



## Regalpoint Resources Limited

ACN: 122 727 342

25 May 2011

ASX Limited  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Sir

### Chief Executive Officer Options

Regalpoint Resources Limited (**Company**) (ASX:RGU) confirms that it has agreed to issue a total of 2,000,000 options to subscribe for shares in the Company (**Options**) to the nominee of Nicholas Burn as Chief Executive Officer of the Company on the terms set out below.

#### 1. 1,700,000 Options

The issue of 1,700,000 of these Options is subject to and conditional on the Company being able to issue those Options in accordance with ASX Listing Rule 7.16. The Options are issued on the terms set out in this letter and in Schedule 1.

These 1,700,000 Options are to vest as follows:

- (a) 700,000 Options vest on the later of:
  - (i) the date that the Company is admitted to the official list of the ASX;
  - (ii) the date of issue of the Options,and have an exercise price of 20 cents each;
- (b) 500,000 Options vest on the later of:
  - (i) 4 January 2012; and
  - (ii) the date of issue of the Options,and have an exercise price of 25 cents each; and

- (c) 500,000 Options vest on the later of:
  - (i) 4 July 2012; and
  - (ii) the date of issue of the Options,and have an exercise price of 25 cents each.

**2. If 1,700,000 Options not issued**

The Company, Nicholas Burn and Nicholas Burn's nominee have agreed that if the Company has not issued the 1,700,000 Options by 30 September 2013, then:

- (a) the Company agrees to make a cash payment to Nicholas Burn of an amount equal to the last market price of the Company's listed Options (adjusted for differences in the option terms, including exercise price and expiry date) multiplied by 1,700,000; and
- (b) the Company's obligation to issue those Options will terminate.

**3. 300,000 Options**

- (a) The remaining 300,000 Options will be issued to Nicholas Burn's nominee if the Company establishes a JORC-compliant resource prior to 30 December 2012 and the Company is able to issue the Options in accordance with ASX Listing Rule 7.16.
- (b) Those Options will:
  - (i) vest immediately upon issue;
  - (ii) have an exercise price of 25 cents each; and
  - (iii) be subject to the terms set out in this deed (including Schedule 1).

Yours faithfully



Fleur Hudson  
Company Secretary

## Schedule 1

Set out below are the terms of the Options to be granted by the Company to Nicholas Burn's nominee:

- (a) Subject to conditions (h) and (i), each Option is a right in favour of the option holder to subscribe for one fully paid ordinary share in the Company (**Share**).
- (b) The exercise price of the options will be payable in full on exercise.
- (c) Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to exercise all or a specified number of the Options held by the option holder accompanied by an option certificate and a cheque made payable to the Company for the subscription price for the exercise of the specified Options. An exercise of only some of the Options will not affect the rights of the option holder to the balance of the Options held by him.
- (d) The Company will allot the resultant shares and deliver the holding statement within five business days after the exercise of the Option.
- (e) The Options are not transferrable, and no application will be made to the ASX for official quotation of the Options on ASX.
- (f) The Options carry no right to participate in new issues of capital that may be offered to shareholders during the currency of the Options. However, prior to any new pro-rata issue of securities to shareholders, holders of Options will be notified by the Company in accordance with the requirements of the ASX Listing Rules (**Listing Rules**).
- (g) In the event the Company proceeds with a pro-rata issue (except a bonus issue) of the securities to the holders of shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with a formula set out in Listing Rule 6.22.2, with such adjustment to take effect on and from the final date of allotment of the securities comprised in that issue.
- (h) In the event of a bonus issue of securities, the number of shares over which the Options are exercisable may be increased by the number of shares that the option holders would have received if the Options had been exercised before the record date for the bonus issue.
- (i) In the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the expiry date, all rights of an option holder are to be changed in a manner consistent with the Listing Rules.

- (j) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue or a pro rata issue) during the currency of the Options.
- (k) Shares allotted pursuant to an exercise of Options will rank, from the date of allotment, in all respects equally with existing fully paid ordinary shares of the Company.
- (l) In accordance with the Listing Rules the Company will apply for ASX official quotation of all shares allotted pursuant to an exercise of Options.