

**Regalpoint
Resources Ltd**

ACN 122 727 342

ANNUAL REPORT **2014**

CORPORATE DIRECTORY

DIRECTORS

Hon. Shane L Stone (Non-Executive Chairman)
Bruce McCracken (Executive Director)
Ian Murchison (Non-Executive Director)
Simon Trevisan (Executive Director)

COMPANY SECRETARY

Fleur Hudson

REGISTERED AND PRINCIPAL OFFICE

Level 14
191 St Georges Terrace
PERTH WA 6000
Telephone: (08) 9424 9320
Facsimile: (08) 9321 5932
Website: www.regalpointresources.com.au
Email: enquiry@regalpointresources.com.au

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

HOME EXCHANGE

Australian Securities Exchange Ltd
Exchange Plaza
2 The Esplanade
PERTH WA 6000
ASX Code: RGU

SOLICITORS

Jackson McDonald
Level 25
140 St Georges Terrace
PERTH WA 6000

BANKERS

St George Bank
Level 3, Westralia Plaza
167 St Georges Terrace
PERTH WA 6000



CONTENT

	Page
CORPORATE DIRECTORY	1
CHAIRMAN'S LETTER	3
OPERATIONAL REPORT	4
DIRECTORS' REPORT	14
CORPORATE GOVERNANCE STATEMENT	30
AUDITORS INDEPENDENCE DECLARATION	39
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	40
STATEMENT OF FINANCIAL POSITION	41
STATEMENT OF CHANGES IN EQUITY	42
STATEMENT OF CASH FLOWS	43
NOTES TO THE FINANCIAL STATEMENTS	44
DIRECTORS' DECLARATION	73
INDEPENDENT AUDIT REPORT	74
ASX ADDITIONAL INFORMATION	76
SCHEDULE OF MINERAL LICENCE INTERESTS	78

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Board it is with pleasure we provide you with Regalpoint Resources Limited's Annual Report.

This has been another difficult year. During 2013/2014 year equity markets for junior explorers in general and in particular for those in the uranium sector continued to be very challenging. Regalpoint, as with all exploration companies, is dependent on access to new capital to fund the ongoing exploration and development of its projects.

With this in mind, the Company's focus over the past year has been on husbanding cash and maintaining the minimum core of projects which we believe can be of significant value once the market improves. To this end Directors 'parked' up their fees from the beginning of 2014 to help preserve cash. The Board has also continued to actively look at a variety of other opportunities which have the potential to add value for our Shareholders and which we believe would add sufficient value in the short term to justify any required dilution needed to fund the projects.

The signs are that in the next 2 years the market for uranium should improve as the demand and supply equation tightens and this should hopefully reflect through to the value of equities for explorers with good projects. We are monitoring the situation with India and in September this year I travelled to India, at no expense to Regalpoint, to participate in the Prime Minister Trade Delegation.

The Company will continue to progress its Paroo Project this year with a program designed to test the discovery we have made at greater depth. We will also, in a limited way, continue to advance our King Leopold Project and the other targets identified on our ground surrounding Paroo Range.



Hon. Shane L Stone AC PGDK QC FACE FAIM FAICD F FIN
Non-Executive Chairman



OPERATIONAL REPORT

SUMMARY

The Company continued to manage and incrementally progress its portfolio of core uranium projects, completing an eight hole RCP drilling program at the Skevi Prospect, Paroo Range to test the depth and extent of mineralisation. The results are encouraging, confirming the extension of the mineralised zone to the north and at depth, and showing similar structural controls to the neighbouring Valhalla and Skäl deposits.

The Company also continued to actively seek and evaluate new project opportunities with the potential to create near term value for Shareholders.

PAROO RANGE, QLD (RGU 100%)

Uranium Exploration Target

The Company's core Paroo Range Project (EPM16923, EPM16980, EPM25464 and applications EPM25465 and EPM25503) is adjacent to the Paladin/Summit Valhalla project in Queensland. EPM25464 was granted on 31 July 2013 and an application to extend the term of EPM16923 was granted with a new expiry date of 17 December 2018.

Three new applications for EPMs were lodged adjacent to the existing EPM16923 and EPM16980 in December 2013 and February 2014. Total area for the project when the remaining applications are granted will be approximately 375 square kilometres.

RGU is targeting structurally controlled metasomatic uranium mineralisation that occurs within albitised metabasalts with breccia zones developed through the quartz-haematite-carbonate alteration zone. This mineralisation style is analogous to the nearby Valhalla and Skäl deposits and to the Anderson Lode deposit, which the Company believes has strong potential to host economic mineralisation.

An airborne radiometric survey undertaken by GPX Airborne Surveys over the tenement area during December 2010 to January 2011 identified a significant radiometric anomaly (Skevi) in the Eastern Creek Volcanics and several other smaller anomalies. Drilling was undertaken during June 2012 and identified a mineralised fault or shear system trending made up of several mineralised fault zones spaced 6 to 10m apart over a length of 500m.

A follow-up drilling program was completed in November 2013 with the aim of demonstrating continuity and depth extent of the mineralised zone.



OPERATIONAL REPORT

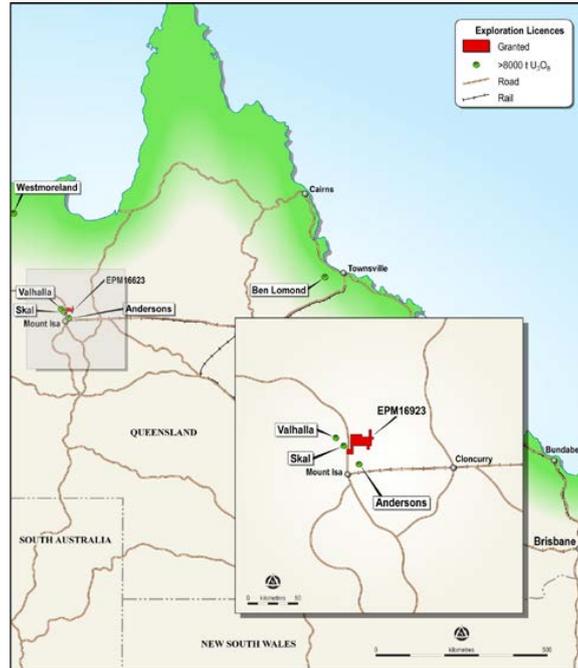


Figure 1 - Location of the Paroo Range Project

Geological Setting

The project tenements cover outcropping of the Eastern Creek Volcanic system, the main host lithology for known mineralisation in the Mt Isa district. This system hosts the significant Valhalla and Skall uranium resources, which are adjacent to the Company's tenement holdings.

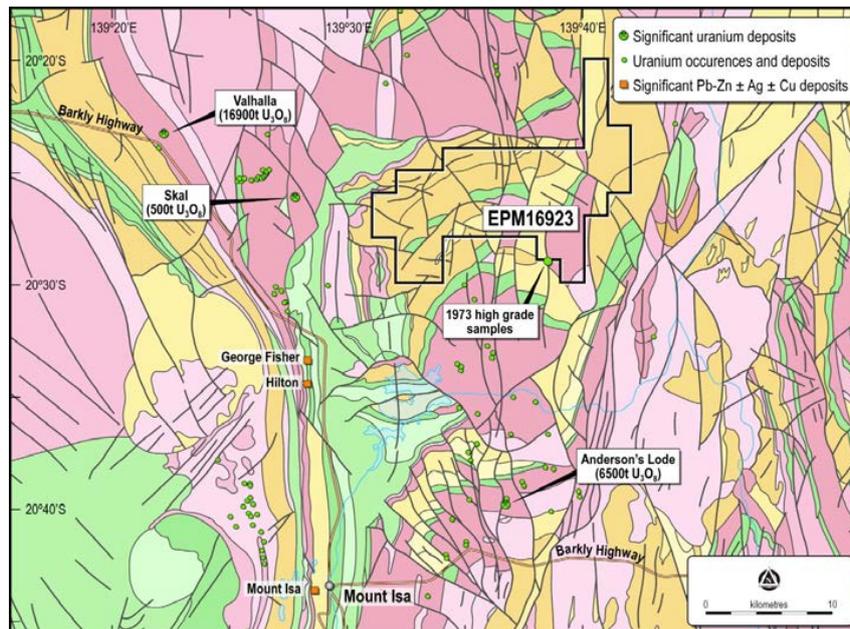


Figure 2 - Geology map of the Paroo Range district (Queensland Mines Department) showing uranium prospects



OPERATIONAL REPORT

An airborne radiometric survey was undertaken over the tenement area in late 2010/early 2011. The survey identified a significant radiometric anomaly (Skevi) in the Eastern Creek Volcanics and several other smaller anomalies were also identified.

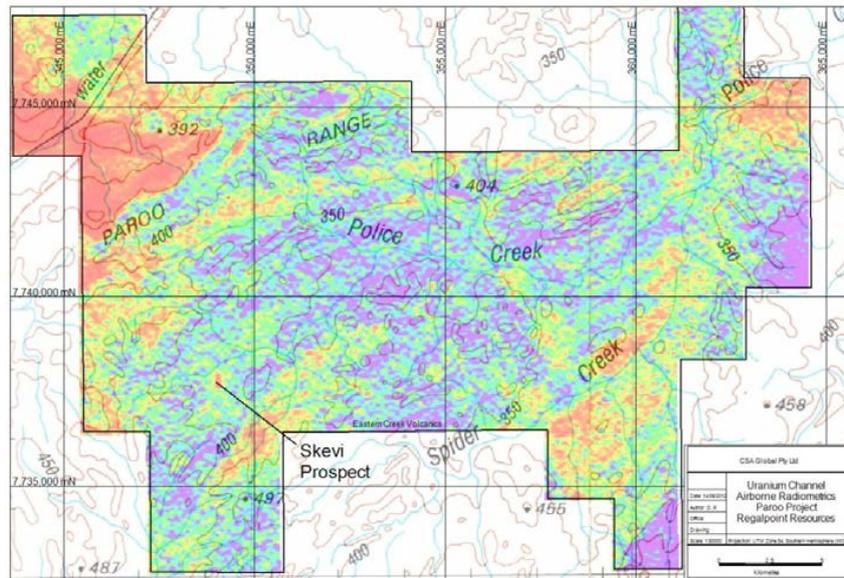


Figure 3 - Uranium Channel radiometrics of the Paroo Range Project area (EPMs 16923 and 16980).

The Skevi anomaly was ground checked and sampled prior to being drilled. No ground radiometric mapping was undertaken because of extensive quaternary ground cover; however spot radiometric anomalies were recorded which were used to design a drill program. Drilling was undertaken in June 2012 with 24 holes drilled along lines spaced 25 to 50m apart. The drilling was designed to target mineralisation associated with the radiometric anomalies which were considered to be related to an N-S structure consistent with the trend of the radiometric anomalies.

The drilling identified a mineralised shear system trending at 010° made up of several mineralised fault zones spaced 6 to 10m apart over a length of 500m.



OPERATIONAL REPORT

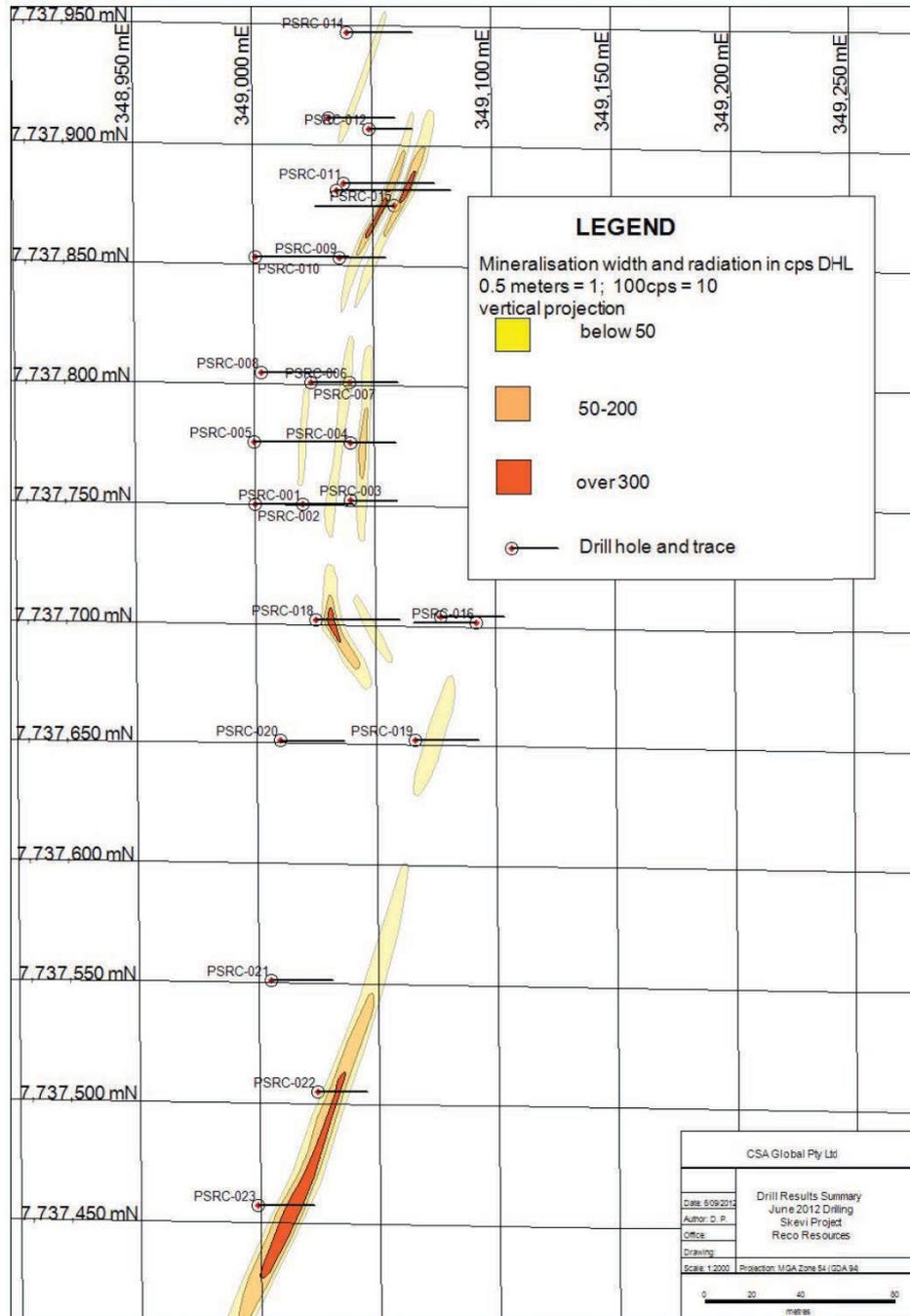


Figure 4 - Plan of the June 2012 drilling program.

