

# Royalco Resources Limited

A PROFITABLE EXPLORER



AGM NOVEMBER 2009



## CAPITAL SUMMARY

- ASX CODE:RCO
- Total shares on issue – 52.7m (3.46m options)
- Current share price-39 cents
- Market capitalisation – A\$ 20.5 million
- Substantial Shareholders:
  - Directors 19.2%
  - Anglo Pacific 31.1%
  - OZ Minerals 19.1%
  - A total of 600 shareholders

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## CORPORATE MODEL



- Modelled on Franco Nevada and Repadre ( now lamgold Corporation) royalty businesses which combine cash flow and resource development
- Convert exploration success to equities/royalties
- Maintain strong balance sheet with a healthy cash position-minimise shareholder dilution, the opposite in fact!

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## EXISTING ROYALTY INTERESTS



<u>Company</u>	<u>Description</u>	<u>Pre Resource</u>	<u>Desk Studies</u>	<u>Feas. Study</u>	<u>In Production</u>
Oceana Gold Ltd	Reefton, 5,000 ounces pa,Gold				X
Kagara Zinc Ltd	Mt Garnet 3% NSR**, Zinc,Lead, Silver				X
Cape Lambert Ltd	Mt Kelly, 1% NSR Copper, Gold				???
Silver Standard Resources Inc.	Bowdens, 1-2% NSR Silver,Zinc,Lead			X	
Hydromet Corp Ltd	Stanton, 1% NSR, Nickel, Cobalt		X		
Deutsche Rohstoff	Dagworth/Huonfels, Gold			X	
Oceana Gold Ltd	Sam's Creek		X		
Pelican Resources Ltd	Xanadu, Gold	X			
Alkane Exploration Ltd	Molong,Gold	X			
Syrah Resources Ltd	Mt Lyndhurst, Copper	X			

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INCOME NOT PRICE SENSITIVE



- Reefton 2230 ounces til end December, then 4250 ounces per annum until end 2012\*. This equates to approx \$5.2 million per annum.
- Mt Garnet, around \$400,000 per annum subject to campaign mining. More than four years of reserves.
- Mt Kelly- 1% NSR but capped with a further ~ \$700,000 to pay.
- Revenue approx \$5.6 million on current gold/zinc prices.
- Administration/exploration approx \$2.5 million.
- ***We generate excess cashflow!!!!***



## CASH AND LIQUIDS

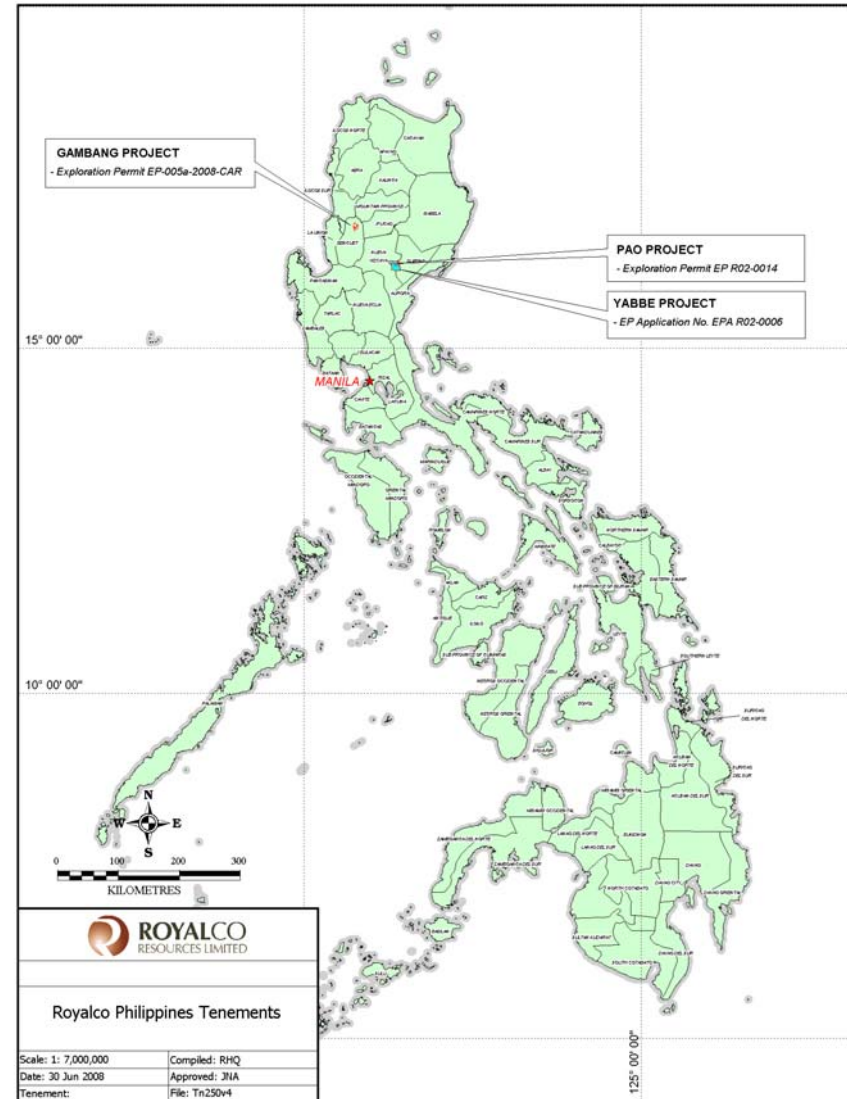
- ***Gold position of 3,350 ounces realised earlier this week at A\$1201 per ounce. (\$4.025 million)***
- ***Next 1100 ounces due in four weeks***
- ***Cash position, including bullion sales, currently \$10.6 million***
- ***Securities at current market values, approx \$430,000***
- ***Total cash and liquids therefore \$11.0 million***

