Regalpoint Resources Ltd

ACN 113 654 229

Titleholder	Regalpoint Resources Limited
Operator (if different from above)	as above
Titles/tenements	EL 26094
Tenement Manager	M&M Walter Consulting
Mine/Project Name	Rum Jungle
Report title including type of report and reporting period including date	Annual report for “Rum Jungle” EL 26094 for the period 06/05/2014 to 05/05/2015
Personal author(s)	Dr Michael Green
Corporate author(s)	Regalpoint Resources Limited
Target commodities	Gold, uranium, base metals
Date of report	31 May 2015
Datum/zone	GDA94/Zone 52
250 000 K mapsheet(s)	Darwin (SD54-04)
100 000 K mapsheet (s)	Noonamah (5172)
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ABSTRACT

EL 26094 is located in the Rum Jungle area and is considered highly prospective for gold, uranium and base metals. The area has been moderately explored due to its proximity to known resources and two gold prospects (Highlander, De Monchaux) are recorded within the licence. There are numerous prospects and mines nearby covering various commodities.

Regalpoint has mainly focused on the Highlander Prospect where gold has been recorded in north-trending quartz veins over a strike exceeding 2000 metres. Shallow RC drilling by Regalpoint in 2011 confirmed historic results with a best intersection of 6 m @ 3.91 g/t Au including 1 m @ 13.1 g/t Au.

In June 2014, Regalpoint was notified by the Northern Territory Department of Mines and Energy that parts of EL 26094 are within the Adelaide River Offstream Water Supply (AROWS) catchment and so more than half the tenement was voluntarily relinquished. The remaining parts of the licence retain the known gold prospects at Highlander and De Monchaux. Planned exploration includes further drilling at the Highlander Prospect.

Contents

1.0 Introduction

EL 26094 is approximately 70 km south of Darwin and immediately east of the Stuart Highway and Darwin-Alice rail corridor (Figure 1). The abandoned Woodcutters Mine (4.65 Mt @ 12.3% Zn, 5.65 % Pb, 87 g/t Ag) is less than 2 km to the southwest and the Browns Mine (70 Mt @ 2.6 % Pb, 0.8 % Cu, 0.12 % Co, 0.11 % Ni. 10 g/t Ag) is about 13 km to the west. The licence sits within an area designated as Crown Lease Perpetual.

2.0 Tenure

Exploration Licence 26094 "Rum Jungle" was granted to Regalpoint Exploration Limited, now Regalpoint Resources Ltd, on 6 May 2008. The Northern Territory Department of Mines & Energy notified Regalpoint in June 2014 that parts of the licence fall within the Adelaide River Offstream Water Supply (AROWS) catchment and that future development of any mineral discoveries could be blocked. Regalpoint decided to voluntarily relinquish the 16 blocks that were clearly affected by the catchment. EL 26094 now comprises 11 blocks (ca.28 km^2). Regalpoint is the sole holder and operator. A two year extension of tenure has been granted for EL 26094 so that the licence now expires on 5 May 2016.

