

**ROYALCO RESOURCES
LIMITED**

ACN 096 321 532
Registered Office: Suite 6.02, Level 6, 28 O'Connell Street, Sydney
NSW 2000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of Royalco Resources Limited ("**Royalco**" or the "**Company**") will be held at the Company's registered office and principal place of business at Suite 6.02, Level 6, 28 O'Connell Street, Sydney NSW 2000 at 11.00 am on Wednesday 13 November 2019.

AGENDA

The following items of business will be considered:

Receipt and consideration of Accounts and Reports

To receive and consider the financial reports of Royalco Resources Limited and the reports of the Directors (including the Remuneration Report) and Auditor for the year ended 30 June 2019.

Note: There is no requirement for shareholders to approve these reports other than the Remuneration Report as set out in Resolution 3. Accordingly, no resolution will be put to shareholders on this item of business.

Resolution 1: Re-election of a Director – Mr Malcolm McComas

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

“That Mr Malcolm McComas be re-elected as a Director of the Company”.

Mr McComas was last re-elected by shareholders at the Company's extraordinary general meeting held on 22 February 2017 and in accordance with the Company's constitution, retires at this AGM, and being eligible, offers himself for election.

The Board (with the exception of Mr McComas who abstains from the recommendation) unanimously recommends the re-election of Mr McComas.

The Chair of the Meeting intends to vote all available proxies in favour of this Resolution.

Resolution 2: Re-election of a Director – Ms Susan Thomas

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

“That Ms Susan Thomas be re-elected as a Director of the Company”.

Ms Thomas was last re-elected by shareholders at the Company's extraordinary general meeting held on 22 February 2017 and in accordance with the Company's constitution, retires at this AGM, and being eligible, offers herself for election.

The Board (with the exception of Ms Thomas who abstains from the recommendation) unanimously recommends the re-election of Ms Thomas.

The Chair of the Meeting intends to vote all available proxies in favour of this Resolution.

Resolution 3: Adoption of Remuneration Report

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

“That, for the purpose of section 250R (2) of the Corporations Act, the Remuneration Report for the year ended 30 June 2019 be adopted.”

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

Noting that the Directors of the Company have a personal interest in their own remuneration the subject of this Resolution, the Board does not consider it appropriate to make a recommendation to Shareholders in relation to voting on this Resolution.

The Chair of the Meeting intends to vote all available proxies in favour of this Resolution.

Resolution 4: Conditional Spill Resolution:

4. This resolution is contingent on the outcome of Resolution 3. This item will be considered at the AGM only if at least 25% of the votes cast on Resolution 3 are cast against the Resolution (i.e. are against the adoption of the Remuneration Report). Further explanation of the circumstances in which this resolution is considered is included in the Explanatory Statement. If less than 25% of the votes cast on Resolution 3 are voted against the adoption of the Remuneration Report, the Chair will withdraw Resolution 4.

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

“That, for the purpose of Section 250V (1) of the Corporations Act and for all other purposes, approval is given for:

- a) the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (Spill Meeting);*
- b) all of the Directors who:*
 - (i) were directors of the Company when the resolution to make the directors' report was passed; and*
 - (ii) are not a managing director of the Company, cease to hold office immediately before the end of the Spill Meeting; and*
- c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting,*

on the terms and conditions in the Explanatory Statement.”

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

Voting Exclusion Statement for Resolutions 3 and 4

The Corporations Act 2001 (**Corporations Act**) restricts members of the Key Management Personnel (**KMP**) which comprises directors and other persons disclosed as KMP in the Remuneration Report and their Closely Related Parties from voting on Resolutions 3 and 4.

‘*Closely Related Party*’ is defined in the Corporations Act and includes a spouse, dependents and certain other close family members, as well as companies controlled by a member of the KMP.

The Company will disregard any votes cast (in any capacity) on Resolutions 3 and 4 by or on behalf of:

- members of the KMP; and
 - Closely Related Parties of those persons,
- unless the vote is cast:
- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
 - as proxy for a person entitled to vote by the Chair of the Meeting where he has been expressly authorised to exercise the proxy (even though the resolution is connected directly or indirectly with remuneration of a member of the KMP).

What this means for Shareholders:

If you intend to appoint a member of the KMP (such as one of the directors) as your proxy, please ensure you direct them how to vote on Resolutions 3 and 4.

Chair’s Voting Intention:

If you intend to appoint the Chair of the Meeting as your proxy, you can direct him how to vote by either marking the boxes for Resolutions 3 and 4 (for example, if you wish to vote against or abstain from voting), or you can give the Chair your express authority to vote your proxy in accordance with the Chair’s intention set out below.

The Chair of the Meeting intends to vote all available proxies in favour of resolution 3 and against resolution 4.

Necessary information

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

**By Order of the Board
Royalco Resources Limited**

**Justin Clyne
Company Secretary
Dated: 11th October 2019**

EXPLANATORY NOTES

Receipt and consideration of Accounts and Reports

This item is self-explanatory. It is intended to provide an opportunity for shareholders to raise questions on the reports themselves and on the performance of the company generally.

There is no requirement either in the Corporations Act or the Constitution for Members to approve the Financial Report, the Director's Report (other than the Remuneration Report as set out in Resolution 3) or the Auditors Report.

