

ASX Market Announcement

17 October 2016

ASSETOWL ACQUISITION UPDATE AND INVESTOR PRESENTATION

- Regalpoint (**ASX:RGU**) announced on 29 July 2016 the execution of a binding terms sheet to acquire AssetOwl Pty Ltd (**AssetOwl**), subject to certain conditions including shareholder and regulatory approvals. RGU and AssetOwl's major shareholders have now executed a Share Sale Agreement (**SSA**).
- RGU and AssetOwl have been progressing the transaction since the announcement and attach an Investor Presentation outlining the detail of the proposed acquisition, capital raising and relisting
- The parties have refined some of the commercial terms through the process since announcement (refer below), and subject to shareholder and regulatory approvals, RGU anticipates completion of the transaction and re-listing of its securities this calendar year
- RGU undertaking a capital raising of \$2.75m and up to \$3.5m with Patersons Securities Limited engaged as Lead Manager and proposed underwriter to the issue

Regalpoint Resources Limited (ASX Code: RGU) (**Company**) announced on 29 July 2016 that it had executed a Binding Terms Sheet (**Terms Sheet**) with AssetOwl Pty Ltd (**AssetOwl**) and its major shareholders (**Major Vendors**) setting out the terms for the Company's acquisition of 100% of the shares in AssetOwl (**Acquisition**). The Company has now executed a Share Sale Agreement (**SSA**) with AssetOwl's Major Vendors and is progressing to finalise the Acquisition, including a capital raising and relisting of the Company's securities. Completion of the Acquisition is subject to the minor shareholders entering into the SSA.

AssetOwl is an innovative technology company which has developed an enterprise asset visibility and change platform for retail site management and analysis, with application to other industries, which can provide material efficiency and cost savings to the utilisation and management of retail sites. The cloud-based solution provides an internal visualisation system which combines geographic information systems and virtual reality technologies to enable retailers to visualise, question, analyse and interpret data at each site and collectively across all properties within a network.

HIGHLIGHTS

Game changing technology for the retail industry

- Industry wide tool with significant benefits – productivity and efficiency; monitoring and reporting; tangible financial benefits
- Readily integrates with existing operational systems

Global first-mover advantage and attractive revenue model

- No direct competitor with international patents pending

- Tiered revenue via up-front implementation and ongoing software and licensing fees

Well advanced development pathway

- Established core modules with identified areas for functional development

Significant traction with target customers

- Successfully trialled with a number of large retailers
- Commercial customer discussions underway
- Significant domestic and global opportunity

Experienced management with proven track record

- Senior management team with broad retail and technology experience and success in building new businesses

Near term industry and geographic expansion potential

- Product readily scalable and transferrable to global retail markets and across a large number of retailing sub-sectors, together with other industries requiring site management
- US and UK targets already identified through existing relationships
- Global market potential is significant – many hundreds of thousands of stores, centres and locations

OVERVIEW OF ASSETOWL BUSINESS

Business model and services

AssetOwl has invested in developing its internal systems and technology and has attained ISO27001 accreditation, the industry standard for information security management systems. The core system modules are – Properties/Audits/Projects/Planner – and functionality for the augmentation of additional modules. Key product benefits include:

- Virtual tour across all properties in a customer network
- A hub for information storage
- Geospatially referenced information and images, including CADs to individual asset level detail
- Real time visual record of property network
- Integration and connectivity with existing systems
- Simple and quick installation
- Powerful analytical tools
- Easily accessible – various and multiple devices; remote locations
- Cloud based secure platform

CHANGE IN NATURE OF ACTIVITIES – SHAREHOLDER APPROVAL AND POTENTIAL ASX RE-COMPLIANCE

The Acquisition will result in a significant change to the nature of the Company's activities. The Company currently focuses on mineral exploration and if the Acquisition proceeds it will acquire a software application development business.

Accordingly, following consultation with ASX, the Company anticipates that ASX will require the Company to obtain shareholder approval to complete the Acquisition and to re-comply with the ASX admission requirements in Chapters 1 and 2 of the ASX Listing Rules.

The Company intends to issue a notice of general meeting (**Notice of Meeting**) seeking shareholder approval for matters required to effect the Acquisition as soon as practicable and in any event by the end of October 2016. The general meeting to be convened by the notice is proposed to be held in November 2016.

The Company requested voluntary suspension of its securities on 14 July 2016. It anticipates that its securities will remain suspended from quotation until the Acquisition completes (or is terminated) which is currently anticipated to be in December 2016.