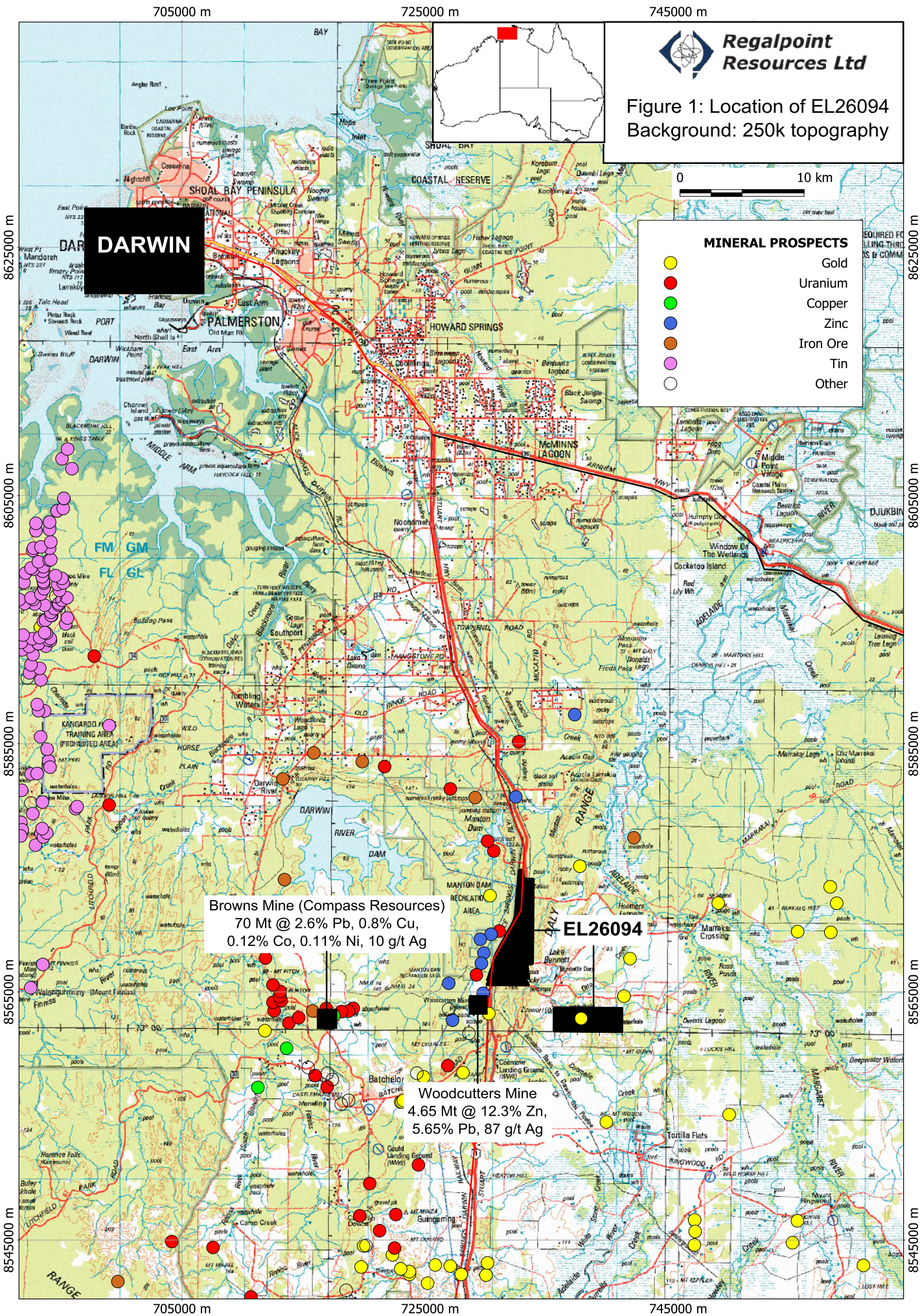
Tenement	Ten no.	Blocks Granted	Blocks Relinq.	Blocks Retain	Grant Date	Expiry Date
Rum Jungle	26094	27	16	11	6 May 2008	5 May 2016

Table 1: Tenement details

3.0 Geology/Prospectivity

EL 26094 lies in the northern part of the Pine Creek Orogen immediately east of the Rum Jungle Complex. The Pine Creek Inlier is notable as one of the world's largest and richest uranium provinces, containing the Alligator River, Rum Jungle and South Alligator Valley uranium fields. The Pine Creek region also has significant gold endowment with known deposits in the Alligator River, South Alligator Valley and Cullen mineral fields. Base metals and silver have also been mined from the Rum Jungle, Cullen and Daly River areas.

The Late Archaean Rum Jungle Complex comprises a wide range of magmatic and metamorphic rocks exposed as small domes and is unconformably overlain by Palaeoproterozoic sedimentary units (eg., Manton, Mount Partridge, South Alligator, Finniss River Groups). Mafic magmatic units related to the Zamu Dolerite intrude these sediments. The area surrounding the Rum Jungle Complex is structurally complex with numerous phases of folding and faulting. The most


705000 m
725000 m
745000 m
8625000 m
8605000 m
8585000 m
8565000 m
8545000 m
Regalpoint Resources Ltd
Figure 1: Location of EL26094
Background: 250k topography
0
10 km
MINERAL PROSPECTS
Gold
Uranium
Copper
Zinc
Iron Ore
Tin
Other
DARWIN
Browns Mine (Compass Resources)
70 Mt @ 2.6% Pb, 0.8% Cu,
0.12% Co, 0.11% Ni, 10 g/t Ag
EL26094
Woodcutters Mine
4.65 Mt @ 12.3% Zn,
5.65% Pb, 87 g/t Ag

recent interpretation at the Woodcutters mine shows that listric faulting and bedding plane slip played a significant role in developing and positioning the base metal mineralisation. Structural modelling suggests that many of the interpreted anticlinal hinges are drag folds associated with listric faults.

