

ASX ANNOUNCEMENT



30 September 2015

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APPENDIX 4G AND 2015 CORPORATE GOVERNANCE STATEMENT

DETAILS OF ANNOUNCEMENT

Please find herewith enclosed the following documentation:

- Appendix 4G (key corporate governance disclosures) (12 pages), and
- 2015 Regal Corporate Governance Statement (21 pages).

Yours sincerely

A handwritten signature in blue ink, appearing to read "Ian Pamensky".

On behalf of the Board of Directors,
Ian Pamensky
Company Secretary

For further information, please contact:

Ian Pamensky
Company Secretary / Financial & Commercial Manager
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Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Regal Resources Limited

ABN / ARBN:

ABN 23 106 294 106

Financial year ended:

June 2015

Our corporate governance statement² for the above period above can be found at:³

☐ These pages of our annual report:

☒ This URL on our website: www.regalresources.com.au

The Corporate Governance Statement is accurate and up to date as at 30 September 2015 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 30 September 2015

Name of Director or Secretary authorising lodgement: **Ian Pamensky (Company Secretary)**

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at this location: In our Corporate Governance Statement and on the Company website at www.regalresources.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>In the Corporate Governance Section of the Company Website (www.regalresources.com.au)</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>The 2015 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: In the Corporate Governance Section of the Company Website (www.regalresources.com.au)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at this location: In the Corporate Governance Section of the Company Website (www.regalresources.com.au)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES – N/A			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



2015 Corporate Governance Statement

Regal Resources Limited's (Regal or Company) corporate governance practices were in place for the financial year ended 30 June 2015 and to the date of signing the directors' report.

The directors of Regal believe firmly that benefits will flow from the maintenance of the highest possible standards of corporate governance. A description of the Company's main corporate governance practices is set out below. In March 2014, the Australian Stock Exchange (**ASX**) Corporate Governance Council released the third edition of its Corporate Governance Principles and Recommendations (**Recommendations**). The Company has elected to adopt the Recommendations. Where the Company believes a particular corporate governance practice Recommendation is not suitable or relevant for adoption by the Company, an explanation is provided.

The Board has also undertaken to conduct a full review of its corporate governance policies with the view to adopting revised versions during the new financial year.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by Regal Resources Limited, please refer to our website: www.regalresources.com.au.

The Corporate Governance Statement was approved by the Board and is current as at 30 September 2015. The table below contains each of the ASX Corporate Governance Principles and Recommendations (third edition) and denotes whether the Company has complied with the relevant Recommendation. Further detail is also contained in the Appendix 4G – Key to Disclosures – Corporate Governance Council Principles and Recommendations, released to the ASX at the same time as this Annual Report.

Corporate Governance Council recommendation	Explanation	Comply (Yes/ No (with explanation if necessary))
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
<p>1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>There is a clear segregation of duties between the Board and management.</p> <p>Board of Directors</p> <p>The role of the Board of Directors is set out in its Board Charter (which is published on the Company's website at: www.regalresources.com.au) and includes the setting of goals, strategies and policies for the operation of the Company, to oversee the Company's management, to regularly review performance and to generally monitor the Company's affairs in the best interests of shareholders. The key responsibilities of the Board include:</p> <ul style="list-style-type: none"> • setting overall goals for the Company; • approving strategies, objectives and plans for the Company's businesses to achieve these goals; • ensuring that business risks are identified and approving systems and controls to manage those risks and monitor compliance; • approving the Company's major human resources policies and overseeing the development strategies for senior and high performing executives; • approving financial plans and annual budgets; • monitoring executive management and business performance in the implementation and achievement of strategic and business objectives; • approving key management recommendations (such as major capital expenditure, acquisitions, divestments, restructuring and funding); • appointing and removing the Managing Director and ratifying the appointment and removal of executives reporting directly to the Managing Director (senior executives); • reporting to shareholders on the Company's strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies; • overseeing the management of occupational health and safety and environmental performance; • determining that satisfactory arrangements are in place for auditing the Company's financial affairs; • meeting statutory and regulatory requirements and overseeing the 	<p>Yes</p> <p>Yes</p>

