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ASX Announcement

Agreement to acquire highly prospective gold project in the Democratic Republic of Congo

(ASX:RER)

Highlights

- Regal to acquire (subject to completion of due diligence) 70% interest in the South Kivu Gold Project, which covers a total of 3,650km² and is located in east central Democratic Republic of Congo. Regal has an option to purchase a further 20% interest to go to 90%
- Project in the same geological setting as the Banro and Kilo-Moto gold deposits
- Significant gold target areas identified from previous stream sediment, rock chip and soil sampling and trenching
- Good potential for discovery of continuation of mineralisation from Banro's Namoya and Lugushwa deposits
- Key target areas have not been previously drill tested
- Tenements have significant artisanal tin mining operations potential for alluvial and hard rock tin exploration

South Kivu Project

The Directors of Regal Resources Limited ("Regal" or "the Company") are pleased to advise that it has entered into an agreement with Afrimines Resources SPRL ("Afrimines") to acquire a group of 13 tenements which cover 3,650km² of prospective ground in the South Kivu Province, east central Democratic Republic of Congo.

The tenements are located in one of the world's principal Precambrian orogenic-metallogenic provinces, which hosts the Banro Corporation (TSX:BAA) deposits within the "Twangiza – Namoya belt" and the world class gold deposits in the Kilo-Moto belt to the north (held by Randgold Resources and AngloGold Ashanti). Banro's Lugushwa and Namoya deposits border the project area to the north and south respectively. Banro's Lugushwa Project drilling is reported to have intercepted wide zones of gold mineralization which has an Inferred Mineral Resource of 2.7 million ounces and the Namoya Project is reported as hosting 1.124 million oz of Measured & Indicated Resources and 407,700 oz of Inferred Mineral Resources. The same gold bearing structures from both deposits potentially extend onto the project area.

The South Kivu Project area is underlain by highly prospective Ruzizian and Burundian lithologies which have been intruded by granites and pegmatites of various ages. Most of the tin, tungsten and columbite-tantalite deposits of the region are related to these post-tectonic granitic batholiths and stocks, while the gold deposits occur in the synclinoria between the granites. Afrimines recently completed soil sampling

programmes over areas of extensive artisanal workings and rock exposures and collected stream sediment samples from remaining areas to give complete coverage of the project area. A total of 13,400 samples are in process of submission for assay with results expected in February 2011. Extensive alluvial workings and less primary workings were identified on all tenements during the regional sampling campaign. Little focus was placed on identifying primary mineralization by small scale miners mainly due to the ease of mining and high recovery grade of alluvial workings.

The prospectivity of the project is further enhanced by identification of alluvial workings and two northwest-southeast trending quartz veins on the tenement bordering Banro's Namoya deposit to the north. In addition, it is highly likely that mineralized structures which control mineralization at Banro's Lugushwa deposit extend on to the project area in the north. The area to the southeast of Lugushwa has been a major focus of alluvial works potentially associated with an underlying northeast trending structure.

Agreement Terms

The principal terms of the agreement for the Company to acquire a 70% interest in the South Kivu Gold Project are:

- Agreement is subject to the Company completing a due diligence review to its satisfaction by 31 March 2011;
- On the date of completion of due diligence ("Effective Date"), the Company to pay US\$600,000 and issue 75 million shares;
- Six months after the Effective Date, the Company to pay US\$400,000 and issue shares to the value of US\$750,000 (based on market value of shares at the time of issue);
- The Company shall have the option to acquire a further 20% interest in the tenements at completion of a feasibility study by making a payment of an amount determined by an independent evaluation;
- Regal responsible for all expenditure to completion of a feasibility study; and
- Regal can withdraw from the project at any time with no further obligations.

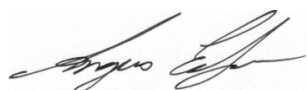
The vendors (and their associates) are not associated with the Company, its Directors or their associates.

For the introduction of the South Kivu Gold Project, Regal is required to issue 20 million shares (RER) to Corporate and Resource Consultants Pty Ltd ("CRC") and/or its nominee. This share issue is not subject to shareholder approval and will fall within the Company's 15% placement capacity under ASX Listing Rule 7.1. Shareholder approval to issue the consideration shares referred to above will be sought at a general meeting to be called in the first quarter of calendar 2011.

