

Kalongwe Mining SA

IDNAT :01-118-N78446N RCCM :14-B-01539

4ème Rue, Numéro 6, Quartier Industriel, Limete - Kinshasa, République Démocratique du Congo

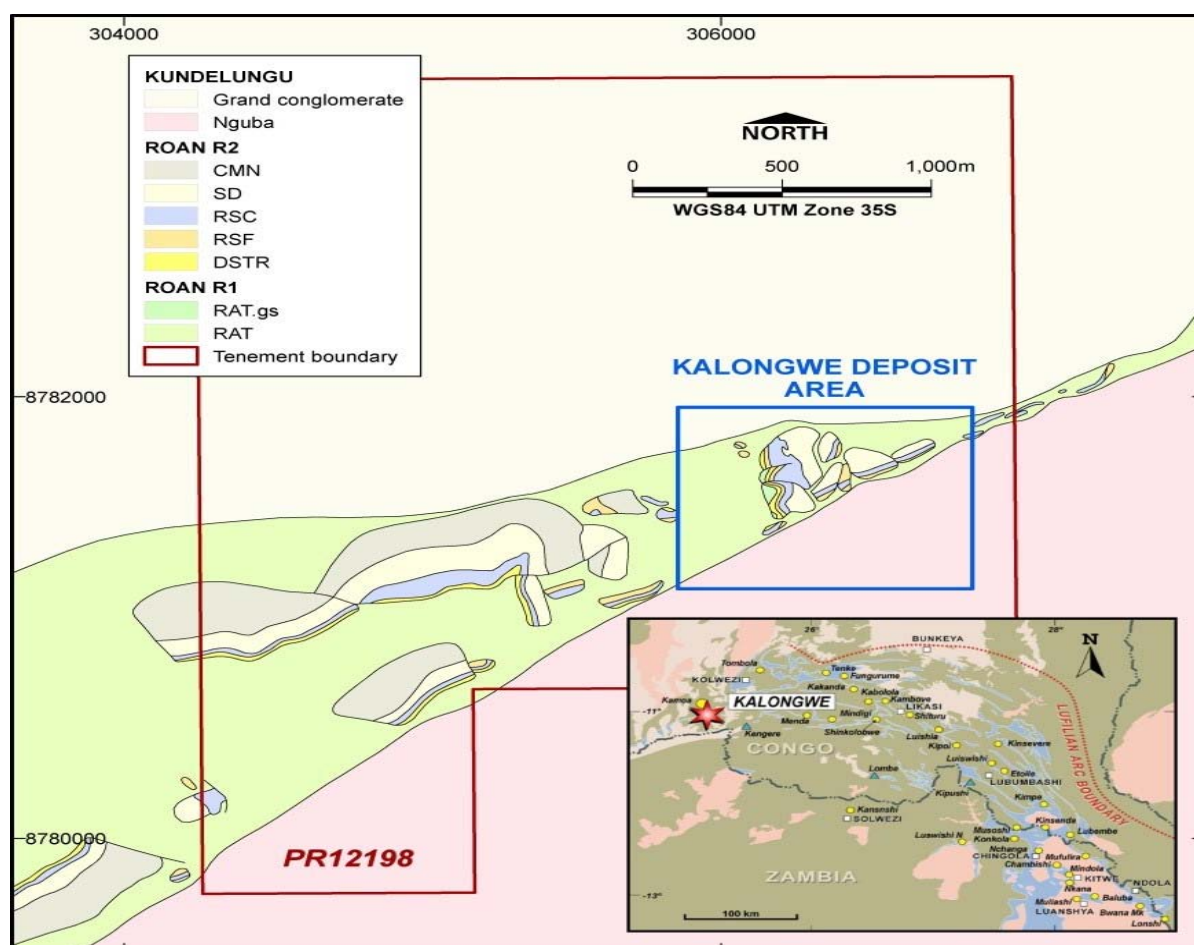


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Kalongwe Mining SA is a significant high-grade oxide Cu-Co near surface resource which has potential to be developed into a near term – low CAPEX low OPEX mining operation

Project Location

- Located in the Katanga Province, DRC.
- ~15km from Kamao, considered to be Africa's largest recent high-grade copper discovery which boasts an Indicated Mineral Resource of 739 million tonnes grading 2.67% Cu.
- ~45km from the historic copper mining and processing centre at Kolwezi.



