REGIS RESOURCES LTD

2017 ANNUAL REPORT

CORPORATE INFORMATION

ABN

28 009 174 761

Directors

Mark Clark	(Executive Chairman)
Paul Thomas	(Executive Director)
Mark Okeby	(Deputy Chairman/Lead Independent Non-Executive Director)
Ross Kestel	(Independent Non-Executive Director)
James Mactier	(Independent Non-Executive Director)
Fiona Morgan	(Independent Non-Executive Director)

Company Secretary

Kim Massey

Registered Office & Principal Place of Business

Level 1
1 Alvan Street
SUBIACO WA 6008

Share Register

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

Regis Resources Limited shares are listed on the Australian Securities Exchange (ASX).
Code: RRL

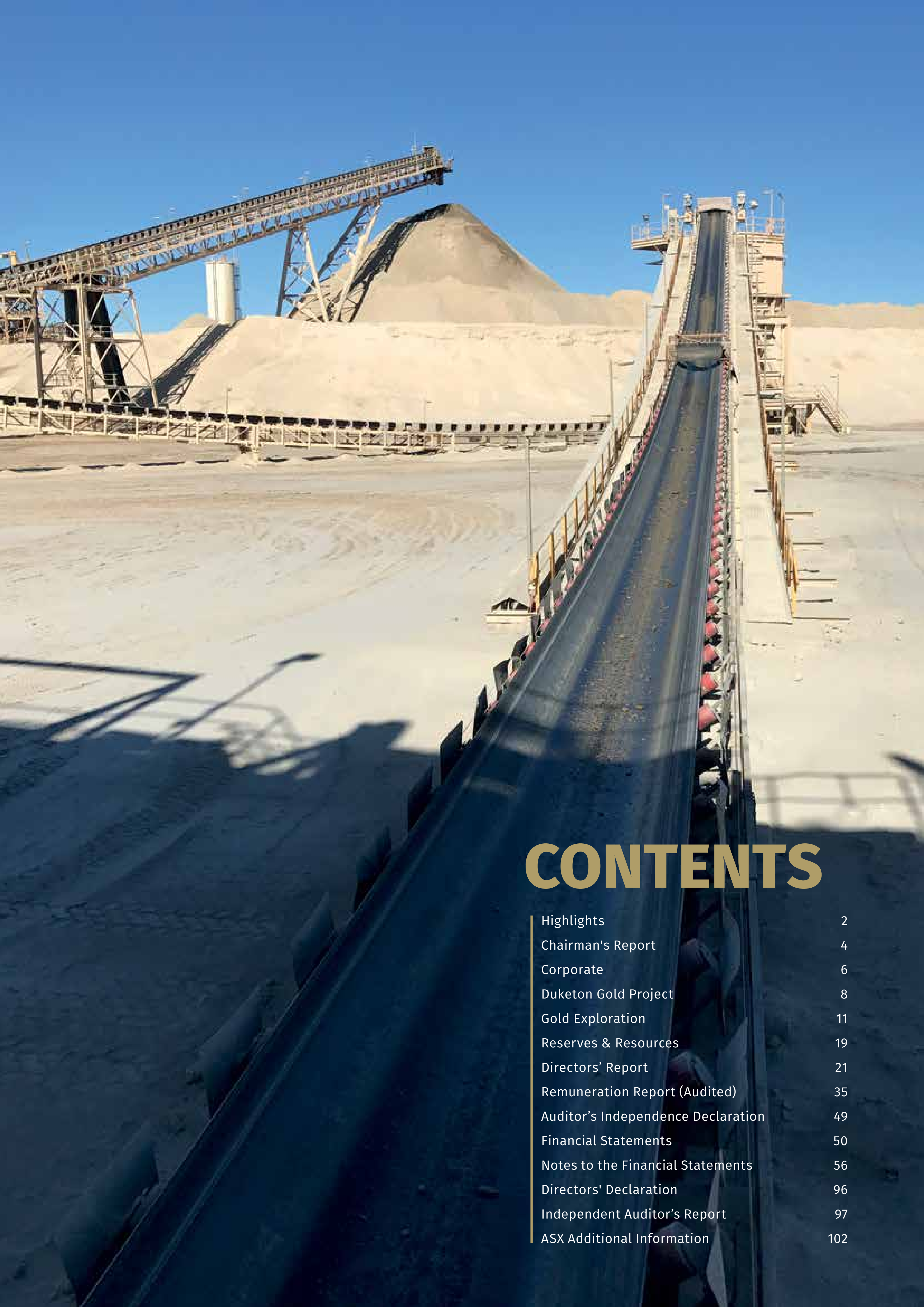
Bankers

Macquarie Bank Limited
Level 4, Bishops See
235 St Georges Terrace
PERTH WA 6000

Auditors

KPMG
235 St Georges Terrace
PERTH WA 6000

REGIS RESOURCES LTD



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HIGHLIGHTS

Gloster ore delivery to the Moolart Well ROM // Photo by John Dumancic

CORPORATE

24% — **NET PROFIT AFTER TAX**

Net profit after tax up 24% to **$138.2 million** for the financial year.

8% — **REVENUE**

Revenue up 8% to **$542.2 million**.

8% — **EBITDA**

EBITDA up 8% to **$253.3 million**.

15% — **DIVIDENDS**

Dividends declared for FY2017 up 15% to **15.0 cents per share**.

CASH AND BULLION

Cash and Bullion increased to $151.7 million at 30 June 2017, up **$28.4 million** for the year.

APPOINTMENT

Appointment of Fiona Morgan to the Board.

DUKETON OPERATIONS

- Record gold production at Duketon in FY2017 with **324,353 ounces of gold produced** at AISC of **$945 per ounce**.
- Strong **operating cashflow** from Duketon of **$256.1 million**.
- Commencement of mining and first production from the **Gloster and Erlistoun satellite deposits**.
- FY2017 production guidance increased to **335,000-365,000 ounces of gold** at AISC **$940-1,010 per ounce**.

EXPLORATION

- Maiden reserve released for the **Tooheys Well Gold Project** contributes to an increase in **Ore Reserves** during the period of **388,000 ounces** net of depletion.
- RC drilling programme at **Rosemont Underground delivers gold** intercepts with **excellent widths and grades**.
- Infill drilling programme at **McPhillamys** provides basis for maiden Reserve estimate of **2.03 million ounces** released in September 2017.
- **Acquisition of the Blayney Gold Project**, located contiguous to the McPhillamys Project for $3.25 million.

CHAIRMAN'S REPORT

Dear Shareholder,

On behalf of the Board of Directors of Regis Resources it is my pleasure to present to you the Company's 2017 Annual Report.

Last year I wrote that our focus would be on delivering operational excellence and organic growth to our business. So it is pleasing that this year we achieved production of 324,353 ounces which was 6% higher than last year as the Company's organic growth strategy takes effect. This excellent result also further consolidates Regis' position as one of Australia's leading gold mining companies.

Some of the highlights of a very successful year include:

- Outstanding operational performance at Duketon with record gold production of 324,353 ounces at all in sustaining costs of $945 per ounce.
- The successful start-up of new mines at Gloster and Erlistoun validating the strategy of blending higher grade satellite ore feed to existing operations.
- Net profit after tax up 24% to $138.2 million and EBITDA up 8% to $253.3 million.
- A fully franked final dividend of 8 cents per share declared in August 2017 taking full year dividends to 15 cents per share.
- The release of a maiden Reserve at Tooheys Well of 7.1 million tonnes at 1.61g/t Au for 366,000 ounces of gold more than replaces mining depletion for the year.
- Infill drilling programme at McPhillamys completed during the year and the progression of two long term water supply options culminated in the declaration of a maiden Reserve estimate of 2.03 million ounces in September 2017.

On the back of record production at Duketon, the Company achieved strong financial results. Regis generated a net operating cash flow of $206.1 million for FY2017 and at the end of the financial year had cash and bullion holdings of $151.7 million and no bank debt. The Company declared full year dividends of 15 cents per share for 2017. This represents a payout ratio of 14% of revenue and 54% of profit after tax for FY2017 which further enhances Regis' status as an Australian gold industry leader on dividend payment metrics. Since Regis' maiden dividend in 2013, the Company has paid a total of $245 million (49cps) in fully franked dividends.

