

22 April 2015

ASX Code: **RER**

REGAL RESOURCES SIGNS MOA WITH IVANHOE MINES TO EXPLORE HIGHLY PROSPECTIVE PERMITS IN DRC COPPERBELT

HIGHLIGHTS

- Regal has entered into a binding conditional agreement with Ivanhoe Mines (“Ivanhoe”) for the ability to acquire a 90% interest, through staged exploration expenditure of USD6M over five years with an option to acquire a further 8% interest in a number of key exploration permits situated in a highly prospective part of the western Katangan Copperbelt.
- The agreement relates to Ivanhoe’s permits PRs 688, 689, 702 and portions of PRs 690 and 701 (“Permits”). The Permits cover a total area of 400km² are largely contiguous, generally surround the Kalongwe Mining Cu-Co Project and have significant discovery potential.
- Areas covered by the Permits encompass a number of important regional scale geological structures. Historic work completed by Ivanhoe has identified significant geophysical and geochemical anomalies and multiple fragments of Mine Series rocks – host rocks to 90% of Cu deposits in the Copperbelt.
- Five high priority prospects, each with multiple target areas, have been identified from review of Ivanhoe historic exploration data. Targets include diamond drill results of up to 5m @ 4.9% Cu, mineralised Mine Series fragments with rock chip samples of up to 6% Cu and strong geochemical anomalies.
- PR688 is immediately adjacent to the Kalongwe Permit, and contains extension to structure hosting Kalongwe deposits and multiple fragments of Mine Series rock.
- Regal will acquire from Ivanhoe a comprehensive technical database containing detailed geophysical and geochemical and drilling information for the permits.
- Detailed exploration programme planning is now underway aimed at identifying high priority drill targets.

MEDIA / ASX RELEASE



Ivanhoe JV Memorandum of Agreement

The Directors of Regal Resources Limited (**ASX:RER**) ("Regal" or "the Company") are pleased to announce the signing of a binding conditional Joint Venture Memorandum of Agreement ("JVMOA" or "the Agreement") with 100% owned subsidiaries of Ivanhoe Mines (TSX:IVN) ("Ivanhoe") with ability to acquire a 98% interest in a package of highly prospective tenements located near the western end of the Central African Copperbelt in the Katanga Province of the Democratic Republic of Congo ("DRC").

The JVMOA area covers approximately 400km² of highly prospective exploration terrain and consists of the permits PRs 688, 689, 702, and portions restricted to the geological domain of the Fold and Thrust Belt of PRs 690 and 701, (Figure 1).

Previous exploration by Ivanhoe, including geophysical data interpretation, geological mapping, geochemical sampling and auger, RC and diamond drilling, has identified a number of significant targets that include economic intersections of Cu mineralisation and which have not as yet been subject to any detailed follow up, (Figure 1).