The results were very encouraging, with the highest grade intercept of 7m @ 1155ppm U₃O₈.

OPERATIONAL REPORT

Table 1 - Best Intercepts from the initial drill program (length weighted averages)

Hole	Northing	Interval	U ₃ O ₈ (ppm)
PSRC-001	7737750	39-39	1m @ 210
		41-42	1m @ 240
PSRC-004	7737776	9-11	2m @ 695
PSRC-009	7737853	12-17	5m @ 242
		33-34	1m @ 615
PSRC-011	7737884	41-44	3m @ 473
		59-70	11m @ 225
		10-17	7m @ 324
PSRC-018	7737702	3-10	7m @ 352
PSRC-022	7737505	9-10	1m @ 330
		14-21	7m @ 261
PSRC-023	7737457	25-32	7m @ 1155
		Inc 27-30	3m @ 2457
		34-35	1m @ 765
PSRC-024	7737881	42-46	4m @ 292
		60-66	6m @ 240

Table 2 – Comparison between Valhalla and Skevi

	Valhalla ¹	Skevi
Strike direction	350 degrees, structurally controlled	360 degrees
Strike Length	600m strike length	500m open ended
Down Dip	450m	Not known but drilling to 70m down hole intersected good grades
Thickness	60m at 100ppm contour	Generally narrow zones of several metres based on best intercepts. Up to 20m encountered
Limit of Mineralisation	100ppm contour	All intercepts quoted exceed 100ppm
High Grade Zone	450ppm contour	Best hole 7m at 1155ppm
Alteration Assemblage	Haematite, Magnetite	Strong haematite alteration noted in the early holes. Presence of magnetite mentioned but unclear if this is due to alteration
Resource Grade	770ppm at 230ppm cutoff	One hole exceeds 1000ppm. Several intercepts exceed 230ppm

¹ Polito P A, Kyser T K and Stanley C 2004 - The Proterozoic, albitite-hosted, Valhalla uranium deposit, Queensland, Australia: a description of the alteration assemblage associated with uranium mineralisation in diamond drill hole V39: in *Mineralium Deposita* v44 pp 11-40.



OPERATIONAL REPORT

CSA Global undertook an extensive review of the previous work on the Skevi project and the surrounding area within the tenement. The review made recommendations for further drilling in the vicinity of the earlier intersections at Skevi.

Drilling Programme Overview, November 2013

The Company completed a follow-up Reverse Circulation drilling program at the Skevi Prospect in November 2013. The drilling was successful in extending the strike extent of the mineralised zone to the north towards the Thesaurus prospect, with intersected mineralisation of variable grade and width, and at depth.

The drill program was designed to investigate the extent and grade of mineralisation at Skevi by following up the initial program where intersections greater than 2-4m of greater than 200ppm U were identified. The drill line spacing was 50m with drill holes intended to intersect mineralisation at 30 and 60m depth. Eight RCP drill holes totalling 648m were completed in November 2013 on EPM16923. All holes were drilled along the north-south trending mineralised zone and were orientated to the east at 090° magnetic and dipping at 60° (Table 3 and Figure 5).

Table 3: Collar details of RCP drill holes at Skevi prospect

Hole ID	Easting	Northing	RL	Dip	Azi.	Depth (m)
PSRC044	348939	7737342	394	60	90	78
PSRC042	348975	7737403	383	60	90	48
PSRC041	348978	7737449	385	60	90	96
PSRC040	348994	7737504	383	60	90	102
PSRC038	349015	7737552	384	60	90	84
PSRC036	349029	7737601	388	60	90	78
PSRC026	349046	7737943	379	60	90	78
PSRC060	349061	7737996	377	60	90	84

OPERATIONAL REPORT

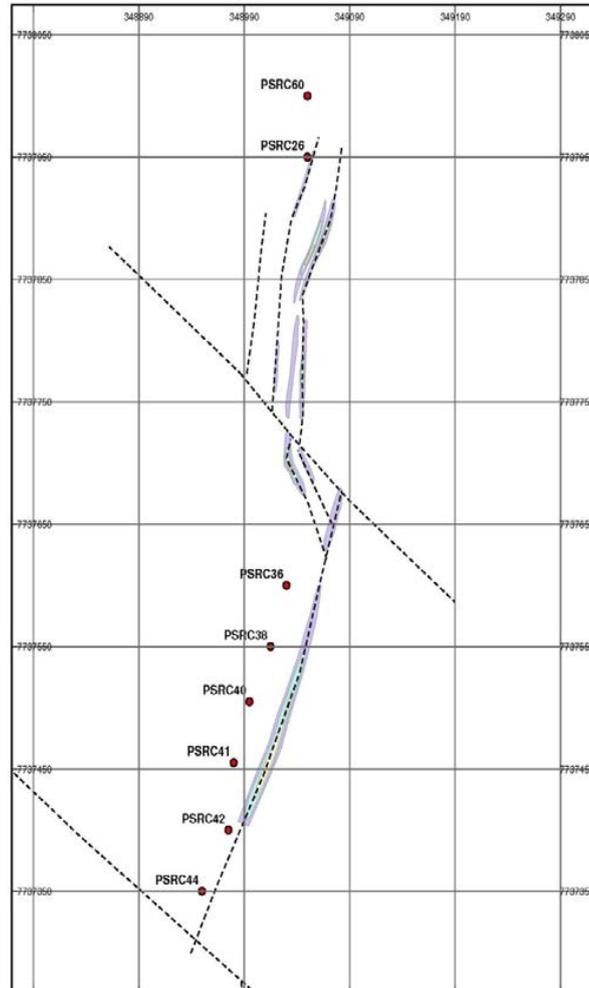


Figure 5 – Location of Drill Holes

Uranium Mineralisation

The majority of holes were designed to test the depth extent of mineralisation (down to 80m). Four drill holes SKRC003–006 were located in the southern part of the mineralised zone, and SKRC007 was positioned at the northernmost edge of the known mineralised trend (Figure 5). All the drill holes intersected mineralisation. Significant intercepts are shown in Table 4.

OPERATIONAL REPORT

Table 4: Significant mineralised drill intercepts at Skevi prospect

Drill Hole	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)
PSRC041	73	75	2	171
PSRC040	87	88	1	165
PSRC040	93	94	1	189
PSRC038	43	47	4	266
PSRC038	76	77	1	413
PSRC026	58	60	2	536
including	58	59	1	808
PSRC026	64	69	5	176

The mineralisation occurs as steep (85° to the east) shear zone, composed of altered to albite-haematite metasomatic rock. There are generally, one or two narrow (up to a few metres wide) higher grade uranium mineralised intervals within the alteration zone (Figure 6).

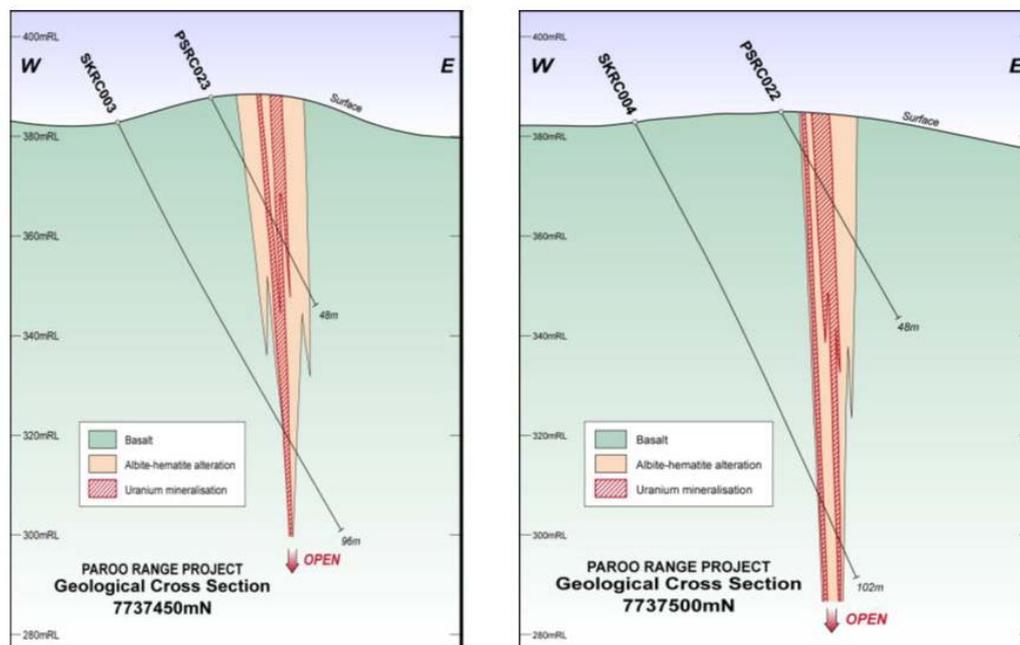


Figure 6: Geological cross sections showing geometry of the mineralisation and alteration zone

The drilling programme confirmed that the mineralisation at Skevi is analogous to that found at the Valhalla and Skal uranium deposits located in the region. These deposits are strongly structurally controlled within metabasalts and metasediments of the Eastern Creek Volcanics and confined to zones of strong albite/haematite alteration. The Skal deposit is a series of mineralized lenses, truncated and offset by faults and, in particular, is considered as a geological model for the Skevi exploration program. A petrology report on the lithologies encountered in the recent drilling is awaited.



OPERATIONAL REPORT

Further work at the Skevi Prospect will involve drilling to determine the extent of the mineralized envelope. The Skevi prospect is interpreted to extend further north under cover to the Thesaurus prospect and drilling will be planned to test the entire zone.

RUM JUNGLE, NT (RGU 100%)

Gold Exploration Target

The Company's project area consists of approximately 84 square kilometres of granted tenement in the Batchelor area and one tenement application for 10 Blocks in the Adelaide River area.

RGU has undertaken exploration work across the project area, including drilling, sampling and geophysical surveys, in addition to previous drilling undertaken by Nicron Resources (Nicron) and Normandy. Nicron drilled 24 RC holes over a gold soil anomaly now known as the Highlander Prospect, and Normandy subsequently took over the area and interpreted the anomaly as a stratabound zone of vein type gold mineralisation over a strike length of 4.5km. The mineralisation is interpreted as a sulphide Au-Quartz vein system in the boundary vicinity of the Wildman Siltstone and underlying Whites Formation. The structure in the area is dominated by a series of north-south striking anticlines.

RGU conducted drilling and costeaning in 2011 close to the previous Nicron drilling and trenching and was successful in confirming Highlander as a first class target in a green field area. RGU recorded intercepts of 6m @ 3.91g/t Au with 1m @ 13.1g/t and two vein/gossanous rock chip samples taken by RGU within the Highlander Prospect recorded 0.87g/t and 0.83 g/t Au respectively.

Future drilling will aim at defining the mineralised envelope and identifying higher grade zones within it that may be amenable to resource estimation.

An application to extend the tenement period by a further two years was approved and the new expiry date is 5 May 2016.

KING LEOPOLD, WA (RGU: 100%)

Uranium Exploration Target

The Company holds two granted tenements (E80/4264 and E80/4311) in the King Leopold project area covering an area of 270 square kilometres. The Company surrendered tenement E80/4211 in October 2013 based on inconclusive results from exploration fieldwork.

The Juno and Jupiter Prospects (E80/4311) lie on a major north-south trending regional fault filled with quartz breccia and is essentially a radiometric hotspot within the fault system, which is otherwise devoid of radioactivity. The Juno hotspot coincides with a saddle in the otherwise prominent ridge formed by the quartz breccia. It may be a zone of clay alteration within the otherwise silica-rich fault.

The geochemistry of the single rock grab sample taken at Juno suggests a hydrothermal origin with high Mg suggesting that the associated clays are chloritic, a common feature of unconformity style U mineralisation. The breccia is clearly hydrothermal. The fault zone could have acted as a remobilisation pathway and trap site for uranium weathered from the surrounding Whitewater Volcanics.

Anomaly L48 (E80/4264) appears to be due to a superficial enrichment of uranium due to lateritisation processes, involving the leaching of uranium from high U-background siltstones during weathering and deposition at the contact with underlying sandstones.