On the Effective Date, assuming a decision is made to proceed with the acquisition, Regal is required to issue a further 30 million shares (RER) to CRC and/or its nominee.

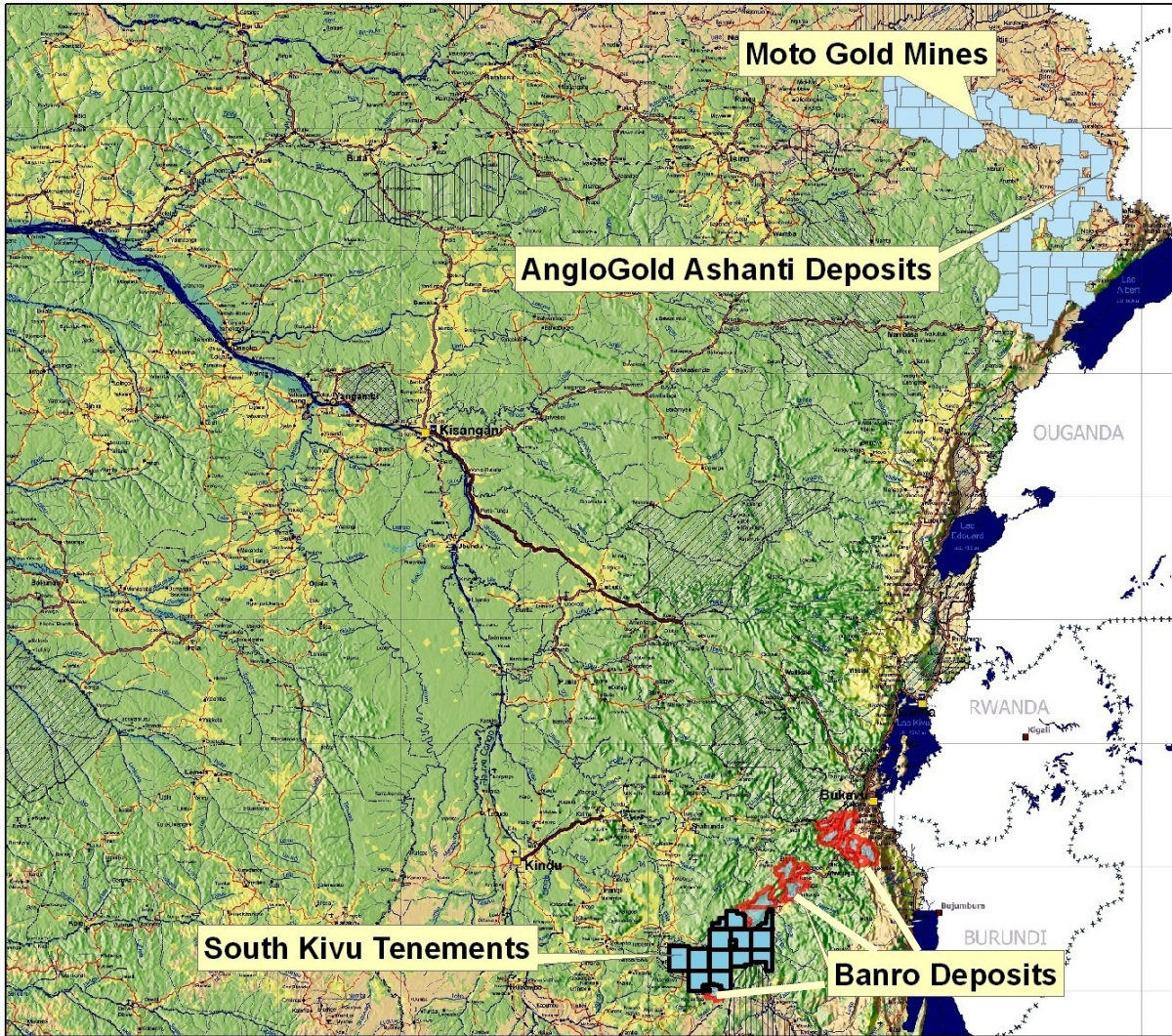
CRC will assist Regal on an ongoing basis until completion of the transaction.

For further information please contact Mr Angus Edgar on (+61) 3 8610 8633.