Corporate Governance Council recommendation	Explanation	Comply (Yes/ No (with explanation if necessary))
	<p>way in which the business risks and the assets of the Company are managed.</p> <p>The Board has delegated to the Managing Director/ Chief Executive Officer and his senior executive team authority over the day to day management of the Company and its operations. This delegation of authority includes responsibility to undertake the actions set out in the Board Charter, with the primary objective of maximising sustainable shareholder wealth, having regard to the Company's values and impacts for employees, communities and other stakeholders. Specific responsibilities of the Managing Director include:</p> <ul style="list-style-type: none"> • day to day running of the business; • tenement management (existing tenements); • appropriate and cost effective exploration and development of all Regal projects; • identification of business development opportunities; • managing the operating and financial performance of the Company; • implementation of effective occupational health and safety policies; • recruitment of replacement personnel; • stakeholder communications program (including continuous disclosure of material developments through preparation of ASX announcements, quarterly reports, annual reports and Company presentations, broker/institutional tours, attendance at trade shows, and advertising); and • manage internal communication with the Board of Directors, staff, consultants and contractors, and provide leadership and inspiration at all times. 	
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>The Company has in place a policy that it will perform full checks on all potential directors. These include a check on a person's character, experience, education, criminal record and bankruptcy history. All potential directors are required to provide consent for the Company to perform such checks. Since this policy has been adopted no new directors have been appointed to the Board. Your Directors' biographical details, including their relevant qualification and experience and the skills they are bringing to the Board are detailed on the Company's website and within the Annual Report. Details of any other material directorships currently held are also provided on the Company's website and within the Annual Report.</p>	<p>Yes</p> <p>Yes</p>

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	All non-executive Directors are engaged by the Company under letters of appointment and senior executives are engaged under service contracts. These address the roles and responsibilities of the individual. Details of the letters of appointment and service contracts for senior executives are provided in the Remuneration Report within the Annual Report.	Yes
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The appointment and removal of a Company Secretary is a matter for decision by the Board. The Company Secretary, Mr Ian Pamensky, is accountable directly to the Board (through the Chairman) on all matters to do with the proper functioning of the Board. This arrangement has also been formalised in his contract. All Directors have access to the Company Secretary. Details of the Company Secretary are set out in the Annual Report.	Yes
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the	The Company's Diversity Policy details the requirement to set measurable diversity objectives and assess the Company and management's performance against those objectives. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company will consider female candidate for all new positions, including executive and Board positions, if a suitably qualified candidate exists in the applications. Other than as described above, the Company has not yet set measurable objectives for achieving gender diversity. As the Company is about to enter the DFS phase of its Kalongwe Project, the size of the Company's operations and workforce will necessarily increase over the next financial year. The Diversity Policy includes a requirement for the Board to set measurable diversity objectives and monitor the entity's progress in achieving them. The Board sets a number of measurable diversity objectives, including: <ul style="list-style-type: none"> maintaining flexible workplace practices; and consideration of female candidates for all positions. 	Yes Yes No Yes N/A

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))																								
	entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	<p>The following table shows the number of men and women across the organisation as at 30 June 2015.</p> <table><tr><th></th><th>Total</th><th>No. of Men</th><th>% Men</th><th>No. of Women</th><th>% Women</th></tr><tr><td>Board⁽¹⁾</td><td>4</td><td>4</td><td>100%</td><td>-</td><td>0%</td></tr><tr><td>Management⁽²⁾</td><td>1</td><td>1</td><td>100%</td><td>-</td><td>0%</td></tr><tr><td>Employees/ Contractors</td><td>1</td><td>1</td><td>100%</td><td>-</td><td>0%</td></tr></table> <p>1 – Including Managing Director/ CEO 2 - Key Management Personnel – Not Board Members</p>		Total	No. of Men	% Men	No. of Women	% Women	Board ⁽¹⁾	4	4	100%	-	0%	Management ⁽²⁾	1	1	100%	-	0%	Employees/ Contractors	1	1	100%	-	0%	
	Total	No. of Men	% Men	No. of Women	% Women																						
Board ⁽¹⁾	4	4	100%	-	0%																						
Management ⁽²⁾	1	1	100%	-	0%																						
Employees/ Contractors	1	1	100%	-	0%																						
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of Board evaluation is to identify ways to improve performance.</p> <p>A Nominations Committee normally has the responsibility for developing a process for evaluating the performance of the Board as a whole. As the whole Board only consists of four (4) members, the Company does not have a Remuneration and Nomination Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The tasks undertaken by such a Committee are undertaken by the Board as a whole.</p> <p>During the 2015 financial year the Company did not undertake a full performance evaluation of the Directors and Senior Executives. At Company Board meetings performance is discussed.</p>	<p>Yes</p> <p>No</p>																								
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>During the 2015 financial year the Company did not undertake a full performance evaluation of the Directors and Senior Executives. At Company Board meetings performance is discussed.</p> <p>It has been proposed that an evaluation is carried out internally. This would involve applying best practice criteria to the Board's responsibilities. It is hoped the evaluation would also take into consideration benchmarking of progress towards goals set out in Regal's business plan and regular assessment of results compared with budgets and forecasts. Evaluations also consider the effectiveness of Board member interaction and the contributions made by individual Directors.</p>	<p>Yes</p> <p>N/A</p>																								