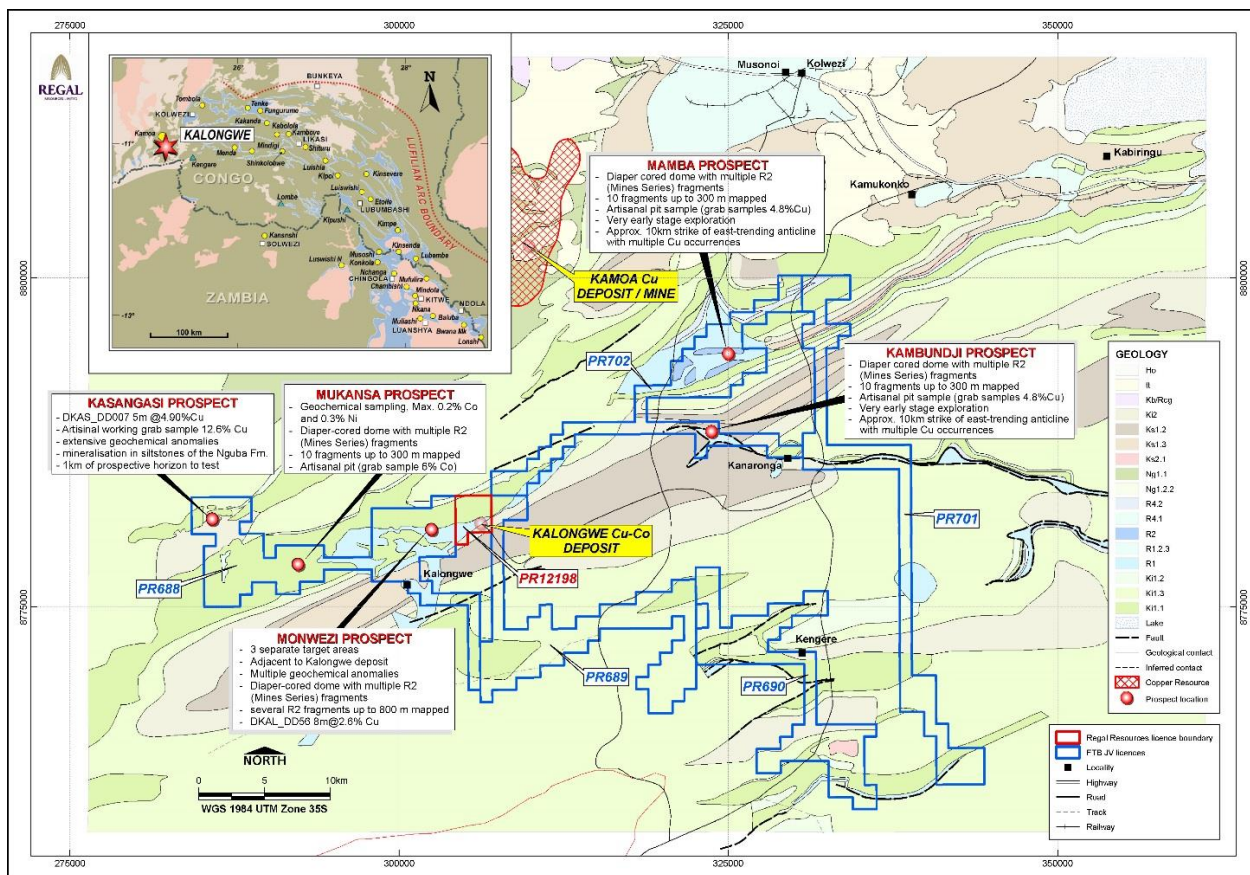


Figure 1: Location map of the Fold and Thrust Belt JV (FTBJV) licences, significant copper deposits and regional towns and delineated exploration target within the FTBJV area.

Commenting on the signing of the Agreement, David Young, Managing Director of Regal said:

"We are very excited about having signed this agreement with Ivanhoe after a lengthy process of negotiation and documentation. Regal considers these Permits to have excellent potential for significant economic discoveries and they further strengthen the Company's strategic position in the largest and most prolifically mineralized sediment-hosted copper province known on earth. It is also another demonstration of our commitment to develop the minerals potential of the region.

Regal will also be able to benefit from the very high standard of work already completed by the Ivanhoe exploration team over parts of the JV area. The comprehensive technical database will allow the Company to take a focused approach to exploration, following up high priority targets that have the potential to support future growth of the Company while continuing to rapidly advances the Company's flagship Kalongwe Project towards mine development.

Exploration costs should be reduced as Regal is already well established in the region and working with a team of geologists with excellent local knowledge of both the terrain and the geology.

We look forward to working in close collaboration with members of the Ivanhoe team who recently received a prestigious International Discovery Award for the Kamoia Copper deposit located just some 20km to the north of the permits."

Key Terms of the Agreement with Ivanhoe are:

- Regal will be required to pay an Initial Signing Fee of USD100,000,
- Regal will be required to pay a non-refundable Subsequent Signing Fee of USD150,000, no later than the first anniversary of the signing of this agreement ("Effective Date"),
- By Regal expending the amounts referred to below ("Earn-In Expenditure"),
- Regal can earn 80% by expending USD3,000,000 expenditure by no later than 3 (three) years after the Effective Date ("First Earn-In"), and
- Regal can earn 90% by expending USD3,000,000 expenditure by no later than 2 (two) years after the First Earn-In ("Second Earn-In").

Regal will have the option to acquire a further 8% at an agreed price.

Ivanhoe has the right within 1 (one) year of the Second Earn-In or the announcement of a Measured and Indicated Resource estimate (as classified by the Australian JORC guidelines) in excess of 500,000 tonnes of contained copper to Claw-Back up to 30% by paying 4 (four) times the total Earn-In Expenditure incurred by Regal ("Claw-Back Price"). The Claw-Back Price shall be reduced on a pro-rata basis should a Claw-Back Shareholding Interest of less than 30% be acquired.