OPERATIONAL REPORT

A review of the earlier work will form a background to planned future drilling of the Jupiter, Juno and L48 Uranium Prospects. The current total area of the project is approximately 254 square kilometres.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr Castle is a Consultant Geologist with Agricola Mining Consultants Pty Ltd. He has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is 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". Mr Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Current Tenement Schedule							
Tenement	Project	Location	Status	Area	km ²	Expiry	Application
E80/4264	King Leopold	WA	Granted	52 Blocks	161.2	29-Feb-16	
E80/4311	King Leopold	WA	Granted	30 Blocks	93.0	26-Jul-15	
EL26094	Rum Jungle	NT	Granted	27 Blocks	83.7	5-May-16	
EL26098	Adelaide River	NT	Application	10 Blocks	31.0		30-Apr-07
EPM16923	Paroo Range	QLD	Granted	49 Blocks	151.9	17-Dec-18	
EPM16980	Paroo Range	QLD	Granted	12 Blocks	37.2	13-Dec-16	
EPM25464	Paroo Range	QLD	Granted	16 Blocks	49.6	30-Jul-19	
EPM25465	Paroo Range	QLD	Application	28 Blocks	86.8		12-Dec-13
EPM25503	Paroo Range	QLD	Application	12 Blocks	37.2		3-Feb-14



DIRECTORS' REPORT

The Directors present their report together with the financial report of Regalpoint Resources Limited (**Company**) for the financial year ended 30 June 2014 and the Auditor's Report thereon.

DIRECTORS

The names and details of the Directors in office during the financial year and until the date of this report are set out below.

- Hon. Shane L Stone (Non-Executive Chairman)
- Bruce McCracken (Executive Director – Appointed on 30 September 2013)
- Ian Murchison (Non-Executive Director)
- Simon Trevisan (Executive Director)

Directors have been in office the entire period unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year comprised of mineral exploration in Australia. There were no other significant changes in the nature of the Company's activities during the financial year.

DIVIDENDS PAID OR RECOMMENDED

The Directors of the Company do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2014.

REVIEW OF OPERATIONS

The Company's net loss after providing for income tax for the year ended 30 June 2014 amounted to \$843,166 (2013: \$1,417,919) including exploration expenditure written off of \$277,641 (2013: \$928,747). At 30 June 2014, the Company has \$394,345 between cash and cash equivalents and investments.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Transcontinental Group (TRG) has provided a letter of support to the Company in which TRG confirmed it will provide financial support to Regalpoint if required to enable the Company to carry on its business as a going concern during the 12 month period from the date of signing the annual financial report for the period ended 30 June 2014.

There were no other post reporting date events at the reporting date.

LIKELY DEVELOPMENTS

The Company will continue to pursue its main objective of developing interests in exploration projects.

ENVIRONMENTAL REGULATION

The Company's exploration and mining activities are governed by a range of environmental legislation. As the Company is still in the development phase of its interests in exploration projects, it is not yet subject to the



DIRECTORS' REPORT

public reporting requirements of environmental legislation. To the best of the Directors' knowledge, the Company has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

National Greenhouse and Energy Reporting Act 2007

This is an Act to provide for the reporting and dissemination of information related to greenhouse gas emissions, greenhouse gas projects, energy production and energy consumption, and for other purposes. The Entity is not subject to the National Greenhouse and Energy Reporting Act 2007.

BOARD OF DIRECTORS

Hon Shane L Stone AC PGDK QC FACE FAIM FAICD F FIN – Non-Executive Chairman

Experience and Expertise

Mr Stone is Chairman of Anne Street Partners. He is also the Executive Chairman of the APAC Group consulting to companies operating in the Asia-Pacific Region. He is an alumnus of the Australian National University, Melbourne Law School, Adelaide and Sturt Universities and a Fellow of the Australian Institute of Management and Australian Institute of Company Directors. He is also a Fellow and Life Member of the Australian College of Educators.

Mr Stone has a strong background in the export of Australian commodities. He has at various times acted as Independent Director to various public and private companies. He formerly served as Chief Minister of the Northern Territory, Minister for Mines and Energy and Federal President of the Liberal Party of Australia. He was a Barrister prior to his entry into politics.

In 2006 he was made a Companion of the Order of Australia in the Queen's Birthday Honours list. Mr Stone has also received national awards from Indonesia and Malaysia.

His not-for-profit activities include the Australian Children's Television Foundation, Defence Reserves Support Council, the Order of Australia Association and National Chairman of the Duke of Edinburgh's Award.

Mr Stone is the Chairman of the Share Trading Committee and a member of the Audit and Risk Committee and Nomination and Remuneration Committee

Other Current Directorships

Chairman of Mayfair Limited in Australia (including Anne Street Partners, QNV and subsidiaries)
Executive Chairman of the APAC Group
Deputy Chairman and Independent Non-Executive Director of Impellam plc (UK)
Chairman of Impellam subsidiaries in Australia Medacs and Commensura.
Chairman of Energex Limited

Former Directorships in last 3 years

None

Special Responsibilities

Chairman of the Share Trading Committee
Member of the Audit and Risk Committee
Member of the Nomination and Remuneration Committee

Interests in Shares and Options

1,034,207 ordinary shares in Regalpoint Resources Limited

DIRECTORS' REPORT

Bruce McCracken B Com, LLB, MBA, GAICD - Executive Director

Experience and Expertise

Mr McCracken is an experienced business executive having spent over 20 years working across a broad range of industries based in Perth, Melbourne and Sydney, and is currently the Managing Director of mineral resource explorer BMG Resources Limited.

Mr McCracken has worked in the corporate sector as a Senior Executive with the Kirin Group-owned Lion Pty Ltd (previously Lion Nathan) and the private equity owned Amatek Group, now part of the Fletcher Building Group.

Before working in the corporate environment he was an Investment Banker based in both Perth and Melbourne in specialist corporate advisory and project finance roles, and has also practiced as a Banking and Finance Solicitor. During his time as an Investment Banker Mr McCracken worked across a broad range of corporate and financial advisory assignments, primarily in the diversified industrials and mining and resources sectors.

Mr McCracken holds Bachelor of Commerce and Bachelor of Laws degrees from the University of Western Australia, an MBA from Melbourne Business School and is a graduate of the Australian Institute of Company Directors.

Mr McCracken is a member of the Share Trading Committee.

Other Current Directorships

Managing Director of BMG Resources Limited

Former Directorships in last 3 years

None

Special Responsibilities

Member of the Share Trading Committee

Interests in Shares and Options

None

Ian Murchison B Com, FCA, Dipl Naut Sc – Non-Executive Director

Experience and Expertise

Mr Murchison is an Investment Director and a founding shareholder of Perth-based private equity fund manager Foundation Capital. Foundation Capital was established in 1994 and has invested institutional funds of over \$125 million, primarily in Western Australia.

Mr Murchison is a Fellow of the Institute of Chartered Accountants and was a founding Partner of Sothertons Chartered Accountants. Mr Murchison is a Director of Austwide Distributors Pty Ltd.

Mr Murchison is the Chairman of the Audit and Risk Committee and a member of the Share Trading Committee and Nomination and Remuneration Committee.

Other Current Directorships

Primary Securities Limited
Investment Director of Perth-based Private Equity Fund Manager Foundation Capital
Director of Austwide Distributors Pty Ltd

Former Directorships in last 3 years

Director of Skill Hire Pty Ltd
TFS Corporation Limited
Ausgold Limited



DIRECTORS' REPORT

Special Responsibilities	Chairman of the Audit and Risk Committee Member of the Share Trading Committee Member of the Nomination and Remuneration Committee
---------------------------------	--

Interests in Shares and Options	4,539,460 ordinary shares in Regalpoint Resources Limited
--	---

Simon Trevisan B Econ, LLB (Hons), MBT – Executive Director

Experience and Expertise	<p>Mr Trevisan is the Managing Director of the Transcontinental Group of Companies and for the past 15 years has been responsible for managing Transcontinental Group's mining and oil & gas investments and property development projects. Mr Trevisan has been involved in the promotion and management of a number of public companies, including Mediterranean Oil & Gas plc, an AIM listed Oil & Gas Company with production and a substantial oil discovery in Italy.</p>
---------------------------------	---

He was Executive Chairman of ASX-listed gold explorer Aurex Consolidated Ltd until its takeover by TerraGold Mining Ltd and a founding investor and Director of Regalpoint Resources Limited and Ausgold Limited. He has a Bachelor of Economics and a Bachelor of Laws (UWA) and a Masters Degree in Business and Technology from the University of New South Wales. Mr Trevisan initially practised as a solicitor with Allens Arthur Robinson Legal Company firm, Parker and Parker, in the corporate and natural resources practice groups and later acted as General Counsel to a group of public companies involved in the mining and exploration sectors.

Mr Trevisan is the Chairman of the Nomination and Remuneration Committee and a member of the Share Trading Committee and Audit and Risk Committee.

Other Current Directorships	Managing Director of the Transcontinental Group
------------------------------------	---

Former Directorships in last 3 years	Director of Ausgold Limited (Resigned on 4 th February 2013)
---	---

Special Responsibilities	Chairman of the Nomination and Remuneration Committee Member of the Share Trading Committee Member of the Audit and Risk Committee
---------------------------------	--

Interests in Shares and Options	17,207,982 ordinary shares in Regalpoint Resources Limited
--	--

COMPANY SECRETARY

Fleur Hudson BA, LLB, LLM (Disp. Res.)

Experience and Expertise	<p>Mrs Hudson has a Bachelor of Arts, a Bachelor of Laws and Master of Laws degrees. Mrs Hudson has been a Director of Transcontinental Group since 2009 and was appointed as Company Secretary of Ausgold Limited (resigning in November 2011), Regalpoint Resources Limited and BMG Resources Limited in 2010.</p>
---------------------------------	--

Prior to that, she has practiced as a solicitor with international law firms in Perth and in London since 1998. As a solicitor, Mrs Hudson has advised large national and international companies with respect to a variety of civil construction, infrastructure and commercial issues.

DIRECTORS' REPORT

Other Current Directorships	Director of the Transcontinental Group
Former Directorships in last 3 years	None
Special Responsibilities	Company Secretary
Interests in Shares and Option	150,000 ordinary shares in Regalpoint Resources Limited

DIRECTORS' MEETING

During the financial year, 8 meetings (including Committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Remuneration Committee*		Audit Committee**	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Directors						
Shane Stone	5	4	1	1	2	2
Bruce McCracken	4	4	-	-	-	-
Simon Trevisan	5	5	1	1	2	2
Ian Murchison	5	4	1	-	2	2

* During the financial year Mr Trevisan was Chairman of the Remuneration Committee and the Hon. Stone and Mr Murchison were members.

** During the financial year Mr Murchison was Chairman of the Audit Committee and the Hon. Stone and Mr Trevisan were members. There were no Share Trading Committee Meetings held during the year.

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in shares and options of the Company as at the date of this report:

	Number Shares	Number Options
Directors		
Shane Stone ¹	1,034,207	-
Bruce McCracken	-	-
Ian Murchison ²	4,539,460	-
Simon Trevisan ³	17,207,982	-
Company Secretary		
Fleur Hudson	150,000	-

Note 1: Relevant interest as a beneficiary of S&J Stone Pty Ltd (Stone Family Superannuation Fund).

Note 2: Interest as controlling Shareholder of Tenalga Pty Ltd.

Note 3: Relevant interest as Director and controlling Shareholder of Transcontinental Investments Pty Ltd.



DIRECTORS' REPORT

DIRECTORS' REMUNERATION

Information about the remuneration of Directors is set out in the Remuneration Report below.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Regalpoint Resources Limited and for the other Key Management Personnel. This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company and has been audited in accordance with the requirements of section 308(3C) of the *Corporations Act 2001* and the Corporations Regulations 2001.

For the purposes of this report, Key Management Personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company. The Entity presently has two Executive Directors, one Non-Executive Director and a Non-Executive Chairman.

Key Management Personnel disclosed in the Report

Names and positions held of Parent Entity Directors and Key Management Personnel in office at any time during the financial year are:

Hon. Shane L Stone	(Non-Executive Chairman)
Bruce McCracken	(Executive Director – Appointed 30 September 2013)
Ian Murchison	(Non-Executive Director)
Simon Trevisan	(Executive Director)

Other Key Management Personnel

Fleur Hudson	(Company Secretary)
--------------	---------------------

Remuneration Governance

The Remuneration and Nomination Committee provides assistance to the Board with respect to the following:

- Remuneration policies and practices;
- Remuneration of the Executive Officer and Executive Directors;
- Composition of the Board; and
- Performance Management of the Board and of the Executive Officer.

Use of Remuneration Consultants

During the year, the Company has not required or used any remuneration consultants.

Membership and Composition

The minimum number of members required on the Committee is two Directors. At least one member of the Committee must be a Non-Executive Director of the Board.

The Chair of the Committee is to be a Non-Executive Director, nominated by the Board, who may be the Chairman of the Board.



DIRECTORS' REPORT

The Secretary of the Committee shall be the Company Secretary or such other person as nominated by the Board.

Executive Remuneration Policy and Framework

The Remuneration and Nomination Committee is to review and make recommendations regarding the following:

- (a) strategies in relation to executive remuneration policies;
- (b) compensation arrangements for the Executive Director, Non-Executive Directors and other senior executives as appropriate;
- (c) performance related incentive policies;
- (d) the Company's recruitment, retention and termination policies;
- (e) the composition of the Board having regard to the skills/experience desired and skills/experience represented;
- (f) the appointment of Board members;
- (g) the evaluation of the performance of the Executive Director;
- (h) consideration of potential candidates to act as Directors; and
- (i) succession planning for Board members.

Processes

The Committee shall meet as frequently as required to undertake its role effectively and properly. This shall be no less than once a year. A quorum for the Committee meeting is when at least two members are present. Any relevant employees may be invited to attend the Committee meetings.

The issues discussed at each Committee meeting as well as the Minutes of each meeting are reported at the next Board Meeting. The Committee Chair shall report the Committee's recommendations to the Board after each meeting.

