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The Manager  
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## Encouraging drill results from Paroo Range

### Highlights

- **Significant uranium mineralisation at the 100% owned Skevi Prospect**
- **Highest intercept 7m @ 1,155 ppm  $U_3O_8$**
- **Strong haematite alteration along fault structure**
- **Skevi structure extended undercover**

Regalpoint Resources Ltd (ASX: RGU or the "Company") is pleased to announce that the maiden shallow RC drill program at the Company's Paroo Range Project (RGU:100%) has intercepted significant uranium mineralisation at the Skevi Prospect.

The Company's initial exploration of the Skevi Prospect returned a discrete radiometric anomaly and several encouraging rock chip sample results over 1000ppm U and now the drill program appears to have intersected a significant zone of uranium mineralization which is similar in many respects to the Valhalla deposit.

At its Paroo Range Project Regalpoint is targeting structurally controlled metasomatic uranium mineralisation that occurs within albitised meta-basalts 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. The Company's view is that the results to date offer significant encouragement.

The initial drilling programme over the airborne radiometric anomaly at Skevi has located strong pervasive haematitic-carbonate alteration, up to 20m in downhole thickness, and identified over 500m in strike extent. The uranium mineralisation within this alteration zone has been interpreted as a series of structurally controlled shoots/lenses with complex geometry and limited surface extent.

Mineralisation appears to be open to the south and north along the Skevi structure as well as at depth. Further testing is required to further define the scope and scale of these lenses.

Downhole gamma logging returned intercepts up to 5.45m @ 560 ppm  $eU_3O_8$  associated with the Skevi structure at shallow depths within strongly haematite altered and sheared basalts of the Eastern Creek Volcanics. Follow-up chemical analysis returned highly encouraging intercepts of:

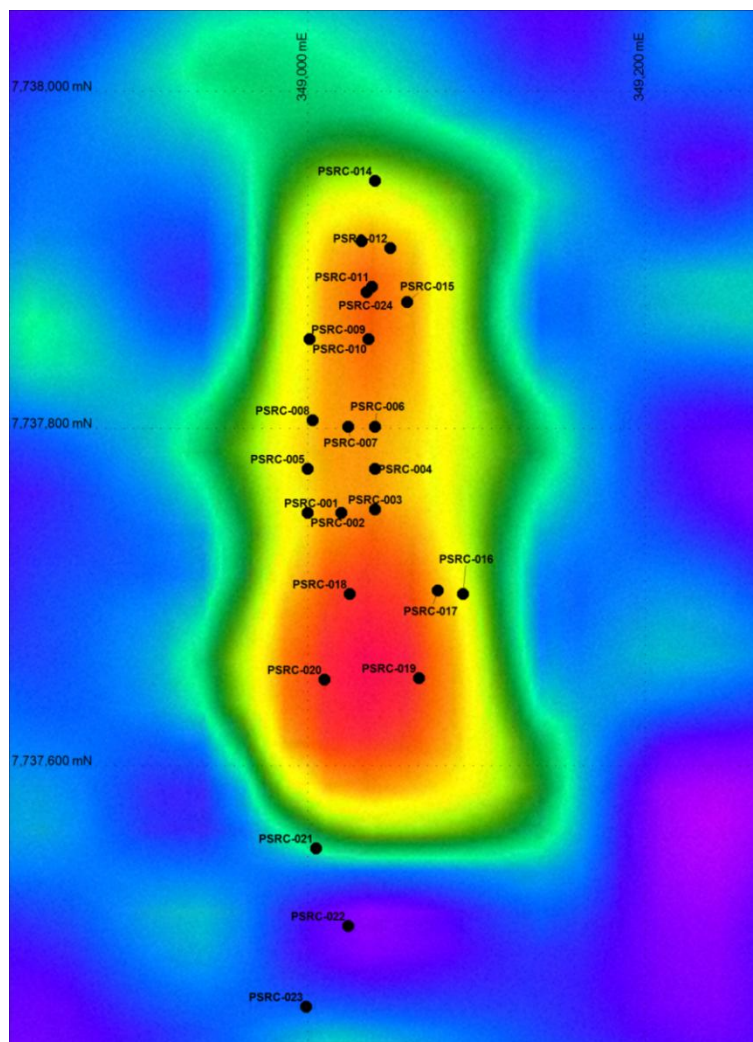
- **7m @ 1155 ppm U<sub>3</sub>O<sub>8</sub>**
- **7m @ 352 ppm U<sub>3</sub>O<sub>8</sub>**
- **7m @ 324 ppm U<sub>3</sub>O<sub>8</sub>**
- **3m @ 473 ppm U<sub>3</sub>O<sub>8</sub>.**

In addition, the discovery of the alteration zone and mineralisation in an area of low radiometric response and transported cover to the south of the airborne anomaly significantly enhances the scope of the Skevi structure to host uranium mineralisation.

