MEDIA / ASX RELEASE

28th October 2014

KALONGWE JV PHASE II DRILLING PROGRAMME UPDATE NO 2

HIGHLIGHTS

- Multiple high grade drill results with above average grade and wider than average intersections generated by the in-fill Phase II resource drilling programme at Kalongwe Project.
- **New significant results of high grade, near surface copper oxide mineralisation include:**
  - **86.7m at 4.07% Cu and 0.71% Co from 24.5m**
  - **75.0m at 6.30% Cu and 0.73% Co from 12.0m**
  - **57.3m at 4.58% Cu and 0.62% Co from 3.8m**
  - **50.1m at 3.33% Cu and 0.16% Co from 51.5m**
- Results are anticipated to lead to an improved revised Mineral Resource estimate and highlight the robust and consistent geometry of the deposit.
- Results for hole DKAL_DD091 have extended mineralisation down dip confirming potential to expand current resource.
- Active regional sampling programme underway across the Kalongwe permit to identify new zone of copper mineralisation. Early results highly encouraging and have identified drill targets.

The Directors of Regal Resources Limited (**ASX:RER**) ("Regal" or "the Company") are pleased to advise that new assay results have been received for the ongoing Phase II diamond drilling programme at Kalongwe deposit.

The new drill hole intersections are for the holes, DKAL_DD091 to DKAL_DD095, distributed over three section lines spaced 50m apart (Figure 1). The drill results (Table 1), further define a very thick zone of high grade secondary Cu and Co mineralisation that is outcropping and extends to a vertical depth of over 150m.

The outstanding Phase II drill results to date continue to confirm the potential for development of Kalongwe as a stand-alone open pit mining operation and as well indicate the high potential to expand the current resource.

Phase II Drilling Programme

After the successful Phase I programme completed earlier in the year at Kalongwe which resulted in a maiden Inferred JORC Mineral Resource estimate of 10.41Mt @ 2.65% Cu for 276,000t contained copper and 46,500t Co contained cobalt, a Phase II programme of resource definition drilling at commenced in August.

The programme is designed to convert inferred resources to a measured and indicated category and provide inputs into scoping and feasibility studies.

So far twenty one (21) of the planned (31) holes have been completed for an advance of about 3,000m of the planned 5,000m programme (Figure 1,Table 2). Final assay results have been received from ALS Laboratories in Johannesburg SA, for the first eight holes.

Results from holes DKAL_DD088, DKAL_DD089 and DKAL_DD090 were reported in a previous release (RER:ASX, 16/10/2014).

The current update presents the results of holes DKAL_DD091 to DKAL_DD095 which include multiple high grade, high width intersections (Table 1).

The holes are distributed over three east-west section lines on northings: 8,781,650m, 8,781,700m and 8,781,750m (Figure 1), which cover the portion of the deposit that would be expected to be mined in the early years of the development of a commercial mining operation.

The drilling results show a close correlation with the interpreted geological model and the above average grades firm up the quality of the deposit and will have a strong positive impact on the economics of the project.

The recent drilling also confirms the interpretation that mineralisation is associated with an overturned recumbent fold and that significant accumulations of mineralisation are associated with fault repetitions of mineralised units of Roan stratigraphy.

DKAL_DD091 was collared on the eastern end of section line 8781650mN, (Figure 2) to test for the down-dip continuation of the mineralisation reported in holes DKAL_DD011 and DKAL_DD011T.

The hole intersected two mineralised intervals which correspond to the projected down dip extensions of the mineralised units seen in DKAL_DD0011 and DD011T. The higher level, more significantly mineralised intersect is shown in (Figure 2).

Holes **DKAL_DD092**, **DKAL_DD093** and **DKAL_DD094** were drilled on section line 8,781,750mN. The results show excellent continuity of the geology and of the mineralisation along the section line (Figure 3, Table 3).

Table 3: Significant new results on Section line 8,781,750m.

Hole ID	From (m)	To (m)	Down hole interval (m)	Cu%	Co%	Comments
DKAL_DD092	51.5	136.1	**84.6**	**2.54**	**0.33**	Down hole length
DKAL_DD092	133.1	142.4	**9.3**	**1.41**	**1.44**	Down hole length
DKAL_DD093	24.5	111.2	**86.7**	**4.05**	**0.71**	Down hole length
DKAL_DD093	132.0	144.0	**12.0**	**6.05**	**0.08**	Down hole length
DKAL_DD094	12.0	87.0	**75.0**	**6.30**	**0.73**	Down hole length

The mineralisation in all three holes is hosted in strongly weathered, deformed and partly silicified ex-dolomitic shales and stromatolitic dolomites of the Mines Series and in extensive breccia zones. Copper and cobalt minerals fill fractures and vugs in breccias and are redistributed along bedding planes. As a result, the bulk of the mineralisation has a coarse "chunky" texture.

The dominant copper mineral throughout the oxide mineralised zone is malachite with minor amounts of chrysocolla. Heterogenite is the dominant cobalt mineral. Subordinate chalcocite is present in places below 75m in DKAL_DD092 and below 40m in DKAL_DD093.

Hole **DKAL_DD095** was collared on line 8,781,700mN. The mineralisation intersected in this hole confirms the continuity of mineralisation between DKAL_DD006 and DKAL_DD021 (Figure 4), as well as confirming the strike continuity of the wide, high-grade zone between adjacent sections to the north and south (Figure 1).

DKAL_DD095 intersected secondary copper mineralisation immediately below surface and remained in mineralisation to a down-hole depth of about 120m. Zones of lower grade mineralisation were intersected between about 80 and 90m and 100 and 110m.

DKAL_DD095 was an important strategic hole and the very good results consolidate the robustness of the deposit.

