

REGALPOINT RESOURCES LIMITED

ACN 122 727 342

Circular to Shareholders

Including

NOTICE OF MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

10 November 2014

Time of Meeting

11am

Place of Meeting

Cliftons

Level 4, Parmelia House

191 St Georges Terrace

Perth Western Australia 6000

These documents should be read in their 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.

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NOTICE OF MEETING

Notice is hereby given that a general meeting of Regalpoint Resources Limited will be held at Cliftons, Parmelia House, Level 4 191 St Georges Terrace Perth, Western Australia on **10 November 2014 at 11am (WST)**.

AGENDA

To consider, and if thought fit to pass, the resolutions set out below as ordinary resolutions.

Information on the proposals to which those resolutions relate is contained in the explanatory memorandum which accompanies and forms part of this Notice of Meeting (**'Explanatory Memorandum'**). Words and expressions defined in the Explanatory Memorandum have the same meanings where used in this Notice of Meeting.

ORDINARY BUSINESS – FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report, the Directors' Report and Independent Auditor's Report of Regalpoint Resources Limited for the financial year ended 30 June 2014.

RESOLUTION 1 – RE-ELECTION OF DIRECTOR

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

"That Mr Ian Murchison (a Director appointed by the Board on 30 November 2006) who retires in accordance with clause 57.2 of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director."

RESOLUTION 2 – THE ADOPTION OF THE REMUNERATION REPORT (NON-BINDING RESOLUTION)

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

"That, for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the remuneration report as contained in the Company's Annual Report for the financial year ended 30 June 2014 be adopted."

RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

In accordance with Listing Rule 7.3A.7, the Company will disregard any votes cast on this resolution by any person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if 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, it is cast by the person chairing the meeting 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

A handwritten signature in cursive script, appearing to read 'Fleur Hudson', written in black ink.

Fleur Hudson

Company Secretary

NOTES

These notes form part of the Notice of Meeting.

Background information

To assist you in deciding how to vote on the above resolutions, background information to the resolutions are set out in the Explanatory Memorandum forming part of this Notice of Meeting.

Recommendation

The Board believes that the above resolutions are in the best interests of the Shareholders and (save where otherwise indicated in the Explanatory Memorandum) unanimously recommends that Shareholders vote in favour of each of them.

Voting Entitlements

The Directors have determined that, for the purpose of voting at the General Meeting, Shareholders eligible to vote at the General Meeting are those persons who are the registered holders of Shares at 11am (WST) on 7 November 2014.

How to vote

You may vote by attending the General Meeting in person, by proxy, or by an authorised representative.

Voting in Person

To vote in person, attend the General Meeting on 10 November 2014 at 11.00am (WST) at Cliftons, Level 4, Parmelia House, 191 St Georges Terrace, Perth. Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the meeting, if possible, so that the Company may check their shareholding against the Company's share register and note attendances.

Voting by Proxy

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the General Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder is entitled to cast two or more votes he may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half the votes.

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the Proxy Form is signed) must be deposited with the Company at the registered office Level 14, Parmelia House, 191 St Georges Terrace Perth WA 6000 or faxed to the Company (+61) (8) 9321 5932, not less than 48 hours before the time for holding the meeting. A proxy presented by a company should be under the common seal of that company.

Corporate Representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the *Corporations Act*, in which case the Company will require a certificate of Appointment of the Corporate Representative executed in accordance with the *Corporations Act*. The Certificate of Appointment must be lodged with the Company and/or the Share Registrar, Security Transfer Registrars Pty Ltd, before the General Meeting or at the registration desk on the day of the General Meeting. Certificates of Appointment of Corporate Representatives are available at Security Transfer Registrars Pty Ltd or on request by contacting Security Transfer Registrars Pty Ltd on telephone number (08) 9315 2333.

Questions from Shareholders

The Chairman of the meeting will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

BDO WA Pty Ltd, as the Auditor responsible for preparing the Auditor's Report for the year ended 30 June 2014 (or its representative), will attend the General Meeting. The Chairman of the meeting will allow a reasonable opportunity for the Shareholders as a whole to ask the Auditor questions at the meeting about:

- a) the conduct of the audit;
- b) the preparation and content of the Auditor's Report;
- c) the 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.

To assist the Board and the Auditor of the Company in responding to any questions you may have, please submit any questions you may have by fax or to the address below by no later than 11am (WST) on 3 November 2014.

By mail: Level 14, Parmelia House
 191 St Georges Terrace
 Perth WA 6000

By facsimile: (within Australia) (+61) (8) 9321 5932

EXPLANATORY MEMORANDUM TO THE SHAREHOLDERS

INTRODUCTION

This Explanatory Memorandum is prepared for the information of Shareholders in connection with any business to be transacted at the General Meeting of the Company to be held on 10 November 2014.

At the meeting, Shareholders will be asked to consider resolutions regarding:

- re-election of a Director;
- adoption of the Remuneration Report; and
- approval of 10% placement facility.

Details of these proposals are set out in the Explanatory Memorandum, which Shareholders are encouraged to read carefully.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass these resolutions. The Explanatory Memorandum explains the resolutions and identifies the Board's reasons for putting them to Shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

EXPLANATORY MEMORANDUM

Financial Statements and Reports

Shareholders are to receive and consider the Annual Financial Report, Directors' Report and the Independent Auditor's Report of Regalpoint Resources Limited for the financial year ended 30 June 2014.

Shareholders will be given the opportunity to ask questions of the Board and the Auditors in relation to the Annual Report for the financial year ended 30 June 2014, at the General Meeting.