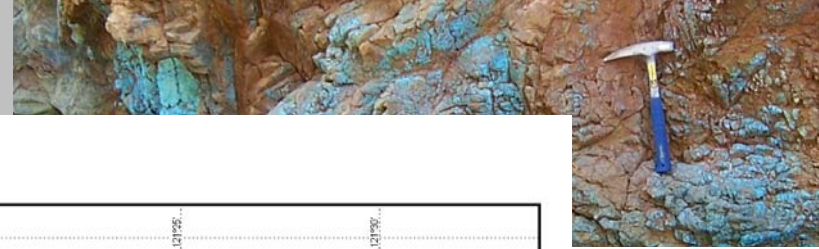
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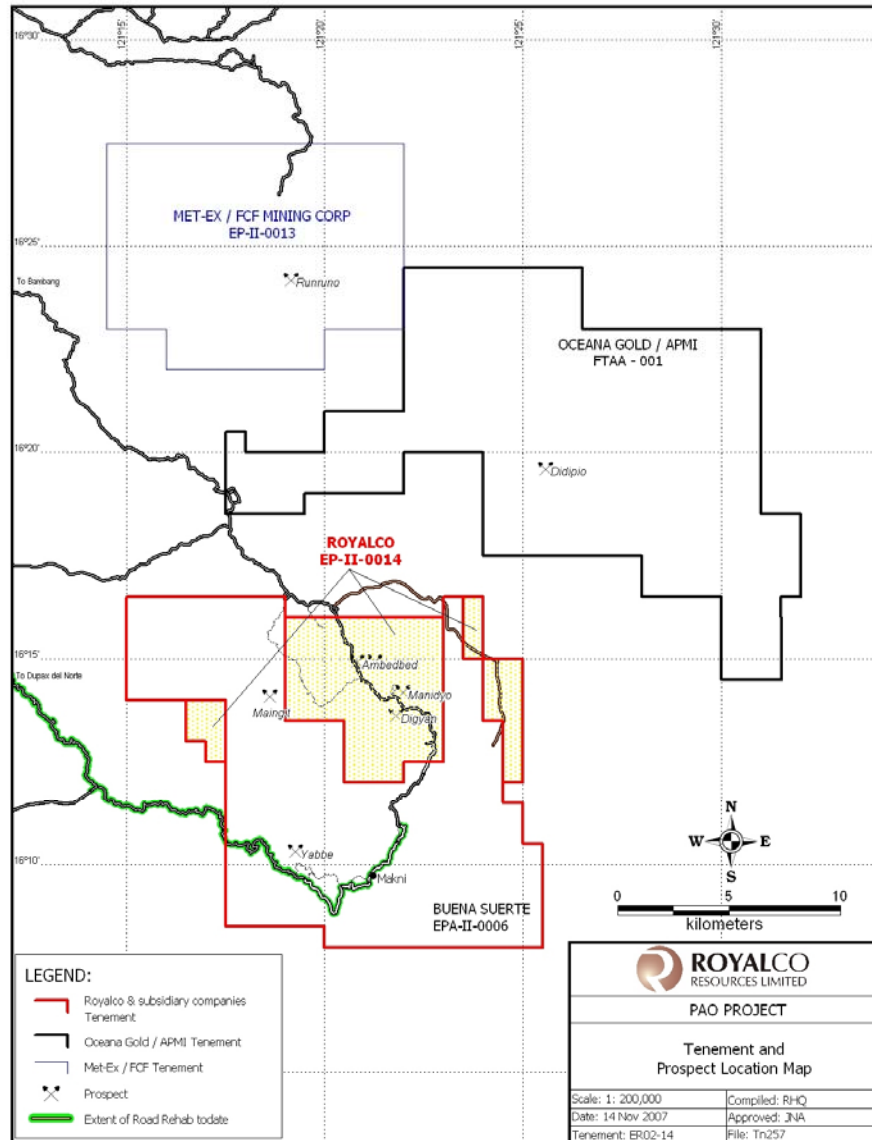
## PHILIPPINES EXPLORATION

***One of the more prospective parts of the planet  
Ask Xstrata, BHP, Anglo,  
Freeport, Vale, RIO***





## PAO TENEMENT





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## PAO INFRASTRUCTURE



***It really is a jungle  
out there!***



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## PAO HIGHWAY



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## PAO PROJECT



Pao Manidyo quartz enargite vein outcrop

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## PAO PROJECT



Pao Ambedbed – old mine adits

Pao Digyan Vein zone





## FUTURE ACTIVITIES

### **EXPLORATION**

- *Drilling Pao, follow up soil sampling*
- *Approvals for Yabbe, commence soil sampling. Ideally drill ready May*
- *Further investigation into other opportunities in Philippines and elsewhere is SE Asia/Australia*
- **ROYALTIES**
- *Under review-one gold, a suite of base metals, one further base metal opportunity and one in coal bed methane currently in production*
- *Ongoing-preference is to broaden base with additional energy exposure*

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## MAIN FEATURES UNCHANGED



- ***ATTRACTIVE COMMODITY EXPOSURE (Gold, base metals)***
- ***STRONG BALANCE SHEET AND CASHFLOWS (Value)***
- ***LOW RISK!!!***
- ***Thank you for your attention***