The style of mineralisation identified is considered analogous to the mineralisation found at other deposits in the region eg. Valhalla and Skal (Paladin Energy). The Valhalla and Skal deposits are strongly structurally controlled within brecciated basalts and metasediments of the Eastern Creek Volcanics and are confined to zones of strong haematite-carbonate alteration. The Skal deposit is a series of mineralized lenses, with limited surface expression, truncated and offset by faults and, in particular, is considered a geological model for the Skevi exploration program.

The mineralised zone at Valhalla is defined by the 100 ppm contour; resource cut off is 230ppm and the high grade core is defined by 450 ppm contour. Skevi intercepts fall within this range. The initial shallow drilling of Skevi provided intercepts that are narrow compared to the 60m wide zone at Valhalla but the deposit is only sparsely drilled and better widths may be present at depth or along strike. Hole 11 intersected an anomalous shoot 20 metres thick downhole. The radiometric anomaly is shown as a discrete body of about 400m by 100m but the best intercept was in hole PSRC-023 60-70 metres south of the anomaly. A hole further south also had encouraging results suggesting that radiometrics should not be taken as a limiting factor. Even where RC holes failed to return a sample (NSR) downhole gamma logging indicates some anomalous zones.

These encouraging results from the initial drill program have highlighted the potential of the Paroo Range tenement and Skevi Prospect to host economic, structurally controlled mineralisation in the altered Eastern Creek Volcanics. The 2011 airborne radiometric survey and ground reconnaissance identified numerous additional targets that have yet to be tested and will be a focus of future exploration.



**Figure 1: Skevi Prospect Drill Location over Radiometrics**

### Mineralisation Target Model

The Valhalla uranium deposit is located 40km north-west of Mount Isa on Exploration Permit for Minerals (EPM) 17514. Previous drilling by Queensland Mines Ltd in the 1960's, and SRA in the 1990's and 2000's, established a combined Measured, Indicated and Inferred Resource of 56Mlb of U<sub>3</sub>O<sub>8</sub> grading 0.14%. Substantial widths of high grade uranium mineralisation in albite-carbonate hematite breccias and mylonites as well as altered mafic rocks have been intersected in the latest drilling at Valhalla. The deposit is hosted within basalts and basaltic sediments of the Eastern Creek Volcanics, trends north-south and is approximately 1,100m in strike length. Total Measured and Indicated Resource is 34.66 Mt at 830ppm U<sub>3</sub>O<sub>8</sub> and Inferred Resource of 9.1 Mt at 643ppm U<sub>3</sub>O<sub>8</sub>

The Skäl deposit contains a number of ore lenses which are concentrated in four zones within an area of approximately 2km<sup>2</sup>. The mineralised lenses that comprise Skäl vary in strike from 035° to 045° and dip steeply from -85°E to -75°W. Individual lenses can be up to 50m thick and have a combined strike length of over 1,300m. Grades ranged from 100 – 7,088ppm U<sub>3</sub>O<sub>8</sub>. The mineralisation was highlighted by hole SRD0078B (186m-252m/66m @ 1,089ppm U<sub>3</sub>O<sub>8</sub>). High grade intervals are associated with quartz veins within brecciated and albitised siltstones and basalts. The deposit area is

structurally complex, and orebodies are truncated and offset by faults. The Indicated Resource is 14.3 Mt at 640ppm U<sub>3</sub>O<sub>8</sub> and Inferred Resource of 1.4 Mt at 519ppm U<sub>3</sub>O<sub>8</sub>.

(Source: Paladin Resources Website and September 2010 Quarterly report)

	<b>Valhalla, Skal</b>	<b>Skevi Prospect</b>
Strike direction	350 degrees, Structurally controlled	360 degrees
Strike Length	1,100m strike length at Valhalla, 1300m at Skal	500m to 600m open ended with the Thesaurus prospect located on strike 400m north
Down Dip	~450m	Not known but drilling to 70m down hole intersected good grades
Thickness	60m at 100 ppm contour at Valhalla and up to 50m at Skal	Generally narrow zones of several metres based on best intercepts. Up to 20m anomalous zones downhole encountered
Limit of Mineralisation	100ppm contour	All intercepts quoted exceed 100ppm
High Grade Zone	450 ppm 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	790ppm at 230ppm cutoff at Valhalla and 630ppm at 250ppm cutoff at Skal	One hole exceeds 1000ppm. Several intercepts exceed 230 ppm.

### **Skevi Prospect**

Two phases of helicopter supported reconnaissance in 2011 located strong radiometric anomalies in the project area which returned very encouraging uranium spectrometer values up to 1138 ppm eU at anomaly PRP 1 (now named "Skevi") (refer ASX: RGU 12 September 2011).

