

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Regal Resources Limited

ABN

23 106 294 106

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ul style="list-style-type: none">Up to 1,627,213,200 ordinary shares pursuant to the "Transaction Documents" as defined in the Notice of Meeting dated 30 May 2016 and as approved by Shareholders on 30 June 2016 (Share Consideration).Up to 925,336,148 ordinary shares under a non-renounceable pro-rata issue of 1 new share for every 2 shares held on the record date (Rights Issue). |

3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Ordinary fully paid shares
4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p> <p>Ordinary shares rank equally with existing ordinary shares.</p>
5	Issue price or consideration	<p>Share Consideration: Deemed issue price of \$0.01 per share</p> <p>Rights Issue: \$0.01 per share</p>

+ See chapter 19 for defined terms.

6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Share Consideration: Used to fund consideration payable to Traxys and GICC pursuant to Sale Agreements and conversion of convertible loans (refer to Notice of Meeting dated 30 May 2016).</p> <p>Rights Issue: The shares will be issued under the Rights Issue and the funds raised are intended to be used as follows:</p> <ul style="list-style-type: none"> • Fund completion of the DFS for the Kalongwe Cu-Co Project; • Undertake exploration pursuant to the Company's earn-in agreement with Ivanhoe Mines Ltd; • Pay the cash portion of the settlement payment to Afrimines Resources SPRL and Regal SK SPRL; and • Provide the Company with working capital.
6a	<p>Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the *securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2015
6c	Number of *securities issued without security holder approval under rule 7.1	Nil
6d	Number of *securities issued with security holder approval under rule 7.1A	Nil
6e	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Up to 1,627,213,200 ordinary shares (approved 30 June 2016)
6f	Number of *securities issued under an exception in rule 7.2	Up to 925,336,148 ordinary shares

6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Listing Rule 7.1: 33,518,864 Listing Rule 7.1A: 22,345,909
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	Indicative issue dates: Share Consideration: 7 July 2016 Rights Issue: 11 August 2016 (as per indicative Rights Issue timetable)

+ See chapter 19 for defined terms.

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Up to 2,776,008,444 Fully paid ordinary shares

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	18,900,000 Options exercisable at \$0.08 each on or before 28 October 2017 (unless expiry is accelerated) 22,000,000 Options exercisable at \$0.08 each on or before 31 October 2017 21,100,000 Options exercisable at \$0.08 each on or before 2 December 2017 (unless expiry is accelerated) 24,000,000 Options exercisable at \$0.08 each on or before 10 February 2018

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	None
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Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 New Share for every 2 existing shares held.
14	+Class of +securities to which the offer relates	Ordinary shares

15	+Record date to determine entitlements	14 July 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Rounded up to the nearest whole number.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	China, Sweden, Germany, Korea, Singapore, Malaysia, Austria, Ukraine, Switzerland, USA, Panama, Canada and PNG.
19	Closing date for receipt of acceptances or renunciations	4 August 2016
20	Names of any underwriters	Ndovu Capital VI B.V.
21	Amount of any underwriting fee or commission	3% of the total gross amount raised under the Offer, less the amount to be raised by the subscription by the Underwriter in its capacity as an Eligible Shareholder of its Entitlement. This underwriting commission is to be paid by the issue of Shares at a deemed issue price of \$0.01 per Share, to a maximum of 12,581,798 Shares. Any additional underwriting commission is to be satisfied by a cash payment.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	19 July 2016
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	4 July 2016
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	11 August 2016

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought

N/A

- 39 +Class of +securities for which quotation is sought

N/A

- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:
 - the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

+ See chapter 19 for defined terms.

41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another ⁺ security, clearly identify that other ⁺ security)	N/A
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42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in clause 38)	Number	⁺ Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date: 4 July 2016

Print name:


Patrick Holywell
Company Secretary

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	217,045,458
<i>Add</i> the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	900,000 on 30 September 2015 (approved by shareholders at General Meeting on 14 September 2015). 2,213,638 on 6 January 2016 (approved by shareholders at General Meeting on 30 June 2016). 3,300,000 on 4 May 2016 (approved by shareholders at General Meeting on 30 June 2016).
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	223,459,096

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	33,518,864
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	0
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	33,518,864
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.15] – “C”	33,518,864 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	223,459,096
Step 2: Calculate 10% of “A”	
“D”	0.10
Multiply “A” by 0.10	22,345,909
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	Nil
“E”	0
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	22,345,909
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	22,345,909

+ See chapter 19 for defined terms.