Within EL 26094 the main geological unit is the Palaeoproterozoic Mount Partridge Group, which includes the Wildman Siltstone and the Acacia Gap Quartzite. The Wildman Siltstone comprises laminated shale, siltstone, sandy siltstone and dolomite and is considered to be the lateral equivalent of the Whites Formation, which hosts the Woodcutters and Browns base metal deposits. The Whites Formation is more pyritic and calcareous than the Wildman Siltstone.

Uranium in the Pine Creek Orogen is typically found in stratabound zones in carbonaceous sediments of the lowermost Palaeoproterozoic units or in the crystalline basement rocks immediately below the Archaean-Palaeoproterozoic unconformity. These deposits are known as unconformity-related deposits with the uranium present as disseminated or stratified uraninite. These deposits are typically medium to high grade (0.3–1.0 % U_3O_8). Most of the deposits in the Alligator River, Rum Jungle and South Alligator fields are also related to faults and breccia zones offering multiple target types. Some of the uranium deposits (e.g. Jabiluka, Koongarra, Ranger 1) contain appreciable gold. Veins with visible gold cut the uraninite accumulations in several of the South Alligator uranium deposits, but are volumetrically insignificant. The relation between the two metals is enigmatic, but provides a potential exploration tool for gold exploration using radiometrics. Others uranium deposits, such as at Rum Jungle, contain copper, lead, cobalt and nickel. These polymetallic stratabound deposits in the Rum Jungle area are spatially associated with the contact between the Coomalie Dolomite and White's Formation.

The initial discovery of uranium at Rum Jungle was made by Mr. J.M. White in 1949 who reported that some minerals in a railway siding resembled uranium minerals illustrated in the booklet "Radioactive Mineral Deposits" (BMR, 1948). The presence of secondary uranium minerals was confirmed by government geologists and thus began systematic uranium exploration. By the end of 1951, White's discovery was proved to be a significant uranium deposit and numerous other prospects had been defined.

The main target for gold mineralisation is within the Palaeoproterozoic metasediments and various styles of deposits have been noted in the Pine Creek Orogen, including:

- Quartz vein and stockworks.
- Gold associated with uranium mineralisation (see above),
- Stratiform, and
- Granophyre-associated.

Structures (faults, shears) have been important to develop many of the gold deposits in the Pine Creek region with rheological contrast between greywacke and siltstones providing useful trap sites for migrating pregnant fluids. The most important economic deposits are associated with quartz veins, such as at Tom's Gully, Union Reefs and Mount Todd. In the Cullen mineral field (~130 km southeast of EL 26094), most of the gold has also been extracted from quartz reefs or stockworks. The reefs are up to 2 m wide and 100 m long and fill near vertical N–NW-trending shear zones conformable with the regional axial plane cleavage.

