

12 July 2016

Dear Shareholder

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NOTICE TO INELIGIBLE SHAREHOLDERS OF NON-RENOUNCEABLE PRO RATA ENTITLEMENT OFFER

We write to you as the registered holder of shares in Regal Resources Limited (**Company**) (ASX:RER) as at today's date.

As advised in the Company's ASX announcement dated 4 July 2016, the Company is undertaking a non-renounceable pro rata entitlement offer to eligible shareholders at an issue price of \$0.01 per new share (**New Shares**) and on the basis of 1 New Share for every 2 shares held at the record date of 14 July 2016 (**Record Date**) (**Offer**).

Pursuant to the Offer, the Company will issue up to 925,336,148 New Shares to raise approximately \$9,253,000 before costs. The Offer is being fully underwritten by Ndovu Capital VI B.V. (**Ndovu**).

The Offer is conditional upon the completion of the Transactions (as defined in the Prospectus). Transaction Completion occurred on 7 July 2016.

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 in the Prospectus (**Ineligible Shareholders**).

The Company has determined that it would be unreasonable on this occasion to extend the Offer to you as an Ineligible Shareholder having regard to the offer restrictions of your jurisdiction based on a consideration of:

- (a) the number of shareholders in your jurisdiction;
- (b) the number and value of shares the shareholders in your jurisdiction would be offered; and
- (c) the cost of complying with the legal requirements and the requirements of the regulatory authorities in your jurisdiction.

This letter is to inform you that you are not an Eligible Shareholder for the purposes of the Offer and consequently you will not be able to subscribe for shares under the Offer. This letter is not an offer to issue shares to you, nor an invitation to apply for shares. You are not required to do anything in respect of this letter.

For your information only, details of the Offer are contained in the Prospectus lodged with ASIC on 4 July 2016 and announced on the ASX market announcements platform on 4 July 2016. The Prospectus can be accessed from the ASX website, www.asx.com.au.

If you require clarification on any of the above matters, please contact the undersigned on +61 8 9240 8766.



Yours faithfully
Patrick Holywell
CFO & COMPANY SECRETARY