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The role of the Nomination Committee can be broadly broken down as follows:</p> <ul style="list-style-type: none"> The Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times. <p>A Nominations Committee normally has the responsibility for developing a process for evaluating the performance of the Board as a whole.</p> <p>As the whole Board only consists of four (4) members, the Company does not have a Remuneration and Nomination Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. As a consequence the Company does not satisfy ASX Recommendation 2.1 in that it does not consist of a majority of independent directors. The Company will consider a separate committee as the need arises. The tasks undertaken by such a Committee are undertaken by the Board as a whole.</p> <p>Further details are explained in recommendation 8.1 below.</p>	<p>No</p> <p>N/A</p> <p>N/A</p> <p>Yes</p> <p>N/A</p> <p>N/A</p> <p>Yes</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>Following the release of the third edition of the ASX Corporate Governance Principles and Recommendations in March 2014, the Company has recently put in place a process to assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership by utilising a Board Skills Matrix. The Board Skills Matrix will be reviewed by the Board annually.</p> <p>Our Board Skills matrix sets out the mix of skills, experience and expertise that the Board currently has and is looking to achieve for board membership. As well as general skills expected for board membership (such as executive leadership and management experience, financial acumen and corporate governance and risk management experience), the matrix reflects various areas relevant to the Company's strategy. In</p>	Yes

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
		<p>particular, these areas are Resource Industry Experience, Africa Experience, Business Development Skills, Debt and Capital Market Experience and Production Experience. Each of these areas is currently represented by the Board collectively. The Board benefits from a combination of the Directors' individual skills, experience and expertise in particular areas, as well as the varying perspectives and insights that arise from the interaction of Directors with diverse backgrounds.</p> <p>The Board has a skills matrix covering the following key areas of knowledge and experience:</p> <ul style="list-style-type: none"> • Geology • Project Development • Mining/Engineering • Health, Safety and Environment • Commercial • Legal, governance and compliance • Communications • Finance (Markets) • Finance (Accounting) • Geographic • Remuneration and Nomination • Industry <p>The Board is of the view that the current Directors possess an appropriate mix of skills, experience, expertise and knowledge to enable the Board to discharge its responsibilities, deliver the Company's corporate objectives and direct the Company in accordance with high standards of corporate governance.</p>	
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or</p>	<p>An independent director is defined in the Recommendations as a director that is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.</p> <p>Below is a table setting out the date each Director was appointed and their status as non-executive, executive or independent Directors.</p>	<p>Yes</p> <p>Yes</p>

