

Editor's Note: There are two images associated with this press release.

[Regulus Resources Inc.](#) ("Regulus") (TSX VENTURE:REG) is pleased to announce that its wholly owned Peruvian subsidiary, Southern Legacy Peru S.A.C. ("SLP-Regulus"), has entered into binding Memorandum of Understanding ("MOU") agreements with Compañía Minera Coimolache S.A. ("Coimolache") and Compañía Minera Colquirrumi S.A. ("Colquirrumi"), companies that hold mineral concessions immediately adjacent to, and inter-fingering with, the SLP-Regulus AntaKori copper-gold project in northern Peru. These agreements will allow for mutual access, mutual rights of expansion and collaborative exploration of the project area, providing benefit to all three parties.

John Black, Chief Executive Officer of Regulus, commented as follows:

"When we acquired the AntaKori copper-gold project by means of the amalgamation with Southern Legacy Peru, we knew we were on to an exceptionally good opportunity to define a major new copper-gold discovery. However, we were faced with a significant challenge due to the fragmented pattern of mining concession ownership. We are very excited that these agreements will now set the stage for collaborative exploration for the first time in the long history of the project area. All three parties will remain autonomous but will be able to work together to better determine the full extent and economic importance of copper-gold mineralization that is already extensive but has been only partially defined to date. Over the next several weeks our technical and community relations teams will be sitting down with their counterparts from Coimolache and Colquirrumi to develop exploration plans for the upcoming field season. A significant benefit of the agreements is that we will be able to present a more comprehensive and complete project plan to the local communities and very likely advance the exploration activities more quickly, with drilling likely to commence before the end of this year."

Coimolache MOU Agreement

Compañía Minera Coimolache S.A. ("Coimolache") is a mining company that owns and operates the Tantahuatay gold-silver mine immediately adjacent to the southern margin of the SLP-Regulus AntaKori project (Figure 1). The principal shareholders of Coimolache are Compañía de Minas Buenaventura S.A.A. ("Buenaventura" - 40% and operator) and Southern Peru Copper S.A.A. ("SPC" - 44%). The Coimolache MOU agreement allows for mutual access, mutual rights of expansion and collaborative exploration with a principal objective of determining the size and nature of the AntaKori copper-gold deposit and a secondary objective of allowing the expansion of Coimolache's Tantahuatay mine by way of lay-back onto SLP-Regulus mining concessions. The MOU is binding and the parties will use best efforts to enter into a Definitive Agreement ("DA") prior to December 31, 2016. The key components of the agreement are as follows:

- The creation of an Area of Interest ("AOI") consisting of mining rights from both companies centered on the known AntaKori copper-gold sulphide mineralization (Figure 1).
- Each company retains its current mining rights.
- Collaborative exploration within the AOI, overseen by a joint technical committee and with each party assuming costs for work done on its own mining rights.
- Both parties have access to all exploration data generated by either party within the AOI.
- Both parties have access to all surface rights owned or controlled by either party.
- Either party may elect to proceed with exploration activity on its own mining concessions, at its sole cost, in the event that the other party elects to not complete exploration activity at that time.
- For the purposes of permitting and management of exploration and development activities, the AOI will be divided into two sub-areas:
 - Sub-area 1 will consist of all Coimolache mining concessions within the AOI and seven SLP-Regulus mining concessions that are closest to Coimolache's active Tantahuatay Mine (Figure 1).
 - Exploration within sub-area 1 will be managed by Coimolache and will utilize existing and future Coimolache exploration and mining permits.
 - Coimolache may extend the current Tantahuatay oxide precious metals mining operation onto the assigned SLP-Regulus mining concessions for the purpose of exploiting oxide precious metals mineralization by meeting the following requirements:
 - Presentation of an approved mine plan to SLP-Regulus;
 - Assuming all development and operating costs;
 - Assuming all responsibility for permitting costs and procedures;
 - Payment of a 5% Net Smelter Return royalty ("NSR") to SLP-Regulus for any mineralization processed from the SLP-Regulus mining concessions; and
 - Assuming all responsibility for environmental and mine closure costs.
 - SLP-Regulus will assign the seven mining concessions to Coimolache for the purposes of exploration and the development and mining of near-surface oxide precious metals mineralization.
 - Sub-area 2 will consist of the remaining 11 SLP-Regulus mining concessions that are located farther from the Tantahuatay Mine (Figure 1). Exploration in sub-area 2 will be managed by SLP-Regulus.

