



**ROYALCO**  
RESOURCES LIMITED

(ABN 53 096 321 532)

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30<sup>th</sup> August 2006

The Manager  
ASX Announcements Platform  
Level 45, South Tower  
Rialto  
525 Collins Street  
Melbourne Vic 3000

Dear Sir,

Re: Employee Incentive Option Scheme

We wish to advise that the Board has offered various employees and consultants of the company a total of 510,000 options under the above Scheme. The Scheme was disclosed in the company's recent prospectus, and details of the options are as follows:

Exercise price 52 cents.

Expiry date is 31<sup>st</sup> March 2011.

Options vest over various periods, with a total of 90,000 options vesting immediately, and 210,000 vesting on 1<sup>st</sup> July 2007 and a further 210,000 on 1<sup>st</sup> July 2008.

No application will be made for listing of these options.

Yours faithfully

A handwritten signature in cursive script that reads "David L Ogg".

David L Ogg  
Executive Director/Company Secretary