Corporate Governance Council recommendation		Explanation				Comply (Yes/ No (with explanation if necessary))																			
	relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<table><tr><th>Directors</th><th>First Appointed</th><th>Non-Executive</th><th>Independent</th></tr><tr><td>Mark Savich</td><td>4 July 14</td><td>Yes</td><td>Yes</td></tr><tr><td>David Young</td><td>16 August 12</td><td>No</td><td>No</td></tr><tr><td>Simon Dorling</td><td>23 August 12</td><td>Yes</td><td>No</td></tr><tr><td>Peter Ruxton</td><td>17 February 15</td><td>Yes</td><td>Yes⁽¹⁾</td></tr></table> <p>Notes:</p> <p>(1) Despite the fact that Peter Ruxton represents a substantial shareholder of the Company, the Board considers him to be independent as he is able, and does make, quality and independent judgments in the best interests of the Company on all relevant issues before the Board.</p>	Directors	First Appointed	Non-Executive	Independent	Mark Savich	4 July 14	Yes	Yes	David Young	16 August 12	No	No	Simon Dorling	23 August 12	Yes	No	Peter Ruxton	17 February 15	Yes	Yes ⁽¹⁾			Yes
Directors	First Appointed	Non-Executive	Independent																						
Mark Savich	4 July 14	Yes	Yes																						
David Young	16 August 12	No	No																						
Simon Dorling	23 August 12	Yes	No																						
Peter Ruxton	17 February 15	Yes	Yes ⁽¹⁾																						
2.4	A majority of the board of a listed entity should be independent directors.	<p>The recommendation of best practice is that a majority of directors (and in particular, the chairperson) should be independent.</p> <p>The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and strives to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company.</p> <p>The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.</p> <p>The Board currently comprises the Managing Director and 3 non-executive directors. Due to the size and scale of the Company, the composition of the Board is considered appropriate.</p> <p>Details of the current Directors of the Company, their skills, experience, qualifications and record of attendance at meetings are included on the website at www.regalresources.com.au and in the 2015 Annual Report.</p>				Yes - Two of the four directors are considered independent. The Company's size does not justify a large Board with a majority of independent directors. As the Company moves towards production at its flagship Kalongwe Project, the Board will consider further appointments.																			
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Company has at all times maintained a separation between the Chairman and Chief Executive Officer roles. The day to day management of the Company is overseen by the Managing Director and the Chief Executive Officer, Mr David Young. The Chairman of the Board is an independent director, Mr Mark Savich. Prior to Mr Savich's				Yes																			

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
		appointment in June 2015, Mr Rohan Gillespie was the Chairman.	
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>The Company has a program for the induction of new Directors. This induction covers all aspects of the Company's operations so as to ensure that new Directors are able to fulfil their responsibilities and contribute to Board decisions.</p> <p>The Company provides appropriate resources for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors, including briefing Directors on developments in relevant accounting standards.</p>	Yes
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	<p>In pursuit of the highest ethical standards, the Company has adopted a Code of Conduct. The Code of Conduct establishes the standards of behaviour required of Directors and employees in the conduct of the Company's affairs.</p> <p>The Code of Conduct is based on the following principles:</p> <ul style="list-style-type: none"> • respect for the law and acting accordingly; • maintaining stringent financial controls; • avoiding conflicts of interest; • protecting the best interests of shareholders; • using Regal's assets responsibly and in the best interests of Regal; • acting with integrity, being fair and honest in dealings and treating other people with dignity; and • being responsible for actions and accountable for the consequences. <p>Directors and employees have a responsibility to report any suspected non-compliance with the Code of Conduct. There were no instances reported to the Board during the reporting period where the conduct of an employee of the Company was found to be in breach of the Code of Conduct.</p> <p>Regal is committed to conducting its business fairly, honourably, with integrity and in compliance with the law in all jurisdictions where it operates, including all applicable anti-corruption and bribery laws.</p>	<p>Yes</p> <p>Yes</p>

Corporate Governance Council recommendation	Explanation	Comply (Yes/ No (with explanation if necessary))
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Due to the size and scale of its operations (the Board only consists of four (4) members) the Company does not have a separate audit committee. It is the Board's view that an Audit Committee would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and it cannot be justified based on a cost benefit analysis. As a consequence, the Company does not satisfy ASX Recommendation 4.1 that requires the Committee to consist of non-executive directors, a majority of whom are independent. The Company will consider a separate committee as the need arises.</p> <p>The functions and responsibilities of the Audit Committee undertaken by the Board are set out in the Audit Committee Charter and include:</p> <p>(a) overseeing the Company's system of financial reporting and safeguarding its integrity;</p> <p>(b) overseeing risk management and compliance systems and the internal control framework;</p> <p>(c) monitoring the activities and effectiveness of the internal audit function and the activities and performance of the external auditor and coordinating both operations; and</p> <p>(d) providing reports to the Board on all matters relevant to the Committee's responsibilities</p> <p>A copy of the Company's Audit Committee Charter is available on the Company's website in the corporate governance section.</p> <p>Role</p> <p>The primary role of an Audit and Risk Committee is to monitor and review the effectiveness of the Company's control environment in the areas of operational risk, legal and regulatory compliance and financial reporting.</p> <p>Responsibilities</p> <p>The Audit Committee/Board reviews the audited annual and half-yearly</p>	<p>No</p> <p>N/A</p> <p>N/A</p> <p>Yes</p> <p>N/A</p> <p>N/A</p> <p>Yes</p>

