

**Form 603**

Corporations Act 2001 Section 671B

**Notice of initial substantial holder**To Company Name/Scheme **Royalco Resources Ltd**ACN/ARSN **53 096 321 532****1. Details of substantial holder (1)**

Name Gasmere Pty Ltd  
 ACN/ARSN (if applicable) 065 720 238  
 The holder became a substantial holder on 5 / 1 /2007

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	4,193,171	4,193,171	7.43%

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Gasmere Pty Ltd	Registered Holder, relevant interest in terms of S 608 (1) (a) of Corporations Act	3,415,787
Harry Hatch	Registered Holder, relevant interest in terms of S 608 (1) (a) of Corporations Act	777,384

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities

Gasmere Pty Ltd	Registered Holder		3,415,787 Ordinary shares
Mr Harry Hatch	Registered Holder		777,384 Ordinary shares

#### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
GASMERE PTYLTD	4-Sep-06	12043.16		20345
GASMERE PTYLTD	5-Sep-06	46559.59		78655
GASMERE PTYLTD	18-Sep-06	28092.4		50000
GASMERE PTYLTD	19-Sep-06	2224.92		3960
GASMERE PTYLTD	21-Sep-06	13293.73		25000
GASMERE PTYLTD	27-Sep-06	22280.28		41900
GASMERE PTYLTD	12-Oct-06	38697.28		77140
GASMERE PTYLTD	12-Oct-06	73742.55		150000
GASMERE PTYLTD	12-Oct-06	130278.51		265000
GASMERE PTYLTD	18-Oct-06	42529.89		85000
GASMERE PTYLTD	19-Oct-06	20066		40000
GASMERE PTYLTD	20-Oct-06	3511.55		7000
GASMERE PTYLTD	24-Oct-06	263358.28		500000
GASMERE PTYLTD	24-Oct-06	838.04		1591
GASMERE PTYLTD	25-Oct-06	23351.8		47500
GASMERE PTYLTD	31-Oct-06	22640.9		44686
GASMERE PTYLTD	6-Nov-06	2508.25		5000
GASMERE PTYLTD	7-Nov-06	11287.13		22500
GASMERE PTYLTD	8-Nov-06	13293.73		26500
GASMERE PTYLTD	13-Nov-06	2894.53		5770
GASMERE PTYLTD	14-Nov-06	1620.32		3230
GASMERE PTYLTD	15-Nov-06	2006.6		4000
GASMERE PTYLTD	16-Nov-06	5016.5		10000
GASMERE PTYLTD	3-Aug-06	129926.53		226674
GASMERE PTYLTD	7-Aug-06	29094.89		51326
GASMERE PTYLTD	17-Aug-06	856115.89		1706600
GASMERE PTYLTD	18-Aug-06	57793.14		105000
GASMERE PTYLTD	21-Aug-06	43529.43		77275
GASMERE PTYLTD	22-Aug-06	33169.1		58000
GASMERE PTYLTD	23-Aug-06	32096.82		56125
GASMERE PTYLTD	28-Nov-06	1654.37		3171

GASMERE PTYLTD	29-Nov-06	4173.73		8000
GASMERE PTYLTD	5-Dec-06	954.22		1829
GASMERE PTYLTD	8-Dec-06	25242.03		50318
GASMERE PTYLTD	11-Dec-06	15472.01		29656
GASMERE PTYLTD	12-Dec-06	10163.38		19344
GASMERE PTYLTD	13-Dec-06	3999.84		7692
HARRY HATCH	5-Jan-07	144,715.67		277,384
HARRY HATCH	12-Dec-06	250,000.00		500,000
GASMERE PTYLTD	12-Dec-06	-250,000.00		-500,000

#### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

#### 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Gasmere Pty Ltd	PO Box 82, North Melbourne Vic 3051
Mr Harry Hatch	PO Box 82, North Melbourne Vic 3051

### Signature

print name Harry Hatch

capacity Sole Director/Secretary

**sign here**

date 5/1/2007 / /

#### DIRECTIONS

- If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (1) See the definition of "associate" in section 9 of the Corporations Act 2001.
  - (2) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
  - (3) The voting shares of a company constitute one class unless divided into separate classes.
  - (4) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant
  - (5)

interest in.

- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.