MEDIA / ASX RELEASE

REGAL RESOURCES LIMITED

Friday 11 July 2014

MAIDEN JORC RESOURCE AT KALONGWE 276,000t COPPER AND 42,500t COBALT

HIGHLIGHTS

- Maiden JORC Inferred Mineral Resource estimate for the Kalongwe Mining JV
  - **10.4Mt @ 2.65% Cu incl. 4.0Mt @ 0.72% Co and,**
  - **1.94Mt @ 0.69% Co for:**
  - **276,000 tonnes of Cu and 42,500 tonnes of Co**
- The Mineral Resource estimate only considers mineralisation from the Kalongwe fragment, which is one of several fragments of Roan Mine Series rocks identified in the Project area.
- 85% of the resource lies within 150m of surface with an average grade of 2.75% Cu.
- There remains excellent potential to expand the maiden resource down dip and at depth, with further drilling.
- Within the resource are significant zones of high-grade (+3%) secondary Cu mineralisation (malachite), and scoping studies have commenced to examine options for an accelerated low-cost Heavy Media Separation ("HMS") operation.
- The resource includes a near-surface and very high-grade Co unit that has potential to be selectively mined.
- There is significant potential to discover new zones of mineralisation by drill-testing of the other fragments of Roan rocks that occur within the Project area.

The Directors of Regal Resources Limited (ASX:RER) ("Regal" or "the Company") are pleased to announce that a maiden Mineral Resource estimate has been completed for one of the fragments of Lower Roan sediments, that are located within the Kalongwe Mining JV high-grade Cu-Co Project area, within in the World Class DRC Copperbelt (Figure 1).

The Kalongwe Mineral Resource estimate was prepared by the Perth based, independent geological consulting group CSA Global Pty Ltd ('CSA') and is reported in accordance with the principles of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (JORC 2012).

The Mineral Resource estimate is reported at a lower cut-off grade of 0.5% Cu and 0.2% Co (Table 1).

Table 1. Kalongwe Cu-Co Project –JORC Inferred Mineral Resource estimate (July 2014)

JORC Classification	Domain	Tonnage (Mt)	Cu (%)	Co (%)	Tonnes Cu	Tonnes Co
Inferred	Cu Only [1]	6.37	2.34	-	149,000	-
Inferred	Mixed [3]	4.04	3.14	0.72	127,000	29,100
Inferred	**Total Cu Domains**	**10.41**	**2.65**	**-**	**276,000**	-
Inferred	Co Only [2]	1.94	-	0.69	-	13,400
Inferred	**Total Co Domains**	**1.94**	**-**	**0.69**	**-**	**13,400 + 29,100 (Co credits in Mixed zone)**

1. The Cu only domains were reported by selecting blocks with Cu >= 0.5%.
2. The Co only domains were reported by selecting blocks with Co >= 0.2%.
3. The Mixed Domains (blocks located within overlapping Cu and Co domains) were reported by selecting blocks with Cu >= 0.5%. The Co grade from these blocks was also recorded.
4. It is assumed for the purposes of this Mineral Resource that Cu grades in the Co only domains, and Co grades in the Cu only domains are 0%, although low grade mineralisation was recorded in sample.

Commenting on the release of the Mineral Resource estimate, David Young, Managing Director of Regal Resources said:

> *"The maiden resource for the Kalongwe Mining JV is an exceptional result and represents a major milestone in the JV's plans to fast track development of the Project. The quality of the overall Mineral Resource estimate exceeds the initial expectations of the Company, and the very high grade Cobalt zones are seen as a significant bonus."*

"The exploration team is very confident that an outcome of the Phase II drilling will be an increase in the level of confidence of the resource category and that there is considerable potential to increase the resource base at Kalongwe through systematic exploration of other fragments of Roan sediments identified within the Project area."

"With the completion of this maiden resource the JV is now in a position to advance the level of the scoping studies already started in order to investigate various production scenarios including staged development aimed at minimising upfront capital expenditure."

Kalongwe Project Overview

The Kalongwe Mining JV project (PR12198) is located towards the western end of the World Class Central African Copperbelt. It is situated some 15km south from Ivanhoe Mines, Kamoa deposit (considered to be Africa's largest recent high-grade copper discovery) and is approximately 45km from the copper mining and processing centre at Kolwezi.

The Central African Copperbelt (Figure 1), hosts some of the world's most continuous, largest and richest sediment-hosted copper and cobalt deposits known, with over 90% of the copper deposits hosted in Mine Series rock of the Lower Roan sequence.

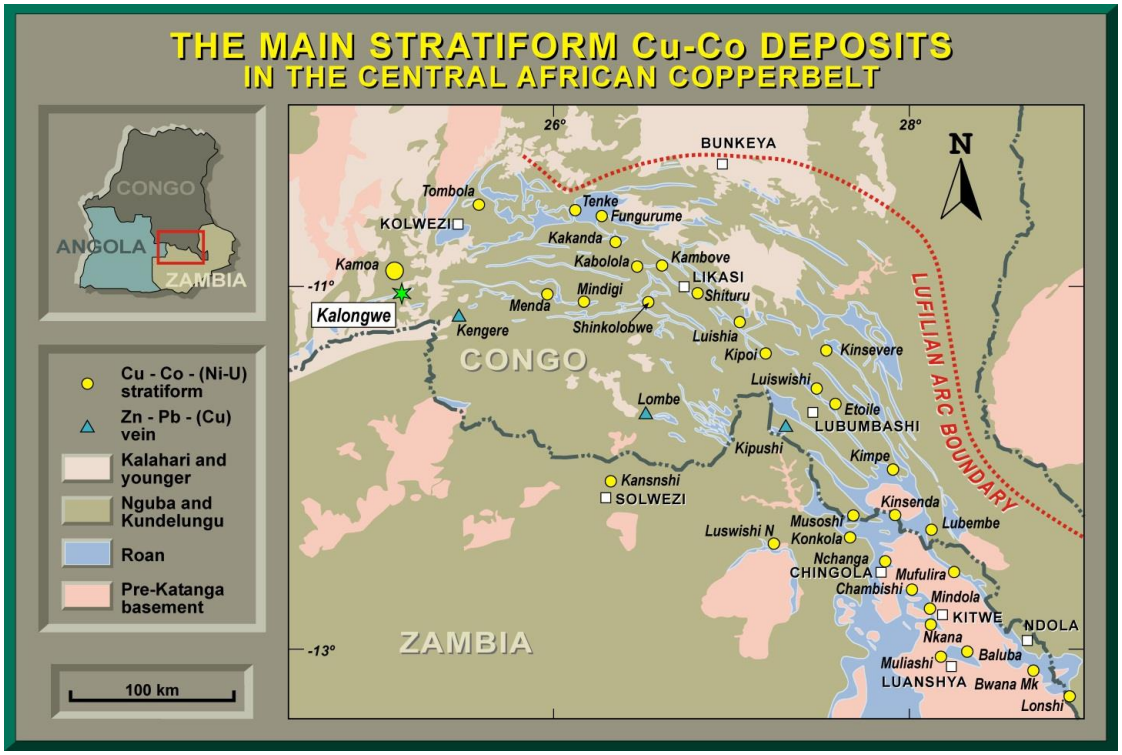

Figure 1. Location of Kalongwe JV Project and significant copper-cobalt deposits.

Within the Project area a number of fragments of Mine Series rocks have been identified by regional geological mapping. These occur along the core of a southwest-trending anticline structure. Of the identified fragments the most prominent is the Kalongwe fragment which outcrops and hosts significant supergene mineralisation at surface, and has been tested over a strike length of about 400m. Mineralisation plunges to the north-east at approximately 35° to 40°.

The Kalongwe fragment was explored by a fifty four (54) hole diamond drilling programme of approximately 10,000m by Ivanhoe Mines over the period 2006 to 2007. Regal has further tested the fragment with a twelve (12) hole, Phase I diamond drilling programme of 1,785m, in 2014.

Drill coverage is generally on a 100m by 100m (locally 50 by 50m) grid spacing, and the drilling extends to an average drill hole depth of 220m vertically below surface with one historic hole being drilled to about 520m.

The mineralisation is predominantly secondary, and is primarily stratabound. The principal copper oxide minerals above the base of oxidation are malachite and chrysocolla, with minor amounts of azurite. Cobalt occurs as heterogenite. Below the base of oxidation chalcocite and minor bornite and chalcopyrite have been observed. The base of oxidation varies from 150 to 180 m vertically below the surface.