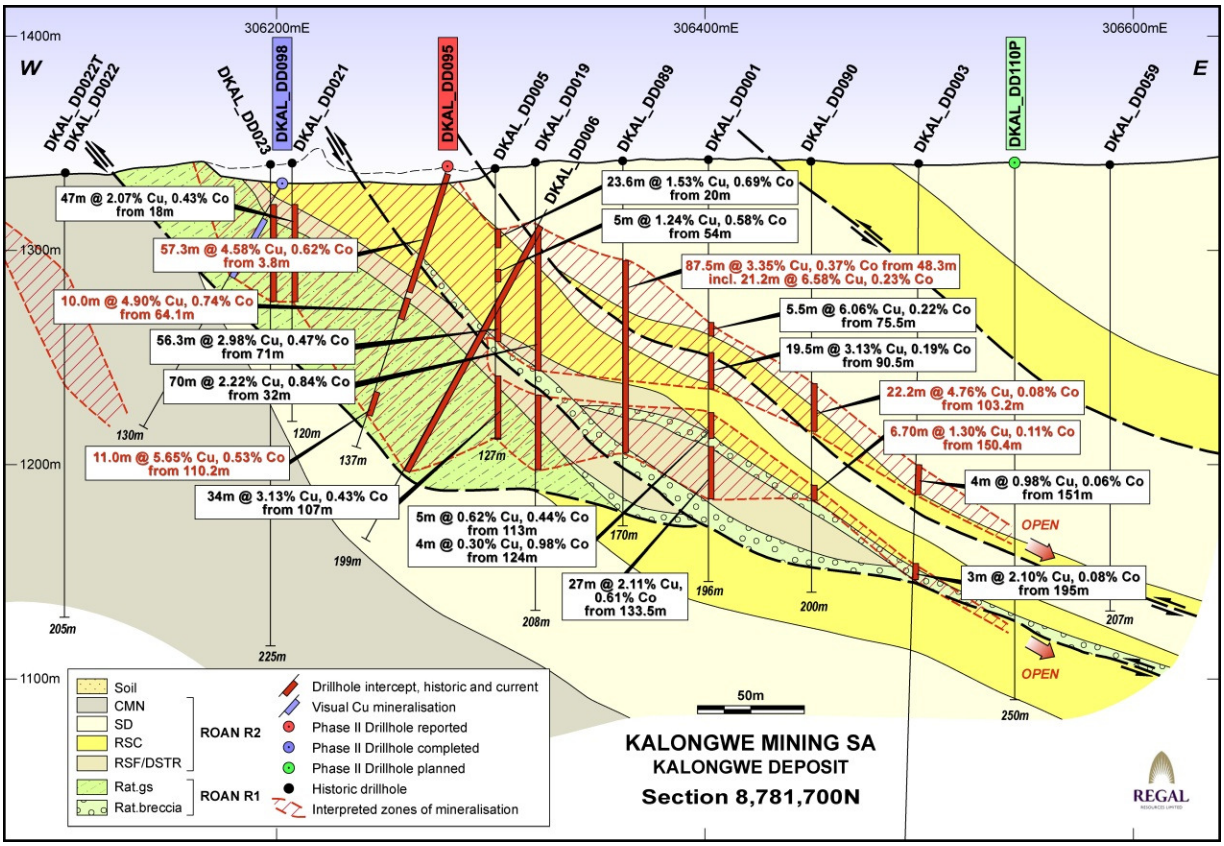


Figure 4: Geological cross section 8,781,750mN of the Kalongwe Cu-Co mineralisation.

Regional Exploration

To date Regals' exploration activities in the Kalongwe deposit have been predominantly focussed on delineating the Cu/Co deposit hosted by the Kalongwe fragment. However the Kalongwe Mining JV recognises significant potential exists to extend mineral inventory at Kalongwe through systematic exploration of the broader project area within PR 12198.

The Kalongwe fragment, represents just one of several fragments of prospective Roan stratigraphy known to exist within core of a southwest trending anticlinal structure that transects the project area over a strike of approximately 2.7km. These other fragments have yet to be tested by systematic drill programmes though have been partially covered by soil geochemical sampling programme previously undertaken by Ivanhoe Mines (Figure 5, LHS). Regal has expanded its exploration activities to include detailed infill soil sampling to follow up on the Ivanhoe results and to include a more regional programme to explore for potential new zones of copper mineralisation hosted in the Kundelungu (host to the world class Kamoa Cu deposit) which has been mapped over the northern half of PR12198 and so far remains untested by drilling (Figure 5, RHS).

The historic soils sampling programme conducted by Ivanhoe defined multiple high order (+250Cu) copper and cobalt -in-soil anomalies that show strong correlation with the mapped location of the 700m long Kundelungu fragment of Roan stratigraphy situated just some 100's of metres to the west of Kalongwe deposit, (Figure 5).

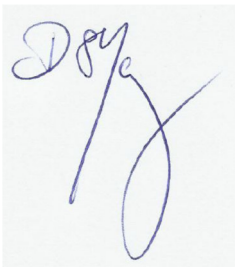
The results of the soil sampling programme also delineated two strongly coherent zones of anomalous soil values. One anomalous zone coincides with rocks of the Mines Series with peak values more than 1000ppm and the second anomaly occurs along the southern edge of the Grand Conglomerate of the Kundelungu formation, coinciding with the regional strike (SW-NE), with values commonly over 500 ppm and in places over 1000 ppm. Cobalt anomalies broadly to coincide with the copper anomalies.

The Kalongwe JV has planned a programme of around 900 soil samples to cover the entire PR. To date, 272 samples have been collected and assayed on site by portable XRF analyser. A percentage of the samples will be sent for check analysis by the ALS Laboratories in Johannesburg.

The preliminary results of the XRF analysis using a NITON XRF analyser and calibration factors defined by the manufacturer are very encouraging as the relative highs correlate well with the historic Ivanhoe results and have identified further zones of anomalous Cu and Co in-soil values which justify being drill tested (Figure 6).

The site of one of the high value copper-in-soil anomalies reported by Ivanhoe and situated on Grand Conglomerate (lower Kundelungu) substratum was investigated and found to coincide with in-situ malachite mineralisation.

It is intended that any significant soil anomalies identified from the review process will be followed up during the Phase II programme and further investigated.



On behalf of the Board of Directors,

David Young
Managing Director

Information Note

Information about the Kalongwe Project referred to above, insofar as it relates to exploration results is based upon information previously contained in the ASX announcement "Regal acquires an interest in an advanced high-grade Copper/Cobalt Project in the Katanga Copperbelt, DRC and Regal to Complete Fundraising and Commence Exploration at the Kalongwe Copper Project, DRC" which contained information compiled by the Competent Persons: Mr David Young and Dr Simon Dorling, dated and released to ASX as separate announcements on 14 November, 2012 and on 2 December, 2012. Further detail can be obtained from the above announcement, which is available from the ASX website, www.asx.com.au. and the Company's website, www.regalresources.com.au. The Competent Person Mr David Young is a full time employee of the Company. The Company confirms that it is not aware of any new information or data that materially affects information as it relates to exploration results included in the announcements referred to, and that the form and context in which the competent person's (Mr David Young and Dr Simon Dorling's) findings are presented have not been materially modified.

Competent Persons Statement

Scientific or technical information in this release has been prepared by Mr David Young and Dr Simon Dorling and, the Company's Managing and Technical Directors. Mr David Young is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and Dr Simon Dorling is a member of the Australasian Institute of Geoscientists (MAIG) and both have sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr David Young and Dr Simon Dorling consent to the inclusion in this report of the Information, in the form and context in which it appear.

Table 1: Updated Phase II drilling programme copper and cobalt assay results for completed drill holes.

