

Royalco Resources Limited

A PROFITABLE EXPLORER



AGM NOVEMBER 2009

Royalco Resources Limited



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

Royalco Resources Limited

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!

Royalco Resources Limited

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

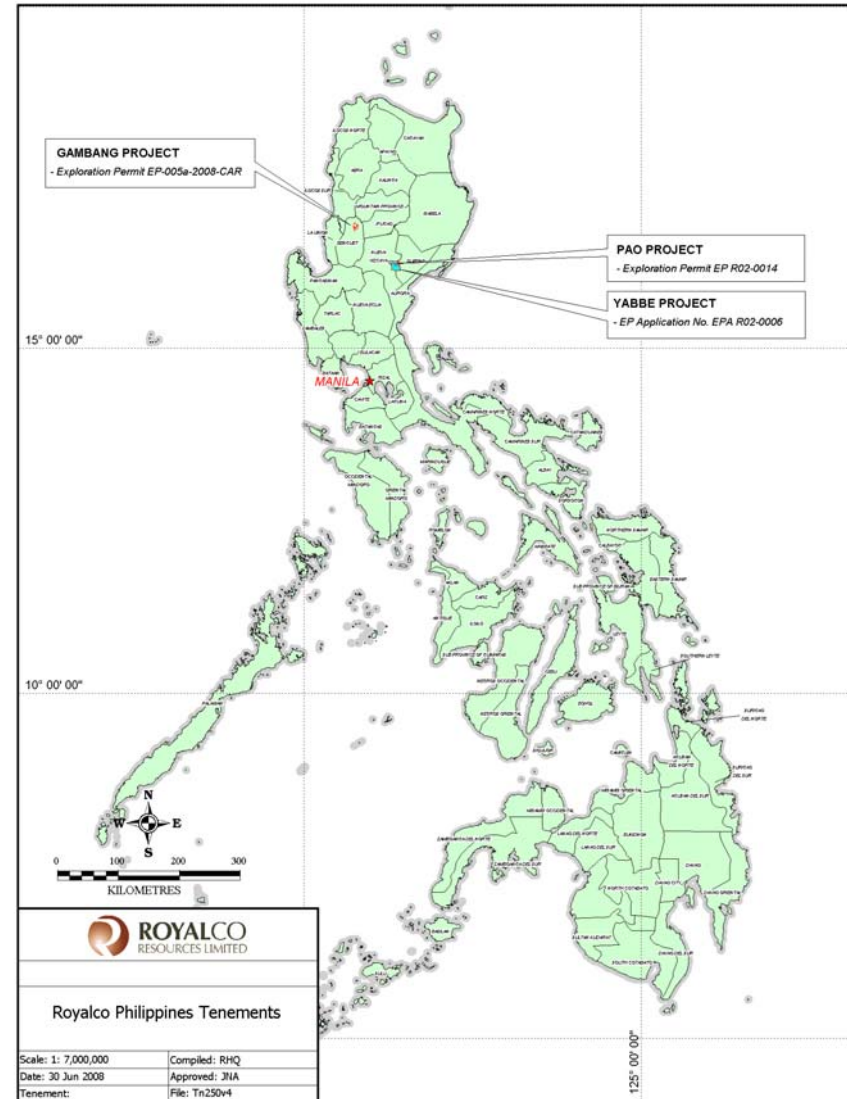
- ***Gold position of 3,350 ounces realised earlier this week at A\$1201 per ounce. (\$4.025 million)***
- ***Next 1100 ounces due in four weeks***
- ***Cash position, including bullion sales, currently \$10.6 million***
- ***Securities at current market values, approx \$430,000***
- ***Total cash and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

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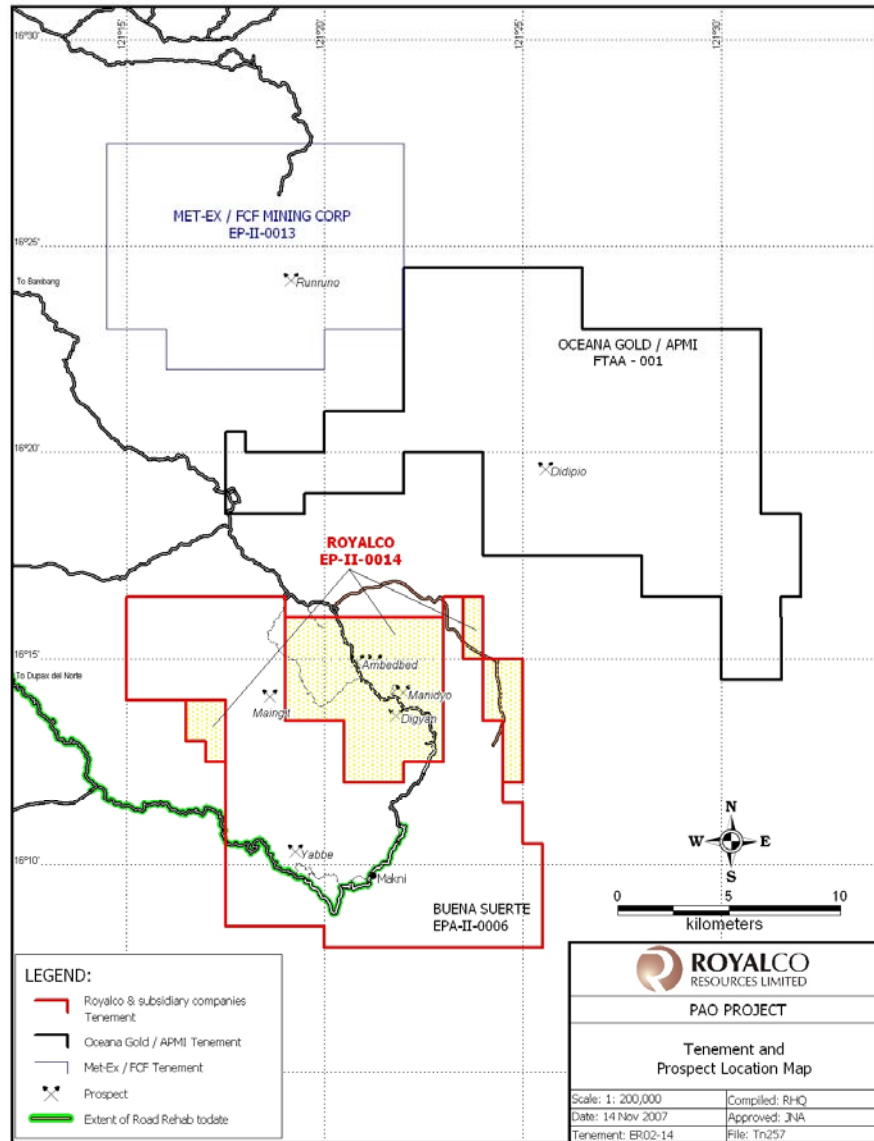
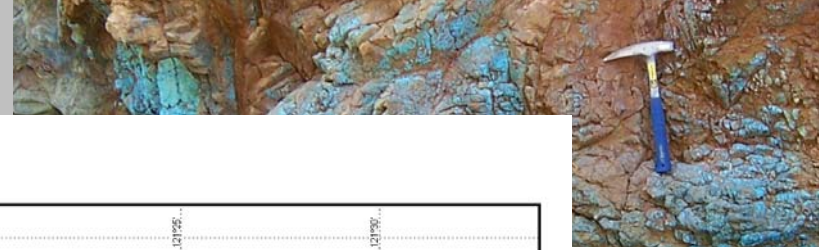


PHILIPPINES EXPLORATION

***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 in 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***