KEY TERMS OF THE ACQUISITION

Term	Description
Share acquisition:	The Company will acquire 100% of the shares in AssetOwl (AssetOwl Shares).
Consolidation:	The Company will undertake a consolidation of its share capital. At this time, the consolidation is expected to be on a 10 for 1 basis (Consolidation).
Capital raising:	<p>The Company will seek to raise \$2.75m and up to \$3.5 million in new working capital through the issue of up to 17,500,000 shares at an issue price of not less than \$0.20 each (Capital Raising) under a prospectus (Prospectus). For every two shares subscribed there will be an entitlement to receive a free-attaching option exercisable at \$0.40 on or before 30 June 2019.</p> <p>The Company will seek to engage underwriters for a minimum of \$2.75 million of the Capital Raising. It is proposed that the Underwriters will receive up to 11,000,000 free-attaching options exercisable at \$0.40 on or before 30 June 2019.</p>
Initial consideration:	<p>The initial consideration to be provided by the Company to the shareholders of AssetOwl (Vendors) at completion of the Acquisition comprises:</p> <ul style="list-style-type: none">• 15,000,000 fully paid ordinary shares in the Company (on a 10:1 post Consolidation basis); and• 5,000,000 options to subscribe for ordinary shares in the Company, each exercisable at \$0.25 on or before 31 March 2019 (on a 10:1 post Consolidation basis).
Deferred consideration:	<p>The Company must provide the Vendors with deferred consideration (Deferred Consideration) comprising the following (on a post-Consolidation basis):</p> <ul style="list-style-type: none">• 15,000,000 Class A Performance Rights;• 7,500,000 Class B Performance Rights; and• 7,500,000 Class C Performance Rights. <p>Each class of Performance Rights is intended to provide consideration valued at \$3,000,000 and will vest subject to satisfaction of applicable milestones which relate to the financial performance, operations and expansion of the AssetOwl business over 3 years following</p>

Term	Description
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the Acquisition. In summary, the applicable milestones are:

Milestones	Year 1	Year 2	Year 3
Sites	320	1,152	1,408
Revenue	\$3.0m	\$5.7m	\$10.4m
Net profit before tax	B/E	\$1.8m	\$5.7m

Further information in relation to the Performance Rights is set out in the Annexure to this announcement and will be provided in the Notice of Meeting and the Prospectus. Please note that the issue of the Performance Rights is subject to confirmation by ASX, which is currently being considered.

Change of name: The Company will change its name to “AssetOwl Limited”, subject to shareholder approval.

Conditions precedent: The Acquisition will be subject to various conditions precedent being satisfied by 31 December 2016, including (without limitation):

- **(change in nature and scale)** the Company obtaining shareholder approval under the ASX Listing Rules for the change in nature and scale of activities associated with the acquisition of the AssetOwl Shares;
- **(Consolidation)** the Company receiving shareholder approval to undertake the Consolidation;
- **(Capital Raising)** the Company receiving shareholder approval to undertake the Capital Raising (and subsequently closing and issuing shares under the Capital Raising); and
- **(ASX re-compliance)** the Company complying with the requirements of the listing rules and receiving conditional approval from ASX for reinstatement of its securities to official quotation on ASX.

Escrow of Vendor securities The shares and options to be issued to the Major Vendors at completion as the Initial Consideration and the Deferred Consideration to be issued to the Major Vendors (**Vendor Securities**) will be subject to voluntary escrow for 12 months from the date of issue, to the extent the Vendor Securities are not subject to ASX escrow restrictions. During this time, the Major Vendors will be restricted from transferring, selling, assigning or mortgaging their respective Vendor Securities.

However, the Company must reasonably consider a request by the Major Vendors to release a portion of the escrowed Vendor Securities after 6 months escrow.

CHANGES IN BOARD/MANAGEMENT STRUCTURE

If the Acquisition proceeds, it is envisaged that the Company’s Board of Directors and management will change appropriately to meet the requirements of managing and operating the AssetOwl business.

Mr Andrew Lane, currently a director of AssetOwl will become a director of RGU, and AssetOwl’s CEO and co-founder, Mr Giuseppe di Franco will become CEO of the listed vehicle. Mr Tim Brady will remain a consultant to the group in a business development role.

INDICATIVE PROPOSED TIMETABLE

The table below sets out the indicative proposed timetable for the Acquisition.

Event	Target Date
Despatch Notice of General Meeting seeking approvals required for Acquisition	28 October 2016
Lodgement of Prospectus with ASIC and opening date for Capital Raising	31 October 2016
General Meeting to approve Acquisition	29 November 2016
Closing date for Capital Raising	6 December 2016
Satisfaction of ASX re-compliance conditions	12 December 2016
Completion of acquisition under Share Purchase Agreement	12 December 2016
Securities reinstated to trading on ASX	16 December 2016

Note: The dates in the table above are indicative only and are subject to change.