It is pleasing to note that the Company's record gold production was achieved with the addition of higher grade ore feed from the Gloster and Erlistoun open pits. The commencement of mining at these satellite operations during the year was the culmination of a strategy embarked on two years ago to blend higher grade satellite mill feed to the existing processing plants at Moolart Well, Rosemont and Garden Well.

With a full year of production from Erlistoun and Gloster in FY2018, production is expected to increase and be in the range of 335,000 - 365,000 ounces at an all in sustaining cost of $940 - $1,010 per ounce. Gold production at these levels is expected to be maintained in the medium term with the introduction of Tooheys Well ore in future years.

The addition of 366,000 ounces of gold to Regis' Ore Reserves with the release of the maiden Reserve at Tooheys Well during the year further demonstrates the excellent organic growth potential that aggressive exploration of the prospective Duketon greenstone belts controlled by Regis can deliver. Further regional exploration programmes are planned in FY2018 together with drilling programmes at the Rosemont deposit targeting the release of a maiden underground resource later this year.

A significant amount of work was undertaken during the year on the McPhillamys project in NSW. A 45,000 metre infill drilling programme was completed during the year with the results used to estimate a maiden Reserve of 2.03 million ounces in September 2017. The development of the project represents an outstanding organic growth opportunity for Regis and we look forward to pushing ahead with the final elements of the DFS and then submitting permitting applications immediately thereafter.

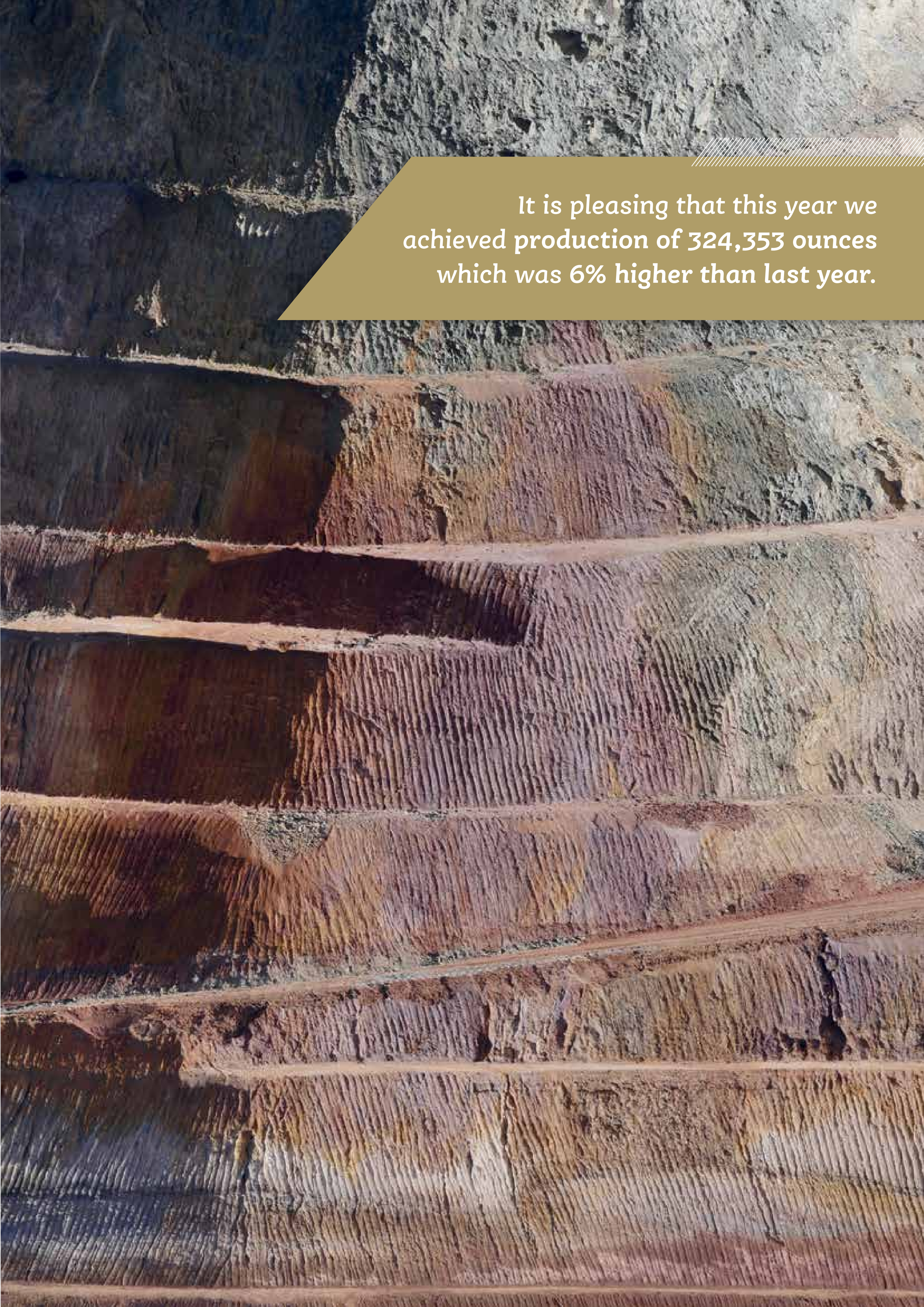
Regis sits in an enviable position in the Australian gold industry. We have a blend of quality operating and development assets that provide the platform for future organic growth. Our strong balance sheet and robust cash flows underpin our commitment to paying dividends to shareholders as well as provide the opportunity for further growth outside our current projects.

None of the achievements of the last 12 months would be possible without the hard work and dedication of the Regis team. I would like to thank all Regis employees and contractors for their relentless efforts and commitment over the last 12 months and look forward to continuing to build on this success in 2018.

Yours sincerely

Mark Clark
Executive Chairman

It is pleasing that this year we achieved production of 324,353 ounces which was 6% higher than last year.



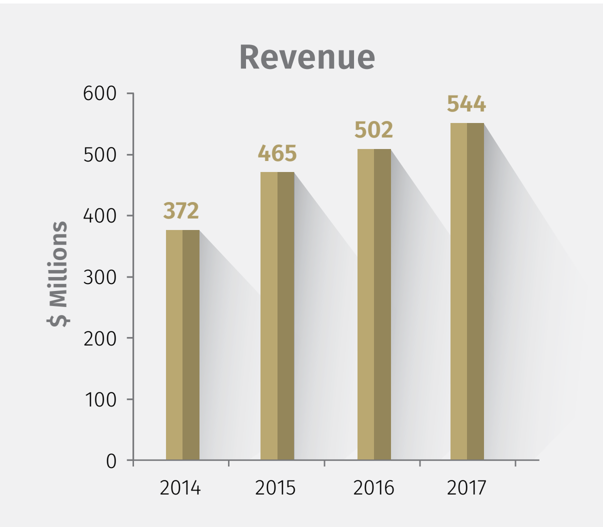
CORPORATE

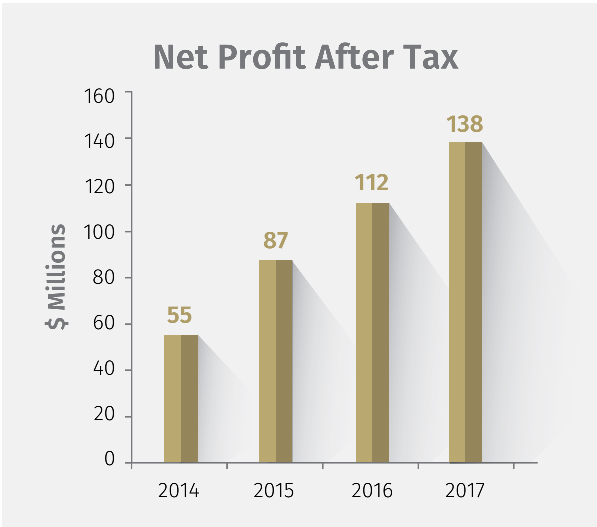
Driven by record production at the Duketon Gold Project, Regis reported a 24% increase in profit after tax for the 2017 financial year of $138.2 million.