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Project Ownership

- Ownership of PR 12198 (exploitation licence) transferred to Kalongwe Mining SA, a DRC registered company.
- Interest in Kalongwe Mining SA jointly held by Regal Resources Limited (70%), La Generale Industrielle et Commerciale au Congo SARL (25%) and the Government of the Democratic Republic of Congo (5%).
- Funding for the acquisition, exploration and feasibility studies shared on a 50/50 basis with Traxys, significantly de-risking the development of the Kalongwe Project.

Phase I Diamond Drilling Programme

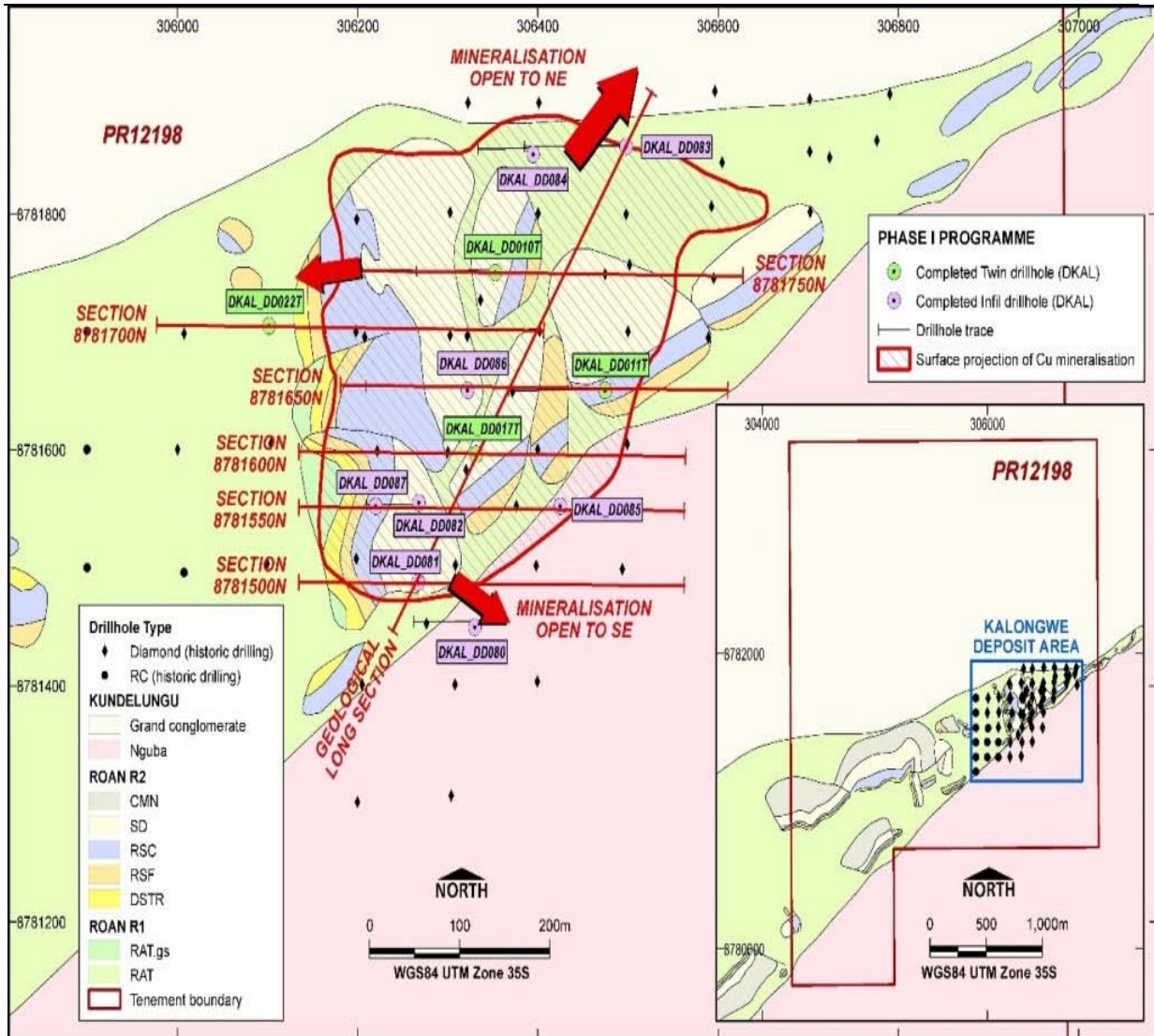
- Completed June 2014.
- 12-holes; 1,785m; drill density: 100m x 100m.
- Results validated 2006/2007 Ivanhoe drill results, and confirmed Kalongwe deposit as a very high grade Cu-Co resource with oxide mineralisation.
- Significant results included:

