Meeting

Each of the resolutions are ordinary resolutions, and will be passed if 50% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by corporate representative) are cast in favour of each resolution.

Resolutions

Resolutions to be put to the meeting are as follows:

Resolution 1: Re-election of Mr Bruce Pertzelt as a Director

Mr Pertzelt being a director of the Company will cease to hold office immediately before the end of the General Meeting (for the reasons described above) and, being eligible, offers himself for re-election as a director of the Company.

Please refer to the accompanying letter setting out in detail the reasons why your Board (with Mr Pertzelt abstaining) unanimously recommends that members vote **for** this Resolution.

The Chairman of the Meeting intends to vote all available proxies **for** this resolution.

Background Information provided:

Bruce is the Principal of the long established geological consulting firm Pertzelt Tahan & Associates Pty Ltd. He established this firm in 1982 following a ten-year engagement with Endeavour Resources Limited during which time he progressed from Project Geologist to Exploration Manager. Bruce has widespread experience gained over 45 years in exploration activities in the Asia/Pacific and African regions. His firm has been involved with a variety of mineral exploration, development and evaluation assignments since its inception. Bruce has been a director of Royalco since November 2009.

Resolution 2: Appointment of Mr Malcolm McComas as a Director

Please refer to the accompanying letter setting out in detail the reasons why your Board unanimously recommends that you vote **for** this Resolution.

The Chairman of the Meeting intends to vote all available proxies **for** this Resolution.

Mr McComas has been nominated as a director by Fitzroy River Corporation Limited which, as at the date of this Notice of Meeting, had a 41.31% relevant interest in the Company.

Background Information provided:

Malcolm John McComas:

Malcolm McComas is a company director and former investment banker. Over a 25-year career with Morgan Grenfell (now Deutsche Bank), County NatWest (now Citi Group) and Grant Samuel, Malcolm has enjoyed leadership roles and undertook many assignments in the resources sector. He has also been a director of several public and private companies.

In 2012, he joined the board of Fitzroy River Corporation as Chairman. In 2016, he was invited to become a director of Royalco for approximately 9 months. He is familiar with Royalco as a public company and his knowledge of the Weeks Royalty dates back to 1977 when County NatWest acted as a broker to the float on the ASX of the Bass Strait Oil Trust which held a 55% interest in the Weeks Royalty. That investment was structured as a 10-year redeemable investment and traded under the ASX code BSO. It was delisted in 2007 after the final redemption of the Trust's units. Throughout that period, Malcolm gained firsthand knowledge of the Weeks Royalty, the primary income producing asset of Royalco's royalty portfolio. He offers himself for election to the board of Royalco to serve all shareholders. He is also experienced in management of potential conflicts of interest. He holds degrees in Economics in law from Monash University and is a Fellow of AIDC.

Resolution 3: Appointment of Ms Susan Thomas as a Director

Please refer to the accompanying letter setting out the reasons why your Board unanimously recommends that you vote **for** this Resolution.

The Chairman of the Meeting intends to vote all available proxies **for** this Resolution.

Ms Thomas has been nominated as a director by Fitzroy River Corporation Limited which, as at the date of this Notice of Meeting, had a 41.31% relevant interest in the Company.

Background Information provided:

Susan Patricia Thomas:

Sue is an experienced company director, a committed financial investor (having a relevant interest in approximately 20% of Fitzroy River Corporation Limited) and has been a successful entrepreneur and lawyer.

She currently serves on a number of public and private company boards including: several entities associated with Westpac Financial Services Limited; PEXA Limited; Temple and Webster Limited; and Fitzroy River Corporation Limited.

Sue began her career as a corporate lawyer with Freehill, Hollingdale & Page in Sydney. During the 1990s, Sue established and grew FlexiPlan Australia (now MasterKey Custom), an investment administration platform that was acquired by MLC. Sue's achievements in sourcing strategic partners, growing administered funds to \$1.7 billion and overseeing a team of 140 employees have her acknowledged as an industry leader in the financial planning community. She is also senior executive coach at Foresight Global Coaching, working with multinational c-suite executives. Sue is also a member of the Law Advisory Council of the University of NSW.

Resolution 4: Appointment of Mr Justin Clyne as a Director

Please refer to the accompanying letter setting out in detail the reasons why your Board unanimously recommends that you vote **for** this Resolution.

The Chairman of the Meeting intends to vote all available proxies **for** this Resolution.
Mr Clyne has been nominated as a director by Fitzroy River Corporation Limited which, as at the date of this Notice of Meeting, had a 41.31% relevant interest in the Company.

