

9th September 2009

The Manager
Company Announcements Office
Australian Securities Exchange Ltd

ROYALTY INTERESTS- Valuation September 2009

Dear Sir,

Royalco Resources Limited recently commissioned DMR Corporate Pty Ltd to undertake a valuation of the company's various royalty interests.

This report has now been received and provides a valuation of the key royalty interests in the range of \$15.88 million to \$16.96 million. The principle assumptions included appropriate commodity price assumptions and after tax discount rates.

Given the complexity of prevailing accounting standards the valuation provided will not be reflected in Royalco's accounts for the period ending 30th June 2009. The current book value, which is based on historic cost rather than an estimate of current worth, will remain.

Utilising the above range for the royalty interests and Royalco's prevailing cash as well as physical gold position suggests a net tangible asset backing per Royalco share of between 48 and 50 cents. This excludes any intangible value for Royalco's advanced exploration activities.



Peter Topham
Executive Chairman