Corporate Governance Council recommendation	Explanation	Comply (Yes/ No (with explanation if necessary))
	<p>financial statements and any reports which accompany published financial statements and recommends their approval to the members.</p> <p>The Audit Committee/Board each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.</p> <p>The Audit and Risk Committee will review the corporate governance procedures of the Company and, on a regular basis.</p> <p>The Audit Committee/Board is also responsible for establishing policies on risk oversight and management.</p> <p><i>Risk Management</i></p> <p>The Board recognizes that risk management and internal compliance and control are key elements of good corporate governance.</p> <p>The Audit Committee/Board is responsible for reviewing, approving and monitoring the Company's risk management strategy, policy and key risk parameters. It is also responsible for ensuring that management has developed and implemented a sound system of risk management and internal control.</p> <p>The Company's Risk Management Policy sets out the manner in which the Company identifies, assesses, monitors and manages business risk. All high level strategies and new initiative risks are reviewed annually by the Board at its annual strategy and planning meeting.</p> <p>In relation to risk management, monitoring the status of each risk and any necessary action plans relating to their treatment takes place on a regular basis by controlled self-assessment as well as by management's regular review of risk action plans, with respect to the effectiveness and suitability of each risk action plan.</p> <p>Any action or recommendations by senior management, arising out of these review processes are approved by the Board and implemented by management.</p>	

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p>The Chief Executive Officer and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that, in their opinion, the financial records of the Company have been properly maintained and that the Company's financial reports comply with the appropriate accounting standards and present a true and fair view of the Company's financial position and performance. The CEO and the CFO gave the above declarations to the Board before it adopted the Company's 2015 Financial Statements.</p> <p>The CEO and the CFO have also stated in writing to the Board that their opinion is founded on a sound system of risk management and internal control which is operating effectively.</p>	Yes
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Board ensures that a representative of the external auditor of the Company attends the AGM to allow shareholders to ask the external auditor any questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.	Yes
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	<p>The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market. In accordance with the continuous disclosure requirements under the ASX Listing Rules, the Company maintains a Continuous Disclosure Policy (a copy of which is available on the Company's website). The Continuous Disclosure Policy ensures that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner and that all information provided to the ASX is immediately available to shareholders and the market on the Company's website.</p> <p>Analyst and press briefings are often conducted following the release of half-year results, full-year results and major announcements and, from time to time, briefings with major shareholders are conducted in order to promote a better understanding of the Company. In conducting briefings, the Company takes care to ensure that any price sensitive information</p>	<p>Yes</p> <p>Yes</p>

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
		<p>included in the content of briefings has already been made available to all shareholders and the market.</p> <p>The Company Secretary manages the Company's compliance with its continuous disclosure obligations and is responsible for communications with the ASX. Presentations that are made to analysts or investors are posted on the Company's website. If the presentations contain information that has not previously been announced to the ASX, and that would or could have a material effect on the share price, the presentation is sent to the ASX prior to the presentation being made.</p> <p>All managers in the Company receive advice on continuous disclosure and are aware of and accountable for the Company's compliance with regard to continuous disclosure. The Company's Market Disclosure and Communication Policy is in line with current best practice standards, and can be accessed at www.allianceresources.com.au.</p> <p>The Board will evaluate this policy on an annual basis to determine whether it remains effective in ensuring accurate and timely disclosure in accordance with the Company's disclosure obligations.</p>	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company provides information about itself and its governance to investors via its website and has a "Corporate Governance" landing page where all relevant corporate governance information can be accessed. The Company's Constitution, Committee Charters and relevant Corporate Governance Policies are listed on the Corporate Governance landing page on the website. The Company website also includes copies of its annual reports and financial statements, copies of its ASX announcements, copies of Notice of Meetings as well as an overview of the Company's business activities in appropriate areas of the website.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company.</p> <p>Our shareholders own the Company and the Board acknowledges its responsibility to act in their best interests with the objective of increasing</p>	Yes

