

26 October 2016

ASX Code: **RER**

NOTICE OF ANNUAL GENERAL MEETING

Regal Resources Ltd (ASX:RER) (the "Company" or "Regal") advises that its notice of Annual General Meeting and proxy form will be sent to shareholders today (attached).

Regal's Annual General Meeting will be held as follows:

Date: Friday, 25 November 2016

Time: 11am (WST)

Location: The Treasury Boardroom
COMO The Treasury
1 Cathedral Avenue, Perth

Regal wishes to advise that in accordance with rules 3.6 and 3.7 of Regal's Constitution, Dr Simon Dorling will retire at this Annual General Meeting. Dr Dorling has decided not to seek re-election.

Dr Dorling will continue to be involved with Regal through his engagement as a technical consultant under a consulting agreement. Please refer to Regal's announcement of 23 September 2016 for additional detail.



ACN 106 294 106

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Treasury Boardroom, COMO The Treasury, 1 Cathedral Avenue, Perth on Friday, 25 November 2016 at 11am (WST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9240 8766

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

REGAL RESOURCES LIMITED

ACN 106 294 106

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Regal Resources Limited (Company) will be held at the Treasury Boardroom, COMO The Treasury, 1 Cathedral Avenue, Perth on Friday, 25 November 2015 at 11:00am (WST) (Meeting).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 23 November 2016 at 11:00am (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

Ordinary business

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or

- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 - Election of Director - Mr Mark Arnesen

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That Mr Mark Arnesen, who retires in accordance with Rule 3.3(a) of the Constitution and Listing Rule 14.4 and being eligible, offers himself for election, be elected as a Director."

4. Resolution 3 - Election of Director - Mr John Hodder

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That Mr John Hodder, who retires in accordance with Rule 3.3(a) of the Constitution and Listing Rule 14.4 and being eligible, offers himself for election, be elected as a Director."

5. Resolution 4 - Approval to issue Incentive Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 30,000,000 Options to Mr Mark Arnesen (or his nominee) under the Option Plan on the terms and conditions in the Explanatory Memorandum."


Voting Exclusion

The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Option Plan and any of their associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

BY ORDER OF THE BOARD



Mark Arnesen (CEO & Executive Director)

Dated: 26 October 2016

REGAL RESOURCES LIMITED

ACN 106 294 106

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Treasury Boardroom, COMO The Treasury, 1 Cathedral Avenue, Perth on Friday, 25 November 2015 at 11:00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 - Remuneration Report
Section 5:	Resolution 2 - Election of Director - Mr Mark Arnesen
Section 6:	Resolution 3 - Election of Director - Mr John Hodder
Section 8:	Resolution 4 - Approval to issue Incentive Options
Schedule 1:	Definitions
Schedule 2:	Terms and Conditions of Incentive Options

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2016.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.asx.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the

Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Part 2G.2, Division 9 of the Corporations Act provides Shareholders with the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2015 annual general meeting. If the Remuneration Report receives a Strike at this Meeting (2016 annual general meeting), Shareholders should be aware that if a second Strike is received at the 2017 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

5. Resolution 2 - Election of Director - Mr Mark Arnesen

Rule 3.3 of the Constitution gives the Directors authority to appoint other Directors.

Mr Mark Arnesen was appointed as a Director on 12 August 2016.

Rule 3.3 of the Constitution states that any Director appointed in accordance with that Rule must retire at the next annual general meeting and is eligible for re-election.

Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

Accordingly, Mr Arnesen resigns as a Director at this annual general meeting and being eligible seeks approval to be elected as a Director.

Mr Arnesen has extensive expertise in the structuring and negotiation of finance for major resource projects. He is a Chartered Accountant with over 20 years of experience in the international resources industry, including a role with the Billiton/Gencor group of companies where he was a corporate Treasurer from 1996 to 1998. In 2000, Mr Arnesen joined Ashanti Goldfields Company Limited as Managing Director - International Treasury and held the position until 2004. From 2004 until 2006 he worked with Equinox Minerals Limited and put in place the Lumwana project financing. In November 2006 he joined Moto Goldmines Limited (the Kibali Project in the DRC) as the Financial Director and held the position until the company was taken over by Randgold Resources Limited (and held through a joint venture with AngloGold Ashanti Limited) in late 2009.

