

26 November 2015

ASX Code: **RER**

FINANCING UPDATE

Regal Resources Limited (ASX: RER) ("Regal" or the "Company") wishes to provide an update to shareholders regarding the convertible loan financing facility agreement ("Loan Agreement") and Strategic Relationship and Subscription Agreement ("Strategic Relationship") with mining private equity group, Tembo Capital Mining Fund Group ("Tembo").

The expiry of the current Strategic Relationship and Loan Agreement is 25 November and 27 November 2015 respectively. Both Regal and Tembo have agreed to extend the Strategic Relationship and Loan Agreement to 18 December 2015 or later as agreed by both parties. During this extension, both parties will agree on new terms and it is expected that further funds will be provided to Regal in the form of a convertible loan facility.

Tembo is an African and emerging-market focussed mining private equity fund and is one of the largest shareholders in Regal. It continues to be supportive of the Company and is committed to working with Regal to achieve its objective of developing the Kalongwe Project in the Democratic Republic of Congo.

Regal will continue to keep shareholders updated as discussions progress.

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About Regal

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

The Company's flagship project is the Kalongwe deposit ("the Project") which hosts a near surface oxide JORC resource of 302,000t contained copper and 42,000t contained cobalt, with an average copper grade of 2.71% Cu. 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 ("the Study") has been completed which was based on the Measured and Indicated resource categories of the deposit (ASX: RER 21 April 2015). The purpose of the 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 a 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)	\$1.01 per 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.

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 which are largely contiguous with the 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.