

## ASX Market Announcement

15 December 2016

### ASSETOWL ACQUISITION

#### Grant of Listing Rule Waivers

Regalpoint Resources Limited (ASX Code: RGU) (**Company**) refers to its announcements of 29 July and 17 October 2016 regarding the proposed acquisition by the Company of all of the issue shares of AssetOwl Pty Ltd (**AssetOwl**), and the Company's Notice of Annual General Meeting (**Notice**) announced on 3 November 2016.

The Company advises that it has been granted Listing Rule waivers by ASX in relation to the matters outlined below:

#### 1. Waiver from Listing Rule 1.1 (condition 11)

As outlined in the Notice, part of the consideration to be provided by the Company to the shareholders of AssetOwl (**Vendors**) in relation to the acquisition of AssetOwl is the grant of class A, B and C performance rights (**Performance Rights**) to the Vendors each of which, on satisfaction of the relevant performance milestones, will result in the holder being issued with a fully paid ordinary share (**Share**).

A Vendor is not required to pay any vesting/exercise price to receive the Share under a Performance Right.

ASX has advised the Company that it will treat the Performance Rights as options.

As the Company is re-complying with the admission requirements in Chapters 1 and 2 of the Listing Rules, it is required to ensure that all options granted on reinstatement have an exercise price of at least \$0.20 each in order to comply with Listing Rule 1.1 (condition 11).

ASX has granted the Company a waiver from Listing Rule 1.1 (condition 11) to the extent necessary to for the Company to grant up to 25,919,319 unquoted Performance Rights with a nil exercise/vesting price.

#### 2. Waiver from Listing Rule 9.1.3

As outlined in the Notice, the Company's acquisition of the shares in AssetOwl constitutes the acquisition of a "classified asset" for Listing Rule purposes. Accordingly, the Company is required to ensure that the consideration it provides is in the form of restricted securities which cannot be traded during a specific escrow period.

Part of the consideration to be provided by the Company to the Vendors in relation to the acquisition of AssetOwl is the issue of 15,000,000 Shares to the Vendors.

ASX has granted the Company a waiver from Listing Rule 9.1.3 to the extent necessary to apply the restrictions in paragraphs 1 and 2 of ASX Appendix 9B (as applicable) to the Shares to be issued by the Company to the Vendors as follows:

- (a) the Shares issued to the Vendors who subscribed for cash for their shares in AssetOwl are treated as being held by related or unrelated seed capitalists (as appropriate) of the Company;
- (b) cash formula relief is applicable to the Shares that are issued to the AssetOwl shareholders who subscribed directly for their shares in AssetOwl for cash consideration;
- (c) for the purpose of determining the length of the escrow period for restricted securities issued to related party or promoters of AssetOwl which are subject to 24 months escrow, the 24 month escrow period will begin on the date of reinstatement to official quotation of the Shares in the Company following its re-compliance with Chapters 1 and 2 of the Listing Rules; and
- (d) for the purpose of determining the length of the escrow period for restricted securities issued to unrelated Vendors which are subject to 12 months escrow, the 12 month escrow period will be deemed to begin on the date on which shares in AssetOwl were issued to those Vendors.

### **3. Waiver from Listing Rule 10.13.3**

As outlined in the Notice, the Company proposes to issue securities to related parties as part of the AssetOwl acquisition and under the public capital raising conducted by the Company under its prospectus dated 9 November 2016 (**Prospectus**).

The Company obtained shareholder approval under Listing Rule 10.11 at the annual general meeting held on 5 December 2016 (**AGM**) to issue securities to related parties of the Company. Listing Rule 10.13.3 requires that such securities be issued within 1 month of the date on which shareholder approval was obtained.

ASX has granted the Company a waiver from Listing Rule 10.13.3 to the extent necessary to permit the Notice to state that the securities to be issued to related parties of the Company under the AssetOwl acquisition and the capital raising will be issued at the same time as other securities to be issued under the Prospectus, rather than within one month after the date of the AGM.

This waiver was granted on the following conditions:

- (a) the securities to be issued to related parties must be issued no later than 3 months from the date of the AGM, subject to shareholder approval having been obtained;
  - (b) the securities to be issued to related parties must be issued pursuant to the relevant terms and conditions set out in the Notice;
  - (c) the circumstances of the Company have not changed materially since the shareholders of the Company approved the issue of the securities to be issued to related parties; and
  - (d) the terms of the waiver are immediately disclosed to the market and are clearly disclosed in the Notice and Prospectus.
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#### 4. Waiver from Listing Rule 14.7

As outlined in the Notice, the Company proposed to grant a total of 30,000,000 Performance Rights to the Vendors as part of the consideration for the AssetOwl acquisition.

All Performance Rights were to be granted at completion of the AssetOwl acquisition.

Listing Rule 7.16 provides (in summary) that a company must not grant options if it would have more options than underlying shares on issue.

If the Company granted all options proposed under the Prospectus and all Performance Rights at the same time, it would have granted a total of 64,892,793 options and Performance Rights, as opposed to 60,542,112 Shares on issue.

Accordingly, the Company is currently seeking to vary the terms of the Share Sale and Purchase Agreement with the Vendors for the acquisition of AssetOwl such that:

- (a) only 3,149,319 of the Class C Performance Rights will be granted to the Vendors at completion of the AssetOwl acquisition; and
- (b) the Company will seek shareholder approval to grant the remaining 4,350,681 Class C Performance Rights (**Remaining Performance Rights**) at a time when to do so would not result in more options and Performance Rights being granted than the total number of Shares on issue.

ASX has granted the Company a waiver from Listing Rule 14.7 to permit the Company not to the Remaining Performance Rights that were proposed to be issued to the Vendors within 3 months of the AGM on the condition that the grant of the Remaining Performance Rights is subject to the Company receiving a fresh shareholder approval pursuant to Listing Rule 7.1 (and Listing Rule 10.11, if required) to grant those rights at a later time when such would not result in the aggregated options and performance rights granted by the Company exceeding the Shares then on issue.

\*\*\*ENDS\*\*\*

#### For further information, shareholders and media please contact:

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