

Wednesday 16 April 2014

COMPLETION OF FUNDRAISING TO ADVANCE EXPLORATION AT THE KALONGWE COPPER PROJECT, DRC

Regal Resources Limited ("Regal" or the "Company") is pleased to announce that it has received firm commitments from institutional and sophisticated investors to raise \$2,000,000 through a placement of 36,363,636 fully paid ordinary shares priced at 5.5 cents per share ("Placement"). Directors and Management will be participating in the Placement subject to shareholder approval at the Company's next General Meeting.

The shares will be issued in accordance with the Company's placement capacity under Chapter 7 of ASX Listing Rules. Settlement of the Placement funds and issue of shares will occur over the next 10 days. Blackswan Equities Limited and RFC Ambrian Limited are acting as Joint Lead Managers to the Placement.

The proceeds of the Placement together with existing cash reserves will be used to accelerate exploration at the Kalongwe high grade Cu-Co project.

The funds will be used to :

1. Carry out the 2014 exploration programme and to support technical studies investigating various options to bring the project into early development.

Objectives of the 2014 programme include:

- i. Completion of a Phase 1 , 1,800m diamond drilling programme, by end of April;
 - ii. Delivery of a maiden JORC Mineral Resource Estimate for Kalongwe ecaille during the June 2014 quarter;
 - iii. Commencement of a 5,000m Phase 2 in-fill and extension diamond drilling programme in May;
 - iv. Undertake exploration programmes testing other fragments of Roan sediments along strike from Kalongwe; and
 - v. Complete detailed metallurgical studies to evaluate suitability of mineralisation to be processed by Heavy Media Separation (HMS) and by SXEW methods.
2. Provide additional general working capital and pay for the costs of the offer.

MEDIA / ASX RELEASE



Background Information

Regal in partnership with the international commodity trading group Traxys SA Europe have acquired a controlling interest in the Kalongwe Project, an advanced high-grade Copper/Cobalt Project in the Katanga Copperbelt, DRC. The cost of the exploration programme is being co-funded by Regal and Traxys.

The project is located within the World Class Central African Copperbelt, and is situated some 15km from Kamoanga, considered to be Africa's largest recent high-grade copper discovery.

Previously, the Kalongwe ecaille was explored by a fifty four (54) diamond drilling programme undertaken by Ivanhoe Mines over the period 2006 to 2007. The results this work indicated there was potential for a significant high grade copper and cobalt resource.

Regal is close to completing Regal a Phase I drilling programme comprising eleven (11) holes for an estimated 1,800m of diamond drilling. Assay results received for the first two holes of the drilling program have reported intersections of very high-grade copper and cobalt mineralization and include 68.35m @ 4.92%Cu from 49.2m for hole DKAL_DD010T and 5.80m @ 4.37%Cu from 110.2m and 13.75m @ 1.55%Cu from 161.55m in hole DKAL_DD011T.

The received assay results and the observations of visual mineralisation in the other holes that have so far been completed give the Company a high level of confidence that the historic drilling results can be incorporated into the dataset that will support a maiden mineral resource estimate.

On behalf of the Board of Directors,

A handwritten signature in blue ink, appearing to read "D Young", on a light blue background.

David Young
Managing Director

Competent Persons Statement

Scientific or technical information in this release has been prepared by Mr David Young and Dr Simon Dorling and, the Company's Managing and Technical Directors. Mr David Young is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and Dr Simon Dorling is a member of the Australasian Institute of Geoscientists (MAIG) and both have sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which they are 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). Mr David Young and Dr Simon Dorling consent to the inclusion in this report of the Information, in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> All drilling results reported in this Press Release are extracted from a Drilling Report prepared by African Mining Consultants, on behalf of African Minerals (Barbados) sprl a subsidiary of Ivanplats Ltd. The Sampling Techniques for the drilling results are not detailed in the technical report. The Company has undertaken limited preliminary surface sampling on PR 12198. Refer to text and Table 1 for procedure and results of this preliminary work.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> The Drilling Report specifies that RC and Diamond drilling techniques were used in the project area. Details are given in the Table 1 above .
Drill sample	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample</i> 	<ul style="list-style-type: none"> The drill sample recovery are not detailed in the Drilling

Criteria	JORC Code explanation	Commentary
recovery	<p><i>recoveries and results assessed.</i></p> <ul style="list-style-type: none"> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	Report.
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> The geological logs were recorded manually on paper logs by the on-site geologists. Selective re-logging of this data was conducted preceding entry onto an Excel spreadsheet. These data include geology, weathering, alteration and information on visible mineralisation identified.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> The Sub-Sampling Techniques and sample preparation are not detailed in the technical report.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> 	<ul style="list-style-type: none"> The quality of assay and laboratory tests are not detailed in the technical report. The handheld XRF tool used for analysis is a Spectro

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	xSort XHH03. NO QAQC procedures were applied. The process for the determination of Cu and Co is detailed above.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> The verification of sampling and assaying are not detailed. in the Drilling Report.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> The Drilling Report specifies that all holes have UTM (WGS84) and local grid coordinates. The company has not as yet independently verified the collar positions.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Data spacing (drill-hole spacing) is almost exclusively 100m and only locally less than 100m. It is sufficient for exploration target and appropriate to the geology. As this is an exploration project, infill drilling is considered necessary to confirm interpretations. Whether sample compositing has taken place has not been detailed in the technical report.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	<ul style="list-style-type: none"> The supergene – style mineralisation is often irregular and drilling is oriented to intersect as perpendicular as possible to the gross strike and dip of the deposits. A small number of 60 degree inclined angled holes are used to test the lateral variability zones and any steeper

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	<ul style="list-style-type: none"> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<p>structural mineralisation.</p> <ul style="list-style-type: none"> No material sampling bias is considered to have been introduced by the drilling direction.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> The sampling security protocols are not detailed in the Drilling Report.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits and reviews are detailed in the Drilling Report.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> See text above...
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Between 2005 and 2007 African Minerals (Barbados) sprl (now Ivanplats) conducted 2 diamond and reverse circulation drilling programs totalling 123 holes within the larger Kalongwe area of which about 65 fall within the Kalongwe deposit area and are reported in the Drilling Report.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> •
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The mineralisation at Kalongwe is considered a typical example of a deeply weathered sediment-hosted copper deposit typical for the Congolese part of the Central African Copper Belt. Primary sulphide mineralisation is re-distributed during weathering from stromatolitic dolonites host rocks. The host rocks are deformed and occur as fragments within the core of anticlines within the Lufilian Fold Belt.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • See information provided above in Table 2 of main Press Release. • The Company has verified and documented the location of 9 drill hole collars by handheld GPS (Garmin CS60 model). It was found that the reported coordinates corresponded well with the results of the re-surveyed collar position. The coordinates are acceptable and within the accuracy margins of the handheld instrument.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent</i> 	<ul style="list-style-type: none"> • The data aggregation procedures, if applied, are not detailed in the Drilling Report.

Criteria	JORC Code explanation	Commentary
	<i>values should be clearly stated.</i>	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • In general down hole length ore reported due to the vertical nature of drill holes. This leads locally to reporting of slightly longer intervals of mineralisation. However, for the supergene nature of mineralisation above 150m this has a lesser effect.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Plan and section views of the mineralisation are included in this report.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • A subset of intersection above a 0.5% Cu cut off as reported in the Drilling Report are presented in the text.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Not applicable to this press release.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The Company has prepared a Due Diligence field programme. (see text above).