68.30m @ 4.92% Cu and 0.57% Co
76.70m @ 4.06% Cu and 0.52% Co
16.90m @ 8.05% Cu and 1.33% Co
90.23m @ 3.38% Cu and 0.93% Co
77.60m @ 4.14% Cu and 0.57% Co
70.00m @ 2.22% Cu and 0.84% Co

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Phase II Diamond Drilling Programme

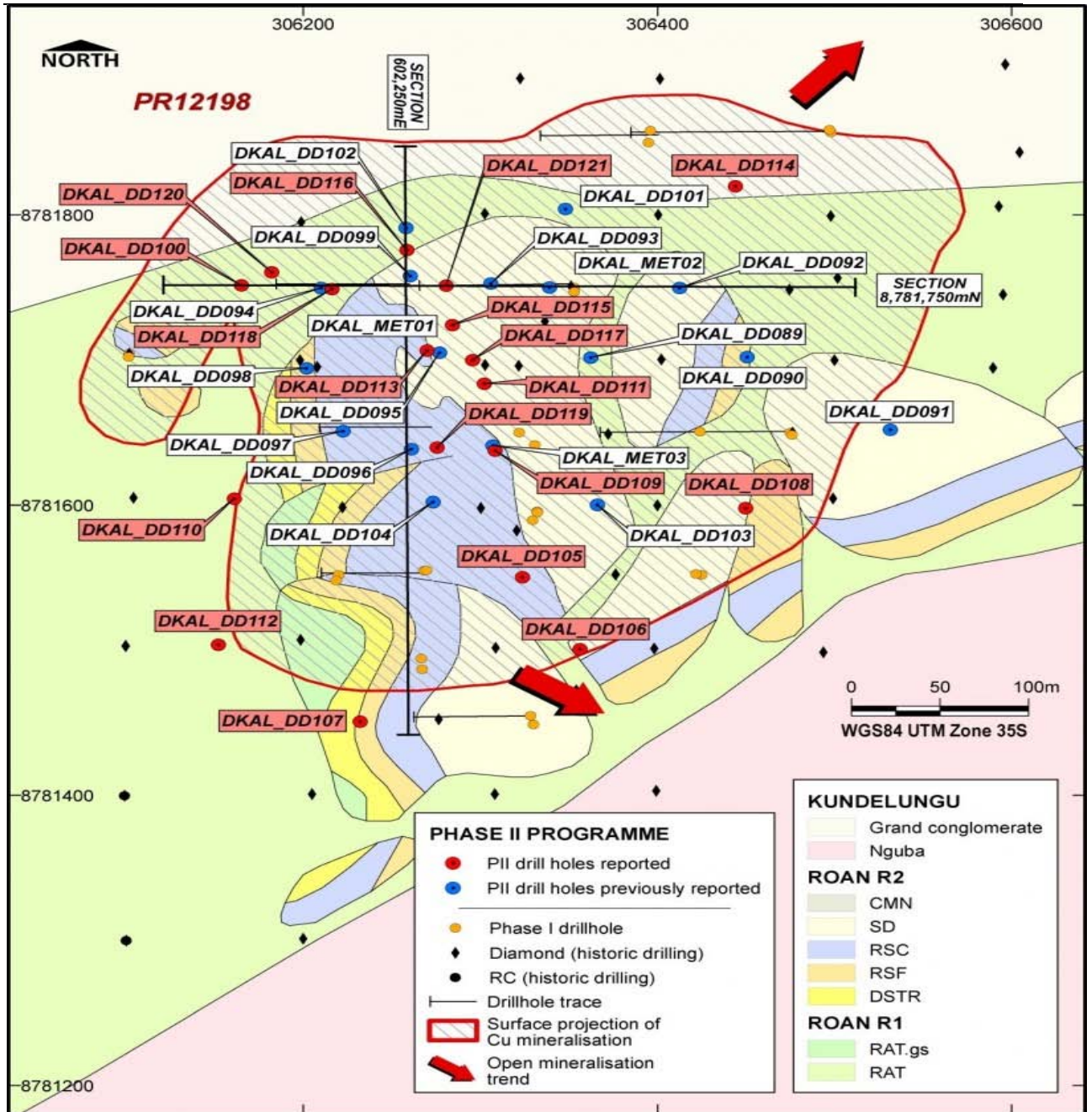
- Completed November 2014.
- 34-holes; 4,287m; drill density: 50m x 50m, 25m x 25m locally.
- Designed to upgrade and reclassify the initial Mineral Resource estimate.
- Significant results included:

101.3m @ 4.25% Cu & 0.42% Co from 10.1m
57.30m @ 4.58% Cu & 0.62% Co from 3.80m
96.70m @ 3.76% Cu & 0.53% Co from 15.0m
92.10m @ 5.24% Cu & 0.55% Co from 21.0m
87.50m @ 3.35% Cu & 0.37% Co from 48.3m
80.50m @ 4.27% Cu & 0.76% Co from 25.7m
75.00m @ 6.30% Cu & 0.73% Co from 12.0m
69.00m @ 5.29% Cu & 0.77% Co from 5.50m
68.20m @ 3.98% Cu & 0.53% Co from 6.00m
62.90m @ 3.26% Cu & 0.43% Co from 19.5m

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Maiden Resources Estimate

- Completed July 2014.
- Based upon 65 drill holes (aggregate of 12,239m) – 2006/2007 Ivanhoe drill data (53 holes) and Phase I drill campaign (12 holes).
- JORC compliant Maiden Inferred Mineral Resource estimate of 276,000t of Cu and 42,500t of Co.

Revised and Re-classified Resources Estimate

- Completed February 2015.
- Data used from ~98 drill holes (~16,000m; 2006/2007 Ivanhoe data and 2014/2015 Kalongwe drill campaigns).
- Revised and re-classified JORC Mineral Resource:
- 17Mt @ 2.70% Cu (0.5% Cu cut off), 302,000t Cu including 29,700t Co, and
- 29Mt @ 0.57% Co (0.2% Co cut off), 13,000t Co.
- ~75% conversion of previously Inferred resource to Measured and Indicated JORC categories.
- Predominantly malachite, deep base of oxidation.
- Broad zones of high-grade Cu-Co extend down dip from surface exposure.
- High-grade Co zones inside the Cu resource.

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Weathering profile	Domain	Measured	Indicated	Inferred	Total Tonnage (Mt)	Ave. Cu (%)	Ave. Co (%)	Tonnes Cu	Tonnes Co
Oxide	Cu Only ¹	1.24Mt @ 3.35% Cu	2.45Mt @ 2.27% Cu	1.24Mt @ 1.60% Cu	4.94	2.37	-	117,200	-
	Mixed ³	2.07Mt @ 3.76% Cu	1.67Mt @ 2.72% Cu	0.35Mt @ 1.98% Cu	4.08	3.19	0.66	130,000	26,800
Primary	Cu Only ¹	-	1.20Mt @ 2.65% Cu	0.41Mt @ 1.63% Cu	1.61	2.39	-	38,400	-
	Mixed ³	-	0.51Mt @ 3.06% Cu	0.03Mt @ 2.22% Cu	0.54	3.02	0.52	16,400	2,800
	Total Cu Domains	3.31Mt @ 3.61 % Cu	5.83Mt @ 2.55 % Cu	2.03Mt @ 1.70% Cu	11.17 (+7%)*	2.70 (+6%)	0.27*	302,000 (+10%)	
Oxide	Co Only ²	0.37Mt @ 0.66% Co	1.34Mt @ 0.59% Co	0.38Mt @ 0.43% Co	2.09	-	0.57	-	11,900
Primary	Co Only ²	-	0.18Mt @ 0.53% Co	0.02Mt @ 0.43% Co	0.2	-	0.52	-	1,000
	Total Co Domains	1.24Mt @ 3.35% Cu	2.45Mt @ 2.27% Cu	1.24Mt @ 1.60% Cu	2.29 (+18%)	-	0.57	-	13,000 + 29,700 (+1%)

* Data in brackets indicate change in % compared to Maiden Resource Estimate, July 2014.