Resolution 1 – Re-election of Director

In accordance with clause 57.1 of the Constitution Mr Ian Murchison was appointed by the Board as a Director on 30 November 2006. In accordance with clause 57.2 of the Constitution, Mr Murchison retires as Director at the General Meeting and offers himself for re-election as Director.

A profile of Mr Murchison is contained in the Company's Annual Report for the financial year ended 30 June 2014.

All Directors (other than Mr Murchison) recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 – Adoption of the Remuneration Report

The *Corporations Act* requires that at a listed Company's Annual General Meeting a resolution that the Remuneration Report be adopted must be put to the Shareholders. This resolution is advisory only and will not bind the Directors or the Company. The Chairman of the meeting will allow a reasonable opportunity for discussion of the Remuneration Report at the meeting.

The Remuneration Report is contained in the Financial Report for the year end 30 June 2014 and sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(4) of the *Corporations Act* prohibits any votes on this resolution being cast by senior executives (or their associates) whose remuneration details are disclosed in the report. This prohibition extends to undirected proxy votes to be cast by the Chairman. In this regard, you should specifically note that if you appoint the Chairman as your proxy and you do not indicate on the Proxy Form how you wish your proxy to vote on Resolution 2, you will be deemed to have expressly directed the Chairman to cast your votes **in favour of** Resolution 2. **Therefore, if you wish to appoint the Chairman as your proxy but do NOT want your votes to be cast in favour of Resolution 2, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 2 in the Proxy Form.**

Resolution 3 – Approval of 10% Placement Facility

3.1 General

ASX Listing Rule 7.1A enables Eligible Entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

For the purposes of Listing Rule 7.1A an Eligible Entity is one that, as at the date of the relevant Annual General Meeting:

- (a) is not included in the A&P/ASX 300 Index;
- (b) has a market capitalisation of less than \$300 million; and
- (c) has a market capitalisation of \$1,284,500.

The Company is an Eligible Entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 3 will be to allow all the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders eligible to vote at the meeting must be in favour of Resolution 3 for it to be passed.

3.2 ASX Listing Rule 7.1A

(a) Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained Shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement to issue:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the Eligible Entities 15% placement capacity without shareholder approval; and
 - (d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

3.3 Minimum Price

The issue price of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 (five) ASX trading days of the date in paragraph 5.3(a), the date on which the Equity Securities are issued.

3.4 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires the earlier to occur of the following:

- (a) 12 months after the date of the AGM; and
- (b) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(10% Placement Period).

3.5 Specific Information Required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 ASX trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below. There is a risk that:
 - (i) the market price of the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Explanatory Memorandum.

The table also shows:

- (i) two examples where variable 'A' in the formula has increased by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities that the Company has on issue may increase as a result of issues of ordinary securities which do not require shareholder approval (such as a pro rata entitlements issue or script issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of the ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2	Dilution			
	Issue Price (per Share)	\$0.0095 (50% decrease in current issue price)	\$0.019 (Current issue price)	\$0.0285 (50% increase in current issue price)
67,605,280 (Current Variable 'A')	10% Voting Dilution	6,760,528 shares	6,760,528 shares	6,760,528 shares
	Funds Raised	\$64,225	\$128,450	\$192,675
101,407,920 (50% Increase in Current Variable 'A')	10% Voting Dilution	10,140,792 shares	10,140,792 shares	10,140,792 shares
	Funds Raised	\$96,338	\$192,675	\$289,013
135,210,560 (100% Increase in Current Variable 'A')	10% Voting Dilution	13,521,056 shares	13,521,056 shares	13,521,056 shares
	Funds Raised	\$128,450	\$256,900	\$385,350

The table above contains the following assumptions:

- (i) The current shares on issue are the Shares on issue as at 22 September 2014.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 22 September 2014.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) No options (including any options issued under the 10% Placement Facility) are exercised before the date of the issue of the Equity Securities.
- (v) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (vi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the AGM.
- (vii) The table shows only the effect of the issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (viii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the Issue of Equity Securities includes options it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature and scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may issue Equity Securities under the 10% Placement Facility for the following purposes:
 - (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital; or
 - (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with disclosure obligations under the Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The allottees of the Equity Securities to be issued under the 10% Placement Facility have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Facility, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the Equity Securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be vendors of the new resources assets or investments.

In accordance with Listing Rule 7.3A.6 the Company previously obtained approval under Listing Rule 7.1A at the General Meeting held on 12 November 2013. The Company has not issued any equity securities in the 12 months preceding the date of General Meeting.

ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the resolution set out in the Notice of Meeting.

Attached to the Notice of Meeting is a proxy form for use by Shareholders. Shareholders are invited and encouraged to attend the General Meeting or, if unable to attend in person, to complete, sign and return the Proxy Form to the Company in accordance with the instructions contained on the Proxy Form and in the Notice of Meeting. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the General Meeting in person.

GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

Act or Corporations Act	<i>Corporations Act 2001</i> (Cth)
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange
ASX Listing Rules or Listing Rules	The Official Listing Rules of the ASX, as amended from time to time
Board	The Board of Directors of the Company
Company or Regalpoint	Regalpoint Resources Limited (ACN 122 727 342)
General Meeting	The General Meeting of the Company to be held on 10 November 2014
Notice of Meeting	The Notice convening the General Meeting which accompanies this Explanatory Memorandum
Proxy Form	The proxy form attached to the Notice of Meeting
Share Registrar	Security Transfer Registrars Pty Ltd
Shareholder	A registered holder of a Share
Shares or Regalpoint Shares	Fully paid ordinary shares in the Company