

Press Release

Royalco's exploration team has advanced the company's main exploration interests towards drill ready status during the March quarter.

Additional geochemical surveys and the pursuit of outstanding administrative clearances should result in three of the company's four major tenement areas achieving drill ready status this quarter. The fourth area, Gambang, should achieve that status by early the next quarter.

Pao is Royalco's first drilling priority. It is located approximately 7 kms south west of Oceana Gold Ltd's Dinkidi project which is under construction.

Targets at Pao include epithermal gold vein structures (Manidyo, Digyan and Ambedbed) as well as a significant copper porphyry prospect located between Manidyo and Digyan.

The first diamond rig is expected to start drilling by early June, once a substantial exploration camp has been constructed. This will be quickly followed by a second rig, as the programme is sizeable, comprising some 6,000 metres in the first stage.

Royalco's Executive Chairman, Peter Topham, said, "We are looking for elephants and the safari has just begun."

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

P J Topham