These high spectrometer uranium values were then confirmed by chemical analysis with assays up to **0.47 %U** and **0.34 %U** (0.55% U<sub>3</sub>O<sub>8</sub> and 0.40%U<sub>3</sub>O<sub>8</sub>) from the prospect area and strongly anomalous values along the identified strike extent (refer ASX: RGU 3 November 2011).

Ground radiometric surveying across this structure in 2012 has indicated that it potentially extends to 1000m in strike length, under thin cover in both directions.

## Drilling

A RC drilling programme totaling 24 holes for 1552 metres was completed at the Skevi prospect. The drillhole locations, downhole gamma and analytical results for the programme are detailed in Table 1 below.

The Skevi drill programme was designed to investigate the Skevi airborne radiometric anomaly, high grade rock chip values from the 2011 helicopter reconnaissance programs and 2012 ground radiometric traverses.

Shallow RC drillholes were geologically logged, with downhole gamma logging by Regalpoint and chemical samples collected for disequilibrium analysis and assay confirmation. One-metre drill samples were collected over anomalous gamma zones for the chemical analysis.

Data compilation and interpretation is in progress to determine future drill proposals for Skevi and other targets.

## New prospect

Reconnaissance ground radiometric traverses, approximately 400 metres north of Skevi Prospect, detected strongly anomalous radiometric values where spectrometer analysis returned values up to 1.5% K, 366ppm eU and 12.7ppm Th.

The 'Thesaurus' prospect (349093mE 7738255mN) occurs in a north-south trending irregularly haematitic- altered sheared metabasalt. Sub-outcropping basalt continues for about 100m before it is totally obscured by alluvium. Initial work suggests this prospect may be an extension of the Skevi structure.

Results from the confirmation geochemical sampling returned values up to **542 ppm U<sub>3</sub>O<sub>8</sub>**. The discovery of this prospect in an area of transported cover and no airborne radiometric response highlights the potential of Paroo to host significant uranium mineralisation undercover.

**Table 2 Thesaurus Rock Chip Location and Assay**

Sample ID	Easting	Northing	Assay (U ppm)	Assay (U3O8 ppm)
4001	349,094	7,738,169	460	542
4002	349,095	7,738,191	175	206
4003	349,100	7,738,255	260	307
4004	349,100	7,738,255	85	100
4005	349,103	7,738,239	25	29
4006	349,098	7,738,143	210	248
4007	349,098	7,738,168	125	147

Confirmation uranium analysis was undertaken by Amdel Laboratories with samples submitted to Amdel Laboratories in Mt Isa for preparation and low level ICP3MS analysis (ie. 0.1 ppm U detection limit) in Adelaide.

## Future Exploration

Identification of the structurally controlled alteration zone and mineralisation at the Skevi prospect with excellent potential along strike to the north and south, discovery of the nearby Thesaurus prospect, and the other geochemical/structural targets generated in 2011 make Paroo Range a priority focus of future Regalpoint exploration.

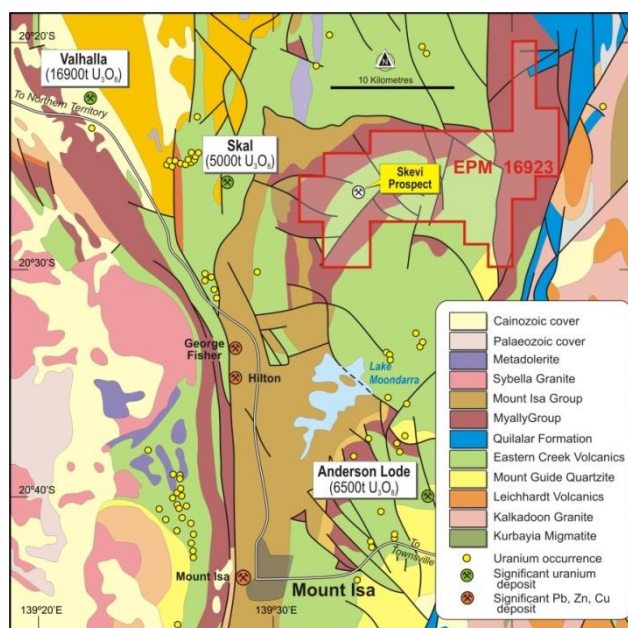
With the strong structural control to uranium mineralisation in the region, as well as potential for mineralisation under transported cover, a follow up programme is being planned with:

- Drill testing along strike and at depth at Skevi
- In depth interpretation of airborne magnetic data for structural targeting
- Acquisition of heliborne data for higher intensity data and increased target definition

Regalpoint considers that the significant results and data received to date are highly promising and a positive start in defining economic uranium resources at our Paroo Range project. The shallow mineralisation identified to date has potential to increase in grade and width at depth as occurs at many Mt Isa uranium deposits eg. Valhalla and Duke-Batman.