Mineralisation is found in veins and breccias and as disseminated blebs and grains in stratigraphic horizons. Broad zones of high-grade copper-cobalt mineralisation extend down-dip, broadly conformable with dipping strata. Minor structural stratigraphic offsets are present, however local re-mobilisation of mineralisation during weathering has resulted in reasonable good lateral and down-dip continuity of supergene mineralisation.

Long section displays the potential for additional mineralisation both down dip to the northeast and along strike. Mineralisation also remains open at depth.

The mineralisation occurs in folded and structurally replicated strata and has been modelled in the shape of three principal, moderately northeast-dipping lenses.

The mineralisation averages 20m to 40m true width and reaches up to 70m true width in places.

The deposit has distinct high-grade copper zones with copper grades commonly exceeding 3.00% Cu that offers potential to accelerate metal production in early years of mine life.

JORC Mineral Resource estimate

The basis for the current Mineral Resource estimate are the drilling results of the recently completed Phase I programme and a comprehensive review and validation of historic drilling data obtained from Ivanhoe Mines. Using this information a detailed 3D geological model of the Kalongwe deposit was completed.

A summary of the parameters on which the Mineral Resource estimate is based including all technical parameters and criteria relating to data and resource estimation process is provided in Appendix 1.

Mineralised wireframes were generated by CSA using lower cut-off grades of 0.50% Cu and 0.20% Co. The wireframes were created by joining mineralisation polygons based upon geological knowledge of the deposit, derived from drill core logs and geological observations on surface. For Mineral Resource estimate purposes the distribution of Copper-Cobalt mineralisation within the deposit was modelled as three different metal domains, each representing the significant metal content of that particular mineralised domain within the overall block model.

Domain 1 - has Copper but no significant Cobalt, Domain 2 - has Cobalt but no significant Copper and Domain 3 - has significant Copper and Cobalt mineralisation. The relative positions of the various mineralised domains can be seen in (Figure 3) and reflect differences in the mobility characteristics of Cobalt and Copper in the weathered (oxide) profile.

There is a near-surface zone of predominantly Cobalt mineralisation, and beneath this are mixed Copper-Cobalt mineralisation zones, and at a greater depth is a Copper-only zone of mineralisation.

A number of the historic Ivanhoe drill holes intercepted sulphide Copper mineralisation below the base of oxidation. The Copper sulphide intercepts from five of these holes were included in the mineralised model, and are incorporated into the Mineral Resource estimate.

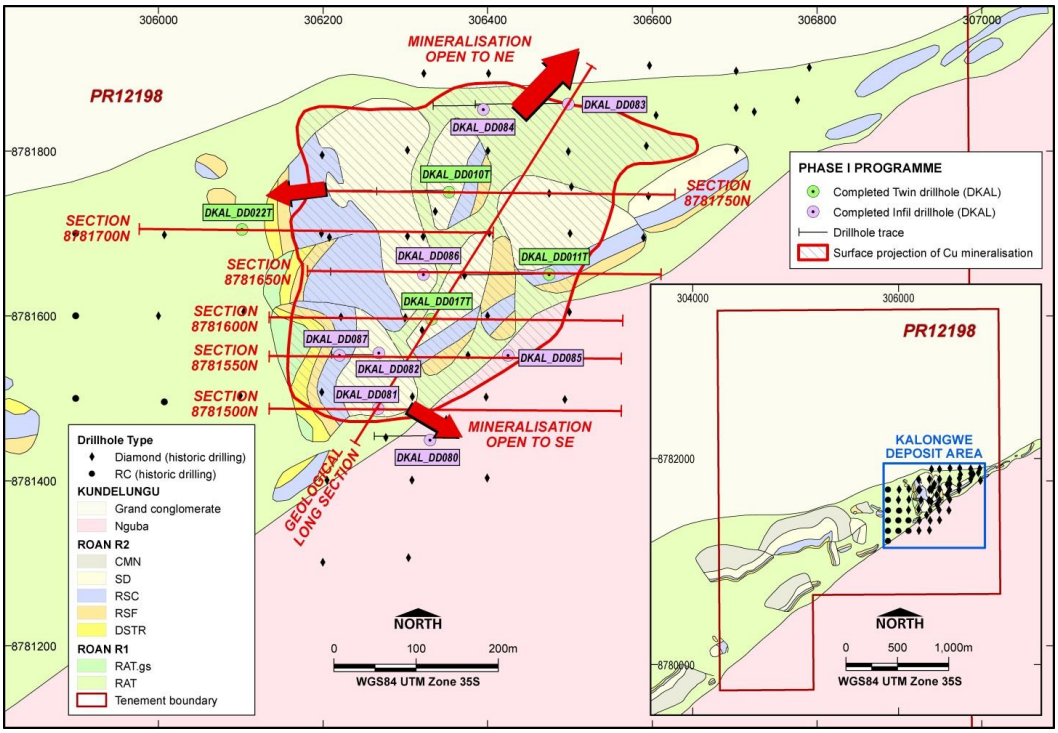

Figure 2. Geological map of the Kalongwe Cu-Co deposit showing mineralisation outline and work completed by the JV. Inset shows the deposit location and several untested Mines Series fragments.

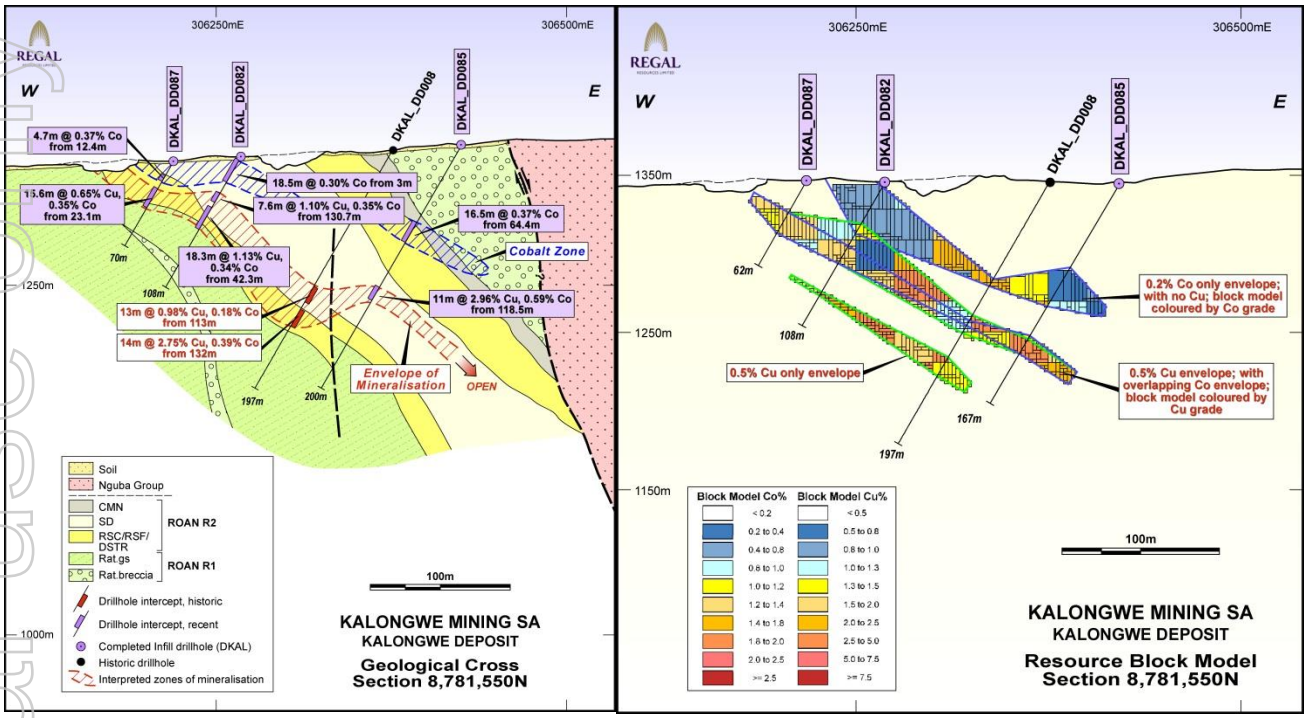

Figure 3. Kalongwe JV Project geological cross section on the LHS and corresponding resource block model section and examples of the distribution of metal-domains on the RHS.