In the event Ivanhoe exercises its Claw Back Right, Ivanhoe will be required to contribute to exploration and development costs on a pro-rata basis.

While the Agreement is binding, the initial earn-in is subject to a number of conditions, including:

- The renewal of each of the Sale Permits being approved by the Government by the 12th July 2015, and
- Formalising a Joint Venture and Shareholder Agreement.

The licences have recently undergone a 50% reduction and renewal application for a second 5 (five) year term before they have to be converted to PE (exploitation licences / " *permit de exploitation* ").

Planned Exploration Programmes

The JV area is located in the southwest-trending portion of the arc-shaped Lufilian mountain fold (Figure 2) considered to be composed of a stack of thin-skinned and generally north-verging folds and thrust sheets. The thrust sheets occur together with megabreccias. All of the Mines Subgroup copper (\pm cobalt) orebodies of the Katangan Copperbelt occur as megafragments (écailles) up to kilometres in size, within this megabreccia.

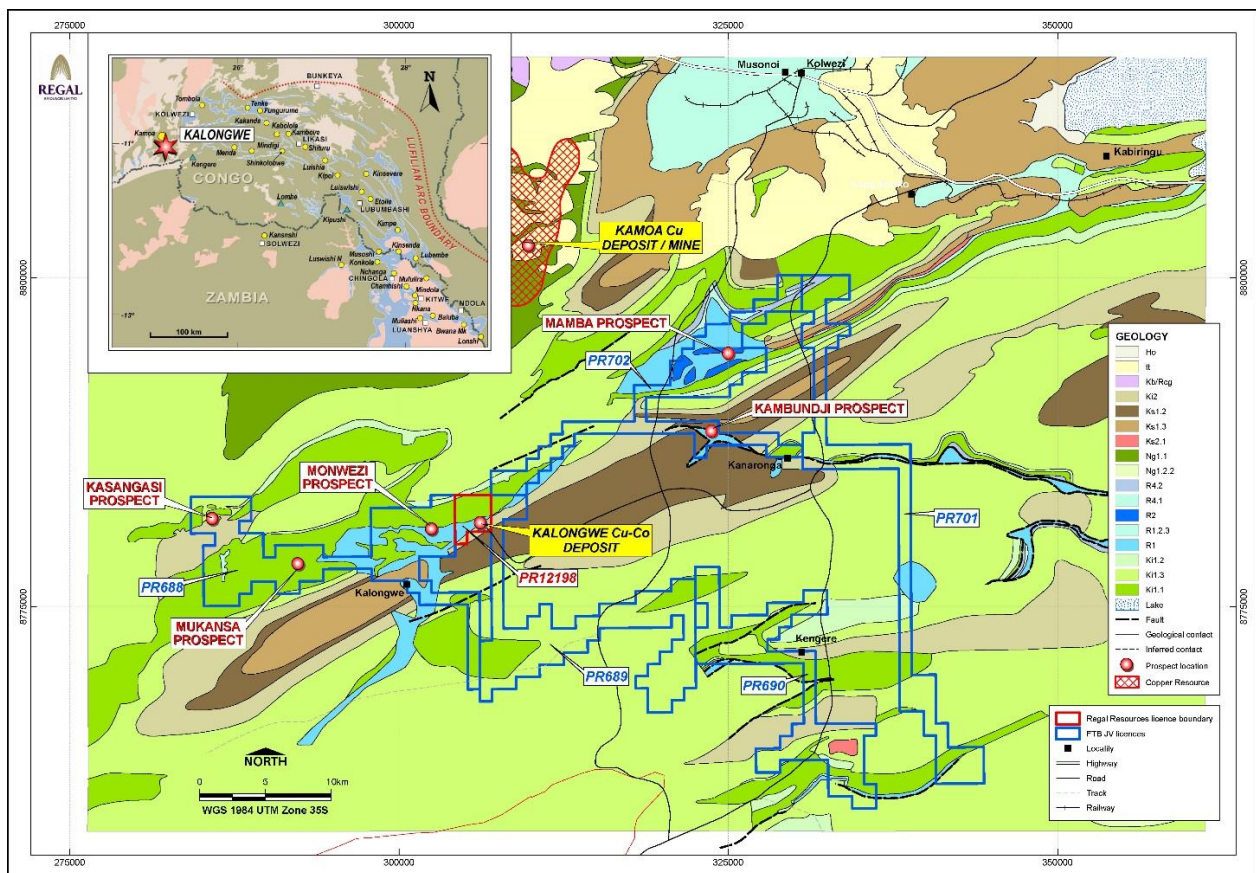


Figure 2: District-scale geological map of the FTBJV area.