## Background

The Paroo Range project is located approximately 30km north-northeast of Mt Isa. The project area lies within the Western Fold succession of the Mt Isa Block. This region hosts numerous base-metal and uranium deposits and occurrences within meta-basalts and volcanoclastics of the Eastern Creek Volcanics.



**Figure 2: Paroo Range Geology**

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*The information in this report that relates to exploration results 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 to Regalpoint Resources Limited. 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 2004 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.*

**Table 1 Paroo RC Drill Location and Analytical results**

Hole	Easting	Northing	TD	Dip	Azimuth	Downhole Gamma		Chemical analysis	
						Interval	eU <sub>3</sub> O <sub>8</sub> (ppm)	Interval	U <sub>3</sub> O <sub>8</sub> (ppm)
PSRC-001	349020	7737750	48	60	90	25-25.5	0.5m @ 104	39-39 41-42	1m @ 210 1m @ 240
PSRC-002	349000	7737750	84	60	90	NSR		NSR	
PSRC-003	349040	7737752	42	60	88	6.5-7	0.5m @ 149	NSR	
PSRC-004	349040	7737776	42	60	86	9-10.5	1.5m @ 444	9-11	2m @ 695
PSRC-005	349000	7737776	96	60	90	45.5-46 73.5-74 75.5-76	0.5m @ 107 0.5m @ 102 0.5m @ 109	44-46 72-75	2m @ 135 3m @ 112
PSRC-006	349040	7737801	36	60	90	NSR		NSR	
PSRC-007	349024	7737801	60	60	89	35.6-37.8	2.2m @ 132	26-27 35-38	1m @ 175 3m @ 134
PSRC-008	349003	7737805	78	60	89	NSR		NSR	
PSRC-009	349036	7737853	42	60	91	12.4-16.4 34-35	4m @ 150 1m @ 233	12-17 33-34	5m @ 242 1m @ 615
PSRC-010	349001	7737853	90	60	91	NSR		NSR	
PSRC-011	349038	7737884	84	60	88	42-44.2 59.7-61.8 62.8-69.2	2.2m @ 345 2.1m @ 156 6.4m @ 164	41-44 59-70	3m @ 473 11m @ 225
PSRC-012	349049	7737907	60	60	91	32.5-33 47-47.5	0.5m @ 101 0.5m @ 159	31-31 47-48	1m @ 140 1m @ 140
PSRC-013	349032	7737911	60	60	89	NSR		NSR	
PSRC-014	349040	7737947	60	60	89	NSR		NSR	
PSRC-015	349059	7737875	78	60	268	6-7.5 10.5-11 13.2-16.7	1.5m @ 114 1m @ 107 3.5m @ 284	6-7 10-17 35-36	1m @ 105 7m @ 324 1m @ 140
PSRC-016	349092	7737702	60	60	269	NSR		NSR	
PSRC-017	349077	7737704	60	60	91	NSR		NSR	
PSRC-018	349025	7737702	78	60	91	5.3-10.7 52-52.5	5.4m @ 254 0.5m @ 143	3-10 51-52	7m @ 352 1m @ 180
PSRC-019	349066	7737652	60	60	90	NSR		12-13	1m @ 100
PSRC-020	349010	7737651	58	60	91	NSR		NSR	
PSRC-021	349005	7737551	60	60	89	NSR		NSR	

Hole	Easting	Northing	TD	Dip	Azimuth	Downhole Gamma		Chemical analysis	
						Interval	eU <sub>3</sub> O <sub>8</sub> (ppm)	Interval	U <sub>3</sub> O <sub>8</sub> (ppm)
PSRC-022	349024	7737505	48	60	89	9.5-10.5	1m @ 142	9-10	1m @ 330
						15.4-17.6	2.2m @ 295	14-21	7m @ 261
						20-21	1m @ 116		
PSRC-023	348999	7737457	48	60	91	25.9-31.3	5.4m @ 560	25-32	7m @ 1155
						Inc 27.4-30.3	2.9m @ 856	Inc 27-30	3m @ 2457
						34-5-35.5	1m @ 199	34-35	1m @ 765
PSRC-024	349035	7737881	120	60	91	42.1-44.4	2.3m @ 281	42-46	4m @ 292
						60.2-61.9	1.7m @ 178	60-66	6m @ 240
						63.4-66.2	2.8m @ 120	70-73	3m @ 104
						69.5-70.5	1m @ 128	75-76	1m @ 115

Notes: TD is total depth of hole.  
NSR is No Significant Results  
Grade cutoff 100ppm U<sub>3</sub>O<sub>8</sub>