While the exploration work done and the resulting data is of high quality a classification of Inferred under the JORC code has been applied, to reflect that drilling was generally on 100m by 100m centres.

A grade tonnage inventory (Appendix 1) of the metal contained within the mineralised wireframes was produced using various levels of cut-off grades. The graph shows that the Mineral Resource is not particularly sensitive to cut-off grade and even at 1% Copper cut off retain in excess of 90% of its metal content.

Within the overall Mineral Resource estimate approximately 85 % of the identified Mineral Resource for the Copper domains lies within 150 metres of the surface with an average grade of 2.75% Cu.

The quality of the Copper mineralisation can be best understood when compared to the average global grade of operating mines (Figure 4). This implies that Kalongwe offers an attractive opportunity for development.

The main objective at the start of the Phase I drilling programme had been to validate the historic drilling data and deliver a copper Mineral Resource estimate.

What had not been appreciated had been the significance and the very high grade of the cobalt mineralisation within the deposit.

The Copperbelt in the Democratic Republic of the Congo and Zambia yields most of the cobalt metal mined worldwide. The average ore grade for DRC deposits is in the range from 0.17% to 0.25% Co.

The Tenke-Fungurume deposit located in the Katanga Province is one of the world's largest and highest grade known copper-cobalt resources and the average grade for its cobalt resource is 0.40% Co.

While the average grade of cobalt mineralisation at Kalongwe is 0.69% Co, approximately 75% of the identified Mineral Resource for the Cobalt domains lies within 100m of surface with a average grade of 0.75%.

The very high grade component of the Cobalt mineralisation outcrops and occurs in a mineralised zone that is predominantly Cobalt rich with no significant Copper mineralisation (Figure 3). This unit may well be suitable to be selectively mined and processed.

The JV will be conducting specific metallurgical testwork to determine available process routes to upgrade the Cobalt to a saleable concentrate level.

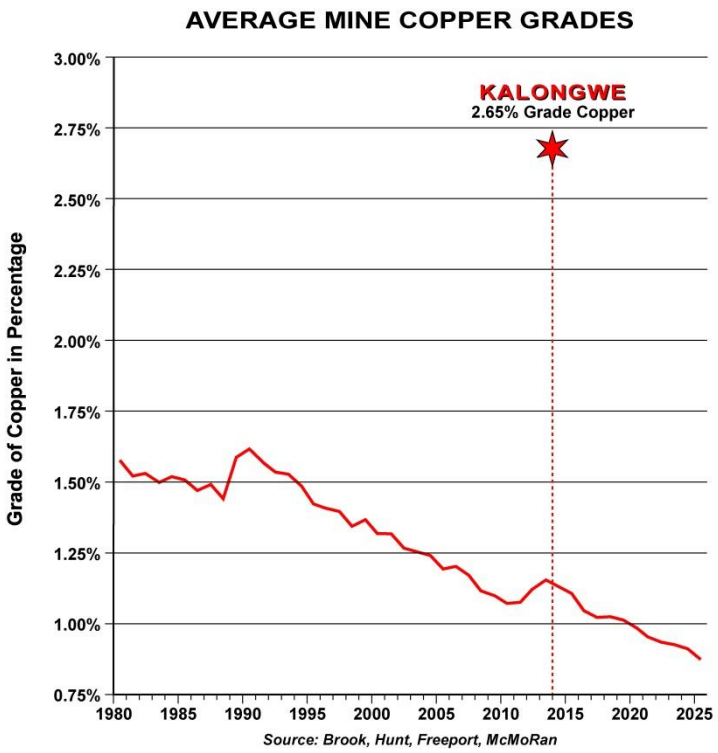

Figure 4. Comparison of the average copper grade of the Kalongwe deposit with a graph illustrating the decrease of the average Copper grade of operating Copper mines over time.

Kalongwe Project – Exploration Upside Forward Drilling Programmes

The Mineral Resource estimate and detailed review of the 3D geological model indicates that the Kalongwe deposit has all the right attributes to support the early development of an economic mining operation.

The JV has a vision to be able to considerably grow the current resource base through aggressive exploration programmes targeting not only the Kalongwe fragment but the other and so far undrilled fragments of Roan rocks located in the permit area.

The Company too is evaluating options to expand its exploration interests in the region with the aim of building a strategic position to provide the opportunity of developing a very significant resource position.

Background

The Kalongwe JV Project is covered by permit PR 12198 held by Kalongwe Mining SA a DRC registered company. Shares in Kalongwe Mining are currently owned by GICC who hold a 40% interest and by Traxys and Regal, who each have a 30% interest.

Under the terms of an agreement signed by all three parties on 1 November, 2013, Traxys and Regal have the right to acquire an additional 20% of the shares held by GICC at or before feasibility stage and have a further option to acquire all of GICC's remaining interest in Kalongwe Mining.

Regal is the manager of the Project and the costs of exploration are directly co-funded by Traxys and Regal.

For and on behalf of the Directors'

David Young
Managing Director

Competent Person Statement:

Scientific or technical information in this release that relates to Exploration Results has been prepared by Mr David Young and Dr Simon Dorling, 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.

The information in this release that relates to Mineral Resources is based on information compiled by David Williams of CSA Global. David Williams takes overall responsibility for the Mineral Mineral Resource estimate. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). David Williams consents to the inclusion of such information in this Report in the form and context in which it appears.

Forward-Looking Statements:

This release contains statements that are "forward-looking". Generally, the words "expect," "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, or that of our industry, to differ materially from those expressed or implied in any of our forward-looking statements. Statements in this release regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

For further information please contact Mr David Young on (+61) 3 8610 8633.

APPENDIX 1

CSA Resource Statement

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MEMORANDUM

To: **David Young**

Date: **July 8th 2014**

From: **David Williams**

Re: **Kalongwe Cu-Co Mineral Resource**

CSA Global Pty Ltd (CSA) was engaged by Regal Resources Limited (Regal) to prepare a Mineral Resource estimate for the Kalongwe copper-cobalt deposit, located approximately 60 km south-west of Kolwezi, in the Democratic Republic of Congo (DRC). The mineralisation is preferentially hosted in deformed sedimentary units of the Lower Mine Series (R2) of the Roan Group. Recent drilling has confirmed that the geology of the deposit has characteristics typical of the majority of the stratabound Congolese copperbelt type deposits which host over 90% of operating mines in the Katanga Province, DRC.

Mineralisation is predominantly secondary, and is primarily stratabound. The principal copper oxide minerals above the base of oxidation are malachite and chrysocolla, with minor amounts of azurite. Cobalt occurs as heterogenite. Below the base of oxidation chalcocite and minor bornite and chalcopyrite have been observed. The base of oxidation varies from 150 to 180 m vertically below the surface. Mineralisation is found in veins and breccias and as disseminated blebs and grains in stratigraphic horizons. Broad zones of high-grade copper-cobalt mineralisation extend down-dip, broadly conformable with dipping strata, from the surface exposure of what has been interpreted to be the lower limb of a tight recumbent fold. Minor structural stratigraphic offsets are present, however there is good lateral and down-dip continuity of supergene mineralisation along both limbs of the fold suggesting that supergene remobilisation is primarily controlled by stratigraphy. The mineralisation is currently constrained within a core of a regional west-south-west and north-north-east striking anticline. The mineralisation appears open down-dip.

The Mineral Resource is based upon data obtained from 65 historic and recent diamond drill holes (12,239 m) drilled across the deposit footprint. In 2014, Regal drilled 12 diamond drill holes, four of which were twinned with holes drilled from 2006 through 2007 by previous operators. The results confirmed historic intersections, and therefore CSA were given assurance that the historical data was of sufficient quality to use in the Mineral Resource estimate. Most historical collars were located in the field and collars were re-surveyed using a differential global positioning system.

The Mineral Resource is classified as Inferred, and has been reported in accordance with the JORC (2012) Code, with geological evidence sufficient to imply but not verify geological and grade continuity. Classification of the Mineral Resource estimates was carried out taking into account the geological understanding of the deposit, quality of the sampling and density data and drill hole spacing. The results of

the Mineral Resource estimate are presented in Table 1, based upon a reporting cut-off grade of 0.5% Cu and 0.2% Co.