PROPOSED CAPITAL STRUCTURE

The table below sets out the proposed capital of the Company structure following completion of the Consolidation, Capital Raising and acquisition of the AssetOwl Shares.

Holder	Ordinary Shares (fully paid ordinary shares)	Options \$0.20 on or before 30 September 2018	Options \$0.25 on or before 31 March 2019	Options \$0.40 on or before 30 June 2019	Performance Rights ²
Existing Securities (Pre-Consolidation)					
Existing security holders	270,421,120	101,427,928	Nil	Nil	Nil
Securities after Acquisition and minimum Capital Raising (Post-Consolidation (10:1))					
Existing Regalpoint shareholders	27,042,112	10,142,793	Nil	Nil	Nil
Vendors ³	15,000,000	Nil	5,000,000	Nil	30,000,000
Capital Raising investors	13,750,000	Nil	Nil	6,875,000	Nil
Underwriter / sub-underwriters	Nil	Nil	Nil	11,000,000 ⁴	Nil
Advisors / promoters	1,000,000	Nil	Nil	Nil	Nil
TOTAL	56,792,112	10,142,793	5,000,000	17,875,000	30,000,000

Securities after Acquisition and maximum Capital Raising (Post-Consolidation (10:1))					
Existing Regalpoint shareholders	27,042,112	10,142,793	Nil	Nil	Nil
Vendors	15,000,000	Nil	5,000,000	Nil	30,000,000
Capital Raising investors	17,500,000	Nil	Nil	8,750,000	Nil
Underwriter / sub-underwriters	Nil	Nil	Nil	11,000,000 ⁴	Nil
Advisors / promoters	1,000,000	Nil	Nil	Nil	Nil
TOTAL	60,542,112	10,142,793	5,000,000	19,750,000	30,000,000

Notes:

1. The above table is indicative and subject to change. It assumes that other new ordinary shares are not issued before completion of the Acquisition.
2. Performance Rights comprise Class A, Class B and Class C Performance Right.
3. The Vendors will nominate their corporate advisor, Maiden Capital Pty Ltd, to receive 6% of the securities to be provided to the Vendors by the Company as consideration for the Acquisition.
4. This assumes that the minimum subscription is fully underwritten

EXISTING ASSETS

The Company does not have any plans to dispose of its existing mineral exploration undertakings at this stage. However, if the Acquisition proceeds, the Company intends to undertake a strategic review of its Rum Jungle and Paroo Range mineral exploration projects and evaluate opportunities to maximise the value for its existing and new subscribing shareholders. The AssetOwl vendors have agreed to renounce their right to participate in the proceeds of any sale or spin out of the mineral exploration assets.

*****ENDS*****

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Annexure

Summary of Performance Rights entitlements of Vendors

1. Each Performance Right that has vested on achieving the Milestone in the table below entitles the holder to receive either of the following, at the Company's discretion:
- (a) one Share for each vested Performance Right (**Share Entitlement**); or
 - (b) the cash amount (**Cash Amount**) in the table below for each vested Performance Right, in lieu of issuing the Share Entitlement (**Cash Entitlement**):

Class	Milestone	Portion of Performance Rights that vest on achieving Milestone	Cash Amount (per vested Performance Right)
Class A Performance Right	The stores in 2017 being at least 320.	33⅓%	\$0.20
	The Company's revenue in 2017 being at least \$3,008,000.	33⅓%	
	The Company breaking-even in relation to the 2017 net profit before tax.	33⅓%	
Class B Performance Right	The stores in 2018 being at least 1,152.	33⅓%	The higher of \$0.40 and the VWAP of shares traded on ASX over the 14 trading days prior to the end of 2018.
	The Company's 2018 revenue being at least \$5,760,000.	33⅓%	
	The Company's 2018 net profit before tax being at least \$1,792,000.	33⅓%	
Class C Performance Right	The stores in 2019 being at least 1,408.	33⅓%	The higher of \$0.40 and the VWAP of shares traded on ASX over the 14 trading days prior to the end of 2019.
	The Company's 2019 revenue being at least \$10,400,000.	33⅓%	
	The Company's 2019 net profit before tax being at least \$5,696,000.	33⅓%	

2. The Company must notify the holder whether the Company elects to provide the Share Entitlement or the Cash Entitlement within 10 business days of the later of:
- (a) the end of each of 2017, 2018 and 2019, if one or more Milestones are achieved in that relevant Year; and

- (b) the date by which the Company determines whether a Milestone has been achieved.
- 3. The Company's obligations to the holder in relation to a Performance Right are discharged and satisfied in full upon issuing the Share Entitlement or paying the Cash Entitlement (as applicable) for that class of Performance Rights.