

23 September 2016

ASX Code: **RER**

REGAL COMMENCES DEFINITIVE FEASIBILITY STUDY AND EXPLORATION

Highlights

- *Exploration campaign has commenced at the FTB JV Project with an exploration team on the ground*
- *Initial work will focus on reconnaissance exploration and the assessment of planned drilling programmes*
- *Metallurgical test work is underway for Kalongwe DFS*
- *Aerial LiDAR survey of Kalongwe license area and access road completed.*

Regal Resources Ltd (ASX:RER) (the "Company" or "Regal") is pleased to advise that exploration work has commenced over the Kalongwe Mining SA JV ("KM JV" or "Kalongwe") and surrounding Fold and Thrust Belt Joint Venture ("FTB JV") project areas following completion of the recent equity raisings.

The primary objective for the remaining dry season is to complete ground validation on first order exploration targets in the FTB JV area, and weather permitting, advance to the stage of drill testing. Concurrently, the Company will fast-track work on the Kalongwe Definitive Feasibility Study ("DFS").

To achieve its objectives, the Company has appointed The MSA Group ("MSA"), a leading provider of mining and mineral exploration services on the African Continent, to assist with its exploration activities. The technical work will be conducted under the guidance of the Company's director Simon Dorling who is engaged as a technical consultant under a consulting agreement with CSA Global Pty Ltd ("CSA"). CSA has been providing services through its team of exploration and mining professional to its clients operating in Africa and particularly in the Central African Copperbelt for over 15 years.

Kalongwe Mining JV Project

The Kalongwe Copper Cobalt deposit is the Company's 70% owned flagship project. It is located in the Katanga Province of the DRC and is situated towards the western end of the world-class Central African Copperbelt (Figure 1), less than 15 kilometres from where Ivanhoe have recently announced a second world class copper discovery at Kakula (Figure 1; see announcement from Ivanhoe Mines Ltd TSX:IVN on 11 August 2016). Kalongwe hosts a near-surface JORC resource of 302,000t contained copper and 42,000t contained cobalt as predominantly oxide ore (see Appendix 1 and ASX announcement on 5 February 2015 for further details).

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FTB JV Project

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and some of the richest copper deposits in the world. The project area is considered to offer high-quality exploration targets as exploration over most of the ground is at a greenfield stage.

The Company reviewed the exploration work and data provided by Ivanhoe Mines and has so far identified five high priority targets that warrant immediate follow work (Figure 2). Regal has selected three of the identified target areas for immediate exploration work. The exploration team is currently conducting reconnaissance work over the Monwezi, Kambundji and Kakete prospects (Figure 2) and its geologists are re-logging all diamond drill holes to enable better targeting.

Further details on the selected areas include¹:

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

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

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

Kakete Prospect: 2 km north-south trending geochemical anomaly based on assays from soil, rock chip and pitting by Ivanhoe. The target coincides with a north-south trending lineaments based on magnetic interpretation

Dr Dorling, in conjunction with MSA and the company's geologists are currently assessing designed drilling targets at the Monwezi and Kambundji Prospects. This review will determine the quantity and type of drilling required. Further reconnaissance mapping and rock chip sampling will be extended at the Mukansa and Kakete Prospects. It is expected that this work will be followed up by trenching and shallow auger drilling.

Regal expects to announce in due course its selection of exploration drill targets. The Company looks forward to providing the market with a flow of exploration updates from an area it believes has significant exploration upside.

¹ See ASX announcement on 24 April 2015 for further details.