3.1 Previous exploration with EL 26094

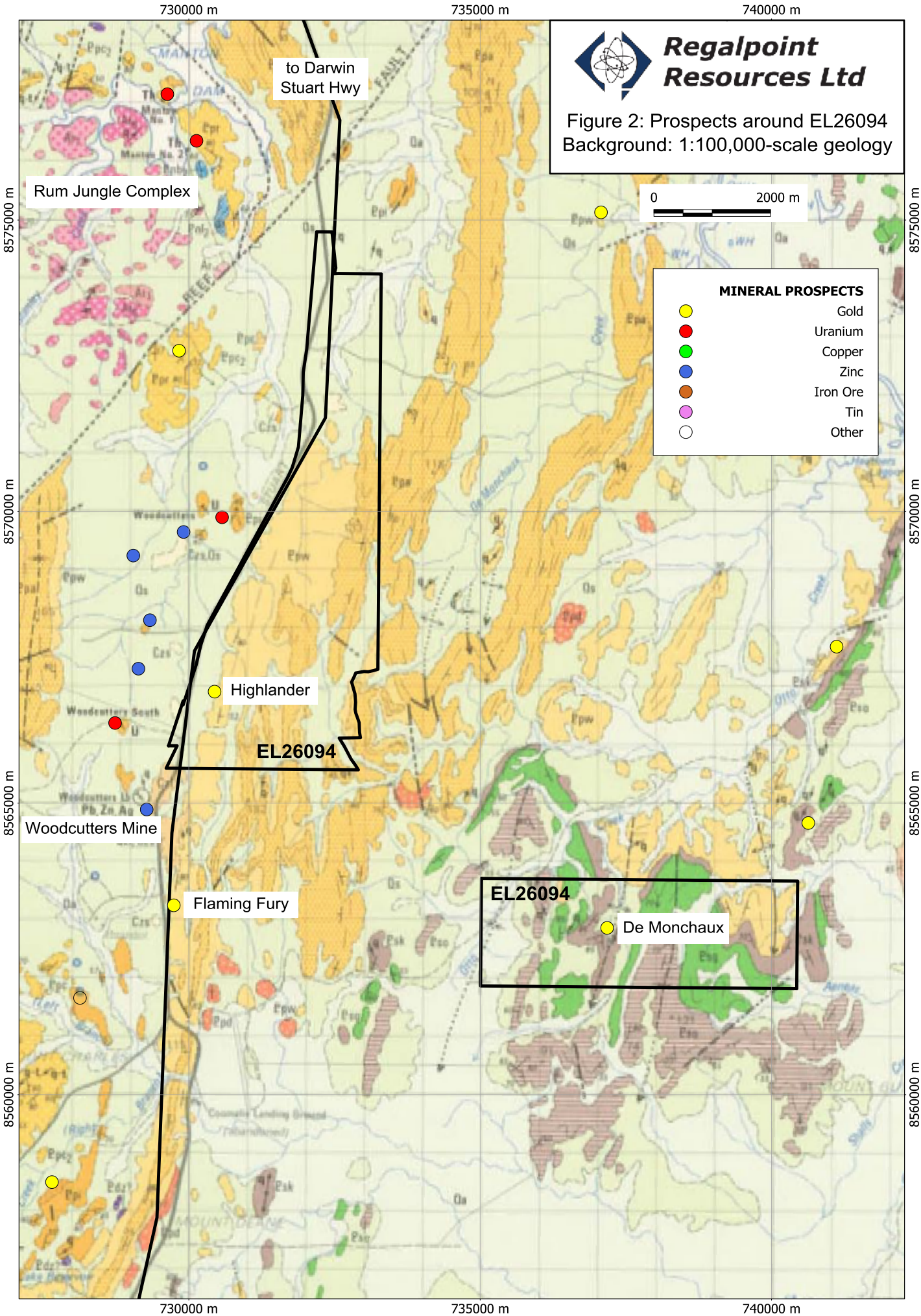
The area covered by EL 26094 was granted to Magnum Exploration (EL 739) in 1974. Their primary target was base metal mineralisation similar to that at the nearby Woodcutters deposit. Initial exploration comprised a review of the existing government soil geochemistry. In 1976, Magnum and joint venture partner Amax Exploration completed geological mapping and an airborne radiometric-magnetic survey. Several radiometric anomalies were identified and surface sampling (rock chip, soil) was completed over the best anomalies. The results were considered poor and the licence relinquished.

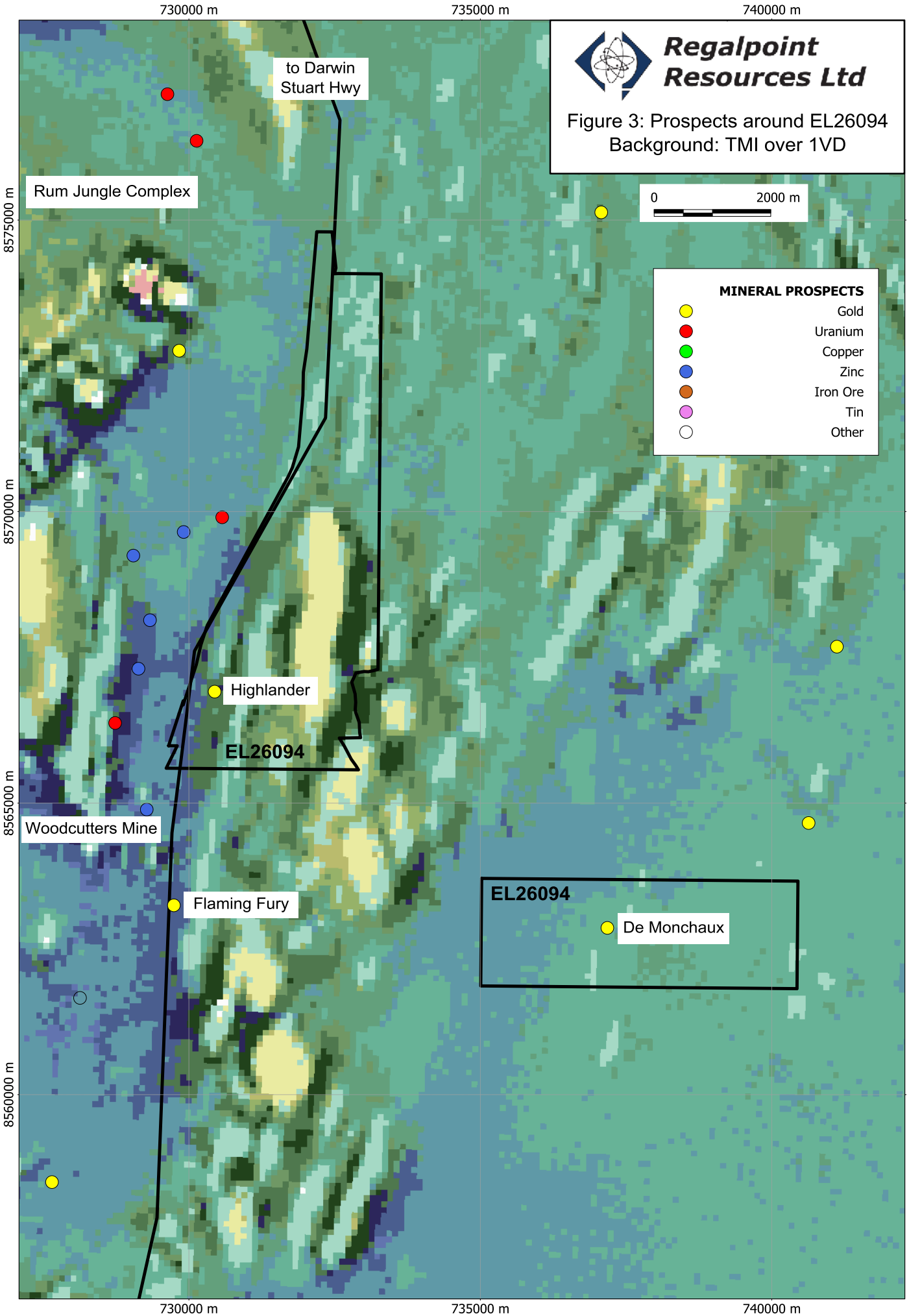
In 1979, Mines Administration Pty Ltd (later CSR Ltd) targeted the Wildman Siltstone as a possible host for uranium and base metal mineralisation within licence EL 1983. Initial geological mapping, rock chip sampling and a SIROTEM survey identified a 100 m wide, north-south trending zone of quartz veins extending for over 4 km. Shallow drilling (280 RAB holes to 10 m depth) and costeaning were employed to test this zone, but only low-order radiometric anomalies were recorded from the bedrock (metasediments) and none considered significant. Since the company was targeting uranium the licence was dropped, despite two adjacent holes returning 1.4 g/t Au. Two main prosects Flaming Fury (south) and Highlander (north) were later defined along this trend. The Highlander prospect is within EL 26094.

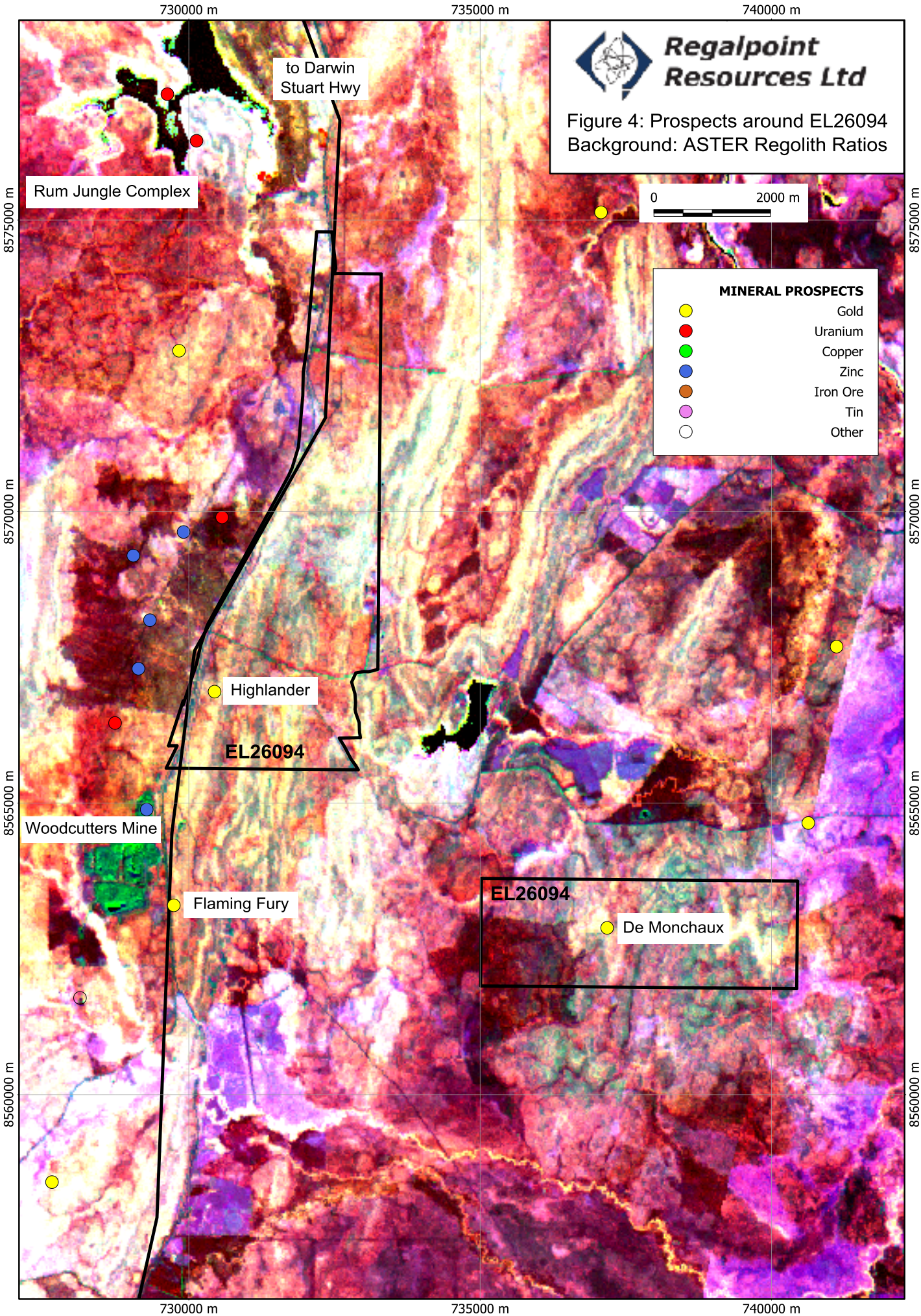
EL 5678 was granted to Nicron Resources (later Normandy Woodcutters Ltd) in 1998 and was centred on the Highlander-Flaming Fury trend. Initial exploration comprised geological mapping and stream sediment sampling with follow-up -40 mesh soil samples. This work showed the 4 km trend from Flaming Fury to Highlander to be strongly anomalous in gold and also interpreted the zone to be related to deformation along the contact between the White's Formation and Wildman Siltstone.

The strongest soil anomalies were costeaned and channel samples returned significant widths of gold. The following results are from the Highlander prospect within EL 26094:

Costean B: 30 m at 0.5 g/t Au, including 4m at 1.4 g/t Au


730000 m
735000 m
740000 m
8575000 m
8570000 m
8565000 m
8560000 m
Regalpoint Resources Ltd
Figure 2: Prospects around EL26094
Background: 1:100,000-scale geology
to Darwin
Stuart Hwy
Rum Jungle Complex
0
2000 m
MINERAL PROSPECTS
Gold
Uranium
Copper
Zinc
Iron Ore
Tin
Other
Highlander
EL26094
Woodcutters Mine
Flaming Fury
EL26094
De Monchaux


Regalpoint Resources Ltd
Figure 3: Prospects around EL26094
Background: TMI over 1VD
730000 m
735000 m
740000 m
8575000 m
8570000 m
8565000 m
8560000 m
to Darwin
Stuart Hwy
Rum Jungle Complex
0
2000 m
MINERAL PROSPECTS
Gold
Uranium
Copper
Zinc
Iron Ore
Tin
Other
Highlander
EL26094
Woodcutters Mine
Flaming Fury
EL26094
De Monchaux


730000 m
735000 m
740000 m
8575000 m
8570000 m
8565000 m
8560000 m
Regalpoint Resources Ltd
Figure 4: Prospects around EL26094
Background: ASTER Regolith Ratios
to Darwin
Stuart Hwy
Rum Jungle Complex
0
2000 m
MINERAL PROSPECTS
Gold
Uranium
Copper
Zinc
Iron Ore
Tin
Other
Highlander
EL26094
Woodcutters Mine
Flaming Fury
EL26094
De Monchaux

Costean 6500: 50 m at 0.3 g/t Au
Costean 6600: 9 m at 1.0 g/t Au

The gold was described as being hosted within sulphide-bearing (weathered to limonite) quartz veins intruding siltstone.