- Within the first five years from the execution of the DA, either party may elect to become the Developing Party ("DP") and thereby have the right to develop and mine sulphide mineralization within the AOI by meeting the following requirements:
 - Presenting a mining plan, scoping study, preliminary economic assessment ("PEA") or similar development plan;
 - Presenting a Preliminary Feasibility Study ("PFS") within two years of presenting a scoping study or PEA;
 - Presenting a Final Feasibility Study ("FFS") within three years of presenting a PFS;
 - Starting construction within 3 years of presenting the FFS;
 - Assuming all development and operating costs;
 - Assuming all responsibility for permitting costs and procedures;
 - Stockpiling mined material, if requested by the other Party, that is moved from the other Party's mining concessions within the AOI;
 - Paying a 5% NSR to the other Party for mineralization processed from the other Party's mining concessions within the AOI and
 - Assuming all responsibility for environmental and closure costs.
- In the event that SLP-Regulus elects to become the DP, Coimolache will have a period of 360 calendar days to choose one of the following options:
 - Allow SLP-Regulus to become the DP;
 - Elect to become the DP;
 - Elect to proceed jointly with SLP to complete a Preliminary Feasibility Study and Final Feasibility Study on the timeline indicated above for the DP; or
 - Terminate the Definitive Agreement.
- The MOU will remain valid until the earlier of the execution of the Definitive Agreement or December 31st, 2016.

Colquirrumi MOU Agreement

Compañía Minera Colquirrumi S.A. ("Colquirrumi") is a wholly owned subsidiary of Buenaventura. The Colquirrumi MOU agreement allows SLP-Regulus an option to earn-in to up to a 70% interest in a large area of Colquirrumi mining concessions located immediately to the north and east of the SLP-Regulus AntaKori mining concessions (Figure 2) and also providing Colquirrumi with an option to claw-back to a 70% interest by making a cash payment to SLP-Regulus. The MOU is binding and the parties will use best efforts to enter into a Definitive Agreement prior to December 31, 2016. The key components of the agreement are as follows:

- An AOI consisting of a large area of Colquirrumi mining concessions located to the north and east of the SLP-Regulus AntaKori mining concessions (Figure 2).
- Colquirrumi will assign the mining concessions in the AOI to Newco, a special purpose company to be initially owned 100% by SLP-Regulus for the purpose of exploration.
- Newco will have an option to acquire a 100% interest in the AOI by completing a minimum of 7,500 m of drilling within a three year time period that commences upon receipt of all required drilling permits.
- In exchange for the 100% interest in the AOI, Colquirrumi will receive a 30% interest in Newco.
- Commencing from the date that Newco notifies Colquirrumi that it elects to exercise its option to acquire the 100% interest in the AOI (and therefore grant Colquirrumi a 30% interest in Newco), Colquirrumi will have a period of 60 days to elect to claw-back to a 70% interest in Newco by making a US\$9,000,000 payment to SLP-Regulus.
- If Colquirrumi does not exercise its claw-back option, it will remain with a 30% interest in Newco.
- Upon final resolution of the earn-in and claw-back options, all future expenditures and investments made by Newco will be proportional to each Party's percentage ownership in Newco with standard dilution in the event that a Party chooses not to participate.
- If either party has its participation in Newco diluted to less than 10%, the Party's participation will be converted to a 1.5% NSR.
- The Parties also agree that either SLP-Regulus or Coimolache may elect to develop and mine sulphide mineralization within the AOI as an extension of activity on their adjacent mining concessions by meeting the following obligations:
 - Presenting a mining plan, scoping study or preliminary economic assessment (PEA) or similar development plan;
 - Presenting a Preliminary Feasibility Study (PFS) within two years of presenting a scoping study or PEA;
 - Presenting a Final Feasibility Study (FFS) within three years of presenting a PFS;
 - Starting construction within 3 years of presenting the FFS;
 - Assuming all development and operating costs;
 - Assuming all responsibility for permitting costs and procedures;
 - Stockpiling mined material, if requested by Newco, that is moved from Newco's mining concessions within the AOI;
 - Paying a 5% NSR to Newco for mineralization processed from Newco's mining concessions within the AOI; and
 - Assuming all responsibility for environmental and closure costs.

- The Parties also agree that Coimolache may extend its current Tantahuatay oxide precious metals operations into the following Colquirrumi mining concessions in the AOI (Provedora No 2-E, Provedora No 2-F, Tantahuatay No 20-A3, Tantahuatay No 20 and Futuro No 3) by meeting the obligations listed below:
 - Presentation of a approved mining plan to Newco, SLP-Regulus and Colquirrumi;
 - Assuming all development and operating costs;
 - Assuming all responsibility for permitting costs and procedures;
 - Assuming all responsibility for environmental and mine closure costs;
 - Coimolache would be restricted to mining material that falls within the approved mine plan presented to Newco, SLP-Regulus and Colquirrumi;
 - No NSR royalty will be required for this activity;
 - Newco, SLP-Regulus and Colquirrumi will facilitate the assignment of the mining concessions to Coimolache for extension of mining as per the approved mine plan; and
 - Once the mining of oxide mineralization is terminated, or at the conclusion of a period of five years from the granting of the right of expansion, whichever is the earlier date, the lease of the mining concessions will be terminated unless the parties agree otherwise.