Table 1. Kalongwe Mineral Resource estimate

JORC Classification	Domain	Tonnage (Mt)	Cu (%)	Co (%)	Tonnes Cu	Tonnes Co
Inferred	Cu Only [1]	6.37	2.34	-	149,000	-
Inferred	Co Only [2]	1.94	-	0.69	-	13,400
Inferred	Mixed [3]	4.04	3.14	0.72	127,000	29,100
Inferred	Total Cu Domains	10.41	2.65	-	276,000	-
Inferred	Total Co Domains	1.94	-	0.69	-	13,400 + 29,100 (Co credits in Mixed zone)

1. The Cu only domains were reported by selecting blocks with Cu >= 0.5%.
2. The Co only domains were reported by selecting blocks with Co >= 0.2%.
3. The Mixed Domains (blocks located within overlapping Cu and Co domains) were reported by selecting blocks with Cu >= 0.5%. The Co grade from these blocks was also recorded.
4. It is assumed for the purposes of this Mineral Resource that Cu grades in the Co only domains, and Co grades in the Cu only domains are 0%, although low grade mineralisation was recorded in sample assays.

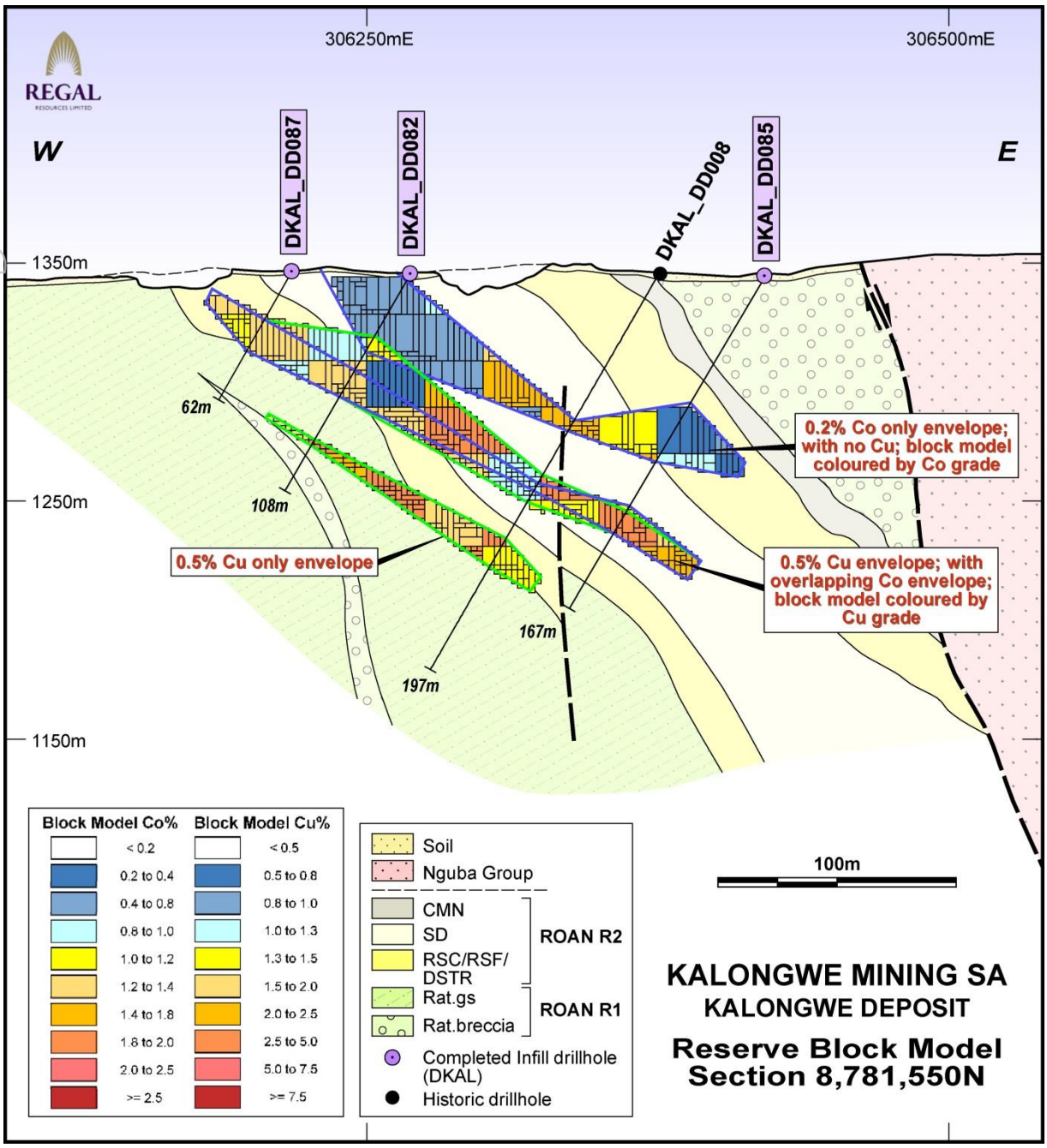


Figure 1. Distribution and relationships between Cu-only, Co-only and Mixed Cu-Co mineralisation zones as reported for Kalongwe in this Mineral Resource statement.

Information pertaining to drilling, sampling, assaying, tenure of the property, and technical aspects of the Mineral Resource estimate are provided in JORC Table 1, Sections 1–3, presented as an appendix to this announcement.

Drill holes are located on a nominal 100 m x 100 m, in places 50 m x 50 m, grid with drilling predominantly vertical although in places holes were oriented approximately east-west across the strike of strata and mineralisation. The dip angle of the drill holes was designed to intersect the mineralisation at the most optimal angle, to minimise sampling bias.

The drill hole data is maintained in a secure relational database by CSA (UK). Sufficient quality control data has been collected to verify the integrity of the assay data for the 2014 drilling. Quality assurance measures

included the insertion of certified standards and blanks at selected drill hole intervals, and the submission of laboratory pulp and coarse residue duplicates.

Geological models were prepared for total copper (TCu) and cobalt (Co) using lower cut-off grades of 0.5% TCu and 0.2% Co. Wireframes were created joining mineralisation polygons based upon geological knowledge of the deposit, derived from drill core logs and geological observations on surface. A weathering profile representing top of fresh rock (TOFR) was modelled based upon the occurrence of sulphide mineralisation in 2014 diamond drill core. A topographic digital terrain model (DTM) was generated from drill hole collar locations. A DTM for the shallow open pits was produced from a survey of the pit crests, and an average depth (5 m) of the pits.

A number of historic drill holes intercepted Cu mineralisation within the fresh rock profile, and are therefore associated with sulphide mineral species. Intercepts from five of these holes were included in the Cu geological models, and are incorporated into the Mineral Resource estimate. Based upon the Inferred classification of the Mineral Resource, CSA decided not to separate the oxide and sulphide mineralisation during grade interpolation, and recommend that the weathering profile DTM, and its impact upon the distribution of Cu grade through the geological model, be investigated further upon receipt of future drilling results.

A block model was constructed in CAE Studio using a parent cell size of 25 m (E) by 25 m (N) by 20 m (Z). The drill hole files were flagged according to the mineralisation domains they intersected, and statistical analysis of the data followed. This study resulted in the application of a 2 m composite length applied to all drill hole data, and the use of top cuts for both Cu and Co for selected mineralisation domains. A variographic analysis of the domained drill hole data provided variogram parameters for grade interpolation by ordinary kriging. Composited sample grades for Cu were interpolated into the block model Cu domains, and Co composited data were interpolated into the Co domains.

The grade interpolation was validated by means of swath plots, overlapping histograms of sample and block model data, and comparison of mean sample and block model Cu and Co grades for each domain. Cross sections of the block model with drill hole data superimposed were also reviewed.

Regal supplied density data to CSA, which was statistically analysed to determine the appropriate density value to apply to the model. The Mineral Resource estimate used density values assigned to the block model based upon mineralisation domain and weathering profile. Within the oxide zone, copper mineralisation domains were assigned a density value of 2.30 t/m^3; cobalt domains 2.01 t/m^3 and 'mixed' zones (copper and cobalt domains overlapping) 2.24 t/m^3. Waste blocks were assigned density values of 2.29 t/m^3 (oxide) and 2.77 t/m^3 (fresh rock).

The Mineral Resource was reported for both Cu and Co, as per the footnote to Table 1.

Grade tonnage tables for Cu and Co are presented in Figure 2 to Figure 4. The reporting for these figures is identical to the criteria listed above for the reporting of the Mineral Resource, and were used to verify the Mineral Resource statement in Table 1. A third check was conducted using a reporting tool within CAE Studio, confirming the results.