Corporate Governance Council recommendation	Explanation	Comply (Yes/ No (with explanation if necessary))
	<p>the Company's value for all shareholders. The Board maintains active communication with shareholders as owners of the Company. Communication with shareholders is of critical importance to the Company. The Board of Directors aims to ensure that the shareholders on behalf of whom they act have access to all information necessary to assess the performance and prospects of the Company.</p> <p>Mechanisms used to communicate with shareholders include:</p> <ul style="list-style-type: none"> • the Company's annual report which is distributed, or otherwise made available, to all shareholders; • the Company's quarterly production reports; • the Company's half-year financial report; • the Company's annual general meeting and other general meetings called to obtain shareholder approval for significant corporate actions, as appropriate; • Company announcements; and • the Company's website - www.allianceresources.com.au <p>In addition the Company seeks to provide opportunities for shareholders to participate through electronic means. The website includes a feedback mechanism and an option for shareholders to register their e-mail address for direct e-mail updates of company matters. When brokers, analysts, the press or other parties are briefed on the Company's activities, the material used in the presentations is usually released to the ASX and/or posted on the Company's website.</p> <p>The Board has procedures in place to ensure that all price sensitive information is disclosed to the ASX on a timely basis, subject to the permitted exceptions to such disclosure set down in the ASX listing rules.</p> <p>The Company welcomes questions from shareholders at any time and these are answered promptly unless the information requested is market sensitive or confidential and not in the public domain. Also, all announcements made by the Company to the ASX (except disclosures of a routine compliance nature) are posted on the Company's website.</p> <p>The lead external auditor is required by law to attend or be represented</p>	

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
		<p>at the annual general meeting to answer any questions with regard to, inter alia, the conduct of the audit and the preparation and content of the auditor's report. The lead external auditor did attend the 2014 annual general meeting. Shareholders have a choice with regards to the method in which they receive annual reports and notices of meetings, and may elect (by written notice to the Company) to receive such reports and/or notices of meeting by either post, or electronically.</p> <p>Shareholders who are unable to attend meetings of the Company are encouraged to participate in meetings by way of appointment of a proxy. Proxy forms may be lodged by shareholders by way of post, facsimile or transmission to the electronic address specified in the relevant notice of meeting.</p>	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>The Company has policies and procedures in place which enable shareholders to receive the reports and participate in shareholder meetings by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed for voting at the AGM. Shareholders can make an election to receive a copy of the Company's Annual Report by mail; otherwise the Annual Report is available on the Company's website.</p> <p>Shareholders are encouraged at AGMs to ask questions of Directors, senior management as well as the Company's external auditors who are required to be in attendance. Shareholders are also given the opportunity to provide questions or comments ahead of the AGM, with a response being provided at the AGM where appropriate.</p>	Yes
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company has the capability to communicate with shareholders electronically through its website, email communications and share registry. Electronic contact details are provided on the Company's website.	Yes
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority	<p>As discussed above in recommendation 4.1, the Audit Committee/Board is also responsible for establishing policies on risk oversight and management.</p> <p>Details on how the Audit Committee/ Board is composed and operates is</p>	No

Corporate Governance Council recommendation	Explanation	Comply (Yes/ No (with explanation if necessary))
<p>of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>detailed above.</p> <p>A copy of the Company's Audit Committee Charter is available on the Company's website in the corporate governance section.</p>	<p>N/A</p> <p>N/A</p> <p>Yes</p> <p>N/A</p> <p>N/A</p> <p>Yes</p>
<p>7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Board recognizes that risk management and internal compliance and control are key elements of good corporate governance.</p> <p>The Audit Committee/Board is responsible for reviewing, approving and monitoring the Company's risk management strategy, policy and key risk parameters. It is also responsible for ensuring that management has developed and implemented a sound system of risk management and internal control.</p> <p>The Company's Risk Management Policy sets out the manner in which the Company identifies, assesses, monitors and manages business risk. All high level strategies and new initiative risks are reviewed annually by the Board at its annual strategy and planning meeting.</p> <p>In relation to risk management, monitoring the status of each risk and any necessary action plans relating to their treatment takes place on a regular basis by controlled self-assessment as well as by management's regular review of risk action plans, with respect to the effectiveness and suitability of each risk action plan.</p>	<p>Yes</p> <p>Yes</p>

Corporate Governance Council recommendation	Explanation	Comply (Yes/ No (with explanation if necessary))
	Any action or recommendations by senior management, arising out of these review processes are approved by the Board and implemented by management.	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>No</p> <p>Yes</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Yes</p>

As discussed above, Regal identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Management Policy, which is available on the "Corporate Governance" page of the Company's website, www.regalresources.com.au.