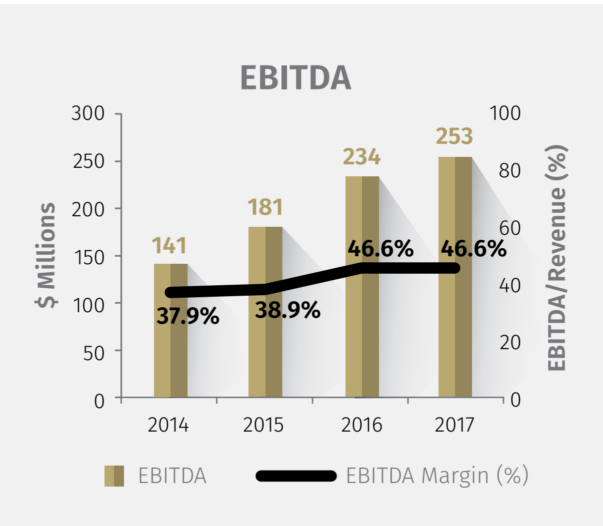
This strong result was on the back of an 8% increase in gold revenue to $542.0 million driven by a 6% higher delivered gold price and a 4% higher sales volume. Accordingly EBITDA increased by 8% from the previous period to $253.3 million for FY2017.

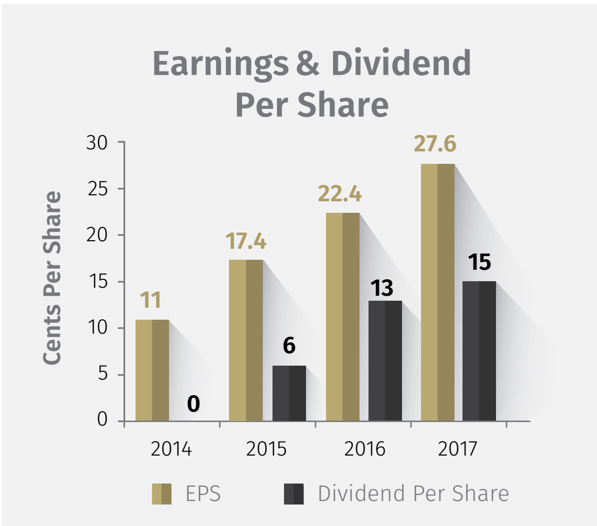
Regis sold a total of 319,407 ounces of gold during the year at an average price of A$1,691 per ounce. The Company delivered the gold produced during the year into a combination of spot deferred contracts and at the prevailing spot price. At the end of the financial year the Company had a total hedging position of 396,406 ounces of spot deferred contracts with a delivery price of A$1,551 per ounce.

The following graphs illustrate the strong performance of the Company across several profit metrics.





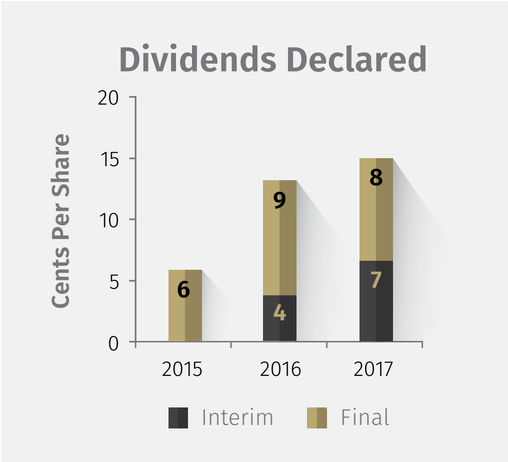


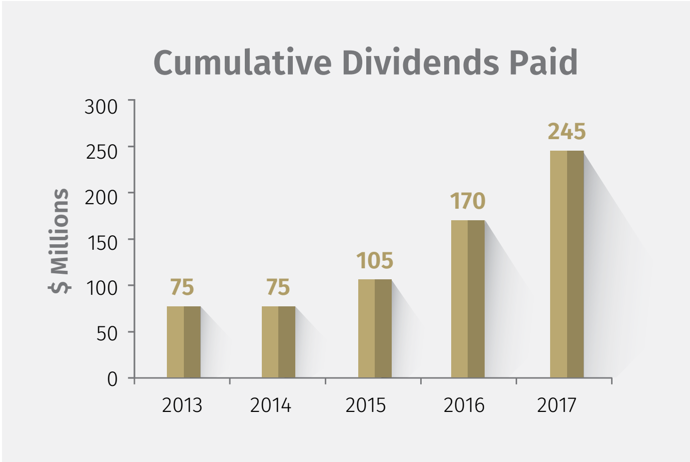


FY2014 NPAT, EBITDA & EPS adjusted to underlying result by excluding $202.7m after tax impairment charge

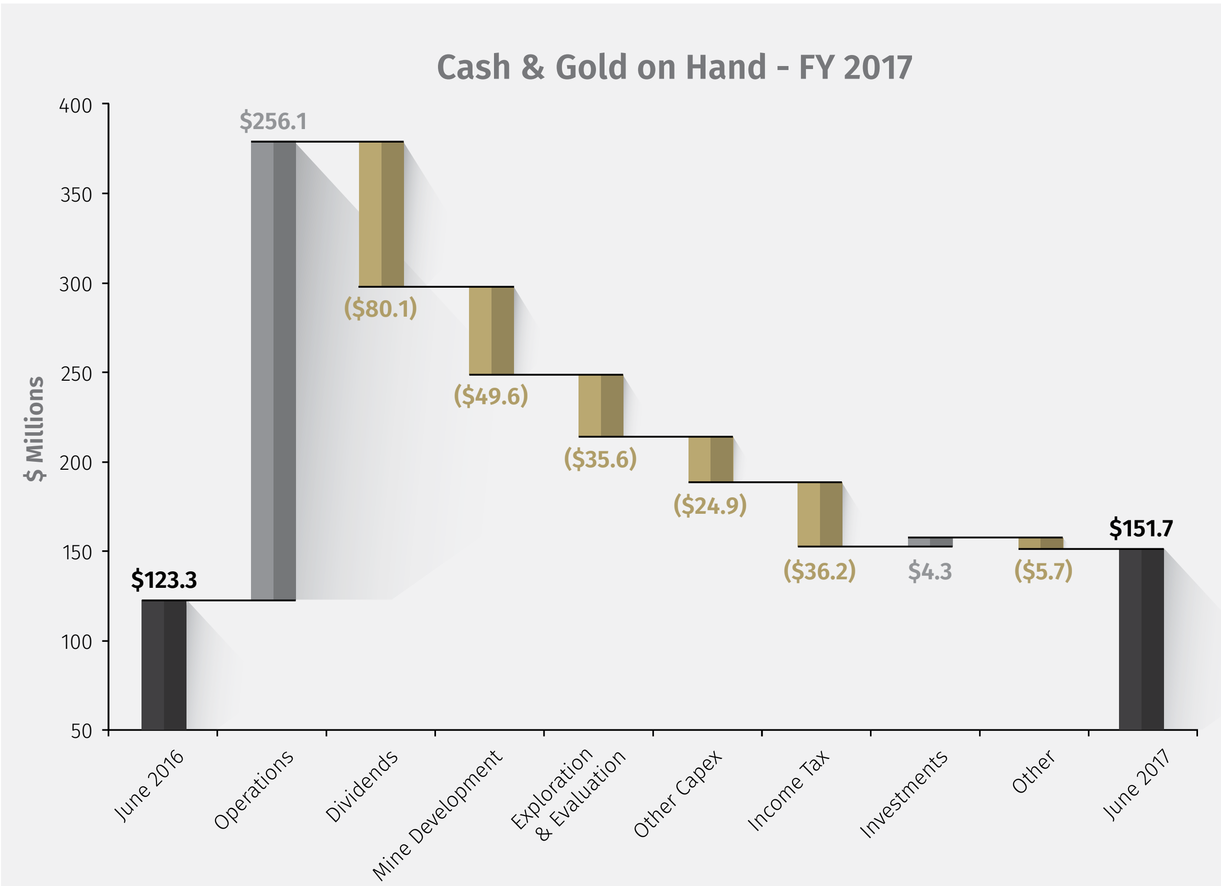
Net cash from operating activities of $206.1 million was in line with 2016 as higher production at the project was offset by higher start up stripping at the new satellite operations. Robust operating cashflows from the project generated an increase in the Company's cash and bullion holdings to $151.7 million, up $28.4 million from the previous year even after the payment of dividends, start-up capital expenditure at Gloster and Erlistoun and the extensive resource drilling programmes at Duketon and McPhillamys.