The Committee reviews, and may recommend to the Board, any necessary action to require at least annually, and recommends any changes it considers appropriate to the Board. The Committee may undertake any other special duties as requested by the Board.

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of Key Management Personnel for the economic entity is as follows:

The remuneration structure for Key Management Personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and Key Management Personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. There is no scheme to provide retirement benefits, other than statutory superannuation.

The Remuneration Committee determines the proportion of fixed and variable compensation for each Key Management Personnel.



DIRECTORS' REPORT

Non-Executive Director Remuneration Policy

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Company. The Letter of Appointment summarises the Board policies and terms, including remuneration, relevant to the Office of Director.

The Non-Executive Chairman does not receive additional fees for participating in or chairing committees.

Non-Executive Directors do not receive retirement allowances.

The Non-Executive Chairman and Non-Executive Directors have chosen to receive their fees by invoicing the Company for their consulting services.

Fees provided to Non-Executive Directors are exclusive of superannuation.

The Non-Executive Directors do not receive performance-based pay.

Fees are reviewed annually by the Board taking into account comparable roles and market data provided by the Board's independent remuneration adviser. The current base fees were reviewed with effect from 1 July 2014. The following fees have applied:

	From 01 July 2014	From 01 July 2013 to 30 June 2014	From 01 July 2012 to 30 June 2013
Base Fees			
Non-Executive Chairman	\$72,000	\$72,000	\$72,000
Executive Director*	\$72,000	\$58,995	-
Non-Executive Directors	\$30,000	\$30,000	\$30,000

*Bruce McCracken was appointed an Executive Director on 30 September 2013 and is entitled to a Director's fee of \$6,000 per month plus statutory superannuation for the period from 1 October 2013.

There are no other additional fees paid to Non-Executive Chairman and Non-Executive Directors for participating in the Audit Committee, Nomination Committee and Remuneration Committee.

Company Performance, Shareholder Wealth and Director and Executive Remuneration

The Remuneration Policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. Each year the Board reviews Directors remuneration and will consider the issue of options as part of the Director's remuneration to encourage the alignment of personal interest and shareholder interests.

Performance based Remuneration

Due to the size of the Company, its current stage of activities and its relatively small number of employees, the Company has not implemented performance-based remuneration for the current year or prior years.

The Company did not have any remuneration limited to performance.

Voting and comments made at the Company's 2013 Annual General Meeting

The Company received more than 80% of "yes" votes on its Remuneration Report for the 2013 financial year.

The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DIRECTORS' REPORT

Key Management Personnel Remuneration

Please see the table below for the details of the nature and amount of each major element of remuneration for each Key Management Personnel of the Company during the year:

2014 Key Management Personnel	Short-term Benefits		Post-employment Benefits	Share-based payment		Balance due and payable at 30 June 2014		
	Salary \$	Other Fees \$		Equity \$	Options \$	Total \$	Performance Related %	Options Related %
Directors								
Shane Stone ⁽¹⁾	72,000	-	-	-	72,000	18,000	-	-
Bruce McCracken ⁽²⁾	-	54,000	4,995	-	58,995	-	-	-
Simon Trevisan ⁽³⁾	-	-	-	-	-	-	-	-
Ian Murchison ⁽⁴⁾	-	30,000	-	-	30,000	7,500	-	-
	72,000	84,000	4,995	-	160,995	25,500	-	-
Other Key Management Personnel								
Fleur Hudson ⁽²⁾	-	-	-	-	-	-	-	-

(1) The Hon. Stone received Director Fee of \$54,000 paid to Docket Pty Limited, of which the Hon. Stone is a Director and agreed to accrue the Director fee for the period from 01 April 2014, totalling \$18,000 for the year ended 30 June 2014.

(2) Mr Bruce McCracken joined as an Executive Director of the Company effective from 30 September 2013 and received Director Fee of \$6,000 per month plus statutory superannuation for the period from 1 October 2013. (Note: sharing 28.8% portion of \$250,000 plus super per annum of BMG Resources Ltd salary package for the period from 01 October 2014 to be reimbursable to BMG Resources Ltd on a monthly basis).

(3) Mr Trevisan and Mrs Hudson have not received remuneration from the Company for the year ended 30 June 2014. Regalpoint Resources Limited has an agreement with Transcontinental Investments Pty Ltd which is a Director related Entity (Simon Trevisan and Fleur Hudson) which charged an administrative fee for office space, telecommunications, office supplies, accounting support and business support services) were paid to Transcontinental Investments Pty Ltd, totalling \$220,000 and accrued \$115,000 (2013: \$240,000) of which Mr Trevisan and Mrs Hudson are Directors and beneficial Shareholders.

(4) Mr Murchison received Directors Fee of \$22,500 paid to Exert Pty Ltd, of which Mr Murchison is a Director and agreed to accrue the Director fee for the period from 1 April 2014, totalling \$7,500 for the year ended 30 June 2014.



DIRECTORS' REPORT

2013 Key Management Personnel	Short-term Benefits		Post-employment Benefits		Share-based payment			Performance Related		Options Related	
	Salary \$	Other Fees \$	Superannuation \$	Equity \$	Options \$	Total \$	Performance Related %	Options Related %			
Directors											
Shane Stone ⁽¹⁾	72,000	-	-	-	-	72,000	-	-	-	-	-
Nicholas Burn ⁽²⁾	45,276	-	4,075	-	-	49,351	-	-	-	-	-
Robert Pett	23,250	-	2,093	-	-	25,343	-	-	-	-	-
Richard Lockwood	8,486	-	-	-	-	8,486	-	-	-	-	-
Simon Trevisan ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-
Ian Murchison ⁽⁴⁾	-	30,000	-	-	-	30,000	-	-	-	-	-
	149,012	30,000	6,168	-	-	185,180	-	-	-	-	-
Other Key Management Personnel											
Fleur Hudson ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-

(1) The Hon. Stone received Director Fees of \$72,000 paid to Docket Pty Limited, of which the Hon. Stone is a Director.

(2) Mr Nicholas Burn resigned as Chief Executive Officer of the Company effective from 20 July 2012.

(3) Mr Trevisan and Mrs Hudson have not received remuneration from the Company for the year ended 30 June 2013. Regalpoint Resources Limited has an agreement with Transcontinental Investments Pty Ltd which is a Director related entity (Simon Trevisan and Fleur Hudson) which charged a management and administrative fee for office space, telecommunications, office supplies, accounting support and administration and business support services totalling \$240,000 (2011: \$240,000) were paid to Transcontinental Investments Pty Ltd, of which Mr Trevisan and Mrs Hudson are Directors and Mr Trevisan is a beneficial shareholder. On and from 1 October 2012 Transcontinental agreed to temporarily and unilaterally accrue 50% of the monthly fee, being \$10,000 per month, without charging any interest instead of requiring payment of the full invoice on ordinary terms. At the end of the half year the Company has accrued \$90,000 in total.

(4) Mr Murchison received Directors fee of \$30,000 paid to Exert Pty Ltd, of which Mr Murchison is a Director.

DIRECTORS' REPORT

Key Management Personnel Compensation

The Key Management Personnel Compensation disclosed below represents an allocation of the Key Personnel's estimated compensation in relation to their services rendered to the Company.

The individual Directors and Executive compensation comprised as at 30 June 2014.

Directors	2014 \$	2013 \$
Short-term benefits to Directors	156,000	179,012
Share-based payments to Directors	-	-
Post-employment benefits	4,995	6,168
TOTAL	160,995	185,180

Non-Executive Director Shareholding Requirement

To promote further alignment with Shareholders, Directors are required to achieve a minimum shareholding requirement of 50,000 shares within 3 years of appointment. All current Directors comply with this requirement except for Mr McCracken who was appointed on 30 September 2013.

SHARES UNDER OPTION

Regalpoint Resources Limited (**'the Company'**) announced that the Company's listed options expired on 31 March 2014. The total number of options that remained unexercised and have now lapsed is 66,328,948 options. No options were held by Key Management Personnel at the year ended 30 June 2014.

Options issued as part of Remuneration for the Year ended 30 June 2014

Options are issued to Directors and Executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to Directors and Executives of Regalpoint Resources Limited to increase goal congruence between Executives, Directors and Shareholders. The fair value of option at grant date is independently determined using a Black Scholes option valuation methodology that takes into account the exercise price.

No options have been issued to Directors and Executives as part of their remuneration during the year ended 30 June 2014.

Shares issued on Exercise of Compensation Options

There were no compensation options exercised by Directors or Key Management Personnel during the year ended 30 June 2014.

Consequences of Company Performance on Shareholder Wealth

The Remuneration Committee has observed the following indices in respect of the current financial year and the previous financial year.



DIRECTORS' REPORT

	2014	2013	2012	2011
Comprehensive loss attributable to owners of Regalpoint Resources Limited	(843,166)	(1,417,919)	(4,061,323)	(180,442)
Change in share price	\$0.01	\$0.01	\$0.03	\$0.22
Loss per share for profit from continuing operations attributable to the ordinary equity holders of the Company				
Basic loss per share (cents per share)	(1.25)	(2.10)	(6.01)	(0.60)
Diluted loss per share (cents per share)	N/A	N/A	N/A	N/A

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration		At Risk – Short Term Incentive		At Risk – Long Term Incentive	
	2014	2013	2014	2013	2014	2013
Shane Stone	100%	100%	-	-	-	-
Bruce McCracken	100%	-	-	-	-	-
Ian Murchison	100%	100%	-	-	-	-
Simon Trevisan	-	-	-	-	-	-

Equity instruments disclosure held by Key Management Personnel Shareholdings

Number of shares held by Parent Entity Directors and other Key Management Personnel of the Company, including their personally related parties, are set out below.

2014 Key Management Personnel	Balance at the start of the year	Allotment during the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Regalpoint Resources Limited Ordinary Shares					
Shane L. Stone ¹	1,034,207	-	-	-	1,034,207
Bruce McCracken	-	-	-	-	-
Ian Murchison ²	4,539,460	-	-	-	4,539,460
Simon Trevisan ³	17,207,982	-	-	-	17,207,982
Other Key Management Personnel of Regalpoint Resources Limited Ordinary Shares					
Fleur Hudson ⁴	150,000	-	-	-	150,000

Note 1: Relevant interest as a beneficiary of S & J Stone Pty Ltd (Stone Family Superannuation Fund).

Note 2: Interest as controlling Shareholder of Tenalga Pty Ltd.

Note 3: Relevant interest as Director and controlling Shareholder of Transcontinental Investments Pty Ltd.

Note 4: 50% of interest under own name and Jeremy Hudson - 50% of indirect interest as a spouse of Fleur Hudson.

DIRECTORS' REPORT

Option Holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of Regalpoint Resources Limited and other Key Management Personnel of the Entity, including their personally related parties, are set out below:

2014 Key Management Personnel	Balance at the start of the year	Granted as compensation	Exercised	Other changes during the year (expired)	Balance at the end of the year	Vested and exercisable	Unvested
Directors of Regalpoint Resources Limited							
Option Holdings							
Shane L. Stone ¹	838,155	-	-	(838,155)	-	-	-
Bruce McCracken	-	-	-	-	-	-	-
Ian Murchison ²	3,404,595	-	-	(3,404,595)	-	-	-
Simon Trevisan ³	12,905,987	-	-	(12,905,987)	-	-	-
Other Key Management Personnel of Regalpoint Resources Limited							
Option Holdings							
Fleur Hudson ⁴	187,500	-	-	(187,500)	-	-	-

Note 1: Relevant interest as a beneficiary of S & J Stone Pty Ltd (Stone Family Superannuation Fund).

Note 2: Interest as controlling Shareholder of Tenalga Pty Ltd.

Note 3: Relevant interest as Director and controlling Shareholder of Transcontinental Investments Pty Ltd.

Note 4: 50% of interest under own name and Jeremy Hudson - 50% of indirect interest as a spouse of Fleur Hudson.

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to individual or Directors of the Company during the year ended 30 June 2014.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions with the Company

A number of Key Management Personnel or their related parties hold positions in other Entities that result in them having control or significant influence over the financial or operating policies of those Entities. A number of those Entities transacted with the Company during the year. The terms and conditions of those transactions were no more favorable than those available or, which might reasonably be expected to be available, on similar transactions to unrelated Entities on an arm's length basis.

Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.



DIRECTORS' REPORT

The following transaction occurred with related parties for the year ended 30 June 2014.

	2014	2013
	\$	\$
Other transactions		
Administration Fee to Transcontinental Investments	220,000	240,000
	220,000	240,000

The aggregate amount recognised during the year relating to Key Management Personnel and their related parties were as follows.

Director	Transaction	Transactions value for the year ended 30 June		Balance outstanding as at 30 June	
		2014	2013	2014	2013
Simon Trevisan (Director and controlling Shareholder of Transcontinental Investments Pty Ltd(TRG))	Administrative fee for office space, telecommunications, office supplies, accounting support and administration and business support services	\$220,000	\$240,000	\$205,000	\$90,000

Notes in relation to the table of related party transactions.

A Company associated with Mr Trevisan provides office space, office equipment, supplies, corporate management and administration services in connection with the operations of the Company and amounts are payable on a monthly basis.

Corporate administration services include those services necessary for the proper administration of a small public Company, including:

- (a) company secretarial and accounting, corporate governance and reporting and administration support, management of the Company's website, management of third party professional and expert service providers including legal, accounting, tax, audit and investment banking, independent technical expert and other services associated with proper administration of a listed public Company;
- (b) operating, marketing, strategic and financial activities required in relation to the Company's Australian mining and exploration projects; and
- (c) provision of 'A' grade office space in a central business district office for the Company's main corporate office including use of IT, photocopying and other office equipment and supplies.