The information in this Report that relates to in-situ Mineral Resource for Kalongwe is based on information compiled by Mr. David Williams who is a full-time employee of CSA Global Pty Ltd. David Williams takes overall responsibility for the Report. He is a Member of the Australian Institute of Geoscientists ('MAIG') and a Member of the Australasian Institute of Mining and Metallurgy ('MAusIMM') and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code

2012 Edition). David Williams consents to the inclusion of such information in this Report in the form and context in which it appears.

Figure 2. Grade Tonnage Table, Mineral Resource, Cu zones

Kalongwe Cu Co Deposit									
Inferred Mineral Resource - Cu									
CUTOFF	VOLUME	TONNES	CU	METAL	DENSITY				
7	141,675	319,898	8.01	25,622	2.26				
6.5	162,225	366,432	7.85	28,775	2.26				
6	202,225	456,859	7.51	34,329	2.26				
5.5	246,475	556,881	7.20	40,077	2.26				
5	347,350	785,038	6.62	51,962	2.26				
4.75	383,113	866,667	6.45	55,917	2.26				
4.5	472,025	1,067,706	6.11	65,248	2.26				
4.25	526,063	1,190,144	5.93	70,600	2.26				
4	644,050	1,457,109	5.60	81,641	2.26				
3.75	816,413	1,848,182	5.24	96,797	2.26				
3.5	1,029,975	2,332,963	4.91	114,453	2.27				
3.25	1,286,700	2,915,618	4.60	134,064	2.27				
3	1,533,413	3,475,877	4.36	151,425	2.27				
2.75	1,756,700	3,984,834	4.17	166,032	2.27				
2.5	2,020,950	4,586,420	3.97	181,855	2.27				
2.25	2,398,875	5,448,233	3.71	202,385	2.27				
2	2,746,438	6,239,880	3.51	219,135	2.27				
1.75	3,145,425	7,147,381	3.30	236,187	2.27				
1.5	3,553,450	8,077,638	3.11	251,391	2.27				
1.25	3,876,350	8,815,150	2.97	261,480	2.27				
1	4,138,938	9,414,499	2.85	268,369	2.27				
0.75	4,349,125	9,895,939	2.75	272,600	2.28				
0.5	4,574,700	10,413,614	2.65	276,024	2.28				
0	4,597,713	10,466,542	2.64	276,265	2.28				

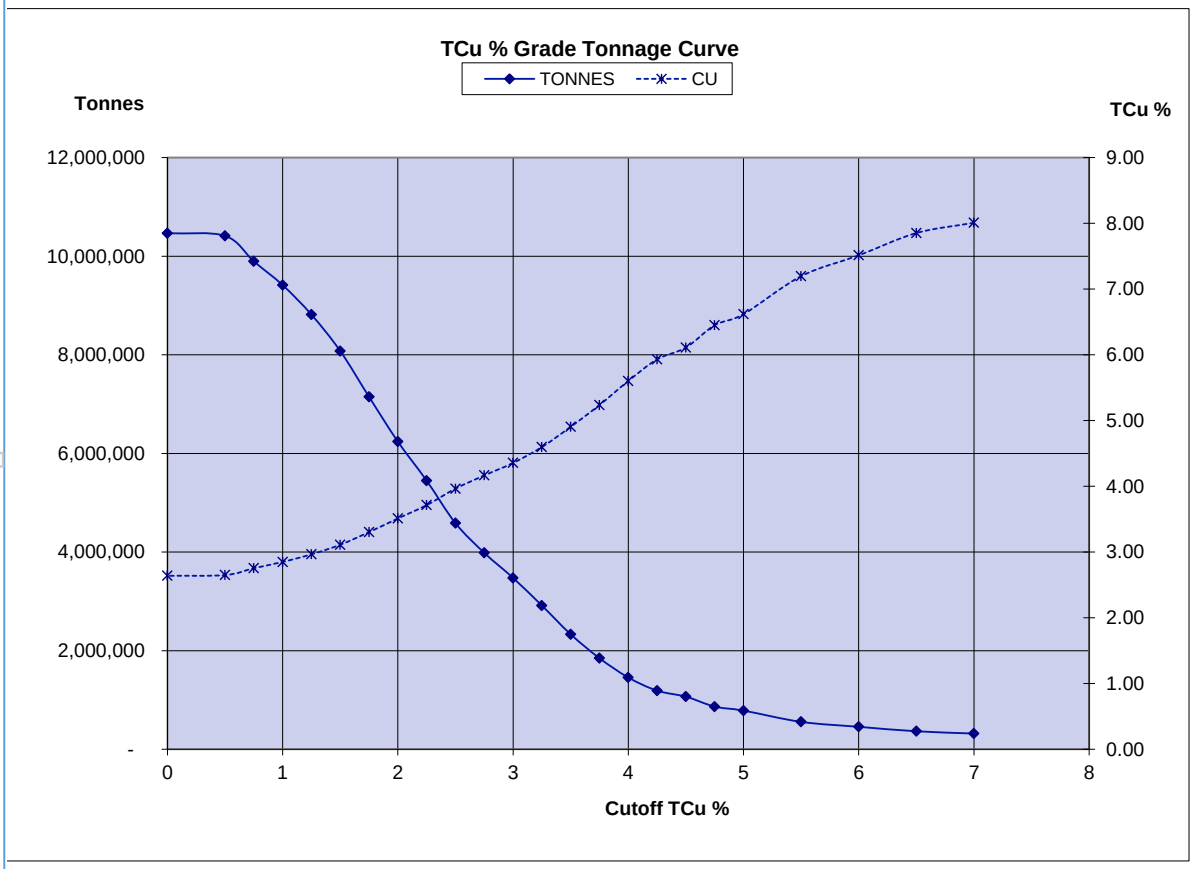


Figure 3. Grade Tonnage Table, Mineral Resource, Co zones

Kalongwe Cu Co Deposit									
Inferred Mineral Resource - Co									
CUTOFF	VOLUME	TONNES	CO	METAL	DENSITY				
2	9,525	19,145	2.14	410	2.01				
1.9	10,250	20,603	2.12	438	2.01				
1.8	16,100	32,361	2.04	661	2.01				
1.7	16,138	32,436	2.04	662	2.01				
1.6	22,675	45,577	1.93	878	2.01				
1.5	29,363	59,019	1.84	1,087	2.01				
1.4	60,538	121,680	1.64	1,997	2.01				
1.3	73,863	148,464	1.59	2,356	2.01				
1.2	76,925	154,619	1.57	2,435	2.01				
1.1	96,238	193,437	1.49	2,889	2.01				
1	137,788	276,953	1.36	3,757	2.01				
0.9	178,400	358,584	1.26	4,536	2.01				
0.8	263,738	530,112	1.13	5,998	2.01				
0.7	357,913	719,404	1.03	7,401	2.01				
0.6	484,100	973,041	0.93	9,048	2.01				
0.5	648,825	1,304,316	0.83	10,859	2.01				
0.4	833,263	1,675,615	0.75	12,544	2.01				
0.3	938,975	1,888,540	0.70	13,273	2.01				
0.2	965,713	1,944,834	0.69	13,408	2.01				
0	965,713	1,944,834	0.69	13,408	2.01				

