

29 October 2015

ASX Code: **RER**

KALONGWE MINING SA RECEIVES MINING LICENCE

The Directors of Regal Resources Limited (ASX: **RER**) ("Regal" or "Company") are pleased to announce that they have been informed by Kalongwe Mining SA ("KM") that the DRC Minister of Mines, the Honourable Martin Kabwelulu, has signed an Arrêté Ministériel n° 0906 dated 23rd October 2015 granting an Exploitation (Mining) licence in accordance with the DRC Mining Code (2002) ("Mining Code").

The Licence granted to KM covers the entire KM Permit, an area of approximately 8km². It is valid for an initial term of thirty years and can be renewed for additional periods of fifteen years.

David Young, the Managing Director, commented that:

"The granting of a Mining Licence represents a major milestone for the Kalongwe Mining Joint Venture and is the culmination of the efforts by the three JV partners GICC, Regal and Traxys. The Licence provides an additional level of confidence that a mining operation will be developed at Kalongwe and further de-risks the Project. A DFS has commenced and recent metallurgical testwork results are expected to have a positive impact on the financial parameters for the Study."

Under the provisions of the Mining Code the holder of an exploitation permit has the exclusive right to conduct exploration, development, construction and mining activities for those minerals for which the permit is granted. It also allows its holder to build the installations and infrastructure required for mining exploitation, use the water and forestry resources inside the mining perimeter, process, transport and market the minerals. The permit holder will be required to transfer a 5% interest in the project to the DRC State.

On behalf of the Board of Directors



David Young
Managing Director/ CEO

For further information, please contact:

David Young
Managing Director / CEO
Ph: +61 3 9626 2435

Patrick Holywell
Company Secretary / CFO
Ph: +61 3 9626 2435
Email: info@regalresources.com.au

MEDIA / ASX RELEASE



About Regal

Regal Resources Limited is an exploration company focused on transitioning in the near-term to 25,000 t per annum copper producer.

The Company's flagship project is the Kalongwe deposit (or "the Project") that hosts a near surface oxide JORC resource of 302,000t contained copper and 42,000t contained cobalt, with an average copper grade of Cu of 2.71% Cu, has been delineated.

The Project is located in the Katanga Province of the DRC and is situated towards the western end of the World Class, Central African Copperbelt.

A Scoping Study (or "the Study") has been completed that was based on the Measured and Indicated resource categories of the deposit (ASX: RER, 21 April 2015). The purpose of the Scoping Study was to evaluate the viability of developing a stand-alone mining operation at Kalongwe utilising a HMS plant to process high-grade mineralisation during the earlier stages of mine development.

The results of the Study have highlighted the potential to fast track the development of mine at Kalongwe.

Key Outcomes of the Scoping Study

Project Net Present Value (NPV @ 10% discount rate) Cu price \$3/lb *	\$77.9 million
Project Internal Rate of Return (IRR)	81%
Payback	13 months
Capital Cost to Initial Production	\$38.9 million
Operating Costs (per pound ("lb") Cu payable)	\$1.01per lb

** Base Case is stated on a post-tax basis assuming 100% project at a copper price of \$3.00/lb. All amounts are in US dollars unless otherwise stated.*

Ownership of the Project is held by Kalongwe Mining SA ("Kalongwe Mining"), a company currently owned by Regal (30%), the international commodities trading company Traxys (30%) and La Generale Industrielle et Commerciale au Congo SPRL ("GICC") (40%). Exploration and development costs are jointly funded by Regal and Traxys. Regal is the operator of the JV.

Regal is at an advanced stage in negotiations to increase its interest in Kalongwe Mining to 60% and as the operator of the JV is focused on fast tracking the development of a mining operation at Kalongwe.

MEDIA / ASX RELEASE



The Company has also entered into a joint venture with Ivanhoe Mines to earn up to a 98% interest in a package of highly prospective permits covering an area of 350sq km and largely contiguous with Kalongwe permit.

An aggressive exploration programme is planned to focus on high priority targets identified in the Ivanhoe Mines JV permits that have the potential to support future growth of the Company.