The following categories of risks have been identified as being specific risks that have the potential to have an adverse impact of the Company's business:

- operational;
- environmental;
- insurance;
- litigation;
- financial;
- geographic;
- treasury and finance; and
- compliance.

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The role of the Remuneration and Nomination Committee can be broadly broken down as follows:</p> <ul style="list-style-type: none">• The Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies and practices which:<ul style="list-style-type: none">(a) enable the Company to attract, retain and reward talented Directors and employees; and(b) reward Directors and employees fairly and responsibility.• The Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times. <p>As the whole Board only consists of four (4) members, the Company does not have a Remuneration and Nomination Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. As a consequence the Company does not satisfy ASX Recommendation 8.1 in that it does not consist of a majority of independent directors. The Company will consider a separate committee as the need arises.</p> <p>Responsibilities Remuneration Committee/Board</p> <p>The responsibilities of the Remuneration Committee/Board include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the CEO, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive Directors and making recommendations on any proposed changes and undertaking reviews of the CEO performance, including, setting with the goals and reviewing progress in achieving those goals.</p> <p>Responsibilities Nomination Committee/ Board</p> <p>The responsibilities of a Nomination Committee/ Board would include devising criteria for Board membership, regularly reviewing the need for</p>	<p>No</p> <p>N/A</p> <p>N/A</p> <p>Yes</p> <p>N/A</p> <p>N/A</p> <p>Yes</p>

Corporate Governance Council recommendation	Explanation	Comply (Yes/ No (with explanation if necessary))
	<p>various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee would also oversee management succession plans including the CEO and his direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors.</p> <p>Senior Executive Remuneration Policy</p> <p>The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executives may be comprised of the following:</p> <ul style="list-style-type: none"> (a) fixed salary that is determined from a review of the market and reflects core performance requirements and expectations; (a) participation in any share/option scheme with thresholds approved by shareholders; and (b) statutory superannuation. <p>By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.</p> <p>The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes or Binomial Option Pricing model.</p> <p>The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.</p> <p>Non-executive Director Remuneration Policy</p> <p>Non-executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive Directors. Non-executive Directors do not receive performance based bonuses, but are able to participate in equity schemes of the Company.</p>	

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
		<p>Non-executive Directors are entitled to but not necessarily paid statutory superannuation.</p> <p>Criteria for selection of Directors</p> <p>Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least two Directors with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.</p> <p>Current Director Remuneration</p> <p>Full details regarding the remuneration of Directors, is included in the Directors' Report.</p>	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>The Board Charter sets out the policies and practices of the remuneration of Non-Executive Directors, Executive Directors and other senior executives.</p> <p>Mr Mark Savich, Mr Simon Dorling, and Mr Peter Ruxton are paid a fixed annual fee for their service to the Company as Non-Executive Directors.</p> <p>All Executive Directors of the Company typically receive remuneration comprising a base salary component and other fixed benefits based on the terms of their respective employment agreements with the Company or its subsidiaries, and potentially the ability to participate in the Company's short term and long term incentive plans.</p> <p>Details of the remuneration of the Directors and other executives is set out in the Remuneration Report (which forms part of the Directors' Report contained in the Company's 2015 Annual Report).</p>	Yes
8.3	A listed entity which has an equity-based remuneration scheme should:	The Board manages the remuneration policy, setting the terms and conditions for directors and other senior Executives. Remuneration including fringe benefits, options and performance incentives may be	

Corporate Governance Council recommendation		Explanation	Comply (Yes/ No (with explanation if necessary))
	(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and	paid dependent upon individual performance, company performance, contract terms and the discretion of the Board.	Yes
	(b) disclose that policy or a summary of it.	The terms and conditions of each grant of options is valued using the Black Scholes method, affecting remuneration of directors and other key management personnel over the term of the issue.	Yes
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES – N/A			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>		
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>		