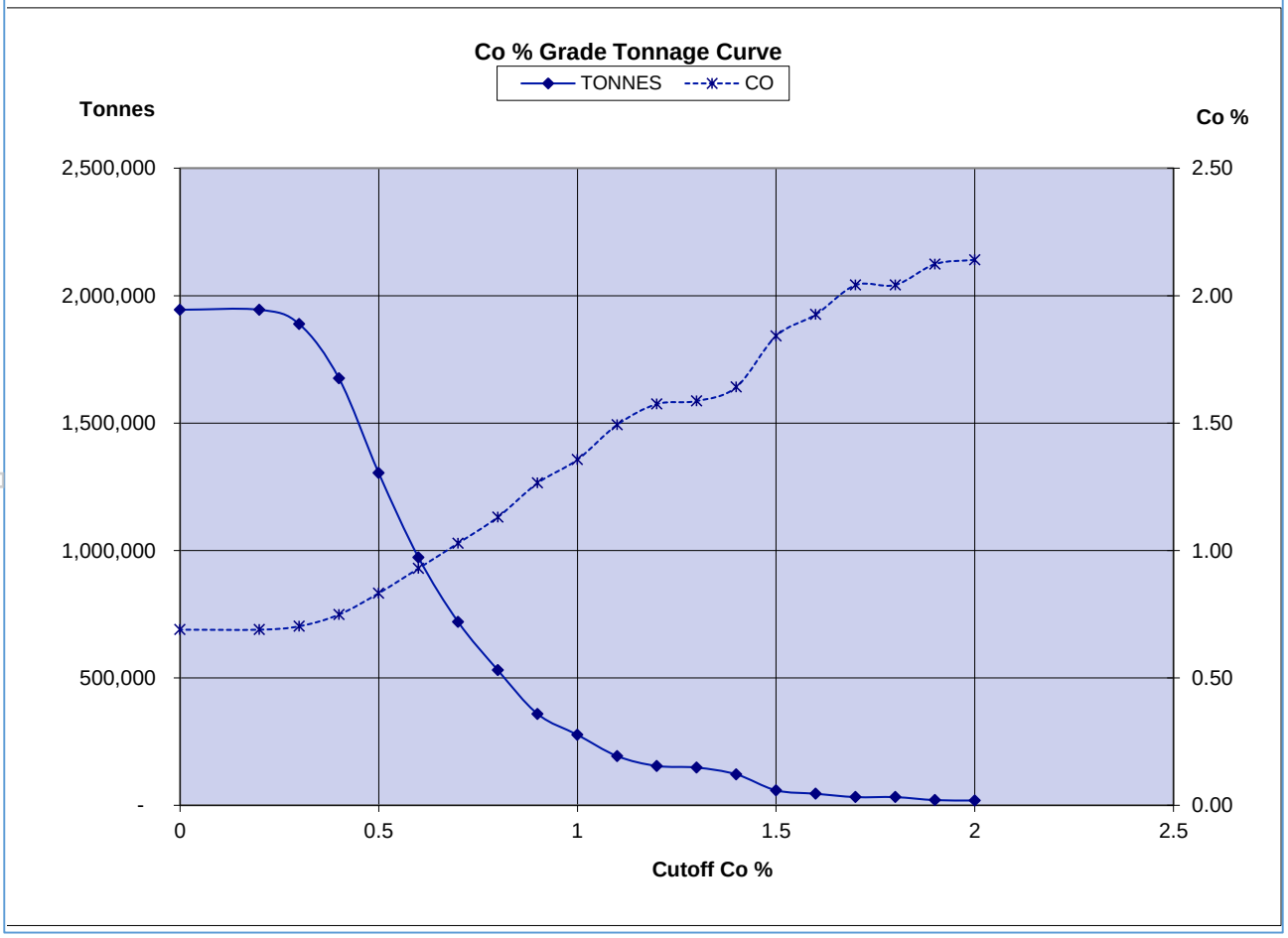
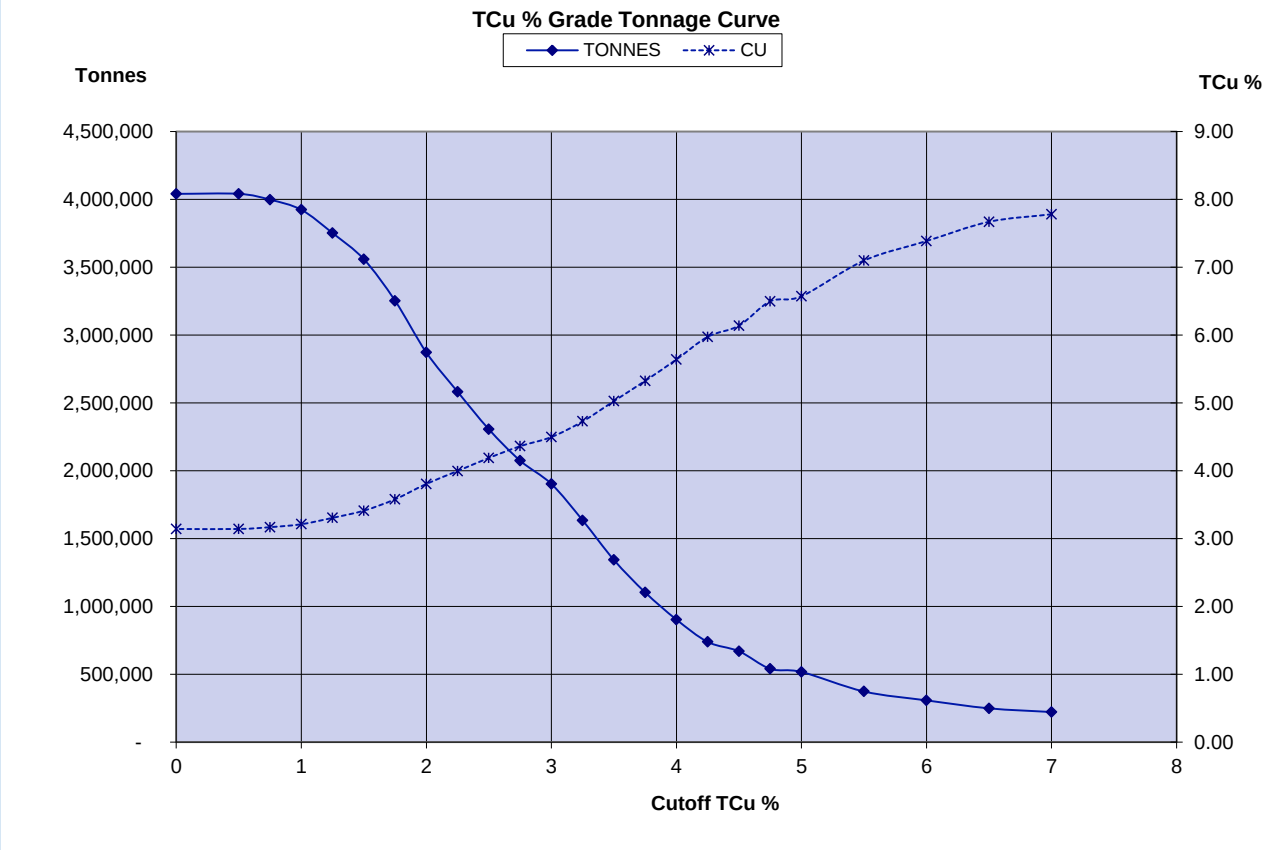


Figure 4. Grade Tonnage Table, Mineral Resource. Mixed Zone

Kalongwe Cu Co Deposit									
Inferred Mineral Resource - Mixed Zone									
CUTOFF (Cu %)	VOLUME	TONNES	CU	METAL	CO	CO Metal	DENSITY		
7	99,238	222,292	7.78	17,299	1.15	2,555	2.24		
6.5	111,425	249,592	7.67	19,146	1.15	2,881	2.24		
6	137,638	308,308	7.39	22,775	1.10	3,395	2.24		
5.5	166,863	373,772	7.10	26,536	1.05	3,935	2.24		
5	231,113	517,692	6.57	34,030	1.01	5,220	2.24		
4.75	241,525	541,016	6.50	35,162	1.00	5,395	2.24		
4.5	299,188	670,180	6.14	41,153	0.99	6,647	2.24		
4.25	330,000	739,200	5.98	44,176	0.97	7,178	2.24		
4	403,438	903,700	5.64	50,985	0.91	8,241	2.24		
3.75	492,788	1,103,844	5.33	58,798	0.88	9,742	2.24		
3.5	599,663	1,343,244	5.03	67,538	0.85	11,392	2.24		
3.25	729,875	1,634,920	4.73	77,317	0.84	13,772	2.24		
3	849,525	1,902,936	4.50	85,606	0.82	15,625	2.24		
2.75	926,275	2,074,856	4.36	90,535	0.80	16,686	2.24		
2.5	1,029,413	2,305,884	4.19	96,623	0.80	18,332	2.24		
2.25	1,153,000	2,582,720	4.00	103,243	0.78	20,100	2.24		
2	1,282,100	2,871,904	3.81	109,350	0.77	22,045	2.24		
1.75	1,452,338	3,253,280	3.58	116,513	0.75	24,337	2.24		
1.5	1,589,013	3,559,432	3.41	121,488	0.74	26,473	2.24		
1.25	1,674,975	3,751,988	3.31	124,082	0.74	27,618	2.24		
1	1,751,688	3,923,824	3.21	126,075	0.73	28,498	2.24		
0.75	1,785,000	3,998,451	3.17	126,739	0.72	28,908	2.24		
0.5	1,804,163	4,041,377	3.14	127,027	0.72	29,147	2.24		
0	1,804,163	4,041,377	3.14	127,027	0.72	29,147	2.24		



APPENDIX 2

JORC TABLE 1

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	• 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. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • 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	• Historical drilling was undertaken using diamond core and RC percussion methods to obtain samples for geological logging and sampling. However details of the sampling techniques for the historical drill holes are not known. • Regal used diamond core drilling to obtain samples for geological logging and analysis.

