

Tenement Approval – Philippines

14th December 2006

Corporate Details

ASX Code: RCO

Issued Capital:

56,411,200 Shares

2,800,000 Options @50c, 31/3/2011
(Unlisted)

510,000 Options @52c, 31/3/2011

Share Price: 52c

Market Capitalisation:

\$29.3 million

Cash Balance: \$10.1 mill

Major Shareholders:

Oxiana Ltd	17.7%
Directors	14.9%
Riomin Gold	6.4%
Colonial First State	7.9%

Directors:

Peter Topham – Executive Chairman

David Ogg – Executive Director

Peter Lester – Non executive Director

Tom Eadie – Non executive Director

Adam Boyd – Non executive Director

The company is pleased to advise that we have received advice that the Malangza Exploration Permit on Panaon Island, Philippines, has now been granted. This follows a presentation by our Executive Chairman and our Philippines Country Manager to Secretary Reyes on 2nd October 2006.

The implications of this approval are threefold:

- i) the tenement itself is considered highly prospective with an unexplored alteration zone in excess of 12 sq kms on the major Philippine Fault Zone.

“Large zones of silica-clay-pyrite alteration are observed throughout the tenement and provide further encouragement that this area is highly prospective for copper-gold deposits”.
(Independent Expert’s Report, from Prospectus).

The Company considers this an exciting prospect and appropriate resources will be devoted to it immediately.

- ii) it allows our company to optimise our 2007 exploration program with completion of drilling at Samay by February, commencement of drilling at Pao/Gambang (where indigenous people’s consent is believed to be imminent) shortly after Samay, and with concurrent groundwork at Malangza (geochem, geophysics), it is probable we will be drilling at **three** separate locations by the end of 2007.

- iii) prior to the grant of this application only 3 EP's have been approved this calendar year, by the Department of Environment and Natural Resources. The granting of this tenement reflects favorably on our company, the quality of our staff, the strength of the proposed exploration program, and the level of our social commitment to the people of the Philippines. It also confirms that the Philippines mineral industry is indeed "Open for Business".



P J Topham
Executive Chairman

Royalco Resources (RCO) is a mineral exploration company with the dual objectives of cash flow generation through royalty interests and asset creation through attractive exploration initiatives.

Key Assets are:

- A royalty portfolio of ten royalties, with the Reefton royalty in New Zealand expected to commence by mid-2007.
- The Philippines exploration assets of Oxiana Limited. The Company is conducting an intensive two-year drilling and exploration programme of these highly prospective copper/gold and gold exploration projects.
- The Samay epithermal gold prospect in the Philippines, in Joint Venture with Phelps Dodge Corp. Drilling commenced in the fourth quarter of 2006