Mr Arnesen was a Non-Executive Director of Natasa Mining Limited (2006 to 2010) and a Non-Executive Director of Asian Mineral Resources during 2010. He was Chief Executive Officer of Gulf Industrials Limited (February 2012 to March 2014). Mr Arnesen is currently the sole director of ARM Advisors Proprietary Limited. He was appointed as a Non-Executive Director of Centamin PLC (the Sukari Gold Mine in Egypt) in February 2011. Mr Arnesen holds a Bachelor of Commerce and Bachelor of Accounting degrees from the University of the Witwatersrand.

The Board (excluding Mr Arnesen) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 - Election of Director - Mr John Hodder

A summary of Rule 3.3 of the Constitution and Listing Rule 14.4 is provided in Section 5 above.

Mr John Hodder was appointed as a Director on 7 March 2016.

Accordingly, Mr Hodder resigns as a Director at this annual general meeting and being eligible seeks approval to be elected as a Director.

Mr Hodder is a Geologist by background and has spent over 10 years in the mining and oil and gas industries before completing an MBA. He established the Commonwealth Development Corporation (CDC) mining, oil and gas investment department in 1995 and was responsible for its investment activities for some eight years. He has served as a director of a number of junior mining companies and has significant experience in operating and investing in Africa. Mr Hodder also worked at Suncorp and Solaris as a Fund Manager focusing on the resources sector managing an index-linked natural resource portfolio of ~AUD\$1.25bn. Mr Hodder is currently a director of Strandline Resources Ltd.

Mr Hodder is also a principal of Tembo Capital Mining Fund LP, a substantial beneficial shareholder of the Company. Despite this relationship, the Board considers Mr Hodder to be independent as he is able, and does, make quality and

independent judgements in the best interests of the Company on all relevant issues before the Board.

The Board (excluding Mr Hodder) recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

7. Resolution 4 - Approval to issue Incentive Options

7.1 General

As announced on 23 September 2016, the Board has resolved to, subject to the receipt of Shareholder approval, issue incentive options to its Chief Executive Officer and Executive Director, Mark Arnesen.

The Board resolved to issue 30,000,000 Options (**Incentive Options**) to Mr Arnesen pursuant to the Option Plan approved by Shareholders at the general meeting held on 30 June 2016.

In the Company's present circumstances, the Board considers that the incentive to Mr Arnesen that will be represented by the issue of the Incentive Options, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Arnesen and are consistent with the strategic goals and targets of the Company.

The terms and conditions of the Incentive Options are in Schedule 2.

7.2 Chapter 2E of the Corporations Act

For a public company to give a financial benefit to a related party of the public company, the public company must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Incentive Options constitutes giving a financial benefit and Mr Arnesen is a related party of the Company by virtue of being a Director.

The Board (other than Mr Arnesen) has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by Section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not seek approval for the issue of the Incentive Options pursuant to section 208 of the Corporations Act.

7.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition:

- (a) a director of the company;
- (b) an associate of a director; or
- (c) a person whose relationship with the company or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Resolution 4 seeks Shareholder approval for the grant of the Incentive Options to Mr Arnesen (or his nominee). Shareholder approval is required under Listing Rule 10.14 because Mr Arnesen is a Director and the Incentive Options will be granted under an employee incentive scheme, the Option Plan.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required, and the issue of the Incentive Options will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

7.4 Specific information required by Listing Rule 10.15

Listing Rule 10.15 requires that the following information be provided to Shareholders in relation to the issue of the Incentive Options:

- (a) the Incentive Options will be granted to Mark Arnesen, a Director of the Company (or his nominee);
- (b) the maximum number of Incentive Options will be 30,000,000;
- (c) the Incentive Options will be granted as an employee incentive and will be granted for nil cash consideration;
- (d) no persons named in Listing Rule 10.14 have received Equity Securities under the Option Plan since it was approved on 30 June 2016;
- (e) subject to the requirements of the Listing Rules and the determination of the Board, the Directors (currently being Mr Mark Arnesen, Dr Peter Ruxton, Dr Simon Dorling and Mr John Hodder) and their respective nominees and associates are entitled to participate in the Option Plan;
- (f) there is no loan associated with the issue of the Incentive Options;
- (g) the Company will issue the Incentive Options no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow; and
- (h) a voting exclusion statement is included in the Notice.