Criteria	JORC Code explanation	Commentary
	coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	• 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).	• Historical drilling used a combination of diamond and RC percussion. Details of the core and face-sampling bit size are unknown at this stage. • Regal diamond core drilling used a combination of PQ and HQ (8.5 cm and 5.6 cm diameter respectively) triple tube. • No core orientations were completed.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • 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.	• Historical drilling recoveries are not known. • For Regal diamond drilling, core recoveries were recorded by the drillers in the field at the time of drilling and checked by a geologist. • Diamond core was reconstructed into continuous runs for orientation marking, depths being checked against the depth marked on the core blocks. Core recoveries were calculated by measuring core recovered in the core trays versus measured drill run. • Triple tube method was used to maximise core recoveries. • Sample recovery is generally high (80-90%) within the mineralised zone but is variable in places due to broken ground conditions and strong weathering. • It is not known at this stage, whether a sampling bias related to recovery is present.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of	• Historical core and drill chips were recorded manually on paper logs by the on-site geologists. Selective re-logging of

Criteria	JORC Code explanation	Commentary
	detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	this data was conducted preceding entry onto an Excel spreadsheet. This data include geology, weathering, alteration and information on visible mineralisation identified. • Geological logging of the Regal core is conducted on paper by on-site geologists recording lithology, formation, weathering, alteration, visible mineralisation and geotechnical properties of the drill core. • All diamond core was geologically logged in full.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• The sub-sampling techniques and sample preparation details for the historical drilling are not known. • Regal drill core was cut with a core saw and half core taken. • No duplicate sampling of the remaining drill core has been undertaken. • The sample size is considered appropriate and representative for the grain size and style of mineralisation.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including	• Quality assurance data are not available for the historical drilling. • ALS Chemex Laboratories (Johannesburg) was used for all analysis work carried out on the 1m drill core samples. The laboratory techniques below are for all samples submitted to ALS and are considered appropriate for the style of

Criteria	JORC Code explanation	Commentary
	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.	mineralisation defined at the Kalongwe prospect: • Samples were analysed using inductively coupled plasma atomic emission spectroscopy (ICP-AES) with a four acid digest. • Routine Cu and Co analysis had a range of 1 to 10,000 ppm with over range samples reanalysed using an ore grade method (range 0.001 – 20% for Co and 0.001 - 40% for Cu). • The QA comprised use of standards (Certified Reference Materials), blanks and laboratory checks (pulp repeats, coarse crush duplicates, internal reference standards). • No significant issues were identified from the QA programme.
Verification of sampling and assaying	• 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.	• A number of historical drill intersections have been verified by the drilling of twin holes by Regal. • Regal completed four twin core holes in the most recent programme. A direct comparison of drill hole pairs gave very satisfactory analytical and geological results confirming the historical drilling results. • Geological information recorded on paper logs is transferred into digital spreadsheets on site. This information and laboratory assay files were sent directly to CSA Global (UK) for validation and compilation into the existing database. The master database is kept off site at CSA's UK office. • No adjustments of assay data are considered necessary.
Location of data points	• 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.	• Historical holes have UTM (WGS84) and local grid coordinates. Based on drill hole collar coordinates in the database, Regal geologists located each historical drill hole within a radius of approximately 2 to 4m from the indicated position.

Criteria	JORC Code explanation	Commentary
	• Quality and adequacy of topographic control.	• Regal drill hole collar positions were surveyed using a differential GPS at the conclusion of the programme with centimetre accuracy. • Grid system used is UTM (WGS84).
Data spacing and distribution	• 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.	• Data /drill-hole spacing is broadly at 100m centres with local infill drilling and some close spaced (<10m) twin holes to confirm Historical results. • The drill spacing, particularly in the more densely drilled areas, has confirmed the initial geological and mineralisation model. • The use of compositing in historical work in unknown. • No sample compositing was used for the Regal drilling; all results detailed are the product of 1m down hole sample intervals.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • 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.	• The supergene-style mineralisation is often irregular and Regal's drilling was designed to intersect mineralisation as perpendicularly as possible to the gross strike and dip of the deposit. A small number of 60 degree inclined holes were used to test the lateral variability zones and any steeper structural mineralisation. • No material sampling bias is considered to have been introduced by the drilling direction.
Sample security	• The measures taken to ensure sample security.	• Historical sampling security protocols are not available. • Kalongwe Mining SA maintains a drill core collection register signed off on by the driller and geologist when drill core is collected at the drill site and a core shed register signed off by the geologist when core is received at the core shed.
Audits or reviews	• The results of any audits or reviews of	• No audits and reviews are detailed for the historical

Criteria	JORC Code explanation	Commentary
	sampling techniques and data.	drilling. • Regal data is provided to independent consulting group CSA Global (UK) where it is stored, validated and regularly audited.

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	• 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. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• The Kalongwe Project (PR 12198) is held by La Generale Industrielle et Commerciale au Congo SPRL ("GICC"), a DRC Registered Company. Regal and Traxys Europe SA have entered into a formal and binding agreement with GICC to acquire an immediate 60% interest in the project with the right to acquire a further 20% interest.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Between 2005 and 2007 African Minerals (Barbados) SPRL (now Ivanplats) completed two core and RC percussion drilling programmes. • Approximately 57 drill holes fall within the Kalongwe deposit area for approximately 12,000m, of which approximately 10,000m was diamond drilling and the remaining RC holes.
Geology	• Deposit type, geological setting and style of mineralisation.	• 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

Criteria	JORC Code explanation	Commentary
		Copper Belt. Primary sulphide mineralisation is re-distributed during weathering in stromatolitic dolostone and siltstones host rocks. The host rocks are deformed and occur as fragments within the core of anticlines within the Lufilian Fold Belt. • Mineralisation appears to be preferentially hosted in deformed sedimentary rocks of the Lower Mines Series of the Roan Group of rocks. • Mineralisation is predominantly secondary, and is mostly stratabound. The principle copper oxide mineral is malachite, with minor amounts of azurite and chrysocolla. Cobalt occurs as heterogenite. Mineralisation is also found in veins and breccias.
Drill hole Information	• 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: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • 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.	• The Company has verified and documented the location of the majority of historical drill holes 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. • Subsequently drill collars recorded by Regal as well as 23 historic drill hole collars were surveyed using a differential GPS at the conclusion of the Phase 1 programme. • Dip and azimuth were recorded using "in rod" down hole orientation measurements collected approximately every 20m. The survey points were verified for anomalous readings and azimuth corrected for declination before transfer to the database.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• 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. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Down hole intercepts are quoted to two decimal places using a >0.5% lower cut-off for Cu and 0.2% cut off for Co which includes no more than 5m of internal dilution but rarely exceeds 2m (>0.5% Cu). • No high cut-off grade has been applied. • No metal equivalent grades are reported.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• In general down hole lengths are reported due to the vertical nature of drill holes. • True widths are approximately 80-90% of the reported down-hole interval.
Diagrams	• 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.	• Plan and section views of the mineralisation are included in this report and in various announcements made between March and June 2014 by the company.
Balanced reporting	• Where comprehensive reporting of all	• Historical drill intersections were previously using a

Criteria	JORC Code explanation	Commentary
	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.	0.5% Cu and Co cut off. A summary of historic results were presented in previous Press releases. • All recent Regal drill results are reported in a Press Release on 20th June 2014.
Other substantive exploration data	• 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.	• Not applicable to this press release.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• A large batch of crushed drill core, representative of the different mineralisation domains, has been dispatched to the Mintek laboratory, South Africa to determine the suitability of mineralisation for processing by Heavy Media Separation (HMS) to produce a high-grade copper concentrate. • A maiden Mineral Resource is currently being prepared in accordance with the JORC Code by CSA Global. • Preparations are well advanced for the start of a 5,000m Phase II diamond drilling programme. The infill programme will be planned to complete 50m spaced sections to improve understanding of grade and geological continuity to allow for the development of a revised resource model to enable detailed Feasibility Studies to be conducted. • It is also planned that dedicated PQ diameter metallurgical test holes and geotechnical drill holes will be completed during the course of the programme, contingent