The Company paid a total of $80.1 million in fully franked dividends during the year and subsequent to the end of the financial year declared an 8 cents per share fully franked final dividend. The final dividend was declared after consideration of the strong cashflow and profitability from the Company's Duketon operations in FY2017. The full year dividend of 8 cents per share coupled with the 7 cents per share interim dividend paid in February 2017, took the full year pay out to 15 cents per share. This represents a 14% payout of FY2017 revenue and 54% of net profit after tax. Since the commencement of dividend payments in 2013, the Company has paid a total of $245 million in fully franked dividends (49cps).





The following chart details the movement in the Company's cash reserves over the financial year:

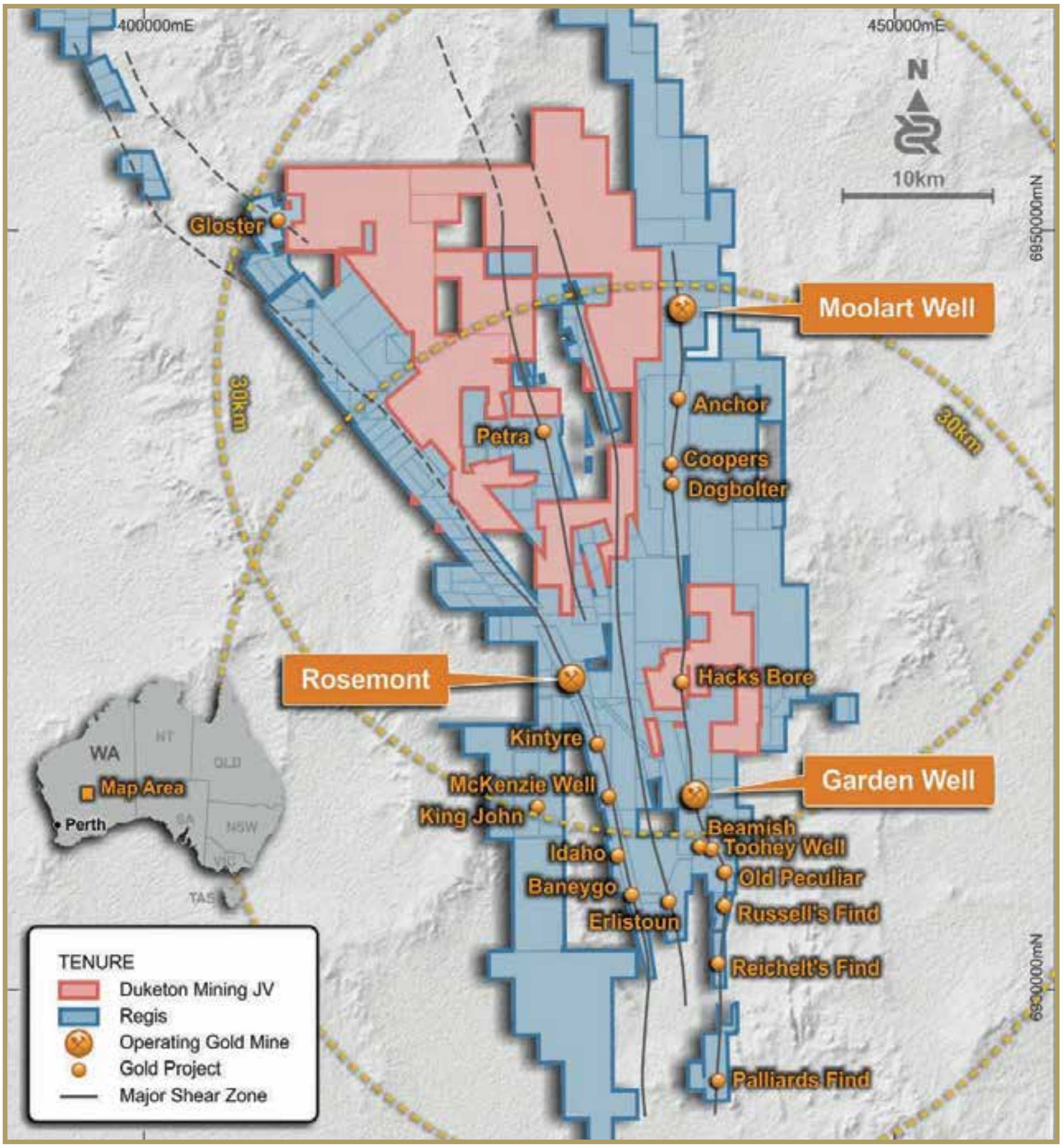


Operating cash flow differs from the statutory Statement of Cash Flow "net cash from operating activities" as it is quoted under the Appendix 5B classification protocol and includes movement in gold bullion on hand

DUKETON GOLD PROJECT

The Duketon Gold Project is located in the North Eastern Goldfields of Western Australia approximately 130 kilometres north of Laverton.

The project area consists of two operating centres being the Duketon North Operations ("DNO") comprising the Moolart Well Gold Mine and surrounding satellite deposits including the Gloster Gold Mine; and the Duketon South Operations ("DSO") comprising the Garden Well and Rosemont Gold Mines and surrounding satellite deposits including the Erlistoun Gold Mine. The Duketon Project has in excess of 1,000 square kilometres of exploration and mining tenure.



In 2017 the Duketon Project produced 324,353 ounces of gold which was at the upper end of FY2017 guidance of 300,000-330,000 ounces and the highest ever production since operations commenced in 2010. As expected the project benefited from the introduction of higher grade ore feed from the commencement of operations at satellite deposits, Gloster and Erlistoun. Milled grade across the Duketon Project increased by 8% to 1.11g/t and validated the strategy of pursuing organic growth through aggressive regional exploration programmes across Duketon. All in sustaining costs were $945 per ounce which was below the lower end of FY2017 cost guidance and reflected the excellent cost control at the operations.

Operating results for the entire Duketon Project are summarised below:

		2017	2016
Ore mined	Mbcm	4.56	4.63
Waste mined	Mbcm	25.55	22.62
Stripping ratio	w:o	5.60	4.89
Ore mined		10.85	10.79
Ore milled	Mt	9.78	10.25
Head grade	g/t	1.11	1.03
Recovery	%	93	90
Gold production	koz's	324	305
Cash cost	A$/oz	790	773
Cash cost inc royalty	A$/oz	864	845
All in Sustaining Cost	A$/oz	945	927

DUKETON NORTH OPERATIONS

Duketon North Operations ("DNO") comprises the Moolart Well, Gloster, Dogbolter, Petra and Anchor pits with all ore processed through the Moolart Well processing plant.

Operating results for the year to 30 June 2017 were as follows:

		2017	2016
Ore mined	Mbcm	1.74	1.49
Waste mined	Mbcm	7.77	5.77
Stripping ratio	w:o	4.5	3.9
Ore mined	Mt	3.37	2.98
Ore milled	Mt	2.95	2.92
Head grade	g/t	1.14	0.90
Recovery	%	94	91
Gold production	koz's	101	76
Cash cost	A$/oz	621	706
Cash cost inc royalty	A$/oz	697	778
All in Sustaining Cost	A$/oz	785	934

Annual production for FY2017 at DNO was 100,875 ounces at a cash cost of $621 per ounce and an all in sustaining cost of $785 per ounce. Production at DNO increased by 32% from the previous year due to the commencement of mining operations at the Gloster satellite deposit in October 2016. Gloster ore is hauled approximately 26 kilometres by road train to the processing facility at Moolart Well where it is blended with ore from that operation. The ore from Gloster milled during 2017 was of a higher grade and softer, oxide material than the ore available from Moolart Well. As a result the head grade at DNO increased by 27% and mill throughput improved slightly from the previous year even though Gloster contributed to production for only 9 months of the year.

AISC for DNO dropped 16% on the back of the increased gold production and despite the higher strip ratio incurred in starting up operations at Gloster.

DUKETON SOUTH OPERATIONS

The Duketon South Operations ("DSO") includes the Garden Well, Rosemont, Erlistoun, Baneygo and other satellite projects in proximity to the Garden Well processing plant.

