

17th June 2008

The Manager
Company Announcements Office
Australian Securities Exchange Ltd

Royalty Update June 2008

REEFTON

Royalco Resources (NO 1) Pty Ltd, a wholly owned subsidiary of Royalco Resources Ltd, has received 1062.5 ounces to its account from Oceana Gold NZ Ltd. This payment represents 1,250 ounces of gold for the period ending 31st May 2008 less 15% withholding tax. On prevailing gold spot prices of \$A929 ounce this equates to approximately \$A987,000.

Royalco is continuing with its legal action against Oceana Gold in the High Court of New Zealand to have this payment back dated to 14th January 2008 which represents a further 2,083.3 ounces.

On prevailing gold prices the royalty is set to generate 5,000 ounces per annum until production reaches 400,000 ounces at which time it will revert to a percentage interest of project production.

OTHER ROYALTIES

The royalty 'holidays' at both Mt Garnet, where Kagara Limited is the operator, and Mount Kelly, where Copperco Limited is the operator, should be exceeded this calendar year if production scheduling, as announced previously, is maintained.

On this basis Royalco will have three royalty streams in operation by the first quarter 2009.



Peter Topham
Executive Chairman