Criteria	JORC Code explanation	Commentary
		on results of the preliminary metallurgical test work.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Data used in the Mineral Resource estimate is sourced from a data base dump, provided in the form of an MS Access database, maintained by CSA. Relevant tables from the data base are exported to MS Excel format and converted to csv format for import into Datamine Studio 3 software for use in the Mineral Resource estimate. • Validation of the data import include checks for overlapping intervals, missing survey data, missing assay data, missing lithological data, and missing collars.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• No site visit has been conducted by the competent person (Mineral Resources). The competent persons for exploration results (Mr David Young and Dr Simon Dorling) have both visited site on numerous occasions. • Dr Dorling is an employee of CSA Global and a non-executive director of Regal Resources, and his site assessment and validation of exploration data has satisfied the CP (Mineral Resources) that there are no problems with the data.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation.	• There is a reasonable level of confidence in the geological interpretation, based upon lithological logging of drill core, including 17,873m of diamond core. Deposit scale geological mapping provide a geological framework for the interpretation. The Competent Person (Exploration Results) has extensive experience in the geology and mineralisation of the local copper belt extending through the DRC, within which Kalongwe is

Criteria	JORC Code explanation	Commentary
	• The factors affecting continuity both of grade and geology.	located. • Drill hole intercept logging and assay results, stratigraphic and structural interpretations from drill core have formed the basis for the geological interpretation. • The depth of the weathering profile at Kalongwe was based upon logged occurrences of sulphide mineralisation in the 2014 drilling. Limited confidence is placed upon the logging of weathering and sulphide species from the 2006 / 2007 drill holes. A refined interpretation of the weathering profile is likely to affect the reported tonnages, due to changes in density assignment, although not materially. • The interpretation of the mineralisation domains is based upon pre-determined lower cut-off grades for Cu and Co. A variation to the cut-off grades will affect the volume and average grade of the domains. • Geological mapping and logging of drill samples control the interpretation of the mineralisation domains. • Grade continuity is affected by drill hole assay results, resulting in mineralisation domains being pinched out along strike and up or down plunge.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The Kalongwe Mineral Resource estimate is approximately 390m in strike, 550m in plan width and reaches 250m depth below surface.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates	• CAE Studio 3 (Datamine) software was used for all geological modelling, block modelling, grade interpolation, MRE classification and reporting. GeoAccess Professional and Snowden Supervisor were used for geostatistical analyses of data. The Cu interpretations were based upon a lower cut-off of 0.5% TCu (total copper). The Co interpretations were based upon a lower cut-off of 0.2% Co. The Mineral Resource model consists of 4 zones of Cu mineralisation, 7 zones of Co mineralisation and

Criteria	JORC Code explanation	Commentary
	and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	two weathering domains (oxide and fresh). Mineralisation domains were encapsulated by means of 3D wireframed envelopes. Domains were extrapolated along strike or down plunge to half a section spacing or if a barren hole cut the plunge extension before this limit. Top cuts were used to constrain extreme grade values if it was determined that the extreme high grades would potentially over-estimate local block estimates, either due to limited sample numbers, or if the individual assay result was considered too high compared to the rest of the domain's population. Top cuts varying according to hosting mineralisation domain. A top cut for the copper domains was set to 20% TCu, whilst 3 top cuts were set for the cobalt domains (10% Co for domain 1, 1.5% for domains 5 and 6). All samples were composited to 2m intervals, flowing a review of sample length distribution that showed 10% of sample lengths inside mineralisation domains were >1m. All drill hole data (RC and Diamond) were utilised in the grade interpolation. A Quality Assurance study of the historical drilling coupled with a 4 hole due diligence twin drilling programme confirmed the historical drill hole database could be used as part of the grade interpolation. • A block model with parent cell sizes 25m x 25m x 20m was constructed, compared to typical drill spacing of 50m x 50m. • Grade estimation was by Ordinary Kriging (OK) with Inverse Distance Squared (IDS) estimation was concurrently run as a check estimate. A minimum of 4 and maximum of 8 composited (2m) samples were used in any one block estimate, equivalent to 8-16 original 1m samples. A maximum of 3 composited samples per drill hole were used in any one block estimate. Cell Discretisation of 10 x 10 x 10 was used. Grade interpolation was run within the individual mineralisation domains, acting as hard boundaries. • The current Mineral Resource was checked against the previously

Criteria	JORC Code explanation	Commentary
		un-reported resource and found to be of similar tonnage and grade. • The Mineral Resource was depleted by the volume of the shallow open pits (circa 1930's, and recent artisanal workings). Underground excavations during the 1930's are considered to be of too low a volume of material to affect the Mineral Resource estimate. No survey data is available for these underground workings. • No by products were modelled. • No selective mining units were assumed in this model. • A cursory study into correlation between Cu and Co was carried out with inconclusive results. • The grade model was validated by 1) creating slices of the model and comparing to drill holes on the same slice; 2) swath plots comparing average block grades with average sample grades on nominated easting, northing and RL slices; and 3) mean grades per domain for estimated blocks and flagged drill hole samples. No reconciliation data exists to test the model.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnages are estimated on a dry basis.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• The reporting cut-off grades of 0.5% Cu and 0.2% Co were based upon the mineralisation domain cut-off grades.
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this	• It is assumed the deposit, if mined, will be developed using open pit mining methods. No assumptions have been made to date regarding minimum mining widths or dilution. • The largest mineralisation domains in plan view have an apparent width of over 80m which may result in less selective mining methods, as opposed to (for example) mining equipment that would need to be used to mine narrow veins in a gold mine.

Criteria	JORC Code explanation	Commentary
	should be reported with an explanation of the basis of the mining assumptions made.	
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• No metallurgical testwork has been conducted to date on the Kalongwe mineralisation. Future drill hole samples will need to be assayed for acid soluble copper. The current level of metallurgical knowledge of the deposit has played a significant role in the JORC classification for the Mineral Resource (Inferred), because determining reasonable prospects for eventual economic extraction considering metallurgical results is not possible at this stage, but can be assumed based upon other copper deposits in the region with similar mineralogical and geological controls.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• No assumptions have been made to date regarding possible waste and process residue disposal options. • Waste and low grade stockpiles from the historical open pit mining are located to the west of the deposit with minimal revegetation occurring.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for	• The Mineral Resource estimate used density values assigned to the block model based upon mineralisation domain and weathering profile. Within the Oxide zone, copper mineralisation domains were assigned a density value of 2.30t/m3; cobalt domains 2.01t/m3 and 'mixed' zones (copper and cobalt domains overlapping) 2.24t/m3. Waste blocks were assigned density values of 2.29t/m3 (oxide) and 2.77t/m3 (fresh rock).

Criteria	JORC Code explanation	Commentary
	void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Densities were measured from selected intervals of diamond drill core, using a wet immersion technique. Core samples were wrapped in cling wrap prior to immersion to prevent water intake into sample.
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Classification of the Mineral Resource estimates was carried out taking into account the geological understanding of the deposit, QAQC of the samples, density data and drill hole spacing. • The Mineral Resource is wholly classified as Inferred, with geological evidence sufficient to imply but not verify geological and grade continuity. • All available data was assessed and the competent persons relative confidence in the data was used to assist in the classification of the Mineral Resource. • The current classification assignment appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• No audits or reviews of the current Mineral Resource estimate have been undertaken.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include	• An inverse distance estimation algorithm was used in parallel with the ordinary Kriged interpolation, with results very similar to the Kriged results. • No other estimation method or geostatistical analysis has been performed. • The Mineral Resource is a local estimate, whereby the drill hole data was geologically domained above nominated Cu and Co cut-off grades, resulting in fewer drill hole samples to interpolate the block model than the complete drill hole dataset, which would comprise a global estimate. • Relevant tonnages and grade above nominated cut-off grades for Cu and Co are provided in the introduction and body of this report. Tonnages were calculated by filtering all blocks above the cut-off grade and sub-setting the resultant data into bins by

Criteria	JORC Code explanation	Commentary
	assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	mineralisation domain. The volumes of all the collated blocks were multiplied by the dry density value to derive the tonnages. The copper and cobalt metal values (g) for each block were calculated by multiplying the Cu and / or Co grades (%) by the block tonnage. The total sum of all metal for the deposit for the filtered blocks was divided by 100 to derive the reportable tonnages of Cu and Co metal. • No production data is available to reconcile results with.