AntaKori Project

The flagship project for SLP-Regulus is the AntaKori Cu-Au-Ag project in northern Peru. This project has a 43-101 inferred resource of 294 million tonnes grading 0.48% Cu and 0.36 g/t Au (please refer to Southern Legacy news release of July 3, 2012). The resource is based on only 17,000 m of drilling, is only reported for the portion of the mineralized system that is owned or controlled by SLP-Regulus, and is open for expansion in several directions.

Table 1. AntaKori Cu-Au-Ag Project

Summary of 43-101 Resources

Resource Type Inferred Category

	Tonnes (millions)	Au (g/t)	Cu (%)	Ag (g/t)	Au (M ozs)	Cu (B lbs)	Ag (M ozs)
In-Pit	125.4	0.25	0.28	6.6	1.0	0.8	26.6
Underground	169.4	0.44	0.63	12.8	2.4	2.4	69.6
Total	294.8	0.36	0.48	10.2	3.4	3.1	93.3

Notes: i) Estimates were calculated using Inverse Distance Squared method

ii) Estimates were calculated within a Whittle Pit and limited to Southern Legacy Peru's property mineral tenure

iii) In-pit cut-off grade of 0.2% Cu equivalent

iv) Underground resources assume Block Caving at 0.5% Cu equivalent cut-off

v) Metal prices utilized for estimate were US\$1,500/oz Au, US\$25/oz Ag and US\$3.50/lb Cu

The AntaKori project is located 60 km north of the city of Cajamarca in the Hualgayoc District, northern Peru. The project is located in a world-class Au-Cu province which hosts a number of nearby deposits:

- Immediately adjacent to the producing Tantahuatay Gold Mine (Buenaventura-Southern Copper);
- 7 km to the NW of the Cerro Corona Gold-Copper Mine (Goldfields);
- 35 km to the NW of the Yanacocha Gold Mine (Newmont-Buenaventura);
- 40 km to the SE of the La Granja Porphyry Copper deposit (Rio Tinto); and
- 50 km to the NW of the Michiquillay Porphyry Copper deposit (Peruvian Government).

Highlights of the AntaKori project include the following:

- SLP-Regulus owns or controls 20 mineral concessions, totalling 289 hectares, which cover most, but not all of the currently known AntaKori mineralized system. Further consolidation of mineral tenure is in process.
- A total of 17,952 m of drilling has been completed in 70 drill holes (22 RCDH and 48 DDH).
- Several of the more significant drill intercepts reported to date include:
 - DDH-37 202.1 m with 1.00 g/t Au and 1.89% Cu;
 - DDH-44 103.2 m with 1.03 g/t Au and 1.38% Cu from surface; and
 - DDH-50 84 m with 1.11 g/t Au and 1.47% Cu.
 - Note - Reported intersections are drilled intersections, additional drilling will be required to determine true widths of mineralization.
- An Independent 43-101 report has documented a large telescoped Au-Cu porphyry system with associated, mineralized breccias, skarns, and porphyry-style mineralization hosted in sedimentary and intrusive rocks, and associated epithermal, high-sulphidation mineralization in the overlying volcanic rocks.
- Zones of mineralization have been intercepted by the previous drilling within large geophysical anomalies, thus confirming the utility of the geophysics used in identifying future exploration targets.
- Indication that the mineralized system is open in all directions, and has potential for expansion through future exploration programs.

Qualified Persons

The scientific and technical data contained in this news release pertaining to the AntaKori project has been reviewed and approved by John E. Black, Regulus' CEO, who serves as the qualified person (QP) under the definitions of National Instrument 43‐101.

About Regulus Resources Inc.

[Regulus Resources Inc.](#) is an international mineral exploration company run by an experienced technical and management team, with a portfolio of precious and base metal exploration properties located in North and South America. For further information on [Regulus Resources Inc.](#), please consult our website at www.regulusresources.com.

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Certain statements regarding Regulus, including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities laws and necessarily involve known and unknown risks and uncertainties, most of which are beyond Regulus' control. Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Specifically, and without limitation, all statements included in this press release that address activities, events or developments that Regulus expects or anticipates will or may occur in the future, including the proposed exploration and development of the AntaKori project described herein, and management's assessment of future plans and operations and statements with respect to the completion of the anticipated exploration and development programs, may constitute forward-looking statements under applicable securities laws and necessarily involve known and unknown risks and uncertainties, most of which are beyond Regulus' control. These risks may cause actual financial and operating results, performance, levels of activity and achievements to differ materially from those expressed in, or implied by, such forward-looking statements. Although Regulus believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

The forward looking statements contained in this press release are made as of the date hereof and Regulus does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities law.

To view the images associated with this press release, please visit the following link:

http://www.marketwire.com/library/20160518-NR%20FIG_1.jpg

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