7.5 Board recommendation

The Board (excluding Mr Arnesen) recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2015.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Regal Resources Limited (ACN 106 294 106).

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Holder means a holder of an Option.

Incentive Option means an Option proposed to be issued pursuant to Resolution 4.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of annual general meeting.

Option means an option to acquire a Share.

Option Plan means the Regal Resources Employee Share Option Plan approved by Shareholders at the general meeting held on 30 June 2016.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Rule means a rule of the Constitution.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

WST means Western Standard Time being the time in Perth, Western Australia.

Schedule 2 - Terms and conditions of Incentive Options

1. Entitlement

Each Option entitles the Holder to subscribe for one Share upon exercise.

2. Plan

- (a) The Options are issued under the Option Plan.
- (b) In the event of any inconsistency between the Option Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

3. Exercise Price and Expiry Date

- (a) The exercise price of each Option (**Exercise Price**) is \$0.0137, which is the volume weighted average price (**VWAP**) for the Shares, calculated over the thirty days up to and including the date the Board accepted the Holder's Application to participate in the Option Plan.
- (b) The expiry date of each Option (**Expiry Date**) is the earlier to occur of:
 - (i) ten years after the date of issue; and
 - (ii) the Options lapsing and being forfeited under the Option Plan or these terms and conditions.

4. Vesting Conditions

- (a) Subject to these terms and conditions, the Options will vest on each of the following Vesting Dates, subject to the Holder remaining employed by the Company at all times between the date of issue of the Options and the Vesting Date:
 - (i) 10,000,000 of the Options will vest on 21 September 2017;
 - (ii) 10,000,000 of the Options will vest on 21 September 2018;; and
 - (iii) 10,000,000 of the Options will vest on 21 September 2019;
- (b) Notwithstanding clause 4(a) above, all of the Options will immediately vest upon a Change of Control Event, except for a Change of Control Event which concerns the acquisition of a relevant interest in Issued Capital by Tembo Capital Mining Fund LP or Ndovu Capital VI B.V or any of their associates.
- (c) The Options will vest when a Vesting Notice in respect of that Option is given to the Holder by the Company.

5. Termination

If for any reason the Holder becomes a Leaver (as defined in the Option Plan):

- (a) all unvested Options will automatically lapse and be forfeited, unless the Board otherwise determines in its discretion to permit some or all of the unvested Options to vest; and
- (b) all vested Options which remain unexercised will automatically lapse and be forfeited, unless the Board otherwise determines at its discretion to permit some or all of the vested Options to remain exercisable.

6. Exercise Period

Subject to these terms and conditions, each vested Option is exercisable at any time prior to the Expiry Date (**Exercise Period**).

7. Exercise Notice and payment of Exercise Price

- (a) The Options may be exercised during the Exercise Period by delivery of a written Notice of Exercise to the Company and payment (by cash, cheque, Share transfers, or any other legal means accepted by the Company) of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (b) The Holder may apply to the Board to pay the Exercise Price for an Option by using the cashless exercise facility detailed in the Option Plan (**Cashless Exercise Facility**).
- (c) If the Board approves the Holder's application to use the Cashless Exercise Facility, the Holder will only be issued that number of Shares (rounded down to the nearest whole number) as is equal in value to the difference between the total Exercise Price otherwise payable for the Options being exercised and the then market value of the Shares at the date of exercise (**Market Value**), calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = number of Shares to be issued on exercise of the Options

O = number of Options

MSP = market value of the shares calculated using the volume weighted average market price for Shares calculated over the last 5 days on which sales in the Shares were recorded immediately preceding the date of exercise

EP = Exercise Price

- (d) If the difference between the total Exercise Price otherwise payable for the Options being exercised and then then Market Value of the Shares at the time of exercise is negative or zero, then the Holder will not be entitled to use the Cashless Exercise Facility.

8. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

9. Timing of issue of Shares and quotation of Shares on exercise

- (a) Within 15 trading days after the later of the following:
- (i) the valid exercise of an Option by the Holder in accordance with the Option Plan; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (iii) issue the Shares pursuant to the exercise of the Options;
 - (iv) subject to clause 9(b) below, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act;
 - (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options; and
 - (vi) issue a substitute Certificate for any remaining unexercised Options held by the Holder.
- (b) If the Company is unable to satisfy the requirement in section 708A(5)(b) of the Corporations Act within the time period specified in clause 9(a), from the date of issue of the Shares until the earlier of:
- (i) 12 months after the date of issue; or
 - (ii) the date a disclosure document is lodged by the Company which complies with 'case 2' of section 708A(11) of the Corporations Act in respect of Shares issued prior to the date of the disclosure document, including the Shares,

the Holder may only transfer the Shares to a person satisfying the requirements of section 708(8), (10) or (11) of the Corporations Act.

- (c) If the Company is unable to satisfy the requirement in section 708A(5)(b) of the Corporations Act within the time period specified in clause 9(a), and the Company issues a disclosure document within 12 months of the issue of any Shares pursuant to the exercise of the Options, it must include in that disclosure document such disclosures necessary to comply with the criteria in 'case 2' of section 708A of the Corporations Act in respect of any such Shares previously issued.

10. Adjustments for reorganisation

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of the Holder, as a holder of Options, will be

changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

11. Bonus Issue

- (a) If Shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the Holder, as a holder of Options is entitled, upon exercise of the Options, to receive, in addition to the Shares in respect of which the Options are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Options are exercised.
- (b) Additional Shares to which the Holder, as a holder of Options, becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Options are exercised for the purposes of subsequent applications of paragraph (a), and any adjustments which, after the time just mentioned, are made under this paragraph 11 to the number of Shares will also be made to the additional Shares.

12. Rights issue

Unless otherwise determined by the Board, the Holder as a holder of Options does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

13. No other participation

Subject to paragraphs 10 to 12 (inclusive), during the currency of any Options and prior to their exercise, the holders of Options are not entitled to participate in any new issue of Shares of the Company as a result of their holding of Options.

14. Quotation of Options

No application for quotation of the Options will be made by the Company.

15. Options not transferable

Options are not transferable unless they have vested and only with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.

REGAL RESOURCES LIMITED
ACN 106 294 106

PROXY FORM

The Company Secretary
Regal Resources Limited

By delivery:
110 Stirling Hwy
Nedlands WA 6009

By post:
PO Box 1156
Nedlands WA 6909

By facsimile:
(08) 9262 3723

Name of Shareholder:

Address of Shareholder:

Number of Shares entitled to vote:

Please mark to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

STEP 1 - APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being Shareholder/s of the Company hereby appoint:

The Chair of the Meeting (mark box) OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at 11am (Perth time) on Friday, 25 November 2016, at the Treasury Boardroom, COMO The Treasury, 1 Cathedral Avenue, Perth, Western Australia and at any adjournment or postponement of that Meeting.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel which includes the Chair.

CHAIR'S VOTING INTENTIONS IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intentions on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

STEP 2 - INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

	For	Against	Abstain*
Resolution 1 Remuneration Report			
Resolution 2 Election of Director - Mr Mark Arnesen			
Resolution 3 Election of Director - Mr John Hodder			
Resolution 4 Approval to issue Incentive Options			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Authorised signature/s This section *must* be signed in accordance with the instructions below to enable your voting instructions to be implemented.

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder ² Insert name and address of proxy *Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by the Company's share registry not less than 48 hours before the time of commencement of the Meeting by:

Mail: PO Box 1156, Nedlands, WA 6909
Hand Delivery: 110 Stirling Highway, Nedlands, WA 6009
Facsimile (08) 9262 3723
Email admin@advancedshare.com.au