Hole ID	From (m)	To (m)	Down hole interval (m)	Cu%	Co%	Recovery (%)	Comments
DKAL_DD088	108.2	112.4	4.2	2.67	0.56	89	Down hole length
	123.3	137.3	14.0	1.21	0.19	83	Down hole length
	147.9	197.9	50	2.03	0.57	95	Down hole length
DKAL_DD089	48.3	135.8	87.5	3.35	0.37	91	Down hole length
Incl.	48.3	69.5	21.2	6.58	0.23	96	Down hole length
	102.8	111.75	8.95	3.25	0.74	85	Down hole length
	118.60	135.8	17.2	4.71	0.54	85	Down hole length
	150.5	157.25	6.75	1.64	0.41	99	Down hole length
DKAL_DD090	103.2	125.4	22.2	4.76	0.08	78	Down hole length
	150.4	157.1	6.70	1.30	0.11	57	Down hole length
DKAL_DD091	139.9	145.4	5.5	2.56	0.29	77	Down hole length
	165.8	173.8	8	0.33	0.37	60	Down hole length
DKAL_DD092	51.5	101.6	50.1	3.33	0.16	70	Down hole length
	114.6	119.4	4.8	3.10	0.37	92	Down hole length
	133.1	142.4	9.3	1.41	1.44	92	Down hole length
DKAL_DD093	25.7	106.2	80.5	4.27	0.76	91	Down hole length
Including	30.7	39.45	8.75	8.97	1.40	94	Down hole length
	46.0	57.0	11.0	9.34	0.45	95	Down hole length
	132.0	144.0	12.0	6.05	0.08	59	Down hole length
DKAL_DD094	12	87	75	6.30	0.73	94	Down hole length
Including	32.2	48.2	16	12.09	0.26	99	Down hole length
DKAL_DD095	3.8	61.1	57.3	4.58	0.62	91	Down hole length
	64.1	74.1	10.0	4.90	0.74	48	Down hole length
	110.2	121.2	11.0	5.65	0.53	92	Down hole length

NOTES: 1. All holes are diamond drill holes containing PQ and HQ core. 2. Samples are quarter core for PQ and half core for HQ. 3. Assaying is conducted at ALS Chemex Laboratories, Johannesburg, South Africa using industry standard analysis for Copper and Cobalt (ME-ICP61). 4. Certified reference materials, blanks and quarter core duplicates are inserted into the sample stream and monitored by CSA Global UK. 5. Down hole intercepts are quoted to two decimal places using a >0.5% lower cut-off for Cu and 0.2% cut off for Co which includes no more than 5m of internal dilution but rarely exceeds 2m (>0.5% Cu). 6. No high cut-off grade has been applied. 7. True widths are approximately 80-90% of the reported down-hole interval. 8. NSI – no significant intercept. 9. See Appendix A.

Table 2: Collar details for drill holes completed to date for Phase II Programme.

Hole ID	East (UTM)	North (UTM)	RL	Dip	Azimuth (magnetic)	Hole Type	EOH	Recovery (%)	Comments
DKAL_DD088	306422	8781652	1340	-60	270	DD	200.8	93	Assays received
DKAL_DD089	306365	8781700	1347	-90	0	DD	170.0	98	Assays received
DKAL_DD090	306449	8781709	1345	-90	0	DD	195.0	86	Assays received
DKAL_DD091	306530	8781651	1338	-60	270	DD	217.5	69	Assays received
DKAL_DD092	306414	8781749	1342	-60	270	DD	161.6	75	Assays received
DKAL_DD093	306304	8781753	1327	-60	270	DD	176.0	76	Assays received
DKAL_DD094	306209	8781746	1333	-60	270	DD	133.5	85	Assays received
DKAL_DD095	306279	8781700	1347	-72	268	DD	137.2	70	Assays received
DKAL_DD096	306261	8781637	1339	-62	290	DD	110.2	89	Assays pending
DKAL_DD097	306225	8781650	1343	-60	270	DD	43.6	86	Assays pending
DKAL_DD098	306204	8781697	1331	-60	270	DD	130.1	77	Assays pending
DKAL_DD099	306263	8781759	1330	-60	270	DD	130.0	90	Assays pending
DKAL_DD100	306166	8781743	1337	-60	270	DD	107.2	65	Assays pending
DKAL_DD101	306346	8781797	1341	-90	0	DD	160.0	85	Assays pending
DKAL_DD102	306257	8781792	1336	-85	270	DD	130.0	73	Assays pending
DKAL_DD103	306366	8781601	1343	-90	0	DD	143.3	89	Assays pending
DKAL_DD104	306273	8781605	1338	-90	0	DD	108.4	65	Assays pending
DKAL_DD105	306324	8781549	1347	-60	270	DD	141.0	78	Assays pending
DKAL_DD106	306360	8781496	1348	-90	0	DD	122.0	76	Assays pending
DKAL_DD107	306234	8781447	1349	-55	270	DD	74.2	70	Assays pending
DKAL_DD108	306450	8781596	1351	-90	0	DD	161.9	92	Assays pending