The Company must pay a monthly fee to Transcontinental Investments Pty Ltd (TRG) plus reimbursement each month for certain costs, expenses and liabilities incurred and/or paid by TRG on behalf of the Company during the month.



DIRECTORS' REPORT

On and from 1 March 2014 TRG agreed to reduce the monthly fee paid by Regalpoint to TRG for Administration Services from \$20,000 to \$15,000 and unilaterally accrue \$5,000 (increasing the monthly accrual to \$10,000 from 01 April 2014).

From 1 July 2014 TRG agreed to reduce the monthly fee from \$15,000 to \$10,000 and to accrue 100% of the balance without charging any interest.

There were no other related party transactions to individual or Directors of the Company during the year ended 30 June 2014.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Entity or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

(a) Indemnification

The Company has agreed to indemnify the current Directors and Company Secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Company Secretary of the Company, except where the liability arises out of conduct involving a lack of good faith.

The Agreement stipulates that the Company will meet to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

(b) Insurance Premiums

The Company paid a premium during the year in respect of a Director and Officer Liability Insurance Policy, insuring the Directors of the Company, the Company Secretary, and all Executive Officers of the Company against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*.

During the period ended 30 June 2014, the Company paid insurance premiums in respect of Directors and Officers Liability Insurance for Directors and Officers of the Company. The liabilities insured are for damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of the Company. On 18 March 2014, the Company paid an insurance premium of \$11,700 covering the period from 02 March 2014 to 02 March 2015 (2013: \$11,700).

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for Auditors imposed by the *Corporations Act 2001*.

The Board and the Audit and Risk Committee have considered the non-audit services provided during the financial year by the Auditor and are satisfied that the provision of those non-audit services during the financial year by the Auditor is compatible with, and did not compromise, the Auditor's independence requirements of the *Corporations Act 2001* for the followings reasons:



DIRECTORS' REPORT

- (a) all non-audit services were subject to the Corporate Governance procedures adopted by the Company; and
- (b) the non-audit services provided do not undermine the general principals relating to Auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the Auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

There were no other services provided from BDO Audit (WA) Pty Ltd during the period.

This is the end of the Audited Remuneration Report.

AUDITORS INDEPENDENCE DECLARATION

The Auditors Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2014 has been received and can be found on page 39.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest dollar, or in certain cases, the nearest thousand dollars.

Signed on behalf of the Board of Directors.

Bruce McCracken

Executive Director

Dated at Perth, Western Australia, this 19th September 2014



CORPORATE GOVERNANCE

The Board of Directors is responsible for the overall Corporate Governance of the Company and the Entity, and is committed to the principles underpinning best practice in Corporate Governance, applied in a manner that meets ASX standards and best addresses the Directors' accountability to Shareholders.

However, whilst the Company will endeavour to comply with all of the guidelines under the ASX Corporate Governance Recommendations, the Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the additional expense of compliance with all recommendations. The Board will consider on an ongoing basis its Corporate Governance procedures and whether they are sufficient given the Company's nature of operations and size.

This statement outlines the main Corporate Governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

The Company's Corporate Governance policies are available on the Company's website:

<http://www.regalpointresources.com.au/company/corporate-governance.html>

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2014.

BOARD COMPOSITION

When determining whether a Non-Executive Director is independent the Director must not fail any of the following materiality thresholds:

- (a) less than 10% of Company shares are held by the Director and any Entity or individual directly or indirectly associated with the Director;
- (b) is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving of the Board;
- (c) has been a material professional adviser or a material consultant to the Company or another Company member within the last three years, or an employee materially associated with the service provided;
- (d) no sales are made to or purchases made from any Entity directly or indirectly associated with the Director; and
- (e) none of the Directors' income or the income of an individual or Entity directly or indirectly associated with the Director is derived from a contract with any member of the economic entity other than income derived as a Director of the Entity.

The Board currently comprises of two Non-Executive Directors, Hon. Shane L Stone and Mr Ian Murchison, who are both considered independent.

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the Annual Report is detailed in the Directors' Report.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, experience and achievement, credibility within the Company's scope or activities, intellectual ability to contribute to the Board's duties and ability to undertake Board duties and responsibilities.



CORPORATE GOVERNANCE

ROLE OF THE BOARD

The management and control of the business is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of Shareholders. The Board strives to create Shareholder value and ensure that Shareholders' funds are safeguarded.

The key responsibilities of the Board include:

- (a) setting objectives, goals and strategic direction with Management with a view to maximising Shareholder value;
- (b) overseeing the financial position and monitoring the business and affairs of the Company;
- (c) establishing Corporate Governance, Ethical, Environmental and Health and Safety standards;
- (d) ensuring significant business risks are identified and appropriately managed; and
- (e) ensuring the composition of the Board is appropriate, selecting Directors for appointment to the Board and reviewing the performance of the Board and the contributions of individual Directors.

The Board has delegated responsibilities and authorities to Management to enable Management to conduct the Company's day to day activities. Matters which are not covered by these delegations, such as approvals which exceed certain limits, require Board approval.

AUDIT AND RISK COMMITTEE

The names and qualifications of those appointed to the Audit and Risk Committee and their attendance at meetings of the Committee are included in the Directors' Report. For further information regarding the Audit and Risk Committee please refer to the Audit and Risk Committee Charter on the Company's website.

NOMINATION AND REMUNERATION COMMITTEE

The names of all the members of the Nomination and Remuneration Committee are detailed in the Directors' Report.

The amount of remuneration for all Directors and Executives, including all monetary and non-monetary components, are detailed in the Directors' Report under the heading Key Management Personnel Remuneration. Shares given to Executives are valued as the difference between the market price of those shares and the amount paid by the Executive. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best Executives to run the economic entity. It will also provide Executives with the necessary incentives to work to grow long-term Shareholder value.

For further information regarding the Nomination and Remuneration Committee please refer to the Nomination and Remuneration Committee Charter on the Company's website.

SHARE TRADING POLICY

With respect to share dealings and disclosures, the Company's Share Trading Policy regarding 'Restricted Persons' (including the Directors, Executives and Employees) dealing in its securities states the following:

- (a) Consistent with the legal prohibitions on insider trading contained in the *Corporations Act 2001*, all Restricted Persons are prohibited from trading in the Company's securities (and any financial products



CORPORATE GOVERNANCE

issued or created over or in respect of the Company's securities) while in possession of unpublished price sensitive information.

- (b) Restricted Persons are required to receive clearance from the Board's Share Trading Committee and the Chairman prior to:
 - (i) undertaking any transaction in Company securities; or
 - (ii) entering into a margin loan facility in relation to their shareholding.
- (c) If a Restricted Person is considered to possess unpublished price sensitive information, they will be precluded from making a security transaction until 1 trading day after the time of public release of that information.
- (d) As required by the ASX Listing Rules, the Company will notify the ASX of all transactions of securities in the Company conducted by a Director of the Company.

The Company has formally appointed a Share Trading Committee to ensure that the Share Trading Policy is properly followed. At the date of this document, the members of the Share Trading Committee are Hon. Stone, Mr Trevisan, Mr Murchison and Mr McCracken.

For further information regarding the Share Trading Committee please refer to the Share Trading Committee Charter and the Share Trading Policy on the Company's website.

DIVERSITY POLICY

In July 2011, the Company adopted a Diversity Policy. All Executives are responsible for promoting and implementing diversity within the Company. This is supported by the Company's efforts to ensure gender based equity and transparency in the recruitment of Employees and the nomination of Board Members.

For further information please refer to the Diversity Policy on the Company's website.

INDEPENDENT PROFESSIONAL ADVICE

Each Director has the right to access all relevant Company information, and may seek independent professional advice at the Company's expense, in connection with their duties and responsibilities. The Director must first obtain the prior written approval of a Non-Executive Director, not to be unreasonably withheld, before consulting with an advisor suitably qualified in the relevant field. A copy of the advice received by the Directors must be made available to all other members of the Board.

COMPLIANCE TO BEST PRACTICE RECOMMENDATIONS

The Board of Directors of Regalpoint Resources Limited is responsible for the Corporate Governance of the Company. The Board guides and monitors the business activities and affairs of the Company on behalf of the Shareholders by whom they are elected and to whom they are accountable. The Company has adopted systems of control and accountability as the basis for the administration of Corporate Governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of Corporate Governance commensurate with the Company's needs.

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory. However, the Company will be required to provide a statement in its future Annual Reports disclosing the extent to which the Company has followed the Recommendations.

CORPORATE GOVERNANCE

ITEM	RECOMMENDATION	COMMENT
1.	Lay solid foundations for management and oversight	
1.1	Formalise and disclose the functions reserved to the Board and those delegated to Management.	The Company complies with this Recommendation.
1.2	Companies should disclose the process for evaluating the performance of Senior Executives.	The Board will monitor the performance of Senior Management, including measuring actual performance of Senior Management against planned performance.
1.3	Companies should provide the information indicated in the <i>Guide to Reporting on Principle 1</i> .	Due to the current size of the Company and its activities the Company does not currently comply with Recommendations 1.1 and 1.2. However, as stated, the Board will diligently monitor the performance of Senior Management, including measuring actual performance of Senior Management against planned performance.
2.	Structure the Board to add value	
2.1	A majority of the Board should be independent Directors.	The Board has assessed the independence of the Non-Executive Directors and the Chairman using defined criteria of independence and materiality consistent with the guidance and commentary for Recommendation 2.1. The Company complies with Recommendations 2.1 and 2.2. The Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of Management. Furthermore, each individual member of the Board is satisfied that all Directors bring an independent judgement to bear on Board decisions.
2.2	The Chairperson should be an independent Director.	The Company's Chairman is The Honourable Shane L Stone.
2.3	The roles of Chairperson and Executive Directors should not be exercised by the same individual.	The Company's Executive Directors are Mr Bruce McCracken and Mr Simon Trevisan.
2.4	The Board should establish a Nomination Committee.	The Board has established a Nomination and Remuneration Committee. The Nomination and Remuneration Committee is comprised of: <ul style="list-style-type: none"> • Mr Simon Trevisan (Chair); • Mr Ian Murchison; and • The Honourable Shane L Stone.



CORPORATE GOVERNANCE

ITEM	RECOMMENDATION	COMMENT
2.5	Companies should disclose the process for evaluating the performance of the Board, its Committees and individual Directors.	<p>The Board considers that this composition is appropriate given the current size of the Company.</p> <p>The performance of the Board, its Committees and individual Directors will be evaluated in accordance with a performance evaluation process.</p> <p>When appointed to the Board, a new Director will receive an induction appropriate to their experience. Directors may participate in continuing education to update and enhance their skills and knowledge from time to time, as considered appropriate.</p>
2.6	Provide the information indicated in <i>Guide to Reporting on Principle 2</i> .	Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. The Board also has a policy under which individual Directors and Board Committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties.
3.	Promote ethical and responsible decision-making	The Company complies with this Recommendation.
3.1	<p>Establish a Code of Conduct and disclose the Code or a summary as to the Code as to:</p> <ul style="list-style-type: none"> (a) the practices necessary to maintain confidence in the Company's integrity; (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and (c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	The Company adopted a Diversity Policy in July 2011. The Diversity Policy is available publicly on the Company's website.
3.3	Companies should disclose in each Annual Report the measurable objectives for achieving gender diversity set by the Board in accordance with the Diversity Policy and progress towards achieving them.	<p>The Company will proactively monitor Company performance in meeting its diversity standards and policies by:</p> <ul style="list-style-type: none"> (a) the Board establishing, and reviewing on an annual basis, measurable objectives for achieving improvement in the diversity mix of the workforce and particularly gender diversity;

CORPORATE GOVERNANCE

ITEM	RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> (b) recruiting and managing on the basis of an individual's competence and performance; (c) creating a culture that empowers and rewards people to act in accordance with the Policy; (d) appreciating and respecting the unique attributes that each individual brings to the workplace; (e) fostering an inclusive and supportive culture to enable people to develop to their full potential; (f) ensuring we have clear reporting processes in place; (g) promoting diversity through our actions and interactions; (h) taking action to prevent and stop discrimination, bullying and harassment; and (i) actively monitoring recruitment, promotions and turnover and communicating statistics. <p>The Company will continue to uphold the Diversity Policy where and when appropriate.</p>
3.4	Companies should disclose in each Annual Report the proportion of women employees in the whole organisation, women in Senior Executive positions and women on the Board.	Mrs Hudson (Company Secretary) is currently the only female Key Management Person; however given the small scale of the Company this represents 20% of the total Key Management Personnel.
3.5	Provide the information indicated in <i>Guide to Reporting on Principle 3</i> .	The Company's Diversity Policy is publicly available on the Company's website.
4.	<i>Safeguard integrity in financial reporting</i>	
4.1	The Board should establish an Audit Committee.	<p>The Board has established an Audit and Risk Committee. The Audit Committee consists of three members being:</p> <ul style="list-style-type: none"> (a) Mr Ian Murchison (Chair); (b) Mr Simon Trevisan; and (c) The Honourable Shane L Stone.
4.2	Structure the Audit Committee so that it consists of: <ul style="list-style-type: none"> (a) only Non-Executive Directors; (b) a majority of independent Directors; (c) an independent Chairperson, who is not Chairperson of the Board; and (d) at least three members. 	The Company is at variance with Recommendation 4.2, in that, the Audit and Risk Committee does not consist only of Non-Executive Directors. The Board considers that this composition is appropriate given the current size of the Company. Further, the Board considers that the Audit and Risk Committee is of a sufficient size and possesses sufficient technical expertise to discharge its mandate effectively.