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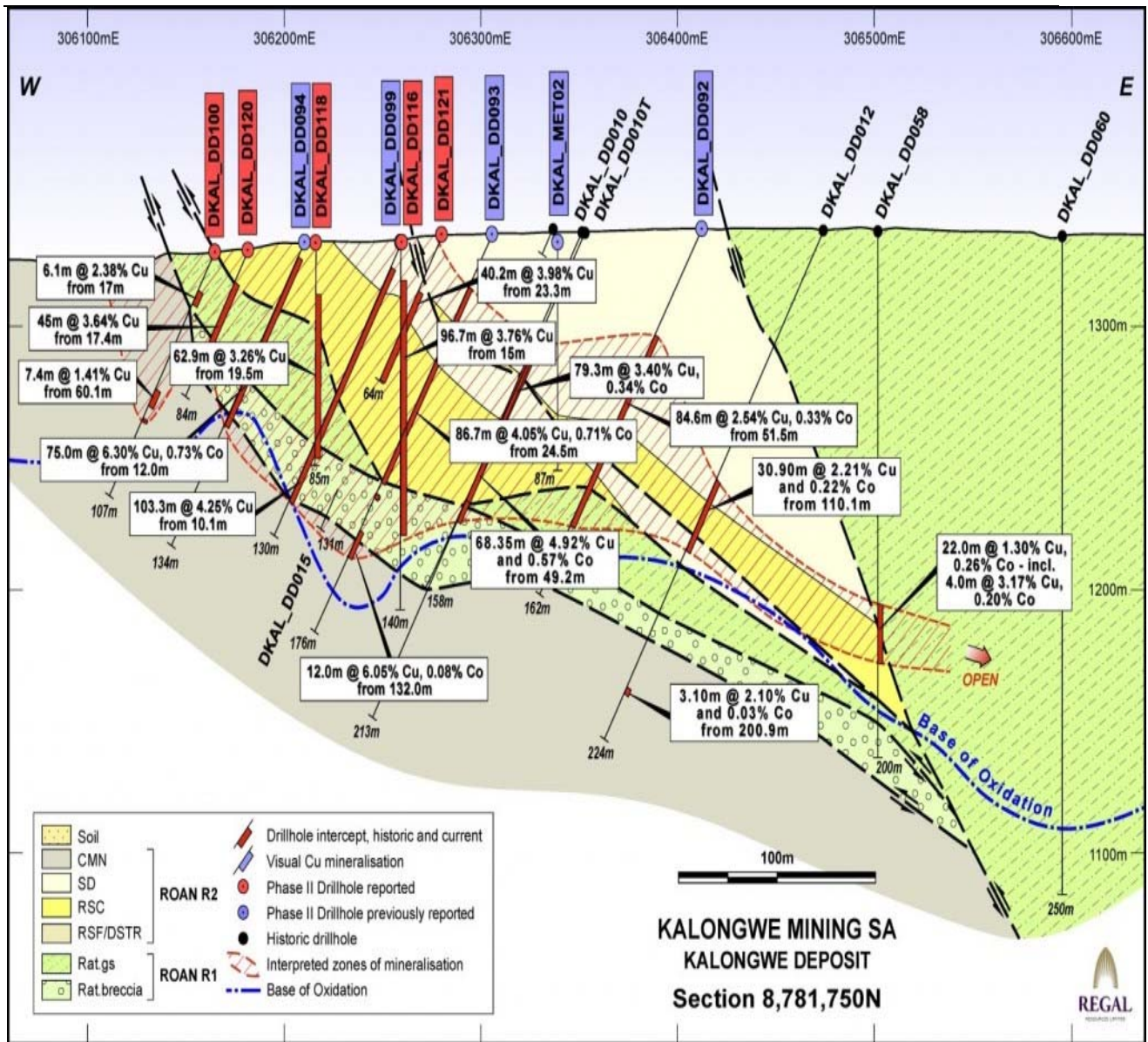
Deposit Geology

- Host is the Lower Roan Stratigraphy.
- Multiple thick, high-grade intersections.
- Good continuity between holes.
- Robust geology.
- High-grade mineralisation through structural overprint.
- Mineralisation open at depth and down plunge.
- Depth of oxidation to ~150m.

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Metallurgy

Oxide ore suited for upgrading by Heavy Media Separation and spirals to produce +20% Cu concentrate.

Scoping Study

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- Completed April 2015. Refer to ASX announcements on 21 April 2015 and 3 June 2016 for further details.
 - Scoping Study Confirms Project Viability.
 - Robust – based on Measured & Indicated JORC Mineral Resource Estimate
 - Low CAPEX, OPEX and short payback period are the result of the high grade nature of the deposit.
 - Simple mining and beneficiation process.
 - Significant opportunities to further enhance the Project economics.
 - Potential Stage 2 SX-EW would provide opportunities to extend mine life.
 - Planned work will include a number of technical studies to optimise the pit design and mining schedule and refine the processing flow sheet.
 - Definitive Feasibility Study – Board will be seeking consent from its JV partners to complete.
 - Gearing up to fast track mine development.