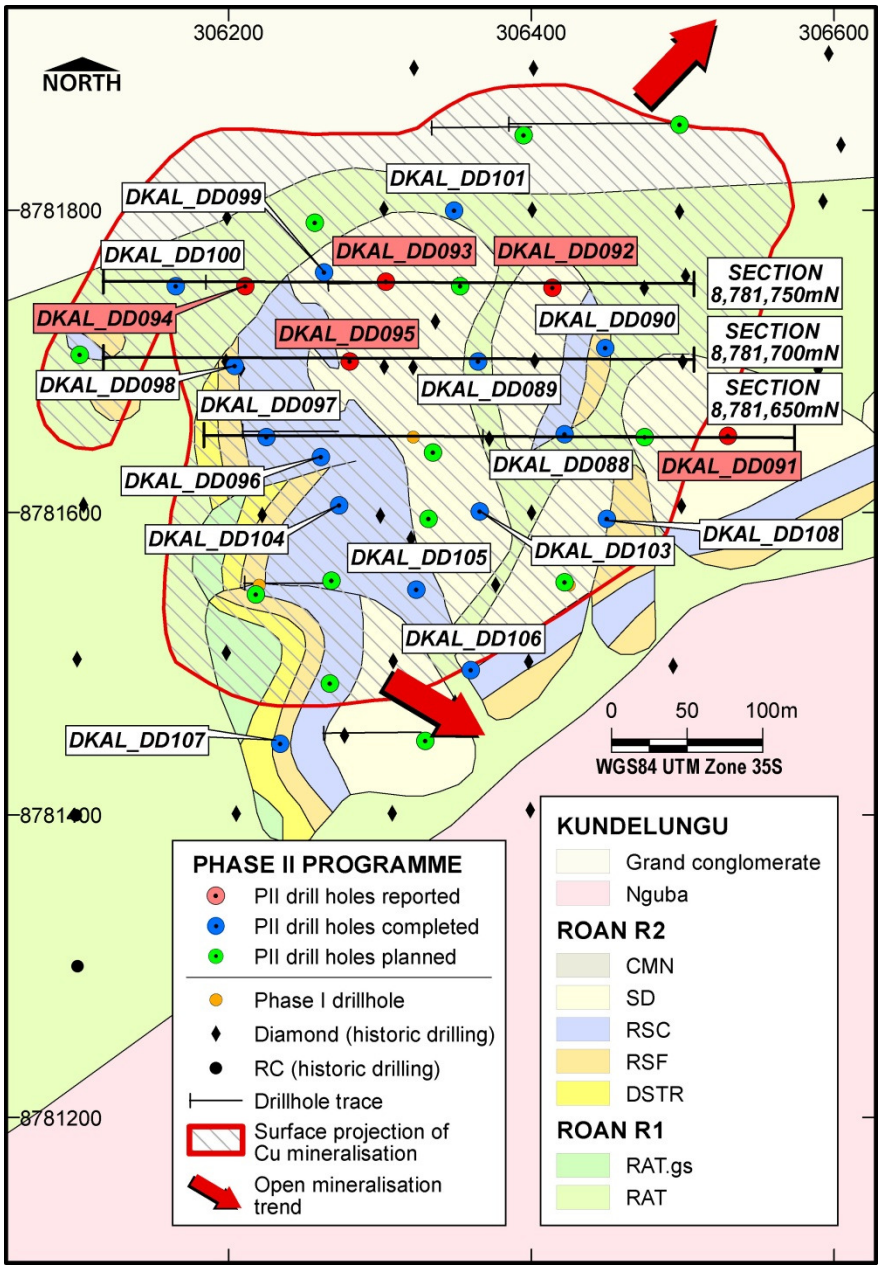


Figure 1: Geological map of the Kalongwe deposit area showing the layout of planned Phase II drilling and referenced cross section.

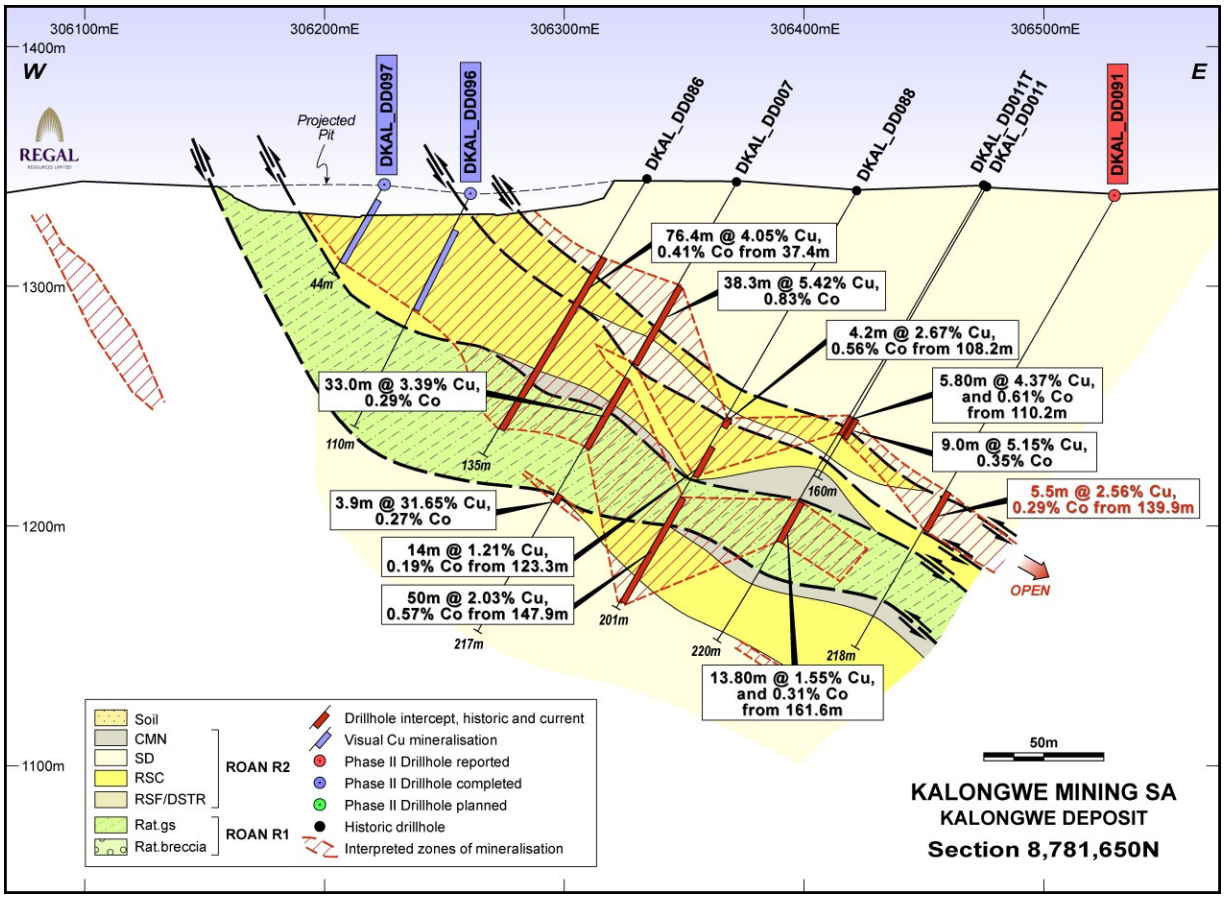


Figure 2: Geological cross section 8,781,650mN of the Kalongwe Cu-Co mineralisation.