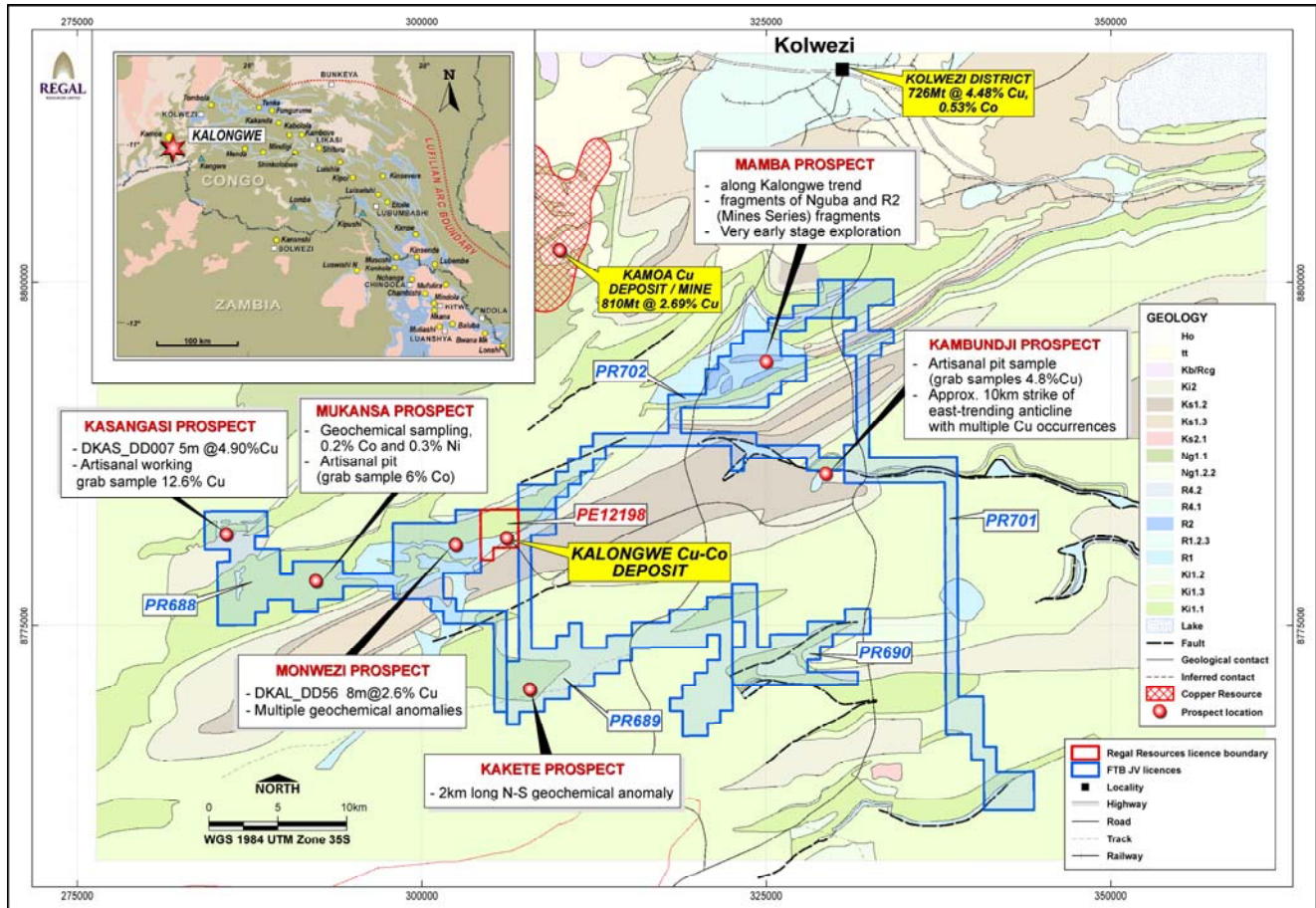


Figure 2: Location map of delineated exploration target within the FTB JV area and exploration highlights.

Competent Persons Statement

Scientific or technical information in this release that relates to Exploration Results has been prepared by Dr Simon Dorling, the Company's Technical Director. Dr Simon Dorling is a member of the Australasian Institute of Geoscientists (MAIG) and has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Dr Simon Dorling consents to the inclusion in this report of the Information, in the form and context in which it appears.

The information in this document relating to the Kalongwe Cu-Co Deposit resource estimate is extracted from the Company's ASX announcement entitled 'Upgraded JORC Resource at Kalongwe 302,000t Copper and 42,700t Cobalt' dated 5 February 2015 and is available to view on www.regalresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the

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information included in the original market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward-looking Statements

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

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APPENDIX 1 – KALONGWE CU-CO PROJECT MINERAL RESOURCE ESTIMATE

As per ASX Announcement 5 February 2015:

Weathering profile	Domain	Measured	Indicated	Inferred	Total Tonnage (Mt)	Ave. Cu (%)	Ave. Co (%)	Tonnes Cu	Tonnes Co
Oxide	Cu Only ¹	1.24Mt @ 3.35% Cu	2.45Mt @ 2.27% Cu	1.24Mt @ 1.60% Cu	4.94	2.37	-	117,200	-
	Mixed ³	2.07Mt @ 3.76% Cu	1.67 Mt @ 2.72% Cu	0.35Mt @ 1.98% Cu	4.08	3.19	0.66	130,000	26,800
Primary	Cu Only ¹	-	1.20 Mt @ 2.65% Cu	0.41Mt @ 1.63% Cu	1.61	2.39	-	38,400	-
	Mixed ³	-	0.51 Mt @ 3.06% Cu	0.03Mt @ 2.22% Cu	0.54	3.02	0.52	16,400	2,800
	Total Cu Domains	3.31Mt @ 3.61 % Cu	5.83 Mt @ 2.55 % Cu	2.03Mt @ 1.70% Cu	11.17	2.70	*0.27	302,000	29,700
Oxide	Co Only ²	0.37Mt @ 0.66% Co	1.34Mt @ 0.59% Co	0.38Mt @ 0.43% Co	2.09	-	0.57	-	11,900
Primary	Co Only ²	-	0.18Mt @ 0.53% Co	0.02Mt @ 0.43% Co	0.2	-	0.52	-	1,000
	Total Co Domains	1.24Mt @ 3.35% Cu	2.45 Mt @ 2.27% Cu	1.24Mt @ 1.60% Cu	2.29	-	0.57	-	13,000

Notes:

1. The Cu only domains were reported by selecting blocks with Cu >= 0.5%.
2. The Co only domains were reported by selecting blocks with Co >= 0.2%.
3. The Mixed Domains (blocks located within overlapping Cu and Co domains) were reported by selecting blocks with Cu >= 0.5%. The Co grade from these blocks was also reported.

*It is assumed for the purposes of this Mineral Resource that Cu grades in the Co only domains, and Co grades in the Cu only domains are 0%, although low grade mineralisation was recorded in sample assays. Therefore the reported Cu% and Co% grades are diluted, where they are reported in the other domains.