Operating results for the year to 30 June 2017 were as follows:

		2017	2016
Ore mined	Mbcm	2.82	3.15
Waste mined	Mbcm	17.78	16.85
Stripping ratio	w:o	6.3	5.4
Ore mined	Mt	7.48	7.81
Ore milled	Mt	6.83	7.34
Head grade	g/t	1.10	1.08
Recovery	%	93	90
Gold production	koz's	223	229
Cash cost	A$/oz	867	795
Cash cost inc royalty	A$/oz	940	867
All in Sustaining Cost	A$/oz	1,017	924

Production at DSO for the year was 223,478 ounces of gold at an all-in sustaining cost of $1,017 per ounce. Gold production was slightly lower than the previous year due to a 7% reduction in mill throughput as a result of the Rosemont operation transitioning to harder, fresh ore during the year. Mining of softer oxide material in the Rosemont southern extension commenced towards the end of the year resulting in improved throughput.

Mining at the Erlistoun satellite project commenced in December 2016 with ore carted to the Garden Well processing plant (8 kilometres to the north). Ore supply from Erlistoun, whilst contributing positively to DSO grade, was continuous but in modest tonnages as the open cut advances to main ore zones. The contribution from Erlistoun is expected to improve in FY2018 as operations move towards steady state and ore supply becomes continuous.

AISC was up 10% on the prior year as a result of high, start up strip ratios at Erlistoun and the Rosemont southern extension.

FY2018 GUIDANCE

With a full year of production expected from the Gloster and Erlistoun satellite deposits, Regis is expecting production at Duketon to increase in FY2018. Gold production and operating costs for FY2018 are expected to be in the following ranges:

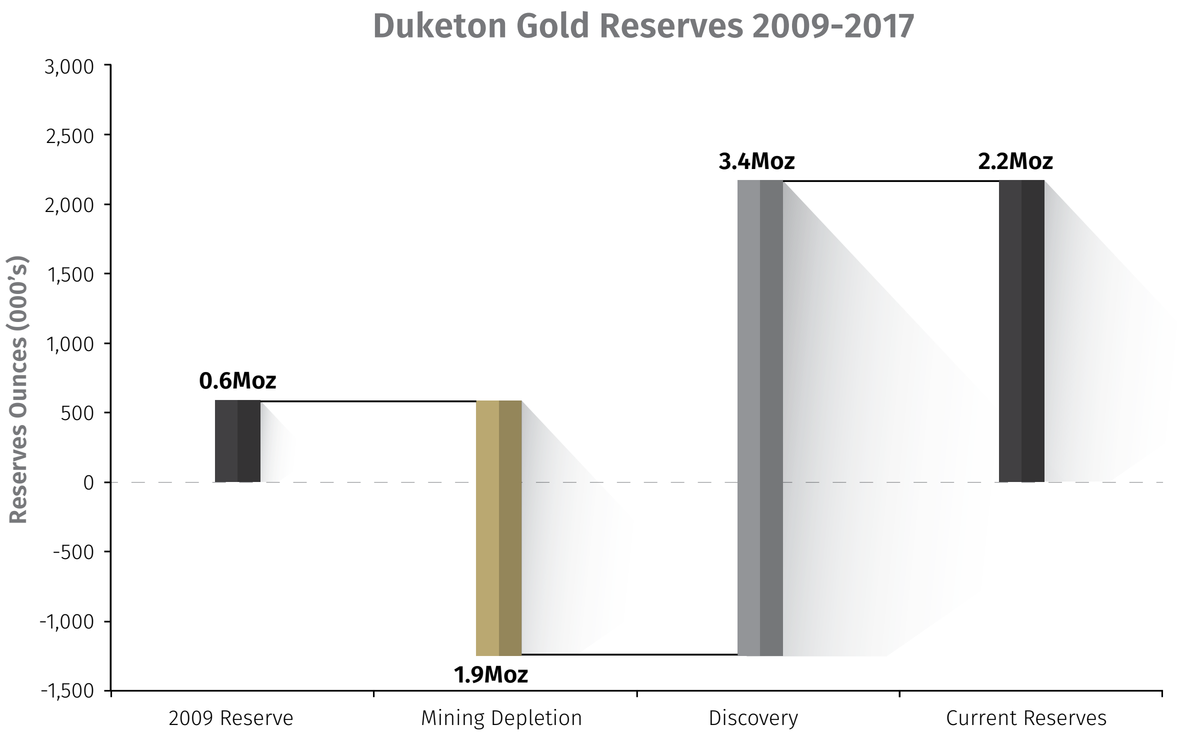
- Gold production: 335,000 – 365,000 ounces
- Cash costs, including royalties: $770 – 840 per ounce
- All in Sustaining Cost: $940 – 1,010 per ounce

GOLD EXPLORATION

Duketon Gold Project

Regis controls a significant tenement package, encompassing 192 granted exploration, prospecting and mining licences covering 1,031 square kilometres and 38 miscellaneous licences covering 427 square kilometres at the Duketon Gold Project.

Regis' exploration effort in recent years has been successful in extending the reserve base of the Company and replacing annual production. The successful replenishment and extension of Reserves is reflective of the advantage the significant tenure position on prospective geology and the proximity to the 10Mtpa milling capacity provides at Duketon.

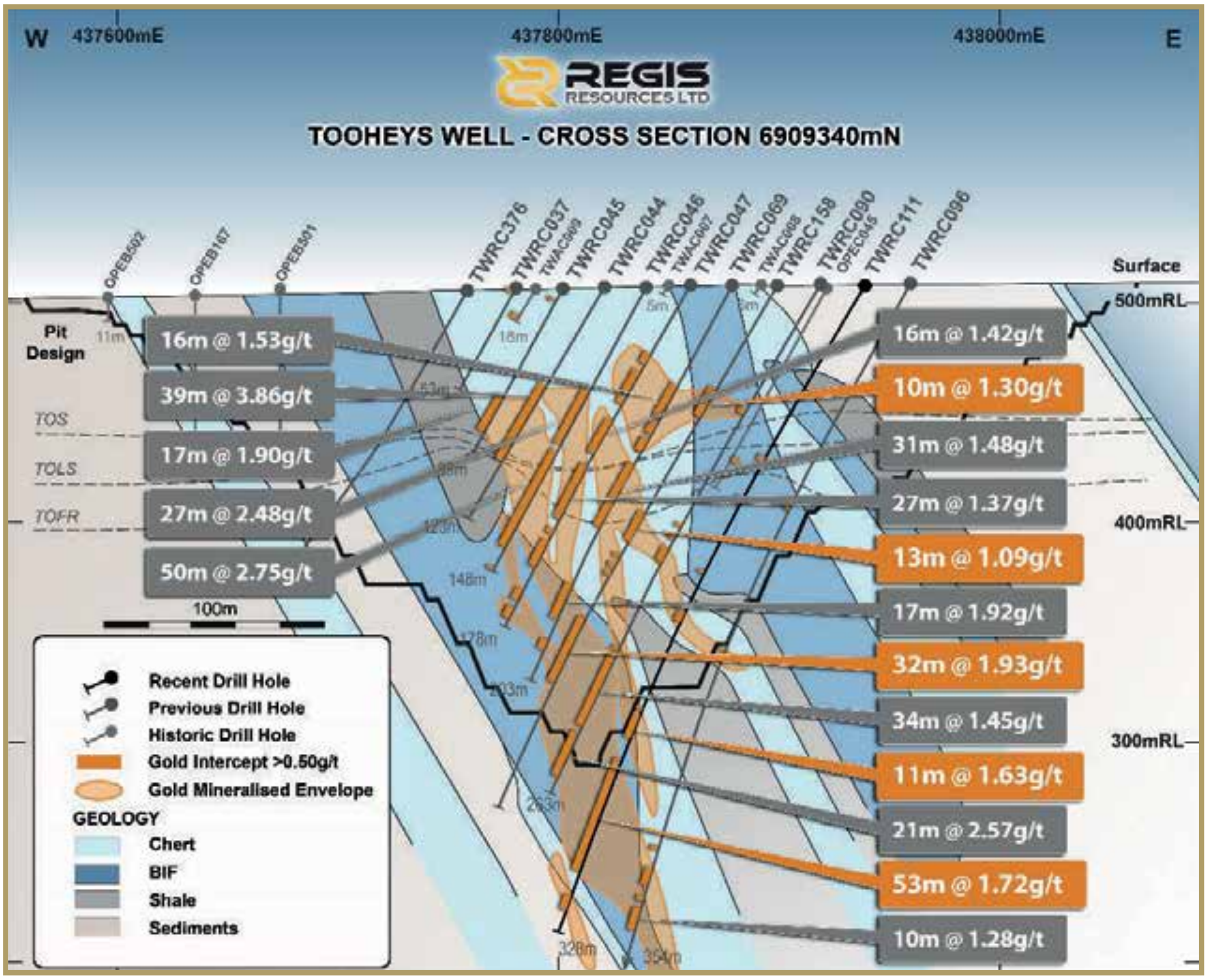


Significant exploration projects advanced during the year ended 30 June 2017 are outlined below.