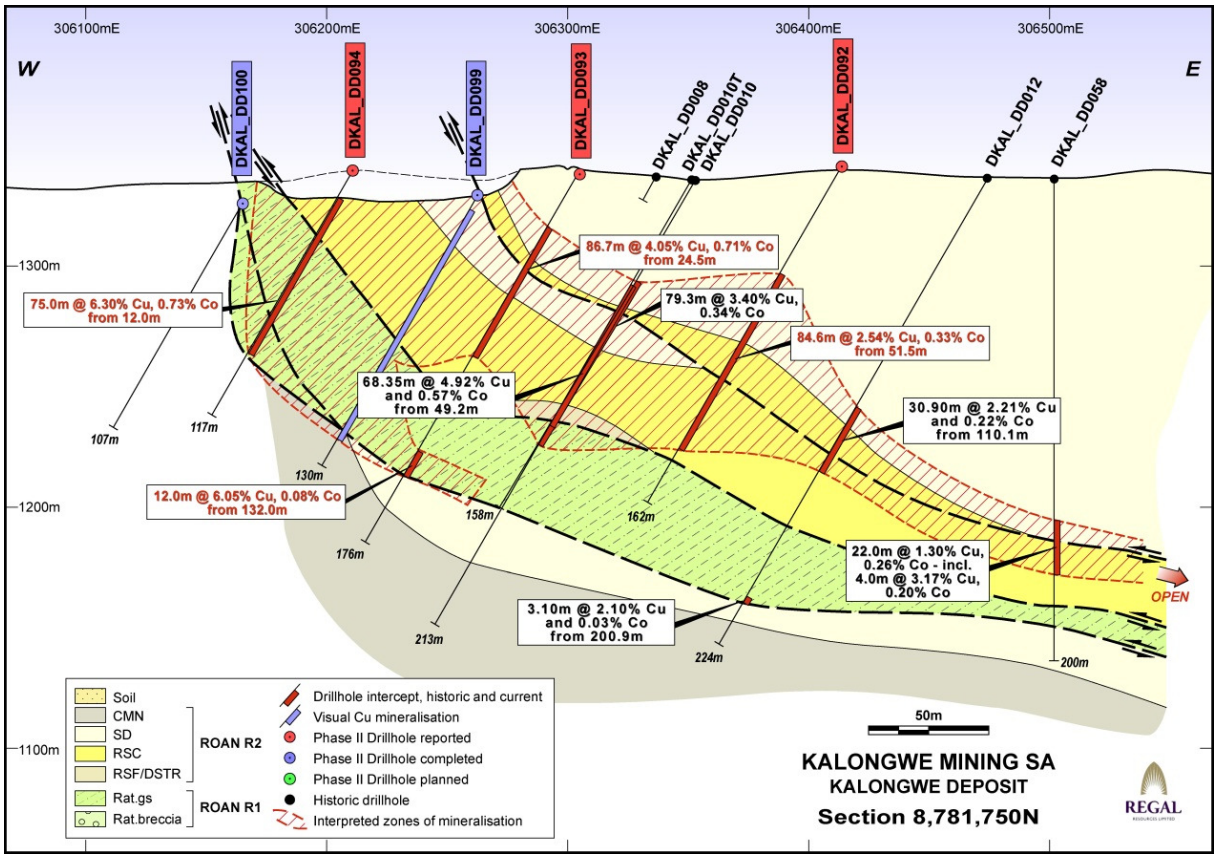


Figure 3: Geological cross section 8,781,750mN of the Kalongwe Cu-Co mineralisation.

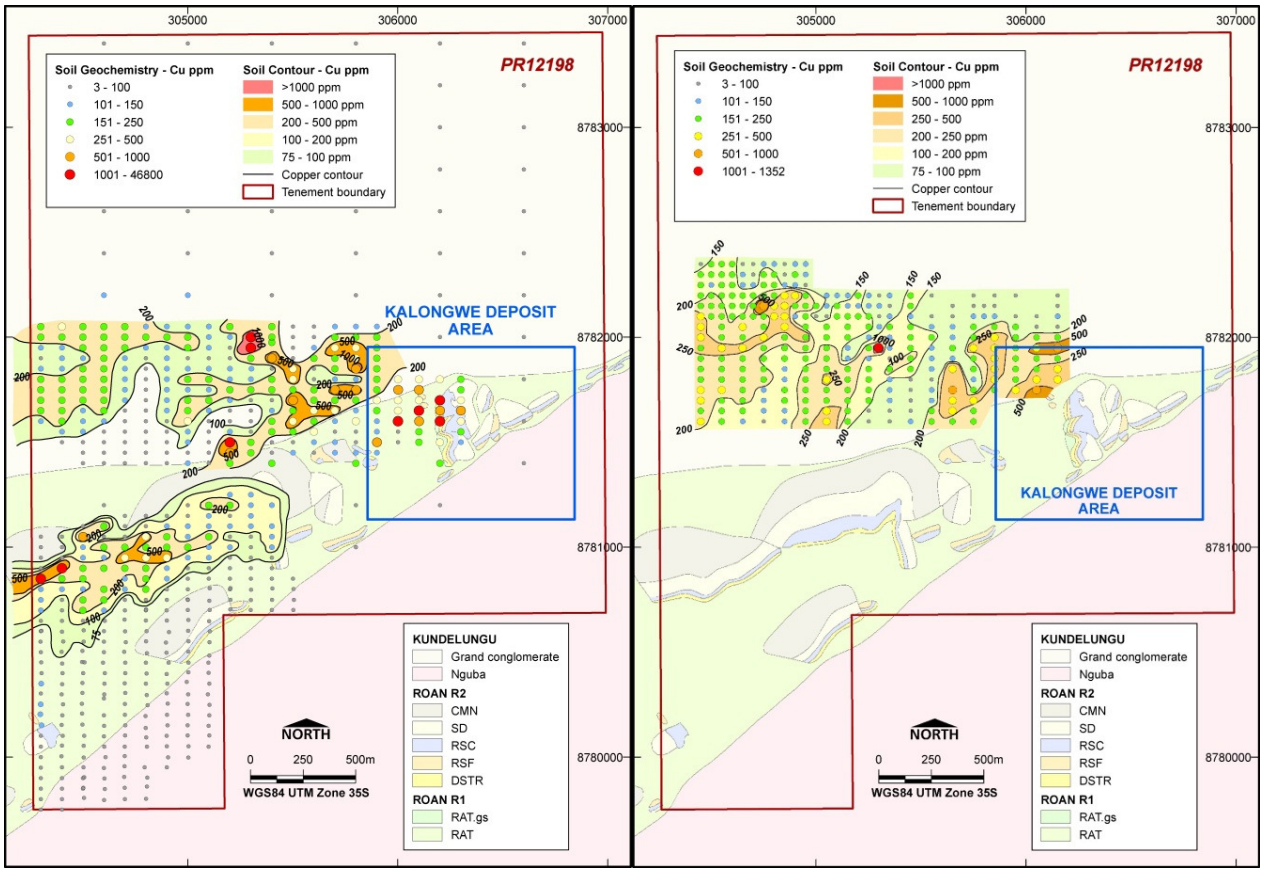


Figure 5: PR12198 and location of Kalongwe deposit showing exploration potential. Ivanhoe Mines soil geochemistry survey (Cu values, LHS) over Kalongwe Project area overlain on the local geology. Contoured results of Regal's infill soil sampling programme (RHS).

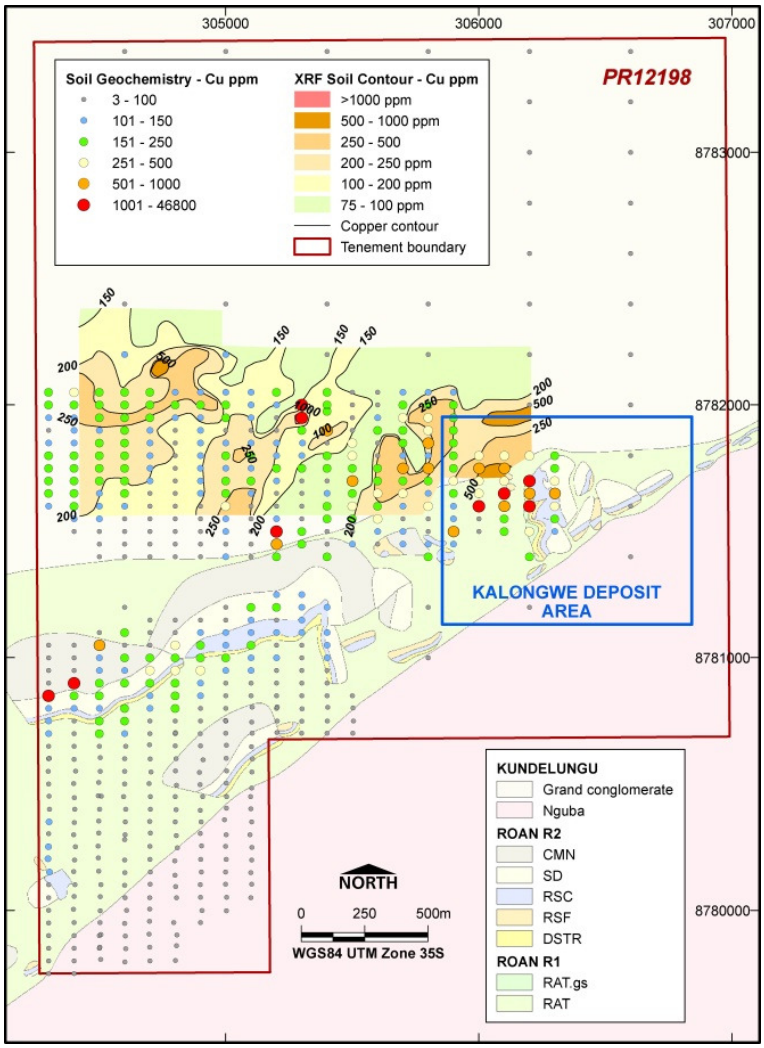


Figure 6: Regal's infill soil sampling result interpretation plotted over Ivanhoe Mines original soil sampling data confirming the location of Cu value highs from both surveys.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or	• Historical drilling was undertaken using diamond core and RC percussion methods to obtain samples for geological logging and sampling. However details of the sampling techniques for the historical drill holes are not known. • Regal used diamond core drilling to obtain samples for geological logging and analysis and applied industry standard practice QAQC procedures by inserting standards and blacks into the sample stream • Diamond drilling drilling was used to obtain samples of about 1 m length. The diamond core was half-cored from crushed to <-3mm and from which a 500g subsample was pulverised to produce a 50 g charge ICP • Geochemical (soil) sampling conducted by the previous owners was carried on 200by 400m and locally on 100 by 50 spacing. It is not clear what sub-sampling treatment was applied, however, the previous owner submitted all soil samples to ALS laboratories in South Africa where they were analysed by ICP. • Regals infill soil sampling programme included collecting of about 2kg of soil material was collected from the base of a 40 by 40 by 50cm pit. Material was dried, crushed and sieved to-80mesh. This material was subjected to analysis

Criteria	JORC Code explanation	Commentary
	mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	by XRF analyser using factory standard analytical settings. No calibration was applied to the XRF instrument.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Historical drilling used a combination of diamond and RC percussion. Details of the core and face-sampling bit size are unknown at this stage. • Regal diamond core drilling used a combination of PQ and HQ (8.5cm and 5.6cm diameter respectively) triple tube. • No core orientations were completed.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Historical drilling recoveries are not known. • For Regal diamond drilling, core recoveries were recorded by the drillers in the field at the time of drilling and checked by a geologist. • Diamond core was reconstructed into continuous runs for orientation marking, depths being checked against the depth marked on the core blocks. Core recoveries were calculated by measuring core recovered in the core trays versus measured drill run. • Triple tube method was used to maximise core recoveries. • Sample recovery is generally high (80-90%) within the mineralised zone but is variable in places due to broken ground conditions and strong weathering. • It is not known at this stage, whether a sampling bias related to recovery is present.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	• Historical core and drill chips were recorded manually on paper logs by the on-site geologists. Selective re-logging of this data was conducted preceding entry onto an Excel spreadsheet. This data include geology, weathering, alteration and information on visible mineralisation

Criteria	JORC Code explanation	Commentary
	• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	identified. • Geological logging of the Regal core is conducted on paper by on-site geologists recording lithology, formation, weathering, alteration, visible mineralisation and geotechnical properties of the drill core. • All diamond core was geologically logged in full.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• The sub-sampling techniques and sample preparation details for the historical drilling are not known. • Regal drill core was cut with a core saw and half core taken. • No duplicate sampling of the remaining drill core has been undertaken. • The sample size is considered appropriate and representative for the grain size and style of mineralisation. • Every ten's soil sample from Regal's geochemical soil sampling programme will be submitted to ALS laboratories for emission spectroscopy (ICP-AES) with a four acid digest. In order to calibrate the XRF results.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld	• Quality assurance data are not available for the historical drilling. • ALS Chemex Laboratories (Johannesburg) was used for all analysis work carried out on the 1m drill core samples. The laboratory techniques below are for all samples submitted

Criteria	JORC Code explanation	Commentary
	XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	to ALS and are considered appropriate for the style of mineralisation defined at the Kalongwe prospect: • Samples were analysed using inductively coupled plasma atomic emission spectroscopy (ICP-AES) with a four acid digest. • Routine Cu and Co analysis had a range of 1 to 10,000 ppm with over range samples reanalysed using an ore grade method (range 0.001 – 20% for Co and 0.001 - 40% for Cu). • The QA comprised use of standards (Certified Reference Materials), blanks and laboratory checks (pulp repeats, coarse crush duplicates, internal reference standards). • No significant issues were identified from the QA programme. • The XRF results were determined using a NITON XRF analyser accepting the calibration factors supplied by the manufactures for the use for base metal analysis.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• A number of historical drill intersections have been verified by the drilling of twin holes by Regal. • Regal completed four twin core holes in the most recent programme. A direct comparison of drill hole pairs gave very satisfactory analytical and geological results confirming the historical drilling results. • Geological information recorded on paper logs is transferred into digital spreadsheets on site. This information and laboratory assay files were sent directly to CSA Global (UK) for validation and compilation into the existing database. The master database is kept off site at

Criteria	JORC Code explanation	Commentary
		CSA's UK office. • No adjustments of assay data are considered necessary.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Historical holes have UTM (WGS84) and local grid coordinates. Based on drill hole collar coordinates in the database, Regal geologists located each historical drill hole within a radius of approximately 2 to 4m from the indicated position. • Regal drill hole collar positions were surveyed using a differential GPS at the conclusion of the programme with centimetre accuracy. • Grid system used is UTM (WGS84).
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Data /drill-hole spacing is broadly at 100m centres with local infill drilling and some close spaced (<10m) twin holes to confirm Historical results. • The drill spacing, particularly in the more densely drilled areas, has confirmed the initial geological and mineralisation model. • The use of compositing in historical work in unknown. • No sample compositing was used for the Regal drilling; all results detailed are the product of 1m down hole sample intervals.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have	• The supergene-style mineralisation is often irregular and Regal's drilling was designed to intersect mineralisation as perpendicularly as possible to the gross strike and dip of the deposit. A small number of 60 degree inclined holes were used to test the lateral variability zones and any steeper structural mineralisation. • No material sampling bias is considered to have been

