

ROYALCO RESOURCES LTD

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29th June 2006

The Manager
Announcements
Australian Stock Exchange Ltd
530 Collins Street
Melbourne Vic 3000

Dear Sir

Re: Completion of Oxiana Philippines Inc acquisition and revised exploration Budget

The company is pleased to confirm that the acquisition of Oxiana Philippines Inc was completed on 20th June 2006.

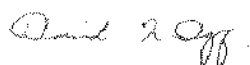
Set out below is our exploration budget over the next two years, as contained in the company's recent Prospectus, together with an alternative exploration budget that will be implemented should the Malangza and/or Gambang tenements not be granted in a timely manner:

Tenement	Budget as per Prospectus \$000		Revised budget, subject to tenement approvals \$000	
	2006/7	2007/8	2006/7	2007/8
Gambang	980	980	-	-
Pao/Yabbe	820	820	1510	1055
Malangza	330	330	-	-
Surigao/Matimomo	330	330	330	750
Dimakawal	330	330	330	330
Samay	330	330	650	1285
Project generation	180	180	180	180
TOTAL	3300	3300	3000	3600

We have been advised that the Malangza tenement is due for departmental approval by early July and Gambang by early August.

In the event that these approvals are delayed, greater emphasis will be given to Pao/Yabbe (the tenement adjoining Climax's Dinkidi project area) and Samay, as detailed above.

Yours sincerely



David L Ogg
Executive Director