Tooheys Well

The Tooheys Well gold project is 100% owned and located on a granted mining lease, 2.5 kilometres south of the Garden Well gold mine. In June 2017, after extensive drilling, Regis announced a maiden Ore Reserve of 7.1MT at 1.61g/t Au for 366,000 ounces of gold at a 0.5g/t Au lower cut.

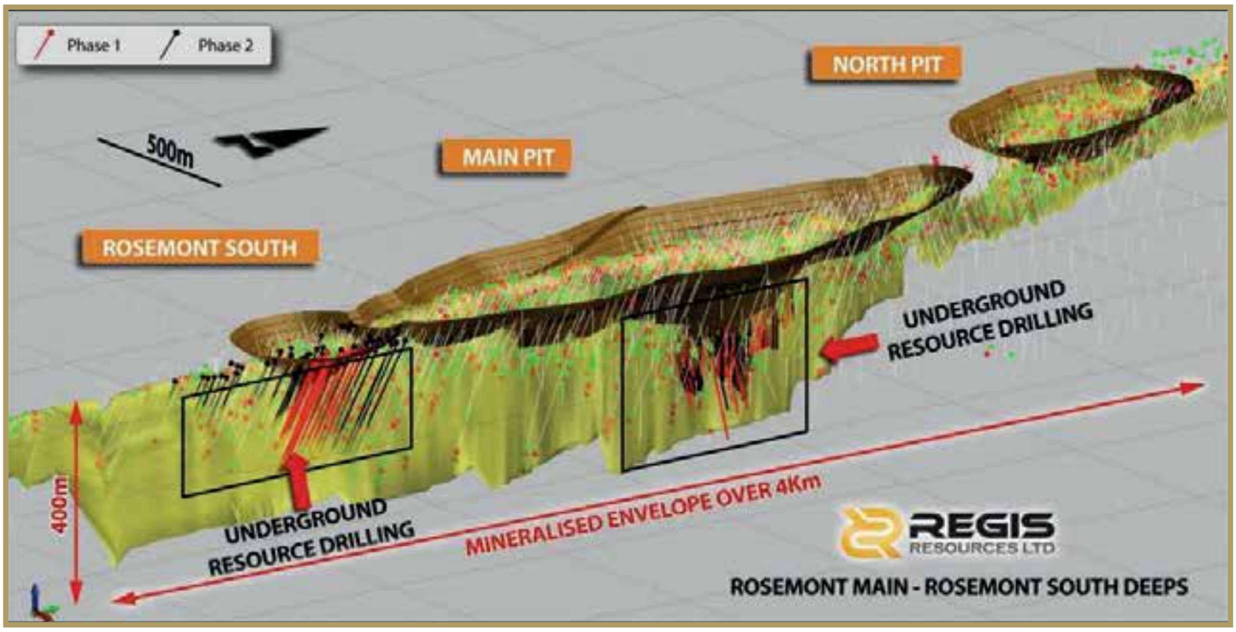
Gold mineralisation has been defined in two north-south trending Western and Eastern shear zones 100 metres apart hosted in Banded Iron Formation (BIF), chert and fine grained sediments. The eastern shear zone mineralisation appears to have a steep dip of 80-90˚ to the east. Host rocks are BIF/chert and shale and weathering extends to 80 to 100 metres vertical depth. Gold mineralisation is associated with pyrrhotite hosted in BIF which appears to be the dominant lithology at Tooheys Well. The pyrrhotite phase is restricted to BIFs and has replaced magnetite during hydrothermal alteration.

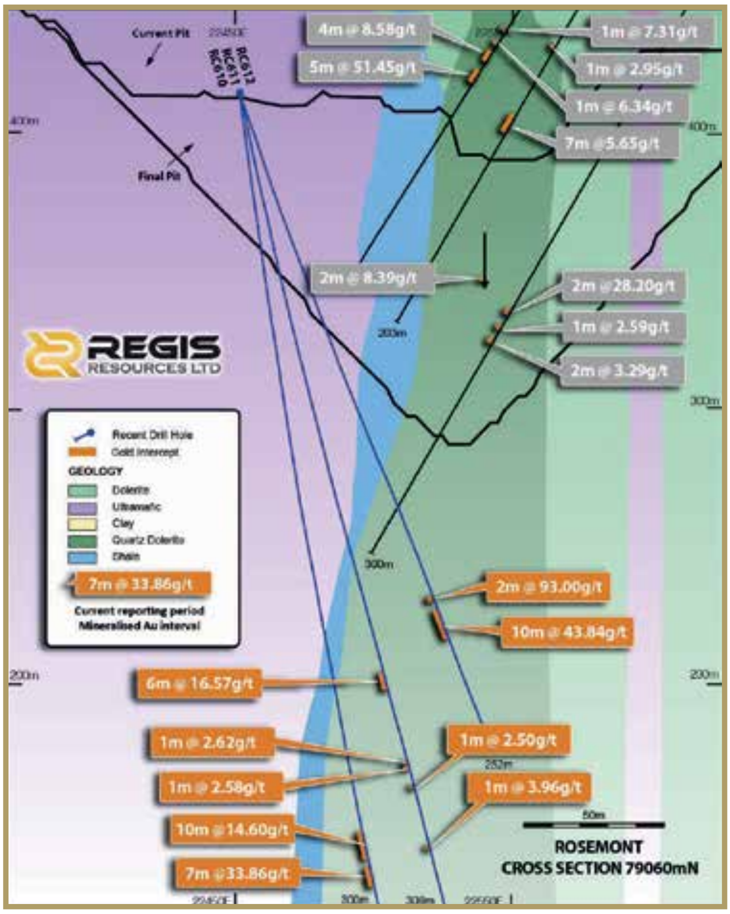


It is planned that open cut mining will provide a supplementary higher-grade ore supply for the existing Garden Well processing plant. Mining is expected to commence in the March 2018 quarter (subject to final statutory approvals) with ore haulage and gold production to follow in the December 2018 quarter. Utilisation of Regis' 5Mtpa Garden Well processing plant will see Tooheys Well produce in the order of 90,000 ounces of gold per annum over the life of the mine, displacing lower grade ore from Garden Well from the mill.

Rosemont Underground Resource Drilling

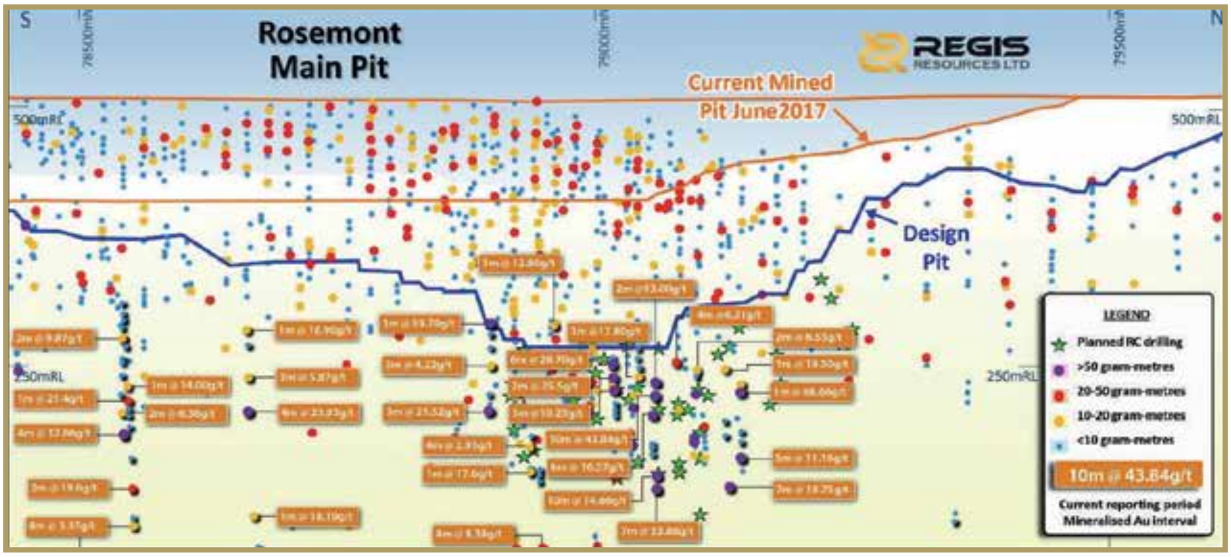
An RC drill programme was undertaken during the current year to test for underground mineralisation at Rosemont South and below the centre of the Main Pit where numerous high grade intercepts were recorded during exploration and resource development programmes prior to mining. This programme also leveraged off the knowledge of structural orientation and controls over high grade zones of mineralisation seen in grade control drilling in the open pit workings immediately above the targeted underground areas.





Drilling has been conducted from within the open pit mine, considerably shortening the depth of holes required to test high grade shoots 100-200 metres vertically below the final pit design depth. Shorter holes also allow the use of RC rigs rather than diamond drill rigs however the drilling activities must fit within mining operations and as a result, the drill programme has extended beyond the end of the current year.

Early holes drilled to date are encouraging for underground opportunities across the deposit. Drilling will continue in FY2018 with a focus on establishing continuity and geometry of high grade mineralisation. A programme of diamond drilling will commence shortly to both verify existing RC derived high grade intercepts and to also gain structural and geotechnical information.



On completion of these programmes, it is anticipated Regis will be in a position to estimate a maiden underground resource in relation to the initial areas drilled to date below and to the south of Rosemont Main Pit.

Duketon Gold Exploration Joint Venture

Lag sampling and air core drilling programmes were completed on a number of prospects in the Duketon Gold Exploration Joint Venture during the current year, including Petra North, Hack Bore, Commonwealth, Bella Well and Bandya. Regis has met its joint venture expenditure obligations to spend at least $1 million over a 2 year period to earn a 75% interest in any mining project that is confirmed by a Regis decision to mine. The 2 year term expires in October 2017 and without finding any significant targets for further follow up, limited future work is planned.

Duketon Reserve Growth

The aggressive exploration programme at the Duketon project continues to focus on high potential areas for Mineral Resource expansions with a view to delivering further extensions to the mine life of the current operations. The Company successfully added to the Duketon resource and reserve base when it released the annual resources and reserves update in July 2017. Duketon Ore Reserves increased by 18% from 2.13 million ounces to 2.18 million ounces after accounting for mining depletion of 331,000 ounces. Duketon Mineral Resources increased from 5.80 million ounces to 5.85 million ounces.

The change in the Duketon Ore Reserve from March 2016 to March 2017 is as follows:

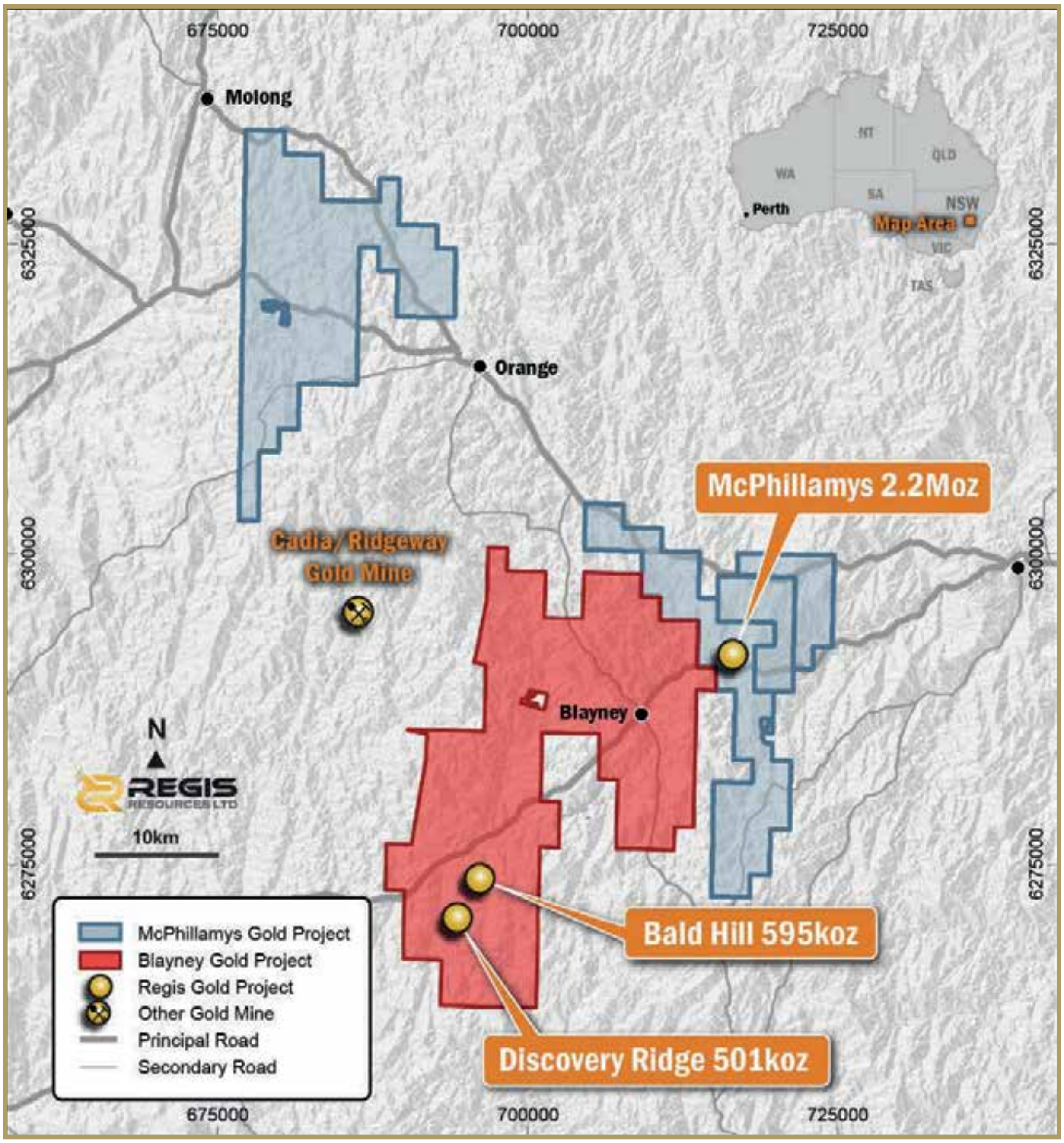
	TOTAL ORE RESERVE		
	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)
31 March 2016	60.8	1.09	2,125
Depleted by Mining to 31 March 2017	-9.6	1.07	-331
31 March 2016 Net of Depletion	51.2	1.09	1,794
31 March 2017	**59.3**	**1.14**	**2,182**
% Variation net of Depletion	13%		18%

The major contributors to the increase of 388,000 ounces in Ore Reserves net of depletion were:

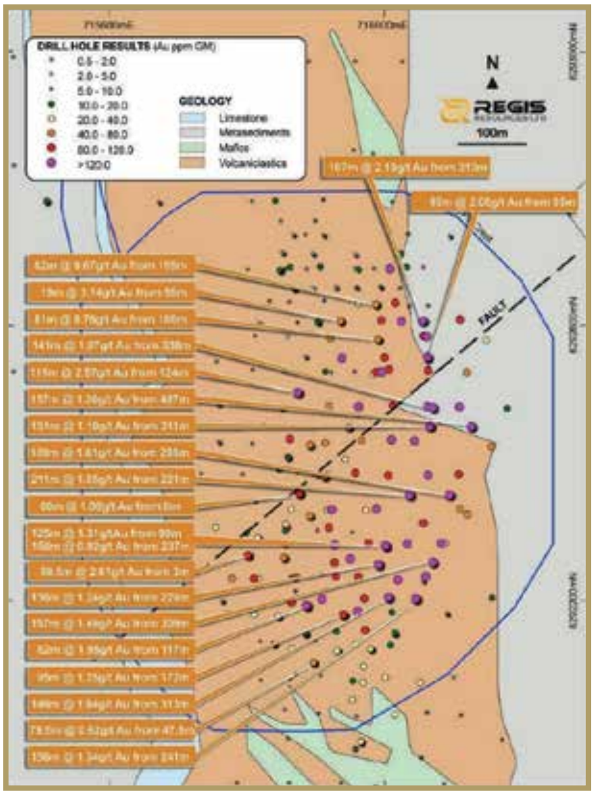
- Maiden Ore Reserve of 366,000 ounces at Tooheys Well; and
- Addition of 52,000 ounces at Gloster and 12,000 ounces at Erlistoun through extensional drilling and improved optimisations.