Resolution 1: Election of a Director – Mr Malcolm McComas

In accordance with the Company's constitution, Mr Malcolm McComas resigns as a director, and being eligible, offers himself for re-election. Mr McComas was last re-elected by shareholders at the Company's extraordinary general meeting held on 22 February 2017 and in accordance with the Company's constitution, retires at this AGM, and being eligible, offers himself for election.

The Board (with the exception of Mr McComas who abstains from the recommendation) unanimously recommends the re-election of Mr McComas.

The Chair of the Meeting intends to vote all available proxies in favour of this Resolution.

Background information on Mr McComas is provided in the Company's 2019 Annual Report.

Resolution 2: Election of a Director – Ms Susan Thomas

In accordance with the Company's constitution, Ms Susan Thomas resigns as a director, and being eligible, offers herself for re-election. Ms Thomas was last re-elected by shareholders at the Company's extraordinary general meeting held on 22 February 2017 and in accordance with the Company's constitution, retires at this AGM, and being eligible, offers herself for election.

The Board (with the exception of Ms Thomas who abstains from the recommendation) unanimously recommends the re-election of Ms Thomas.

The Chair of the Meeting intends to vote all available proxies in favour of this Resolution.

Background information on Ms Thomas is provided in the Company's 2019 Annual Report.

Resolution 3: Adoption of Remuneration Report

In accordance with the Corporations Act, the Company submits its remuneration report to shareholders for consideration and adoption by way of a non – binding resolution.

The remuneration report is set out in the Company's Annual Report. The report:

- Explains the board's policies in relation to the nature and level of remuneration paid to directors, secretaries and key management personnel of the Company;
- Sets out the Company's policy with regards to both executive director and non – executive director remuneration;
- Explains the policy with regards to the issue of options to both directors and executives.

In considering this resolution, the attention of shareholders is drawn to the following matters, as further set out in the Remuneration Report:

The Corporations Act's "two strikes rule" provides that if at least 25% of votes cast on the adoption of the Remuneration Report at two consecutive AGMs are against adopting the Remuneration Report, members will have the opportunity to vote on a "spill resolution".

At the Company's AGM held in 2018, the Company received votes of 27.787% against the adoption of the Remuneration Report but did not receive any specific feedback at the AGM regarding its remuneration practices. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Chair of the Meeting intends to vote all available proxies in favour of this Resolution.

Resolution 4 – Conditional Spill Resolution

The effect of this Conditional Spill Resolution being passed is that, subject to section 250W(4) of the Corporations Act, the Company will be required to hold another meeting of Shareholders within 90 days of the date of this AGM (Spill Meeting) and the directors who were in office when the First Strike was received, other than the Managing Director (if applicable), will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the vacating directors.

Subject to Shareholders passing all of the resolutions at that General Meeting, none of the directors described in section 250V (1) (b) of the Corporations Act (being directors of the Company when the First Strike was received) will remain as directors of the Company. Accordingly, Shareholders should be aware that pursuant to section 250W (4) of the Corporations Act, if Resolution 4 is passed and none of the directors described in section 250V (1) (b) of the Corporations Act (being directors of the Company when the First Strike was received) remain as directors of the Company, the Directors have no intention to and will not be holding a Spill Meeting.

If you choose to appoint a proxy **you are encouraged to specify how your proxy is to vote on Resolutions 3 and 4.**

If you appoint the Chair as your proxy, and you do not direct your proxy how to vote on Resolutions 3 and 4 on the proxy form **you are taken to expressly authorise and acknowledge that the Chair will exercise your proxy, in line with his stated intention, even if he has an interest in the outcome of the resolution.**

NOTES

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 Monday 11 November 2019.

Proxies

A proxy form is attached to this Notice. If you are a shareholder entitled to attend and vote, you are entitled to appoint one or 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 the form provided. If you wish to appoint two proxies, please follow the instructions in point 4 on the reverse side of the proxy form.

The Company's constitution provides that on a show of hands, every person present and qualified shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, neither proxy may vote on a show of hands.

If you appoint a proxy who is also a shareholder or is also a proxy for another shareholder, your directions may not be effective on a show of hands. But your directions will be effective if a poll is required and your proxy votes.

To be effective, the Company specifies that the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed), or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and power of attorney or other authority) must be received by our share registry, Security Transfer Australia Pty Ltd not later than 11.00 am (AEDT) on Monday 11 November 2019.

A proxy may be lodged with Security Transfer Australia Pty Ltd:

- online, at www.securitytransfer.com.au;
- by mail, at Security Transfer Australia Pty Ltd, PO Box 52, Collins Street West, VIC 8007;
- by hand, at Security Transfer Australia Pty Ltd, Suite 913, 530 Little Collins Street, Melbourne, VIC 3000; or
- by facsimile, on +61 8 9315 2233.

Online voting

To vote online at www.securitytransfer.com.au :

1. Log into the Investor Centre using your holding details.
2. Click on “proxy voting” and provide your online proxy ID to access the voting area.

The proxy form does need to be returned to the share registry if the votes have been lodged online. Voting must be lodged by no later than 11.00 am (AEDT) on Monday 11 November 2019.

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.

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