Angus Edgar
Managing Director

Locality Map showing Gold Deposits and South Kivu Licenses



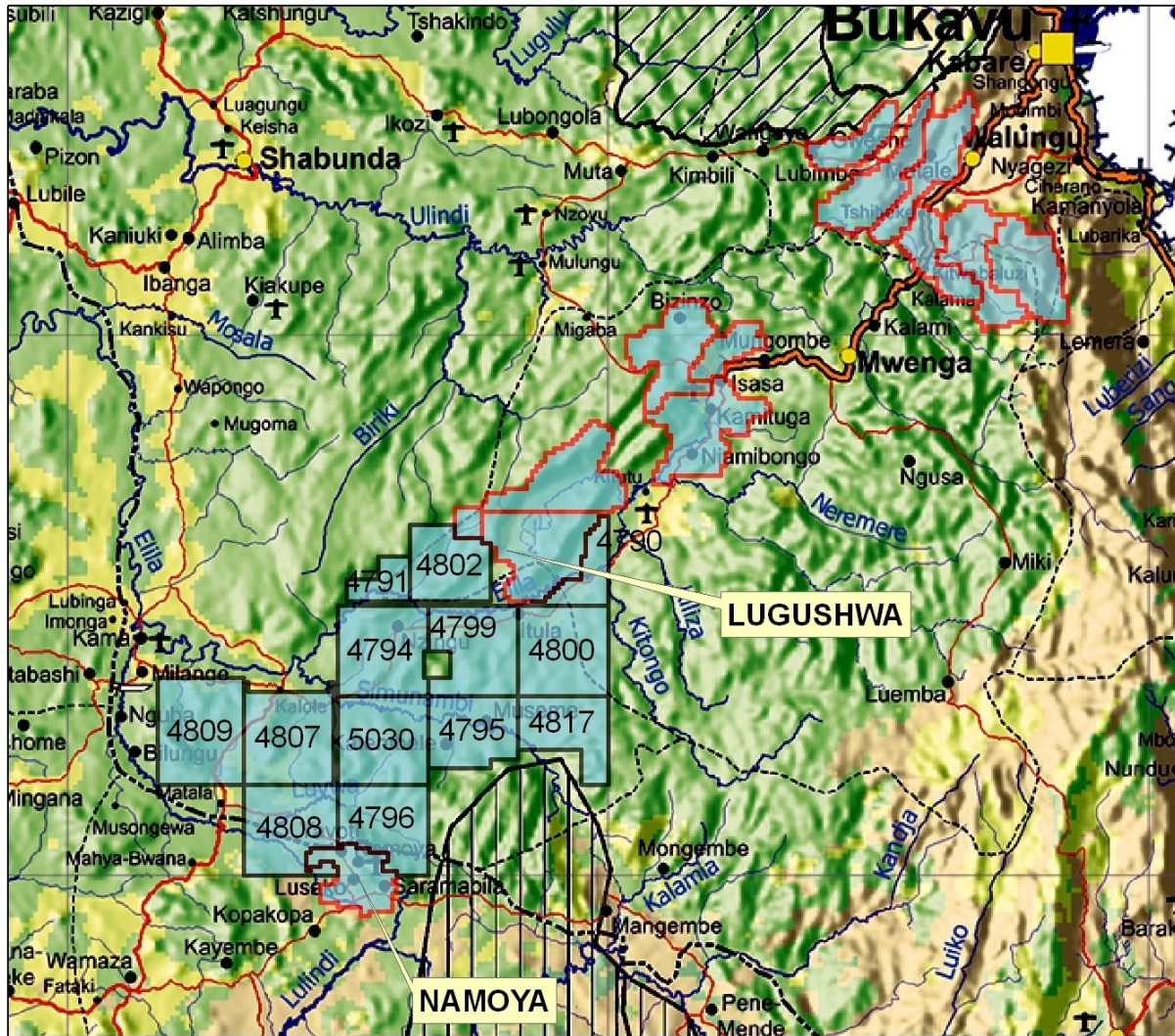
Legend

-  Kilo_Moto
-  South Kivu permits
-  Banro deposits

170 85 0 170 Kilometers



South Kivu Project Tenements



Legend

- South Kivu permits
- Barro deposits