CORPORATE GOVERNANCE

ITEM	RECOMMENDATION	COMMENT
4.3	The Audit Committee should have a formal charter.	The Audit and Risk Committee Charter is publicly available on the Company's website.
4.4	Provide the information indicated in <i>Guide to Reporting on Principle 4</i> .	<p>The following material is included in the Corporate Governance Statement in the Company's Annual Reports:</p> <ul style="list-style-type: none"> (a) the names and qualifications of those appointed to the Audit and Risk Committee and their attendance at meetings of the Committee; (b) the number of meetings of the Audit and Risk Committee; (c) explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4. <p>The following material is publicly available on the Company's website:</p> <ul style="list-style-type: none"> (a) the Audit and Risk Committee Charter.
5.	<i>Make timely and balanced disclosure</i>	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a Senior Management level for that compliance.	The Company complies with this Recommendation.
5.2	Provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	Due to the current size of the Company and its activities the Company does not currently comply with Recommendation 5.2. However, the Board will diligently monitor activities to ensure disclosure requirements are met.
6.	<i>Respect the rights of Shareholders</i>	
6.1	Design and disclose a communications strategy to promote effective communication with Shareholders and encourage effective participation at general meetings.	<p>The Company complies with this Recommendation.</p> <p>The Company places a high priority on communication with Shareholders and is aware of the obligations it has under the <i>Corporations Act 2001</i> and the Listing Rules to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the Company's securities.</p>
6.2	Provide the information indicated in <i>Guide to Reporting on Principle 6</i> .	The Company complies with this Recommendation. The Company regularly and promptly provides all relevant information on the Company's website pertaining to all announcements made to the market and related information, all notices of meetings, explanatory texts and prospectuses and all financial reports as announced.



CORPORATE GOVERNANCE

ITEM	RECOMMENDATION	COMMENT
7.	Recognise and manage risk	
7.1	The Board or appropriate Board Committee should establish policies on risk oversight and management.	The Company has established an Audit and Risk Committee which is responsible for overseeing and approving Risk Management Strategy and Policies, internal compliance and internal controls.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that Management has reported to it as to the effectiveness of the Company's management of its business risks.	The Company's Risk Management Framework is supported by the Board of Directors, Management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's Risk Management Strategy and Policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.
7.3	The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) should state to the Board in writing that: (a) the statement given in accordance with Recommendation 4.1 (the integrity of Financial Statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and (b) the Company's Risk Management and Internal Compliance and control system is operating efficiently and effectively in all material respects.	The Company has received this assurance from Executive Director, Mr Bruce McCracken.
7.4	Provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	The Company will continue to recognise and manage risk in accordance with the methods referred to above and will explain any departures from Recommendations 7.1, 7.2 and/or 7.3 in its future reports if necessary.
8.	Remunerate fairly and responsibly	
8.1	The Board should establish a Remuneration Committee.	The Board has established a Nomination and Remuneration Committee.
8.2	Structure the Remuneration Committee so that it consists of: (a) a majority of independent Directors;	The Nomination and Remuneration Committee has delegated responsibilities in relation to the Company's remuneration policies which reflect the matters set out in the commentary and guidance for Recommendation 8.1. Further details of the Nomination and Remuneration Committee are set out at



CORPORATE GOVERNANCE

ITEM	RECOMMENDATION	COMMENT
	<p>(b) an independent Chairperson; and</p> <p>(c) at least three members.</p>	<p>point 2.4.</p> <p>The Board considers that this composition is appropriate given the current size of the Company. Further, the Board considers that the Nomination and Remuneration Committee is of a sufficient size and possesses sufficient technical expertise to discharge its mandate effectively.</p>
8.3	<p>Clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executives.</p>	<p>The structure of Non-Executive Directors' remuneration is clearly distinguished from that of Executives. Total remuneration for all Non-Executive Directors is not to exceed \$240,000 per annum.</p> <p>Neither the Non-Executive Directors nor the Executives of the Company receive any retirement benefits, other than superannuation.</p>
8.4	<p>Provide the information indicated in <i>Guide to Reporting on Principle 8</i>.</p>	<p>The following material is included in the Corporate Governance Statement in the Company's Annual Reports:</p> <ul style="list-style-type: none"> (a) the names of the members of the Nomination and Remuneration Committee and their attendance at meetings of the Committee; (b) the existence and terms of any schemes for retirement benefits, other than superannuation, for Non-Executive Directors; and (c) an explanation of any departures from Recommendations 8.1, 8.2, 8.3 or 8.4. <p>The Company's Nomination and Remuneration Committee Charter and the Company's Share Trading Policy are publicly available on the Company's website.</p>



AUDITORS INDEPENDENCE DECLARATION



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF REGALPOINT RESOURCES LTD

As lead auditor of Regalpoint Resources Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Chris Burton

Director

BDO Audit (WA) Pty Ltd

Perth, 19 September 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
REVENUE	4	18,700	86,393
Other Income		3,343	9,409
Accounting expenses		(40,208)	(40,804)
Legal expenses		(4,767)	(35,125)
Corporate and administrative expenses		(403,887)	(466,861)
Depreciation and amortisation expenses		(536)	(4,233)
Impairment of loan	7	(112,682)	-
Impairment of exploration expenditure	9	(277,641)	(928,747)
Tenements administration expenses		(2,440)	(2,420)
Other expenses from ordinary activities		(23,048)	(35,531)
LOSS BEFORE INCOME TAX		(843,166)	(1,417,919)
Income tax benefit	5	-	-
LOSS FOR THE YEAR		(843,166)	(1,417,919)
Loss is attributable to:			
Owners of Regalpoint Resources Limited		(843,166)	(1,417,919)
NET LOSS FOR THE YEAR		(843,166)	(1,417,919)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(843,166)	(1,417,919)
Total comprehensive loss for the year is attributable to:			
Owners of Regalpoint Resources Limited		(843,166)	(1,417,919)
Basic loss (cents per share)	18	(1.25)	(2.10)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.



STATEMENT FINANCIAL POSITION

AS AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	6	394,345	1,071,153
Trade and other receivables	7	12,035	129,604
TOTAL CURRENT ASSETS		406,380	1,200,757
NON-CURRENT ASSETS			
Property, plant and equipment	8	-	536
Exploration and evaluation expenditure	9	1,725,266	1,631,147
Prepayment of exploration and evaluation expenditure	10	11,252	5,273
TOTAL NON-CURRENT ASSETS		1,736,518	1,636,956
TOTAL ASSETS		2,142,898	2,837,713
CURRENT LIABILITIES			
Trade and other payables	11	272,075	123,724
TOTAL CURRENT LIABILITIES		272,075	123,724
TOTAL LIABILITIES		272,075	123,724
NET ASSETS		1,870,823	2,713,989
EQUITY			
Contributed Equity	12	9,758,246	9,758,246
Reserves	13	59,361	59,361
Accumulated Losses	15	(7,946,784)	(7,103,618)
TOTAL EQUITY		1,870,823	2,713,989

The Statement of Financial Position is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Contributed Equity \$	Option Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 01 JULY 2012	9,758,246	59,361	(5,685,699)	4,131,908
(Loss) for the year	-	-	(1,417,919)	(1,417,919)
Total comprehensive income/(loss)	-	-	(1,417,919)	(1,417,919)
Transactions with equity holders in their capacity as equity holders:				
Employee share options	-	-	-	-
BALANCE AT 30 JUNE 2013	9,758,246	59,361	(7,103,618)	2,713,989
BALANCE AT 01 JULY 2013	9,758,246	59,361	(7,103,618)	2,713,989
(Loss) for the year	-	-	(843,166)	(843,166)
Total comprehensive income/(loss)	-	-	(843,166)	(843,166)
Transactions with equity holders in their capacity as equity holders:				
Employee share options	-	-	-	-
BALANCE AT 30 JUNE 2014	9,758,246	59,361	(7,946,784)	1,870,823

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(327,085)	(518,039)
Income tax received		-	-
Interest received		18,700	80,462
NET CASH FLOWS USED IN OPERATING ACTIVITIES	16	(308,385)	(437,577)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	-
Payments for exploration and evaluation expenditure		(368,423)	(594,345)
Received/(Payment) for Term Deposit		-	1,035,000
Loan to East African Gold Limited		-	(109,339)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(368,423)	331,316
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of share capital (net)		-	-
Proceeds from borrowings		-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(676,808)	(106,261)
Cash and cash equivalents at beginning of period		1,071,153	1,177,414
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6	394,345	1,071,153

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.



NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The primary accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) General Information

Regalpoint Resources Limited (**Company**) or (**Entity**) is a public Company listed on the Australian Securities Exchange (clicker: RGU), incorporated in Australia and operating in Australia. The financial report of the Company for the financial year ended 30 June 2014 comprises the Company. The address of the Company's registered office is Level 14, 191 St Georges Terrace, Perth WA 6000, Australia. The Company is primarily involved in the exploration of minerals.

The Company advises that in accordance with ASX Listing Rule 4.10.19 during the financial year ended 30 June 2014 it used its cash and assets that are readily convertible to cash in a way that is consistent with its business objectives.

(b) Basis of Preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Regalpoint Resources Limited is a for profit entity for the purpose of preparing the Financial Statements.

(i) Compliance with IFRS

The Financial Statements of the Company also comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standard Board (IASB).

The Board of Directors have prepared the financial report on a going concern basis, any additional funding that may be required is anticipated to be obtainable and will allow the Company to continue to fund its operations and further develop their mineral exploration and evaluation assets during the twelve month period from the date of this financial report.

The Financial Statements were approved by the Board of Directors on 9 September 2014.

(ii) Historical cost convention

The financial report has been prepared on an accrual basis and is based on historical costs *modified* by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(iii) New and amended standards adopted by the Company

Regalpoint Resources Limited had to change some of its accounting policies as the result of new or revised accounting standards which became effective for the annual reporting period commencing on 1 July 2013.

The affected policies and standards are:

- Principles of consolidation – new standards AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standard, AASB 12 Disclosure of Interest in Other Entities.



NOTES TO THE FINANCIAL STATEMENTS

- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standard arising from AASB 13.
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period.
- Accounting for Employee Benefits – revised AASB 119 Employee Benefits.
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle; and
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.

None of the new standards stated above that apply for the first time for the June 2014 Annual Report have a material impact on the current period.

Other new standards that are applicable for the first time for the Annual Report are AASB 13 Fair Value Measurements. This standard has introduced new disclosures for the Annual Report but did not affect the Entity's accounting policies or any of the amounts recognised in the Financial Statements.

All amounts are presented in Australia dollars, unless otherwise noted.

(c) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Financial Statements requires Management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are outlined below:

(i) Significant Accounting Judgements

Exploration Expenditure

The write-off and carrying forward of exploration acquisition costs is based on an assessment of an area of interest's viability and/or the existence of economically recoverable reserves. Information may come to light in a later period which results in the asset being written off as it is not considered viable. During the year the Company has impaired (write off) exploration and evaluation expenditure of \$277,641 (2013: \$928,747).

(ii) Significant Accounting Estimates and Assumptions

Estimation of Useful Lives of Assets

The estimation of the useful lives of assets has been based on historical experience. The condition of the assets is assessed at least once per year and considered against the remaining useful life.



NOTES TO THE FINANCIAL STATEMENTS

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Board of Regalpoint Resources Limited has assessed the financial performance and position of the Entity, and makes strategic decisions. The Board of Directors which has been identified as being the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments.

(e) Income Tax Expenses or Benefit

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Cash and Cash Equivalents

'Cash and Cash Equivalents' includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Trade and Other Receivables

Trade debtors are recognised as the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.



NOTES TO THE FINANCIAL STATEMENTS

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

(h) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Interest Income

Interest income is recognised using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(i) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy. The values are included as a consequence of AASB 101 *Presentation of Financial Statements*.

(j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(k) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Entity. Trade accounts payable are normally settled within 60 days.

(l) Loans and Borrowings

Loans are recognised at their principal amount, subject to set-off arrangements. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the Taxation Authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.



NOTES TO THE FINANCIAL STATEMENTS

Cash flows are included in the Statement of Cash Flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Employee Benefits

Short-term Employee Benefit Obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term Employee Benefit Obligations

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The obligations are presented as current liabilities in the Statement of Financial Position if the Entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the followings dates:

- (a) when the Company can no longer withdraw the offer of those benefits; and
- (b) when the Entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Share-based Payments

Share-based compensation benefits are provided to employees of the Company under Employee Option Plan and an Employee Share Scheme.



NOTES TO THE FINANCIAL STATEMENTS

The fair value of options granted by the Company under Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(o) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Exploration and evaluation expenditure encompasses expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation expenditure incurred by the Company is accumulated for each area of interest and recorded as an asset if:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - A. the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and/or
 - B. exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

For each area of interest, expenditure incurred on the exploration of tenements throughout Australia is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. A provision for unsuccessful exploration and evaluation is created against each area of interest by means of a charge to the Statement of Profit or Loss and Other Comprehensive Income. The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS

For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged against profit. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(p) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset of the Company that generates cash flows that largely are independent from other assets and companies. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (company of units) on a pro rata basis.

(q) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.



NOTES TO THE FINANCIAL STATEMENTS

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	11 - 33%
Motor vehicles	20%

(r) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(s) Contributed Equity

Ordinary shares are classified as Equity. Mandatorily redeemable preference shares are classified as Liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- (i) the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- (ii) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.



NOTES TO THE FINANCIAL STATEMENTS

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- (i) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- (ii) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



NOTES TO THE FINANCIAL STATEMENTS

(u) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently issued or amended but are not yet effective have not been adopted by the Entity for the year ended 30 June 2014. These are outlined in the table below.

