

21 April 2016

ASX Code: **RER**

WAIVER OF LISTING RULE 10.1

Further to the ASX announcement on 20 April 2016, Regal Resources Limited (ASX: RER) (**Company**) is pleased to confirm that it has received a waiver from ASX Listing Rule 10.1 to the extent necessary for it to grant security over its assets (**Security**) in favour of Ndovu Capital VI B.V (**Ndovu**) and Exploration Capital Partners 2005 Limited Partnership (**ECP**) (together, the **Lenders**) pursuant to a loan agreement, general security deed and security trust deed (together, the **Loan Deed**), without obtaining shareholder approval for the purposes of ASX Listing Rule 10.1.

Pursuant to the terms of the Loan Deed, Ndovu has provided the Company with a loan of \$1,582,577 and ECP has provided the Company with a loan of \$1,000,000. Ndovu may also provide the Company with an additional \$1,100,000 (**Bridge Loan**).

The Company previously obtained a waiver from ASX Listing Rule 10.1 in respect of the original grant of the security (refer to the Company's announcement of 18 December 2015). Due to the amendments to the Loan Deed, including the provision of the Bridge Loan by Ndovu and the decrease in the conversion price, it was necessary to obtain a new waiver. Refer to the Company's announcement of 20 April 2016 for further information regarding these amendments. No amendments were made to the Security itself.

The waiver was granted on the following conditions.

1. The Loan Deed includes a term that if an event of default occurs and the Lenders exercise their rights under the Loan Deed, neither of the Lenders nor any of their associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's obligations under the Loan Deed, or otherwise deal with the assets of the Company or the subsidiaries, without the Company first having complied with any applicable ASX Listing Rules, including ASX Listing Rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by the Lenders exercising their power of sale under the Loan Deed and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to the Lenders in accordance with their legal entitlements.
2. A summary of the material terms of the Loan Deed is made in each annual report of the Company while the Security is held over the Company and its assets.
3. Any variations to the terms of any of the Loan Deed or the Security which is not a minor change, or inconsistent with the terms of the waiver, must be subject to shareholder approval.

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4. The Company must seek to discharge the Security when the funds advanced under the Loan Deed have been repaid, or if they are not discharged, seek shareholder approval for the continuation of the Loan Deed for any further loan funding amount.
5. The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Loan Deed and the discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur.