

4 July 2016

ASX Code: **RER**

## UNDERWRITTEN NON-RENOUNCEABLE ENTITLEMENTS OFFER AND COMPANY UPDATE

### Highlights

- *Regal to undertake a 1-for-2 non-renounceable pro rata entitlement offer at \$0.01 per new share to eligible shareholders to raise approximately \$9M (before costs).*
- *Offer fully underwritten by Ndovu, a substantial shareholder of the Company. Shareholder approval for the underwriting was obtained at the Company's General Meeting on 30 June 2016.*
- *Eligible shareholders who take up their entitlements in full may apply for additional shares in excess of their entitlements.*
- *Proceeds are intended to be used to 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.*
- *Completion of transactions with Traxys, GICC, Afrimines and Ndovu expected to complete on 7 July 2016.*

### Entitlement Offer

Regal Resources Limited (ASX: RER) (**Company** or **Regal**) is pleased to announce that following the receipt of all necessary shareholder approvals at the General Meeting held on 30 June 2016, it has lodged a prospectus for an underwritten non-renounceable entitlements offer to eligible shareholders (**Offer**) to raise approximately \$9,258,000 (before costs).

### Completion of Transactions

On 20 April 2016, the Company announced that it had entered into a series of transactions (together, **Transactions**) which, upon completion, will provide for:

- the Company to increase its shareholding in Kalongwe Mining S.A. (**Kalongwe**) to 70%, through the acquisition of all of Traxys Resources Ltd's (**Traxys**) interest in Kalongwe, and an additional 13% interest in Kalongwe from La Generale Industrielle et Commerciale au Congo (**GICC**);
- the issue of shares to Ndovu to fund the acquisitions from Traxys and GICC;
- the settlement and release of potential liabilities to Afrimines Resources SPRL and Regal SK SPRL by the issue of shares and a cash payment; and

# MEDIA / ASX RELEASE



- (d) the elimination of all debt on the Company's balance sheet through the conversion of the convertible loan with Ndovu Capital VI B.V. (**Ndovu**) and Exploration Capital Partners 2005 Limited Partnership upon completion of the transactions outlined above.

Following the receipt of the necessary shareholder approvals at the General Meeting held 30 June 2016, the final condition precedent to be satisfied for the completion of the Transactions was the lodgement of this Prospectus with ASIC and ASX. Completion of the Transactions is intended to occur on 7 July 2016.

The Offer is conditional upon the completion of the Transactions. If the Transactions are not completed on or prior to the Record Date, then the Offer will be withdrawn.

## Indicative timetable

The key dates for the Offer are below. These dates are indicative only and the Company reserves the right to vary them subject to the requirements of the ASX Listing Rules.

Event	Date
Lodgement of Prospectus with ASIC and ASX	4 July 2016
Lodgement of Appendix 3B	
Notice of Offer sent to Optionholders	
Issue of Securities at Transaction Completion	7 July 2016
Notice of Offer sent to Shareholders	12 July 2016
Shares quoted on an "Ex" basis	13 July 2016
Record date for determining Entitlements	14 July 2016
Prospectus and Application Form despatched to Eligible Shareholders	19 July 2016
Last day to extend the Offer closing date	29 July 2016
Closing Date of Offer	4 August 2016
Shares quoted on a deferred settlement basis	5 August 2016
Announcement of Shortfall	9 August 2016
Issue date of New Shares	11 August 2016
Deferred settlement trading ends	
Commencement of New Shares trading on an ordinary settlement basis	12 August 2016

## Use of funds

Funds raised under the Offer are intended to be used to fund completion of the definitive feasibility study for the Kalongwe 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.

# MEDIA / ASX RELEASE



## Additional information regarding the Offer

The Offer will be available to all shareholders of the Company registered on the Record Date whose registered address is in Australia or subject to the offer restrictions in section 1.16 of the Prospectus, the British Virgin Islands, Democratic Republic of the Congo, Gibraltar, Netherlands, New Zealand, or United Kingdom (**Eligible Shareholders**). The Offer is not being extended to shareholders of the Company whose registered address is outside the above jurisdictions or do not meet the offer restrictions.

Eligible Shareholders (other than directors and related parties of the Company) also have the opportunity to subscribe for any shares that are not subscribed for under the Entitlement Offer pursuant to the shortfall offer under the Prospectus.

Any shares not subscribed for by Eligible Shareholders under the Entitlement Offer, or issued by the Company pursuant to the shortfall offer, are to be subscribed for by Ndovu pursuant to the Underwriting Agreement between Ndovu and the Company. As Ndovu is a significant shareholder in the Company, the Company obtained shareholder approval for the issue of shares to Ndovu pursuant to the Underwriting Agreement at its General Meeting held 30 June 2016.

Full details of the Offer are contained in the Prospectus which is available from the ASX's website at [www.asx.com.au](http://www.asx.com.au) and will be despatched to Eligible Shareholders in accordance with the indicative timetable set out above. The Prospectus will also be available on the Company's website at [www.regalresources.com.au](http://www.regalresources.com.au).

---

## For further information, please contact:

### **Patrick Holywell**

*CFO & Company Secretary*

Ph: +61 (0)8 9288 4485

Email: [info@regalresources.com.au](mailto:info@regalresources.com.au)