AASB reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Company
AASB 9 <i>Financial Instruments</i> (December 2010)	AASB 139 <i>Financial Instruments: Recognition and Measurement</i>	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:	Periods beginning on or after 01 January 2018	The Entity has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018 and the IASB is yet to finalise the remaining phases of its project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 in Australia).	01 January 2018
[Also refer to AASB 2013-9 and AASB 2014-1 below]		(a) Financial assets that are debt instruments will be classified based on: <ol style="list-style-type: none"> (1) the objective of the Entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows. 			
		(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.			
		(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.			
		(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ol style="list-style-type: none"> (1) The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and (2) The remaining change is presented in profit or loss. 			

NOTES TO THE FINANCIAL STATEMENTS

AASB reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Company
		<p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:</p> <ul style="list-style-type: none"> (a) Classification and measurement of financial liabilities; and (b) Derecognition requirements for financial assets and liabilities. <p>AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements.</p> <p>Consequential amendments arising from AASB 9 are contained in AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>, AASB 2010-10 <i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters</i>, AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i>, AASB 2013-9 <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i> and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>.</p>			
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	<p>AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p>	1 January 2014	When AASB 2012-3 is first adopted for the year ending 30 June 2015, there will be no impact on the entity as this standard merely clarifies existing requirements in AASB 132.	30 June 2015



NOTES TO THE FINANCIAL STATEMENTS

AASB reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Company
AASB 2013-3	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>	<p>These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.</p> <p>When developing IFRS 13 <i>Fair Value Measurement</i>, the IASB decided to amend IAS 36 <i>Impairment of Assets</i> to require disclosures about the recoverable amount of impaired assets.</p> <p>The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended.</p> <p>These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.</p> <p>AASB 2013-3 makes the equivalent amendments to AASB 136 <i>Impairment of Assets</i>.</p>	1 January 2014	<p>When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the Entity given that they are largely of the nature of clarification of existing requirements.</p>	30 June 2015
IFRS (issued December 2011)	Mandatory Effective Date of IFRS 9 and Transition Disclosures	<p>Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.</p>	Annual reporting periods commencing on or after 1 January 2015	<p>As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the Financial Statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.</p>	1 July 2015

NOTES TO THE FINANCIAL STATEMENTS

2. FINANCIAL RISK MANAGEMENT

(a) Overview

The Company has exposure to the following risks from their use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

This Note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

Regalpoint Resources Limited's Risk Management Framework is supported by the Board, Management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's Risk Management Strategy and Policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. The Audit and Risk Committee is responsible for identifying, monitoring and managing significant business risks faced by the Company and considering the effectiveness of its internal control system. Management and the Audit and Risk Committee report to the Board.

The Board has established an overall Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control.

The Entity holds the following financial instruments.

	2014 \$	2013 \$
FINANCIAL ASSETS		
Cash and cash equivalents	394,345	1,071,153
Trade receivables	12,035	20,265
Other receivables	-	109,339
	406,380	1,200,757
FINANCIAL LIABILITIES		
Trade and other payable	272,075	123,724
	272,075	123,724

(b) Financial Risk Management Objectives

The overall financial Risk Management Strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.



NOTES TO THE FINANCIAL STATEMENTS

(c) Credit Risk

Credit risk is the risk of financial loss to the Entity if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, deposits with banks, financial institutions and trade and other receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Entity does not hold any credit derivatives to offset its credit exposure. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

	2014	2013
	\$	\$
Trade receivables		
<i>Counterparties without external credit rating</i>		
Group 1	12,035	20,265
Group 2	-	109,339
	12,035	129,604
Cash at bank and short-term bank deposits		
AA	394,345	1,070,000
AA	-	1,153
	394,345	1,071,153
Held to maturity investments		
AA	-	-
	-	-

Group 1 – new customers (less than 6 months).

Group 2 – new customers (more than 6 months) with no defaults in the past.

Exposure to Credit Risk

The carrying amount of the Entity's financial assets represents the maximum credit exposure. The Entity's maximum exposure to credit risk at the reporting date was:

	2014	2013
	\$	\$
Cash and cash equivalents	394,345	1,071,153
Trade and other receivables	12,035	129,604
Held to maturity investments	-	-
	406,380	1,200,757

NOTES TO THE FINANCIAL STATEMENTS

(d) Liquidity Risk

Liquidity risk arises from the financial liabilities of the Entity and the Entity's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors. The Board has determined an appropriate Liquidity Risk Management Framework for the Management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying Amount \$	Contractual Cash Flows \$	6 Months or less \$	6-12 Months \$	1-2 Years \$	2-5 Years \$
2014						
Trade and other payables	(272,075)	(272,075)	(272,075)	-	-	-
2013						
Trade and other payables	(123,724)	(123,724)	(123,724)	-	-	-

(e) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and commodity prices that will affect the Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

Foreign Currency Risk

The Entity has not been exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies, primarily the Australian dollar (AUD) other than in relation to a loan to East African Gold Limited for USD 100,000 which was fully impaired during the year ended 30 June 2014.

The Board does not consider the Company or the Entity is materially exposed to changes in foreign exchange rates. As a result, the Entity does not currently seek to mitigate its foreign currency exposures. The Board believes the reporting date risk exposures are representative of the risk exposure inherent in financial instruments.

Interest Rate Risk

The Entity's exposure to interest rates primarily relates to the Entity's cash and cash equivalents and held to maturity investments. The Entity manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.



NOTES TO THE FINANCIAL STATEMENTS

Profile

At the reporting date the interest rate profile of the Company's and the Entity's interest bearing financial instruments are:

Variable Rate Instruments

	2014 \$	2013 \$
Financial Assets	394,345	1,071,153
Financial Liabilities	-	-
	394,345	1,071,153

The Entity manages its interest rate risk by monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents are held in AA-rated bank accounts.

The Entity's exposure to interest rate risk and effective weight average interest rate by maturing periods is set out in tables below:

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Maturing within 1 Year	Non- Interest Bearing	Total
	2014 %	2014 \$	2014 \$	2014 \$	2014 \$
Financial Assets					
Cash and cash equivalents	2.50	394,345	-	-	394,345
Trade and other receivables	-	-	-	12,035	12,035
Total Financial Assets	-	394,345	-	12,035	406,380
Financial Liabilities					
Trade and other payables	-	-	-	272,075	272,075
Total Financial Liabilities	-	-	-	272,075	272,075

Other Market Price Risk

The Entity is involved in the exploration and development of mining tenements for minerals. Should the Company successfully progress to a producer, revenues associated with mineral sales and the ability to raise funds through equity and debt will have some dependence upon commodity prices.

NOTES TO THE FINANCIAL STATEMENTS

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The Board assessed a 100 basis point movement as being reasonably possible based on forward treasury rate projections. This analysis assumes that all other variables remain constant.

A change of 100 basis points in interest rates would have increased or decreased the Entity's profit or loss by \$3,943.

	+1% (100 basis points)	-1% (100 basis points)
	2014 \$	2014 \$
Cash and cash equivalents	3,943	(3,943)
	3,943	(3,943)

Due to their short-term nature, the carrying amounts of the current receivables, current payables and current borrowings are assumed to approximate their fair value. The Company does not have any fair value assets that required disclosure under AASB 13.

3. SEGMENT INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting to the Chief Operating Decision Maker ('CODM'), which has been identified by the Company as the Chief Executive Officer and other members of the Board of Directors.

Management has determined that the Entity has only one reportable segment, being mineral exploration in Australia. As the Entity is focused on mineral exploration, the Board monitors the Entity based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Entity and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

Segment information provided to the Executive Management Committee for the year ended 30 June 2014 is as follows:

	Segments Australia	Total
30 June 2014		
Revenue from external sources	-	-
Reportable segment profit/(loss)	(280,081)	(280,081)
Reportable segment assets	1,736,518	1,736,518
30 June 2013		
Revenue from external sources	-	-
Reportable segment profit/(loss)	(931,167)	(931,167)
Reportable segment assets	1,636,420	1,636,420



NOTES TO THE FINANCIAL STATEMENTS

(a) Other Segment Information

Segment Revenue

There is no segment revenue from external parties reported to the Executive Management Committee.

Reportable Segment Profit/(Loss)

The reportable segment expenditure included exploration expenditure write off \$277,641 (2013: \$928,747) and expenditure from the operating segments such as segment insurance \$2,440 (2013: \$2,420).

Adjusted Profit/(Loss)

The measure excludes the effects of equity-settled share-based payments and unrealised gains/(losses) on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

Reconciliation of reportable segment loss to the Statement of Profit or Loss and Other Comprehensive Income

	30 June 2014	30 June 2013
Reportable segment profit/(loss)	(280,081)	(931,167)
Other profit/(loss)		
• Interest revenue	18,700	86,393
• Other income	3,343	9,409
Unallocated: Corporate expenses		
• Depreciation and amortisation	(536)	(4,233)
• Corporate and administration	(403,887)	(466,861)
• Accounting expenses	(40,208)	(40,804)
• Legal expenses	(4,767)	(35,125)
• Loan write off	(112,682)	-
• Other expenses	(23,048)	(35,531)
• Income tax benefit	-	-
Profit/(Loss) after income tax benefit	(843,166)	(1,417,919)

There are no reportable segments' liabilities to be allocated based on the operations of the segment. The reconciliation of segments' assets to total assets and segments' liabilities to total liabilities are referred in the Statement of Financial Position as at 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE

	2014	2013
	\$	\$
Interest received from continuing operation	18,700	86,393
Revenue from rendering services	-	-
	18,700	86,393

5. INCOME TAX BENEFIT

	2014	2013
	\$	\$
Movement in tax reconciliation		
Tax Rates		
The potential tax benefit in respect of tax losses not brought into account has been calculated at 30%		
Numerical reconciliation between tax expenses and pre-tax net loss		
Income tax benefit at the beginning of the year	-	-
Loss before income tax expense	(843,166)	(1,417,919)
Income tax benefit calculated at rates noted above	(252,950)	(425,376)
Tax effect on amounts which are not tax deductible	33,839	10,432
Movement in deferred tax asset not brought to account	219,111	414,944
Income tax benefit	-	-
Deferred tax assets not brought to account		
Unused tax losses	8,990,160	8,316,977
Timing difference	(1,599,373)	(1,382,267)
	7,390,787	6,934,710
Tax at 30%	2,217,236	2,080,413

The benefit for tax losses will only be obtained if:

- (a) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- (b) the Company continues to comply with the conditions for deductibility imposed by Law; and no changes in tax legislation adversely affect the ability of the Company to realise these benefits.



NOTES TO THE FINANCIAL STATEMENTS

6. CASH AND CASH EQUIVALENTS

	2014 \$	2013 \$
Cash at bank	345	41,153
Short-term bank deposits	394,000	1,030,000
	394,345	1,071,153

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

	2014 \$	2013 \$
Balance as above	394,345	1,071,153
Balance per Statement of Cash Flows	394,345	1,071,153

(b) Risk Exposure

The Company's exposure to interest rate risk is discussed in Note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(c) Terms of short term bank deposit

	2014 \$	2013 \$
Maturing within 1 to 3 months	394,000	1,030,000
	394,000	1,030,000

7. TRADE AND OTHER RECEIVABLES

	2014 \$	2013 \$
CURRENT		
Other debtors ^(a)	12,035	20,265
Other receivables ^(b)	-	109,339
	12,035	129,604

NOTES TO THE FINANCIAL STATEMENTS

(a) Impaired Trade Receivable

There are no impaired trade receivables for the Company in 2014 or 2013.

Aging of trade receivable	2014 \$	2013 \$
1 to 3 months	12,035	20,265
3 to 6 months	-	-
	12,035	20,265

(b) Other Receivables

The Company had written off the loan of USD 100,000 provided to East African Gold Limited (equivalent to A\$112,682 value at 31 December 2013) during the year ended 30 June 2014 (2013: The Company had provided East African Gold Limited a loan of USD 100,000 (equivalent to A\$109,339 as at 30 June 2013) on 21 February with the interest charged on the loan set at the rate of 10% per annum) plus, the accumulated interest had also been impaired when the Company wrote off the loan.

(c) Foreign Exchange and Interest Rate Risk

Information about the Company's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 2.

(d) Fair Value and Credit Risk

Due to the short-term nature of the trade receivables the carrying amount is assumed to approximate their fair value. The exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to Note 2 for more information on the Risk Management Policy of the Company and the credit quality of the Entity's trade receivables.

8. PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment 2014	Plant & Equipment 2013
Opening Balance	536	4,769
Additions	-	-
Disposals	-	-
Depreciation for the year	(536)	(4,233)
Closing Balance	-	536
At 30 June 2014		
At cost	28,619	28,619
Accumulated depreciation	(28,619)	(28,083)
Net carrying amount	-	536



NOTES TO THE FINANCIAL STATEMENTS

9. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure carried forward in respect of mining areas of interest:

	2014	2013
	\$	\$
Exploration, evaluation and development costs carried forward in respect of areas of interest (net of amounts written off)	1,725,265	1,631,147
Reconciliation		
Carrying amount at the beginning of the year	1,631,147	2,073,306
Expenditure during the year – exploration	371,759	440,416
Reallocation of Exploration Expenditure during the year	-	46,172
Exploration Expenditure written off during the year	(277,641)	(928,747)
Carrying amount at the end of the year	1,725,265	1,631,147

The recoverability of the carrying amount of deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or alternatively the sale of the respective areas of interest.