Criteria	JORC Code explanation	Commentary
	introduced a sampling bias, this should be assessed and reported if material.	introduced by the drilling direction.
Sample security	• The measures taken to ensure sample security.	• Historical sampling security protocols are not available. • Kalongwe Mining SA maintains a drill core collection register signed off on by the driller and geologist when drill core is collected at the drill site and a core shed register signed off by the geologist when core is received at the core shed.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits and reviews are detailed for the historical drilling. • Regal data is provided to independent consulting group CSA Global (UK) where it is stored, validated and regularly audited.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, Historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• The ownership of PR 12198 was transferred from GICC to Kalongwe Mining SA ("Kalongwe Mining"), effective 17 June 2014. The transfer of title was endorsed by CAMI (the DRC Mining Register). Kalongwe Mining is a DRC registered company. Shares in Kalongwe Mining are currently held 30% by Regal, 30% by Traxys Europe SA ("Traxys") and 40% by GICC.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Between 2005 and 2007 African Minerals (Barbados) SPRL (now Ivanplats) completed two core and RC percussion drilling programmes. • Approximately 57 drill holes fall within the Kalongwe deposit area for approximately 12,000m, of which approximately 10,000m was diamond drilling and the remaining RC holes.
Geology	• Deposit type, geological setting and style of mineralisation.	• The mineralisation at Kalongwe is considered a typical example of a deeply weathered, sediment-hosted copper deposit typical for the Congolese part of the Central African Copper Belt. Primary sulphide mineralisation is re-distributed during weathering in ex-dolomitic siltstones and stromatolitic dolostone and siltstones host rocks. The host rocks are deformed and occur as fragments within the core of anticlines within the Lufilian Fold Belt.

Criteria	JORC Code explanation	Commentary
		• Mineralisation appears to be preferentially hosted in deformed sedimentary rocks of the Lower Mines Series of the Roan Group of rocks. • Mineralisation is predominantly secondary, and is mostly fracture controlled and in part stratabound. The principle copper oxide mineral is malachite, with minor amounts of azurite and chrysocolla. Cobalt occurs as heterogenite. Mineralisation is also found in veins and breccias.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar. o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar. o dip and azimuth of the hole. o down hole length and interception depth. o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• The Company has verified and documented the location of the majority of historical drill holes by differential GPS (Garmin CS60 model). It was found that the reported coordinates corresponded well with the results of the re-surveyed collar position. The coordinates are acceptable and within the accuracy margins of the handheld instrument. • Subsequently drill collars recorded by Regal as well as 23 historic drill hole collars were surveyed using a differential GPS at the conclusion of the Phase 1 programme. • Dip and azimuth were recorded using "in rod" down hole orientation measurements collected approximately every 20m. The survey points were verified for anomalous readings and azimuth corrected for declination before transfer to the database.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material	• Down hole intercepts are quoted to two decimal places using a >0.5% lower cut-off for Cu and 0.2% cut off for Co which includes no more than 5m of internal dilution but rarely exceeds 2m (>0.5% Cu).

Criteria	JORC Code explanation	Commentary
	and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No high cut-off grade has been applied. • No metal equivalent grades are reported.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• In general down hole lengths are reported due to the vertical nature of drill holes. • True widths are approximately 80-90% of the reported down-hole interval.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Plan and section views of the mineralisation are included in this report and in various announcements made between March and June 2014 by the company.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to	• Historical drill intersections were previously reported using a 0.5% Cu and Co cut off. A summary of historic results were presented in previous Press releases. • All recent Regal drill results are reported in a Press

Criteria	JORC Code explanation	Commentary
	avoid misleading reporting of Exploration Results.	Release on 20th June 2014.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Regal has commenced a Phase II diamond drilling programme to reduce drill hole spacing and for verification of the mineralisation and geological models. Completed diamond drill holes for which there are no analytical results available yet are reported. Regal presents in Figure 7 and Table 4 the locations location details of the new drill holes. "Mineralised intercepts" are reported on the basis of down hole intervals with visible concentrations of copper and cobalt minerals. The tenor of mineralisation for these intercepts is not known but will be reported once analyses have been received from the laboratory.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• A large batch of crushed drill core, representative of the different mineralisation domains, has been dispatched to the Mintek laboratory, South Africa to determine the suitability of mineralisation for processing by Heavy Media Separation (HMS) to produce a high-grade copper concentrate. The preliminary results indicate that a concentrate of >20% can be achieved.. • It is also planned that dedicated PQ diameter metallurgical test holes and geotechnical drill holes will be completed during the course of the programme, contingent on results of the preliminary metallurgical test work.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Data used in the Mineral Resource estimate is sourced from a data base dump, provided in the form of an MS Access database, maintained by CSA. Relevant tables from the data base are exported to MS Excel format and converted to csv format for import into Datamine Studio 3 software for use in the Mineral Resource estimate. • Validation of the data import include checks for overlapping intervals, missing survey data, missing assay data, missing lithological data, and missing collars.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• No site visit has been conducted by the competent person (Mineral Resources). The competent persons for exploration results (Mr David Young and Dr Simon Dorling) have both visited site on numerous occasions. • Dr Dorling is an employee of CSA Global and a non-executive director of Regal Resources, and his site assessment and validation of exploration data has satisfied the CP (Mineral Resources) that there are no problems with the data.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation.	• There is a reasonable level of confidence in the geological interpretation, based upon lithological logging of drill core, including 17,873m of diamond core. Deposit scale geological mapping provide a geological framework for the interpretation. The Competent Person (Exploration Results) has extensive experience in the geology and mineralisation of the local copper belt extending through

Criteria	JORC Code explanation	Commentary
	• The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	the DRC, within which Kalongwe is located. • Drill hole intercept logging and assay results, stratigraphic and structural interpretations from drill core have formed the basis for the geological interpretation. • The depth of the weathering profile at Kalongwe was based upon logged occurrences of sulphide mineralisation in the 2014 drilling. Limited confidence is placed upon the logging of weathering and sulphide species from the 2006 / 2007 drill holes. A refined interpretation of the weathering profile is likely to affect the reported tonnages, due to changes in density assignment, although not materially. • The interpretation of the mineralisation domains is based upon pre-determined lower cut-off grades for Cu and Co. A variation to the cut-off grades will affect the volume and average grade of the domains. • Geological mapping and logging of drill samples control the interpretation of the mineralisation domains. • Grade continuity is affected by drill hole assay results, resulting in mineralisation domains being pinched out along strike and up or down plunge.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The Kalongwe Mineral Resource estimate is approximately 390m in strike, 550m in plan width and reaches 250m depth below surface.
Estimation and modelling	• The nature and appropriateness of the estimation technique(s) applied and key assumptions,	• CAE Studio 3 (Datamine) software was used for all geological modelling, block modelling, grade