These results were then tested by shallow RC drilling. At the Highlander Prospect, RC drilling focussed on three discrete areas: HLRC001 to 006 in the south, 007 to 015 in the centre and 016 to 024 in the north. A diamond hole is recorded to have been collared in the vicinity of the centre of the Highlander anomaly. Within each area significant gold was identified.

South Group

HLRC001 3 m @ 4.92 g/t Au including 1 m @ 14.5 g/t Au
HLRC004 1 m @ 1.22 g/t Au

Middle Group

HLRC007 9 m @1.88 g/t Au
HLRC008 9 m @ 1.85 g/t Au
HLRC010 3 m @ 1.41 g/t Au
HLRC011 4 m @ 1.44 g/t Au
HLRC012 8 m @ 1.13 g/t Au
HLRC013 6 m @ 1.31 g/t Au

Northern Group

HLRC016 4 m @ 1.76 g/t Au; 5 m@ 1.69 g/t Au
HLRC017 2 m @ 1.63 g/t Au
HLRC020 3 m @ 1.39 g/t Au; 5 m @ 0.96 g/t Au
HLRC021 3 m @ 1.37 g/t Au; 6 m @ 0.63 g/t Au
HLRC022 2 m @ 1.08 g/t Au; 3 m @ 2.9 g/t Au
HLRC023 4 m @ 0.44 g/t Au

The diamond hole recorded 3 m @ 1.5 g/t Au and 9 m @ 0.7 g/t Au.

Unfortunately the archival reports lack robust location data and so no conclusions can be made regarding the continuity of mineralisation. It is fair to say, however, that most of the holes that failed to intersect gold mineralisation were collared to the west of the target zone and drilled away from the zone. The results were very encouraging and suggested that mineralisation is probably semi-continuous for over 1000 m, open at depth and open to the north (within EL 26094).

The position of Highlander within the total magnetic intensity map (Figure 3) indicates that the Highlander mineralisation lies in a distinct magnetic low associated with the deformed contact between the Whites Formation to the west and the Wildman Siltstone to the east. The magnetic trend runs from the Flaming Fury prospect in the south, through Highlander and then further north where

there has been no effective exploration. Within EL 26094 the extension to the target low intensity magnetic zone extends for another 3.5 km north.

4.0 Regalpoint Resources Limited Work

4.1 Year 1-3

CSA Global compiled numerous reports on EL 26094 to provide recommendations for future exploration. The work involved the compilation of an extensive database with the initial report highlighting the high gold prospectivity of the area (see above historic work). Reconnaissance work and field planning were also completed.

4.2 Year 4-5

Regalpoint commenced on ground exploration at Highlander during 2011. Work completed includes the excavation of 6 costeans (total length 768 m), drilling 18 RC holes (1,528 m) and surface sampling (85 rock chips).

A total of 6 trenches for a total length of 768 m were dug by a local contractor. Trenches were channel-sampled at 5 m intervals. Anomalous gold mineralisation was intersected in all trenches, broadly consistent with the results reported by Nicron Resources. The quartz veins have a general northerly strike and a moderate to steep easterly dip.

The RC drilling was designed to confirm the Nicron drilling results in the northern part of the Highlander prospect by testing around historic costean HLCT001 which had significant gold results, and to test the mineralisation between costeans HLCT002 and HLCT003. Regalpoint recorded intercepts of 6 m @ 3.91 g/t Au with 1 m @ 13.1 g/t Au and two vein/gossanous rock chip samples (100160, 100161) returned 0.87 and 0.83 g/t Au respectively.

Rock chip sampling also identified five new low-level surface anomalies outside the immediate Highlander area. These have yet to be tested further.

Regalpoint's drilling and costeaning confirmed the historic results, but did not constrain the broader structural controls of high-grade domains. It is expected that the high-grade parts will have a 'shoot' geometry, which will be difficult to target in the first instance. Future drilling will target potential high-grade domains.

Exploration activities towards the end of 2013 concentrated on rehabilitation of the old drill sites and other ground disturbances (see next section).

4.3 Year 6

An updated Mine Management Plan (Authorisation 0621-01) was submitted and approved by the Northern Territory Department of Resources to allow another

drilling programme at Highlander. No field work was completed during the year, other than a brief trip to evaluate the effectiveness of the rehabilitation work.