Background Information provided:

Justin Bradley Clyne:

Justin Clyne was admitted as a Solicitor of the Supreme Court of New South Wales and High Court of Australia in 1996 before gaining admission as a Barrister in 1998. He has had 15 years of experience in the legal profession acting for a number of the country's largest corporations, initially in the areas of corporate and commercial law before dedicating himself full-time to the provision of advisory and company secretarial services.

Justin is a director and/or secretary of a number of public listed and unlisted companies. He has significant experience and knowledge of international law, the Corporations Act, the ASX Listing Rules and corporate requirements generally. Justin holds a Master of Laws in International Law from the University of New South Wales and is a qualified Chartered Company Secretary.

THE DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE AGAINST RESOLUTIONS 5 TO 8. THESE ARE NOT SUPPORTED BY YOUR BOARD

Resolution 5 Appointment of Mr Anthony Wooles as a Director

Please refer to the accompanying letter setting out in detail the reasons why your Board unanimously recommends that you vote **against** this Resolution.

The Chairman of the Meeting intends to vote all available proxies **against** this Resolution.

Mr Wooles has been nominated as a director by High Peak Royalties Limited which, as at the date of this Notice of Meeting, had a 21.36% relevant interest in the Company.

The Company has not been provided with any background information for disclosure to shareholders as to the capability of Mr Wooles during the nomination process.

Resolution 6: Appointment of Mr Geoffrey King as a Director

Please refer to the accompanying letter setting out in detail the reasons why your Board unanimously recommends that you vote **against** this Resolution.

The Chairman of the Meeting intends to vote all available proxies **against** this Resolution.

Mr King has been nominated as a director by High Peak Royalties Limited which, as at the date of this Notice of Meeting, had a 21.36% relevant interest in the Company.

The Company has not been provided with any background information for disclosure to shareholders as to the capability of Mr King during the nomination process.

Resolution 7: Appointment of Mr Andrew Carroll as a Director

Please refer to the accompanying letter setting out in detail the reasons why your Board unanimously recommends that you vote **against** this Resolution.

The Chairman of the Meeting intends to vote all available proxies **against** this Resolution.

Mr Carroll has been nominated as a director by High Peak Royalties Limited which, as at the date of this Notice of Meeting, had a 21.36% relevant interest in the Company.

The Company has not been provided with any background information for disclosure to shareholders as to the capability of Mr Carroll during the nomination process.

Resolution 8: Appointment of Mr Nigel Harvey as a Director

Please refer to the accompanying letter setting out in detail the reasons why your Board unanimously recommends that you vote **against** this Resolution.

The Chairman of the Meeting intends to vote all available proxies **against** this Resolution.

Mr Harvey has been nominated as a director by Noontide Investments Limited which, as at the date of this Notice of Meeting, had a 19.80% relevant interest in the Company.

The Company has not been provided with any background information for disclosure to shareholders as to the capability of Mr Harvey during the nomination process.

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ROYALCO RESOURCES

ACN: 096 321 532

REGISTERED OFFICE:
LEVEL 1
394-396 LITTLE BOURKE STREET
MELBOURNE VIC 3000

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«EFT_REFERENCE_NUMBER»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

«Company_code» «Sequence_number»

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
PO Box 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE	Lodge your proxy vote securely at www.securitytransfer.com.au	<input type="text" value="«ONLINE»"/>
	<ol style="list-style-type: none"> Log into the Investor Centre using your holding details. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area. 	

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson 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 General Meeting of the Company to be held at 9:00am AEDT on Wednesday 22 February 2017 at Baker McKenzie, Level 19, 181 William Street, Melbourne and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of resolutions 1 to 4 and AGAINST resolutions 5 to 8. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

The directors unanimously recommend that you vote FOR resolutions 1 to 4. Refer to the accompanying letter and explanatory notes for details.

RESOLUTION	For	Against	Abstain*
1. Re-election of Mr Bruce Pertzelt as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Appointment of Mr Malcolm McComas as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Appointment of Ms Susan Thomas as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Appointment of Mr Justin Clyne as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The directors unanimously recommend that you vote AGAINST resolutions 5 to 8. Refer to the accompanying letter and explanatory notes for details.

5. Appointment of Mr Anthony Wooles as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Appointment of Mr Geoffrey King as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Appointment of Mr Andrew Carroll as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Appointment of Mr Nigel Harvey as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * 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.

SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder <input type="text"/> Sole Director & Sole Company Secretary	Security Holder 2 <input type="text"/> Director	Security Holder 3 <input type="text"/> Director/Company Secretary
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Proxies must be received by Security Transfer Australia Pty Ltd no later than 9:00am AEDT on Monday 20 February 2017.



My/Our contact details in case of enquiries are:

Name:

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Number:

(

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as 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 contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, 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 of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO Box 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