10. PREPAYMENT OF EXPLORATION AND EVALUATION EXPENDITURE

Prepayment of exploration and evaluation expenditure carried forward in respect of mining areas of interest:

	2014	2013
	\$	\$
Prepayment of Exploration, evaluation and development costs carried forward in respect of areas of interest (net of amounts written off)	11,252	5,273
Reconciliation		
Carrying amount at the beginning of the year	5,273	54,215
Exploration Expenditure during the year under application	5,979	14,600
Reallocation of Exploration Expenditure during the year	-	(46,172)
Prepayment exploration expenditure written off during the year	-	(17,370)
Carrying amount at the end of the year	11,252	5,273

NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER PAYABLES

	2014	2013
	\$	\$
Trade creditors and accruals	272,075	123,724
	272,075	123,724

12. CONTRIBUTED EQUITY

A reconciliation of the movement in capital for the Entity can be found in the Statement of Changes in Equity.

	2014	2013
	\$	\$
Opening balance at the beginning of the year	9,758,246	9,758,246
Movement during the year	-	-
Closing balance at end of the year	9,758,246	9,758,246

There is no movement of contributed equity during the financial year ended 30 June 2014.

Ordinary Shares

The holder of ordinary shares is entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options Expired

During the year, the options over unissued ordinary shares of 66,328,948 expired on 31 March 2014:

Class	Expiry Date	Exercise Price	Date Granted	Number of Options (Expired)
Bonus Options	31 March 2014	\$0.20	30 May 2011	66,328,948

Capital Management

When managing capital, the Board's objective is to ensure the Entity continues as a going concern as well as to maintain optimal returns to Shareholders and benefits for other Stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Entity.

The Board is constantly adjusting the capital structure to take advantage of favorable costs of capital or high return on assets. As the market is constantly changing Management may issue new shares, sell assets to reduce debt or consider payment of dividends to Shareholders.



NOTES TO THE FINANCIAL STATEMENTS

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels.

The Entity has no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity. There were no changes in the Entity's approach to capital management during the year. The Entity is not subject to any externally imposed capital requirements.

13. RESERVES

Option Reserve

The option reserve is used to record the value of the share based payments provided to employees, consultants and for options issued pursuant to any acquisitions or in exchange for services.

	2014 \$	2013 \$
Reserve at the beginning of the year	59,361	59,361
Share based payment	-	-
Reserve at the end of the year	59,361	59,361

14. SHARE BASED PAYMENT

The primary purpose of the Director options is to provide incentive to the participating Directors to drive the Company's assets forward. There were no options issued during the year.

15. ACCUMULATED LOSSES

	2014 \$	2013 \$
Accumulated loss at the beginning of the year	(7,103,618)	(5,685,699)
Net profit/(loss) attributable to Shareholders	(843,166)	(1,417,919)
Accumulated loss at end of the year	(7,946,784)	(7,103,618)

NOTES TO THE FINANCIAL STATEMENTS

16. CASH FLOW INFORMATION

Reconciliation of cash flow from operations activities with the loss from continuing operations after income tax.

	2014	2013
	\$	\$
Non-cash flows in profit from operating activities		
Net (Loss) after Income Tax	(843,166)	(1,417,919)
Depreciation & Amortisation	536	4,232
Employee option expense	-	-
Impairment	277,641	928,747
CHANGES IN ASSETS & LIABILITIES FROM OPERATING ACTIVITIES		
(Increase)/Decrease in receivables	2,300	41,600
(Increase)/Decrease in income tax	-	-
Increase/(Decrease) in creditor & accruals	254,304	5,763
Cash flow from Operating Activities	(308,385)	(437,577)

Non-cash flow in profit from investing and financing activities.

There were no non-cash investing and financing activities during the period.

17. COMMITMENTS

The Commitment expenditure at reporting date is as follows:

Administration Services Fees Commitment

On and from 1 March 2014 TRG agreed to reduce the monthly fee paid by Regalpoint to TRG for Administration Services from \$20,000 to \$15,000 and unilaterally accrue \$5,000 (increasing the monthly accrual to \$10,000 from 01 April 2014).

From 1 July 2014 TRG agreed to reduce the monthly fee from \$15,000 to \$10,000 and to accrue 100% of the balance without charging any interest.

Simon Trevisan (an Executive Director of the Company) is a Director and Shareholder of the Transcontinental Group.



NOTES TO THE FINANCIAL STATEMENTS

	2014	2013
	\$	\$
Not later than one year	120,000	120,000
Later than one year but not later than five years	-	120,000
Later than five years	-	-
TOTAL	120,000	240,000

Tenements Commitment

The expenditure required to maintain exploration tenements in which the Entity has an interest in.

	2014	2013
	\$	\$
Not later than one year	400,500	393,250
Later than one year but not later than five years	36,987	36,110
Later than five years	-	-
TOTAL	437,487	429,360

18. LOSS PER SHARE

The calculation of basic loss per share at 30 June 2014 was based on the loss attributable to ordinary Shareholders of \$843,166 (2013: \$1,417,919) and a weighted average number of ordinary shares outstanding during the year of 67,605,280 (2013: 67,605,280).

	2014	2013
	\$	\$
Basic loss per share	(1.25)	(2.10)
(a) RECONCILIATION OF EARNINGS TO OPERATING LOSS		
Loss attributable to ordinary Shareholders		
Loss after tax	(843,166)	(1,417,919)
Loss used in the calculation of EPS	(843,166)	(1,417,919)
(b) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR		
Weighted average number of ordinary shares (WANOS)		
Weighted average number of ordinary shares	67,605,280	67,605,280

NOTES TO THE FINANCIAL STATEMENTS

There are no potential ordinary shares on issue following expiration of listed options during the year ended 30 June 2014.

19. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the Auditor of the Entity and its related parties.

	2014	2013
	\$	\$
Remuneration of the Auditor for:		
BDO Audit (WA) Pty Ltd		
• Auditing or reviewing the financial report	31,524	31,043
Balance at the end of year	31,524	31,043

There were no fees paid or payable to related parties to BDO Audit (WA) Pty Ltd.

20. CONTINGENT LIABILITIES

The Board is not aware of any circumstances or information which leads them to believe there are any material contingent liabilities outstanding as at 30 June 2014.

21. RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key Management Personnel

The individual Directors and Executives compensation comprised as at 30 June 2014.

Directors	2014	2013
	\$	\$
Short-term benefits to Directors	156,000	179,012
Post-employment benefits	4,995	6,168
Share-based payments to Directors	-	-
TOTAL	160,995	185,180

Detailed remuneration disclosures are provided in the Remuneration Report on pages 19 to 29.

Transactions with other related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.



NOTES TO THE FINANCIAL STATEMENTS

The following transaction occurred with related parties for the year ended 30 June 2014.

	2014 \$	2013 \$
Other transactions		
Administration Fee to Transcontinental Investments	220,000	240,000
	220,000	240,000

The aggregate amount recognised during the year relating to Key Management Personnel and their related parties were as follows.

Director	Transaction	Transactions value for the year ended 30 June		Balance outstanding as at 30 June	
		2014	2013	2014	2013
Simon Trevisan (Director and controlling Shareholder of Transcontinental Investments Pty Ltd (TRG))	Administrative fee for office space, telecommunications, office supplies, accounting support and administration and business support services	\$220,000	\$240,000	\$205,000	\$90,000

Notes in relation to the table of related party transactions.

A Company associated with Mr Trevisan provides office space, office equipment, supplies, corporate management and administration services in connection with the operations of the Company and amounts are payable on a monthly basis.

Corporate administration services include those services necessary for the proper administration of a small public Company, including:

- (a) company secretarial and accounting, corporate governance and reporting and administration support, management of the Company's website, management of third party professional and expert service providers including legal, accounting, tax, audit and investment banking, independent technical expert and other services associated with proper administration of a listed public Company;
- (b) operating, marketing, strategic and financial activities required in relation to the Company's Australian mining and exploration projects; and
- (c) provision of 'A' grade office space in a central business district office for the Company's main corporate office including use of IT, photocopying and other office equipment and supplies.

The Company must pay a monthly fee to Transcontinental Investments Pty Ltd (TRG) plus reimbursement each month for certain costs, expenses and liabilities incurred and/or paid by TRG on behalf of the Company during the month.



NOTES TO THE FINANCIAL STATEMENTS

On and from 1 March 2014 TRG agreed to reduce the monthly fee paid by Regalpoint to TRG for Administration Services from \$20,000 to \$15,000 and unilaterally accrue \$5,000 (increasing the monthly accrual to \$10,000 from 01 April 2014).

From 1 July 2014 TRG agreed to reduce the monthly fee from \$15,000 to \$10,000 and to accrue 100% of the balance without charging any interest.

There were no other related party transactions to individual or Directors of the Company during the year ended 30 June 2014.

22. LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to individual or Directors of the Company during the year ended 30 June 2014.

Disclosures relating to Key Management Personnel are set out in the Remuneration Report in the Directors' Report.

23. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Transcontinental Group (TRG) has provided a letter of support to the Company in which TRG confirmed it will provide financial support to Regalpoint if required to enable the Company to carry on its business as a going concern during the 12 month period from the date of signing the annual financial report for the period ended 30 June 2014.

There were no other post reporting date events at the reporting date.

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

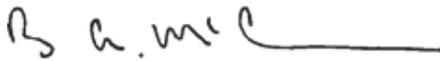
Due to their short-term nature, the carrying amounts of the current receivables, current payables and current borrowings are assumed to approximate their fair value.

DIRECTORS' DECLARATION

In the opinion of the Directors of Regalpoint Resources Limited:

- (a) The Financial Statements and Notes set out on pages 40 to 73 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2014 and of their performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*; and other mandatory professional reporting requirements.
- (b) The Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1.
- (c) There are reasonable grounds to believe that Regalpoint Resources Limited will be able to pay its debts as and when they become due and payable; and
- (d) The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Financial Officer for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the Board of Directors.



Bruce McCracken

Executive Director

Dated at Perth, Western Australia, this 19th September 2014

INDEPENDENT AUDITOR'S REPORT



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Regalpoint Resources Ltd

Report on the Financial Report

We have audited the accompanying financial report of Regalpoint Resources Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



INDEPENDENT AUDITOR'S REPORT



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Regalpoint Resources Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Regalpoint Resources Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Regalpoint Resources Ltd for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO


Chris Burton
Director

Perth, 19 September 2014

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is as at 4 August 2014.

(a) Distribution of Equity Securities as at 4 August 2014:

Listed Fully Paid Ordinary Shares	Number of Holders	Number of Shares
1 - 1,000	6	133
1,001 - 5,000	5	20,500
5,001 - 10,000	74	724,741
10,001 - 100,000	160	5,765,510
100,001 - and over	52	61,094,396
Total	297	67,605,280

(b) Top twenty Equity holders at 4 August 2014:

Listed Fully Paid Ordinary Shares	Number of Shares	Percentage of Shares
1 Transcontinental Investments Pty Ltd	17,207,982	25.45%
2 Katana Equity Pty Ltd	8,502,500	12.58%
3 Bedford Investments Pty Ltd	6,055,551	8.96%
4 Tenalga Pty Ltd	4,539,460	6.71%
5 Hydro Tube Holdings Pty Ltd	2,555,532	3.78%
6 Classic Capital Pty Ltd	1,900,000	2.81%
7 Batterbury Holdings Pty Ltd	1,875,717	2.77%
8 Composite Energy Pty Ltd	1,624,999	2.40%
9 Brahma Finance BVI Ltd	1,200,000	1.78%
10 Jasper Hill Resources Pty Ltd	1,047,500	1.55%
11 S & J Stone Pty Ltd	1,034,207	1.53%
12 Arredo Pty Ltd	1,000,000	1.48%
13 Ancestral Pty Ltd	958,145	1.42%
14 Talex Investments Pty Ltd	900,000	1.33%
15 FGL Asset Management Ltd	700,000	1.04%
16 Shertim Investments Pty Ltd	625,239	0.92%
17 National Nominees Ltd	568,619	0.84%
18 Queensland MM Pty Ltd	530,500	0.79%



ASX ADDITIONAL INFORMATION

Listed Fully Paid Ordinary Shares		Number of Shares	Percentage of Shares
19	Mr Justin Jerome Mannolini	501,784	0.74%
20	Mr Phillip Lee	500,000	0.74%
		53,827,735	79.62%

(c) Top twenty Option holders at 4 August 2014:

There is no option listed under Regalpoint Resources Limited.

(d) Substantial Shareholders

The names of the substantial Shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares	Percentage of Ordinary Shares
Transcontinental Investments Pty Ltd	17,207,982	25.45%
Katana Equity Pty Ltd	8,502,500	12.58%
Bedford Investments Pty Ltd	6,055,551	8.96%

(e) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

SCHEDULE OF MINERAL LICENCE INTERESTS

State	Lease	Lease Status	Grant Date	Project	Current Percentage of Interest
Western Australia Tenements					
WA	E80/4264	Granted	1/03/2011	King Leopold	100%
WA	E80/4311	Granted	27/07/2010	King Leopold	100%
Queensland Tenements					
QLD	EPM16923	Granted	18/12/2009	Paroo Range	100%
QLD	EPM16980	Granted	14/12/2012	Paroo Range	100%
QLD	EPM25464	Granted	31/07/2014	Paroo Range	100%
QLD	EPM25465	Application		Paroo Range	0%
QLD	EPM25503	Application		Paroo Range	0%
Northern Territory Tenements					
NT	EL26094	Granted	6/05/2008	Rum Jungle	100%
NT	EL26098	Application		Adelaide River	0%

Regalpoint Resources Ltd
ACN 122 727 342
Level 14, 191 St Georges Terrace
Perth, Western Australia 6000
T: +61 (8) 9424 9320
F: +61 (8) 9321 5932

www.regalpointresources.com.au