Criteria	JORC Code explanation	Commentary
techniques	including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole	interpolation, MRE classification and reporting. GeoAccess Professional and Snowden Supervisor were used for geostatistical analyses of data. The Cu interpretations were based upon a lower cut-off of 0.5% TCu (total copper). The Co interpretations were based upon a lower cut-off of 0.2% Co. The Mineral Resource model consists of 4 zones of Cu mineralisation, 7 zones of Co mineralisation and two weathering domains (oxide and fresh). Mineralisation domains were encapsulated by means of 3D wireframed envelopes. Domains were extrapolated along strike or down plunge to half a section spacing or if a barren hole cut the plunge extension before this limit. Top cuts were used to constrain extreme grade values if it was determined that the extreme high grades would potentially over-estimate local block estimates, either due to limited sample numbers, or if the individual assay result was considered too high compared to the rest of the domain's population. Top cuts varying according to hosting mineralisation domain. A top cut for the copper domains was set to 20% TCu, whilst 3 top cuts were set for the cobalt domains (10% Co for domain 1, 1.5% for domains 5 and 6). All samples were composited to 2m intervals, flowing a review of sample length distribution that showed 10% of sample lengths inside mineralisation domains were >1m. All drill hole data (RC and Diamond) were utilised in the grade interpolation. A Quality Assurance study of the historical drilling coupled with a 4 hole due diligence twin drilling programme

Criteria	JORC Code explanation	Commentary
	data, and use of reconciliation data if available.	confirmed the historical drill hole database could be used as part of the grade interpolation. • A block model with parent cell sizes 25m x 25m x 20m was constructed, compared to typical drill spacing of 50m x 50m. • Grade estimation was by Ordinary Kriging (OK) with Inverse Distance Squared (IDS) estimation was concurrently run as a check estimate. A minimum of 4 and maximum of 8 composited (2m) samples were used in any one block estimate, equivalent to 8-16 original 1m samples. A maximum of 3 composited samples per drill hole were used in any one block estimate. Cell Discretisation of 10 x 10 x 10 was used. Grade interpolation was run within the individual mineralisation domains, acting as hard boundaries. • The current Mineral Resource was checked against the previously un-reported resource and found to be of similar tonnage and grade. • The Mineral Resource was depleted by the volume of the shallow open pits (circa 1930's, and recent artisanal workings). Underground excavations during the 1930's are considered to be of too low a volume of material to affect the Mineral Resource estimate. No survey data is available for these underground workings. • No by products were modelled. • No selective mining units were assumed in this model. • A cursory study into correlation between Cu and Co was carried out with inconclusive results.

Criteria	JORC Code explanation	Commentary
		• The grade model was validated by 1) creating slices of the model and comparing to drill holes on the same slice; 2) swath plots comparing average block grades with average sample grades on nominated easting, northing and RL slices; and 3) mean grades per domain for estimated blocks and flagged drill hole samples. No reconciliation data exists to test the model.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnages are estimated on a dry basis.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• The reporting cut-off grades of 0.5% Cu and 0.2% Co were based upon the mineralisation domain cut-off grades.
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• It is assumed the deposit, if mined, will be developed using open pit mining methods. No assumptions have been made to date regarding minimum mining widths or dilution. • The largest mineralisation domains in plan view have an apparent width of over 80m which may result in less selective mining methods, as opposed to (for example) mining equipment that would need to be used to mine narrow veins in a gold mine.
Whether the tonnages are estimated on a dry	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining	• No metallurgical testwork has been conducted to date on the Kalongwe mineralisation. Future drill hole samples will need to be assayed for acid soluble copper. The current

Criteria	JORC Code explanation	Commentary
basis or with natural moisture, and the method of determination of the moisture content.	reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	level of metallurgical knowledge of the deposit has played a significant role in the JORC classification for the Mineral Resource (Inferred), because determining reasonable prospects for eventual economic extraction considering metallurgical results is not possible at this stage, but can be assumed based upon other copper deposits in the region with similar mineralogical and geological controls.
The basis of the adopted cut-off grade(s) or quality parameters applied.	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• No assumptions have been made to date regarding possible waste and process residue disposal options. • Waste and low grade stockpiles from the historical open pit mining are located to the west of the deposit with minimal revegetation occurring.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and	• The Mineral Resource estimate used density values assigned to the block model based upon mineralisation domain and weathering profile. Within the Oxide zone, copper mineralisation domains were assigned a density

Criteria	JORC Code explanation	Commentary
	representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	value of 2.30t/m3; cobalt domains 2.01t/m3 and 'mixed' zones (copper and cobalt domains overlapping) 2.24t/m3. Waste blocks were assigned density values of 2.29t/m3 (oxide) and 2.77t/m3 (fresh rock). • Densities were measured from selected intervals of diamond drill core, using a wet immersion technique. Core samples were wrapped in cling wrap prior to immersion to prevent water intake into sample.
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Classification of the Mineral Resource estimates was carried out taking into account the geological understanding of the deposit, QAQC of the samples, density data and drill hole spacing. • The Mineral Resource is wholly classified as Inferred, with geological evidence sufficient to imply but not verify geological and grade continuity. • All available data was assessed and the competent persons relative confidence in the data was used to assist in the classification of the Mineral Resource. • The current classification assignment appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• No audits or reviews of the current Mineral Resource estimate have been undertaken.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application	• An inverse distance estimation algorithm was used in parallel with the ordinary Kriged interpolation, with results very similar to the Kriged results. • No other estimation method or geostatistical analysis has been performed.

Criteria	JORC Code explanation	Commentary
	of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The Mineral Resource is a local estimate, whereby the drill hole data was geologically domained above nominated Cu and Co cut-off grades, resulting in fewer drill hole samples to interpolate the block model than the complete drill hole dataset, which would comprise a global estimate. • Relevant tonnages and grade above nominated cut-off grades for Cu and Co are provided in the introduction and body of this report. Tonnages were calculated by filtering all blocks above the cut-off grade and sub-setting the resultant data into bins by mineralisation domain. The volumes of all the collated blocks were multiplied by the dry density value to derive the tonnages. The copper and cobalt metal values (g) for each block were calculated by multiplying the Cu and / or Co grades (%) by the block tonnage. The total sum of all metal for the deposit for the filtered blocks was divided by 100 to derive the reportable tonnages of Cu and Co metal. • No production data is available to reconcile results with.