4.4 Year 7

In June 2014, the Northern Territory Department of Mines & Energy notified Regalpoint that parts of EL 26094 fall within the Adelaide River Offstream Water Supply (AROWS) catchment and that future development proposals of any mineral discoveries in the area would be blocked. Therefore, Regalpoint reviewed the entire licence and decided to relinquish the 16 blocks most affected by the catchment. The proposed drilling programme at Highlander was also reviewed to better target the high-grade gold domains. An updated Mining Management Plan for the revised drilling was approved by the NT Department of Mines and Energy on 06 May 2015 (MDOC2015/03328). No field work was completed on EL 26094 during the year.

5.0 Environmental

Ground disturbing work has been limited to the 6 costeans and 18 RC holes completed in 2011.

Drill Pad Rehabilitation

Minor amounts of waste material remaining on the drill pads were removed and the drill pads are now cleared. Sample bags and other rubbish were removed. All excess waste was buried in a pit constructed for this purpose on drill pad HLRC033.

Drill Holes

All 18 drill holes were collared with PVC pipe when drilled. Where cut-and-fill pads were not constructed the PVC casing was cut with a pipe cutter 40 cm below ground level. These holes were plugged with concrete plugs 40 cm below surface then back filled by hand. A mound was constructed over the holes to reduce water infiltration. All holes previously rehabilitated in this manner have held up at least one wet season and are considered stable. The remaining drill holes were located on cut-and-fill pads which had been compacted by heavy machinery. These drill holes were rehabilitated by using a small bulldozer to break the PVC casing at a depth exceeding 40 cm below the current surface of the pad. The resulting deformed PVC pipe was then sealed with a plastic flowerpot-style plug. The plugged pipe was then buried when the pads were back-filled.

Drill Spoil

Drill spoil on some of the pads contained sulphate material which posed a hazard to the local environment. On consultation with the Mines Directorate it was decided that this sulphate material should be buried at drill pad HLRC033. Other drill spoils were buried at each pad in a pit dug on the high side of the pad. This material was then compacted by the bulldozer. Once compacted clean material

from the pad itself was pushed over the diluted spoils and compacted to a depth of at least 30 cm. More material was then pushed over the compacted material during pad rehabilitation to create a layer of cover at least one metre thick.

Pad Rehabilitation - Several pads were deemed to require no additional earthwork by the Mines Directorate inspectors. Apart from rubbish and calico bag removal, these pads were not disturbed. All cut-and-fill pads present on the site required limited earthworks. It was determined that returning each site to the shape of the original landform would likely result in significant erosion over the next wet season. Instead it was decided that limited earthworks should be used to reduce the slope of the toe of each pad and the moved material should be used to reduce the slope of the wall at the top of each pad. This would create a sloped terrace that would reduce the speed of water flowing over the pads during the wet season and therefore limit erosion. Each pad was ripped across the contour to mitigate this risk. Previously cleared vegetation was dragged over the sites where possible to further reduce the potential for erosion. The high clay and rock content of the sites means significant erosion is unlikely. All rehabilitated pads appear to have held up satisfactorily after one wet season and are considered stable. At pads where significant earthworks were not required the pads were ripped where bare while others were left to revegetate naturally.

Sump Rehabilitation
An old sump was identified near the site of the RC drilling. This sump was not created by Regalpoint, but the Mines Directorate Inspectors requested that it be rehabilitated (push the top of the large mound into the sump without disturbing existing vegetation) given its proximity to the ongoing work and the immediate availability of a suitable machine. Regalpoint agreed to conduct this work. The disturbed area was ripped and it is expected that vegetation will return to the site quickly. The site is on level ground and no erosion is likely to occur as a result of the additional earthworks.

Track and Costean Rehabilitation
The majority of tracks on the site were left open to allow future access to the site. The track running down slope between HLRC029/030 and HLRC033 has held up well after one wet season. Erosion is expected to be minimal due to rocky nature of the track and this track will be required again for future drilling.

A number of costeans were constructed during the drilling program. These had been rehabilitated previously, but vegetation growth on one of these was very limited and as it extended down slope it was deemed a high erosion risk. Bunds were used to direct water away from this area to mitigate the risk.

6.0 Conclusions and recommendations

The loss of parts of EL 26094 due to its overlap with the Adelaide River Offstream Water Supply (AROWS) catchment has reduced the area for future work. However, the Highlander and De Monchaux gold prospects have been retained and these will the focus of future work. The area to the north of Highlander is also considered highly prospective and future work will also examine this trend.

An updated Mining Management Plan for a revised drilling programme at the Highlander Prospect was approved by the NT Department of Mines and Energy on 06 May 2015 (MDOC2015/03328). Effectively completing this drilling will be the focus for Regalpoint over the coming 12 months.