The anticlinal fold structures and regional faults and thrusts, which effect the area covered by the JV Permits, act as a "geological window" for, and provide access to mineralised rocks of the Mines Series rocks.

The Company has reviewed a summary information data set provided by Ivanhoe Mines for the Joint Venture area and has so far identified five high priority targets that warrant immediate follow work once the wet season is over and the permit areas can be accessed by vehicle, (Figure 3). An in-depth review of all data is planned once the full data base has been received.

The five follow-up targets so far identified, including exploration highlights provided by Ivanhoe, are listed below and shown in (Figures 1 and 2)

Kasangasi Prospect: (~8 DD holes), 5m at 4.9% Cu, artisanal pit exploiting Cu, mineralisation in structure at Ki.1/2 contact; intersection of regional structure.

Mukansa Prospect: (artisanal pit), diapir structure with multiple R2 fragments, >10 Mines Series fragments, 6% Co in rock chip sample; pitting, sampling, mapping.

Monwezi West Prospects: (immediately southwest of Kalongwe), previous diamond drilling as part of Kalongwe exploration drilling, good auger and trench results; includes three (3) separate prospects, Monwezi 2, 3, 7; significant geochemical anomalies, multiple fragments of Mines Series.

Kambundji East Prospect: located NE of Kalongwe property; Mines Series fragments in diapir structure; artisanal pits; high rock chip results 4.8% Cu.

Mamba Prospects: (near Kolwezi) diapir structure, large Nguba and Mines Series fragments, 2-3km; 17 DD holes for ~4,300m; mapping; mineralisation intersected; DMBA_007 intersected mineralisation; large area and significant scope for further testing mainly geophysical targets.

Ivanhoe Mines Ltd

Ivanhoe is a TSX listed, Vancouver based exploration and development company whose key projects include, Kamao Project, a very large stratiform deposit located to south west of Kolwezi and considered the world's largest undeveloped, high-grade copper deposit with a reported Indicated Mineral Resource of 739 million tonnes grading 2.67% copper and containing 43.5 billion pounds of copper, the Platreef Project which includes the underground Flatreef Deposit of thick, platinum-group elements, nickel, copper and gold mineralization in the Northern Limb of the Bushveld Complex, northeast of Johannesburg, South Africa, and the world class zinc-copper-germanium Kipushi Project which lies adjacent to the town of Kipushi, and southwest of the provincial capital of Lubumbashi, DRC.

MEDIA / ASX RELEASE



A handwritten signature in blue ink, appearing to read "D Young", on a light-colored background.

On behalf of the Board of Directors,

David Young
Managing Director

For further information, please contact:

David Young
Managing Director / CEO
Regal Resources Limited
Ph: +61 3 8610 8633

Ian Pamensky
*Company Secretary /
Financial & Commercial Manager*
Regal Resources Limited
Ph: +61 3 8610 8610
Email: ipamensky@regalresources.com.au

About Regal

Regal Resources Limited (ASX: RER) is an ASX listed copper explorer with its flagship Kalongwe Project located in the Katanga Province of the Democratic Republic of Congo ("DRC") towards the western end of the World Class Central African Copperbelt, situated approximately 15km from Kamoia, considered to be Africa's largest recent high-grade copper discovery, and approximately 45km from the historic copper mining and processing centre at Kolwezi.

The Kalongwe Project is covered by permit PR12198, ownership of which is held by Kalongwe Mining SA, a DRC registered company. Shares in Kalongwe Mining are currently held 30% by Regal, 30% by Traxys and 40% by La Generale Industrielle et Commerciale au Congo SPRL ("GICC"). Exploration and development are jointly funded by Regal and Traxys. Regal and Traxys have the right to acquire a further 20% interest in the Project.

Competent Persons Statement

Scientific or technical information in this release that relates to Exploration Results has been prepared by Mr David Young and Dr Simon Dorling, 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 appears.

Forward-looking Statements

This release contains statements that are "forward-looking". Generally, the words "expect," "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, or that of our industry, to differ materially from those expressed or implied in any of our forward-looking statements. Statements in this release regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.