

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Regal Resources Inc. (the "Issuer").

Trading Symbol: RGR

Number of Outstanding Listed Securities: 48,521,959

Date: November 3, 2015

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*During the month of September 2015, Regal Resources Inc. ("Regal" or "the Company") continued to pursue its business plan and the development of certain mineral resource based interests.*

*Previously, August 27, 2014, the Company announced that it had received formal approval from the US Forest Service ("USFS") for the drilling of the Company's Patagonia/Sunnyside project (the "Project"). The proposed program calls for drilling a minimum of 6 holes and is designed to methodically test for extensions of the skarn mineralization at depth. The program, originally expected to start in September 2014, was delayed due to technical problems related to the US Forest Service completing implementation of the plan of operation. The Plan of Operation received approval in April 2015.*

*Subsequently, the USFS imposed an annual seasonal drilling moratorium on the Project extending from March 1 to September 30, 2015 to ensure that the breeding season of certain species of wildlife is not disturbed.*

*Subsequent to the USFS' approval of the Operational Plan, two environmental activist groups applied to the United States District Court for the District of Arizona (the "Court") for an order to set aside such approval. Although the Company is confident that the USFS decision to approve the Operational Plan will be upheld and the Company will be permitted to commence drilling activities in accordance with the approved Operational Plan, the Court has not yet provided its ruling on the matter. If the ruling is not issued before the expiry of the moratorium on September 30, there is a possibility that the activist groups will seek an injunction to prevent the Company from undertaking any drilling*

*activities on the Project pending delivery of the Court's decision.*

*On September 17, 2015 the Company announced the decision of the U.S. District Court for the District of Arizona (the "Court") regarding the challenge of two environmental activist groups of the USFS approval of the Company's operational plan for the Project located in Coronado National Forest, Arizona.*

*The Court concluded that the Project should have been subject to an environmental assessment prior the Operational Plan being approved. Regal is disappointed with the ruling as it delays the Company's anticipated commencement of drilling activities, but remains committed to the Project and is in the process of consulting with applicable legal counsel to determine its next course of action.*

*On October 5, 2015 the Company announced it has decided to move forward with the Environmental Assessment ("the report") recommended by the U.S. District Court, Arizona. The U.S. Forest Service and Regal will continue to progress towards successful culmination of the Environmental Assessment and Permit approval processes, and due to extensive preliminary work having been completed both parties are confident that the report will be finished in a timely manner. Regal remains committed to the Patagonia/Sunnyside project and as a company is respectful of diverse ecological area that is Coronado National Forest, Arizona wherein the Patagonia/Sunnyside project resides.*

*On June 11, 2015, the Company announced that it has entered into a binding investment agreement with Mansa Equity Partners, LLC ("Mansa"), whereby Mansa has agreed to invest US\$7.5 million for a 20% direct interest in the Company's Patagonia/Sunnyside Project (the "Project") located in Arizona (collectively, the "Transaction").*

*Highlights of the Transaction include:*

- Mansa's obligation to advance US\$300,000 by way of deposit within 15 business days, with closing scheduled to occur 10 business days thereafter. Regal will be entitled to retain the deposit if all conditions for the benefit of Mansa are satisfied or waived and the Transaction is not completed by July 20, 2015;*
- Under a shareholders' agreement to be entered into at closing between Mansa and Regal (the "Shareholders' Agreement"), Mansa and Regal will each be granted certain rights to convert Mansa's 20% interest in the Project into common shares of Regal;*
- The Shareholders' Agreement also provides that Mansa's 20% interest in the Project will be a carried interest until such time as a pre-feasibility study on the Project is completed and following such time Mansa will be granted certain anti-dilution rights to maintain its interest in the Project; and*
- In addition to certain piggy-back and drag along rights associated with Mansa's 20% interest in the Project, the Shareholders' Agreement will provide Regal with certain rights of first refusal and first offer in respect of any proposed disposition of Mansa's interest in the Project.*

*Regal expects to use the net proceeds of the Transaction to repay any outstanding secured indebtedness that remains outstanding as of closing of the Transaction and to advance the exploration program at the Project.*

*On July 21, 2015 Regal announced an extension of the date for completion from July 20 to July 31, 2015. Further on August 10, 2015 Regal announced a further extension to the date for completion from July 31, 2015 to August 31, 2015. On August 31, 2015 the Company announced that due to further delays in its agreement with Mansa the company and Mansa have mutually agreed to explore options to solidify their objectives. The agreement in place remains whereby Mansa will acquire an equity interest in the Company's Patagonia/Sunnyside Project (the "Project"). Regal and Mansa are in constant communication to ensure the successful completion of the financing, and the Company reports these delays are related to the financiers' internal matters and are not related to the Company or to the structure of the intended financing. On advisement from Mansa, the financing agreement is expected to complete within 75 days.*

*On September 8, 2015, the Company announced that it has granted incentive stock options to certain of its directors, officers and consultants, which entitle the purchase of an aggregate 1,020,000 common shares of Regal Resources at a per share price of \$0.15 for a period of five years. Shares which may be acquired upon the exercise of the options will be subject to a 4 month hold period in accordance with applicable securities legislation.*

*On November 3, 2015 the Company announced the renegotiation of a convertible debenture (the "Debenture") with a relative of an officer and director, which became payable on August 29, 2015 in the principal amount of \$900,000, plus accrued interest. The Debenture has been renewed for a period of twenty-four (24) months. The Debenture bears interest at 12% per annum, payable quarterly, convertible in whole or in part by the holder into units of the Company at the conversion price of \$0.10 per unit, each unit to be comprised of one common share of the Company and one non-transferable warrant exercisable for a period of two years from the date of conversion at an exercise price of \$0.20 per share. The Company may prepay the principal sum under the Debenture in whole or in part, together with all interest accrued and unpaid to the date of payment, at any time without notice, bonus or penalty. The Debenture will be secured by a floating charge security interest in all of the Company's present and after acquired personal property, and a first fixed charge against the Company's mineral property interest. The Debenture is transferable and assignable by the lender. The Debenture holder may accelerate repayment of up to \$150,000 on 30 days' notice.*

*Our filings and other corporate documents can be found by visiting the Company's profile on [www.sedar.com](http://www.sedar.com).*

2. Provide a general overview and discussion of the activities of management.

***Management continues to evaluate opportunities for exploration and development of mineral properties. See discussion above for additional details.***

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

***NONE***

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

***NONE***

5. Describe any new business relationships entered into between the Issuer, the issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

***NONE***

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

***NONE***

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

***On June 11, 2015, the Company announced a binding investment agreement with Mansa whereby Mansa has agreed to invest US\$7.5 million for a 20% direct interest in the Project (the "Project") located in Arizona (collectively, the "Transaction"). Mansa is not a Related Person to the Issuer. See Report on Business above.***

8. Describe the acquisition of new customers or loss of customers.

**NONE**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**NONE**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**NONE**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**NONE**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**NONE**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**NONE**

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>

*(1) State aggregate proceeds and intended allocation of proceeds*

15. Provide details of any loans to or by Related Persons.

***A \$100,000 loan made to a director of the company is outstanding. The repayment date of this loan was extended from November 1, 2011 to February 1,***

*2012, and has been additionally extended until May 1, 2012. On May 1, 2012, the repayment date was extended for a further period ending July 30, 2012. Prior to July 30, 2012, the loan was again extended to December 1, 2012, and prior to December 1, 2012, the loan was again extended to May 1, 2013 and again to December 31, 2013. The Company and the director have verbally agreed to an extension to October 31, 2015.*

16. Provide details of any changes in directors, officers or committee members.

*None.*

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

*Changes in commodity prices, in particular metal prices, and changes in the share performance of other junior mineral exploration companies may affect the Issuer's ability to raise financing.*

### **Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: November 3, 2015

**Gregory Thomas**

Name of Director or Senior Officer

"Gregory Thomas"

Signature

**President & CEO**

Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/DD
<b>Regal Resources Inc.</b>	<b>October 31, 2015</b>	<b>15/11/03</b>
Issuer Address		
<b>Suite 203-2780 Granville Street</b>		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
<b>Vancouver, BC V6H 3J3</b>	<b>(604)730-0967</b>	<b>(604)730-0237</b>
Contact Name	Contact Position	Contact Telephone No.
<b>Gregory M. Thomas</b>	<b>President &amp; CEO</b>	<b>(604)730-0237</b>
Contact Email Address	Web Site Address	
<b>greg@regalresinc.com</b>	<b>www.regalresinc.com</b>	