McPhillamys Gold Project

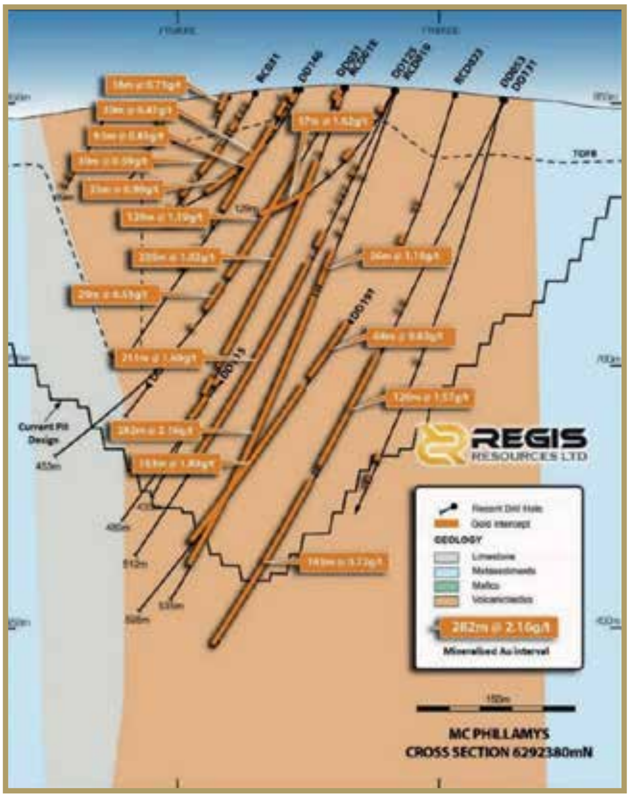
The 100% Regis owned McPhillamys Gold Project is one of Australia's larger undeveloped open pittable gold resources. The project is located approximately 250 kilometres west of Sydney in Central West NSW, a well-established mining district.



An RC and diamond drill programme was completed during the year (153 holes for 45,411 metres) with the aim being to infill the current drill pattern to a nominal 50m x 25m spacing for an updated Mineral Resource Estimate (MRE) and was used as a basis for the maiden reserve estimation.



Significant McPhillamys drill hole results in plan view



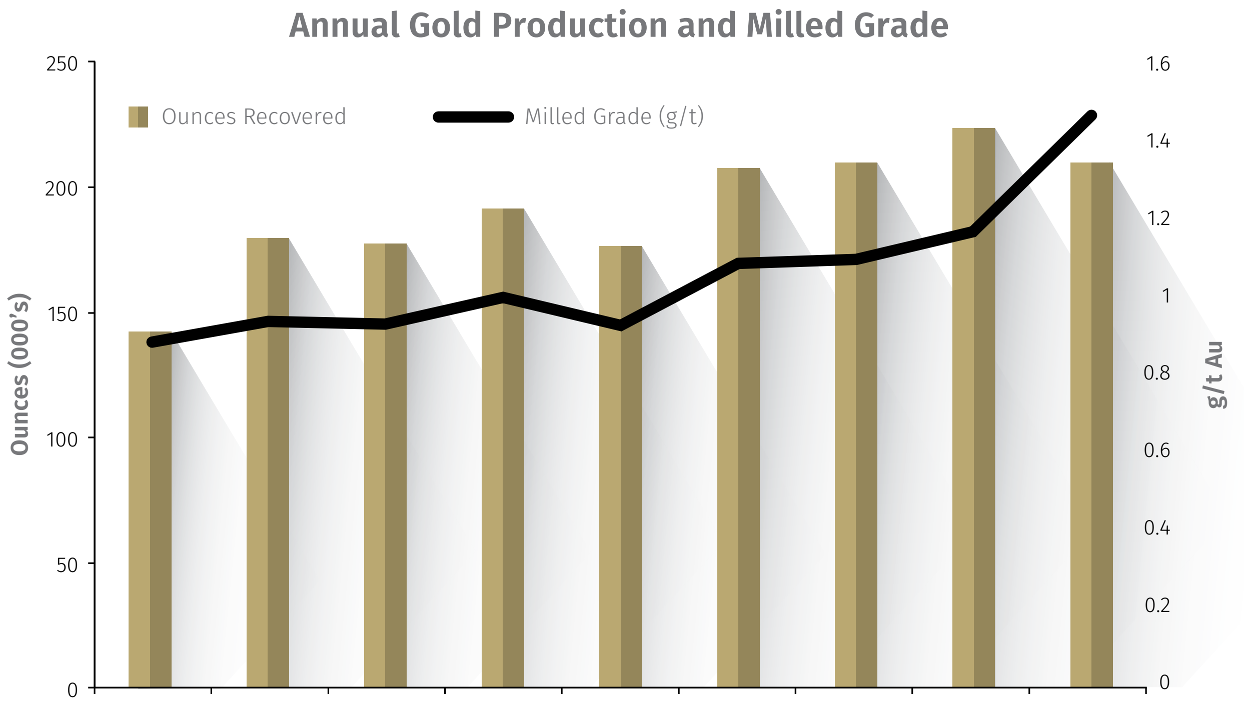
A cross section of the McPhillamys gold deposit

Subsequent to the end of the year, the Company announced a maiden ore Reserve estimate at McPhillamys of 60.1 million tonnes at 1.05g/t for 2,034,000 ounces of gold. A pre-feasibility study completed in conjunction with the Reserve estimate shows the project supports a large scale open pit gold mine. The project will be developed as a 7 million tonne per annum mining and processing operation with gold production averaging 192,000 ounces per annum over a nine year mine life. The capital cost of development is estimated at $215 million with life of mine all in sustaining cost of operation forecast to be $990 per ounce. At a $1,600 per ounce gold price, the project has a pre-tax, post capex net present value of $525 million.

Key life of mine physical results from the study, at a processing throughput of 7Mtpa, are summarised below:

MINING	
Waste volume (BCM millions)	91.6
Ore volume (BCM millions)	21.3
Volume total (BCM millions)	112.9
W:O Strip Ratio	4.29
MILLING	
Dry Tonnes Per Hour	841
Plant Availability	95.0%
Ore Milled (Tonnes millions)	60.1
Milled Grade (g/t)	1.05
Recovery	85.0%
Ounces Recovered	1,728,264
Mine life (years)	9

Life of mine gold production is shown below:



	1	2	3	4	5	6	7	8	9
Ounces Recovered	142,688	181,016	179,298	192,720	177,647	209,062	210,877	224,493	210,461
Milled Grade (g/t)	0.90	0.95	0.94	1.01	0.93	1.09	1.10	1.17	1.46

As part of advancing the development of the McPhillamys Gold Project, Regis announced in July 2017 that it was progressing two long term water supply options for the project. The first option is a non-binding heads of agreement with Centennial Coal Company Limited ("Centennial") and Energy Australia Pty Ltd ("EA") for Regis to utilise water from the Mt Piper Power Station and Springvale Mine near Lithgow. The parties to the non-binding heads of agreement are proceeding to work towards finalising a binding agreement as soon as possible with completion targeted for the September 2017 quarter.

Concurrent with progressing the above water supply agreement, Regis has contractually secured approximately 4.5GLpa of water through long term lease and acquisition of Water Access Licenses over ground water allocations in a zone of the Lachlan catchment approximately 80 kilometres from McPhillamys.

Garden Well processing plant // Photo by Christine Darbyshire

A definitive feasibility study (DFS) into the development of the project is expected to be completed in the December 2017 quarter. Subject to the completion of the DFS the following development timetable is targeted:

- Submission of permitting applications – March 2018 quarter
- Commencement of construction – December 2018 quarter
- First gold production – December 2019 quarter

Acquisition of the Blayney Gold Project

During the year, Regis executed an agreement to acquire an Exploration License located immediately west of the McPhillamys project license. The Exploration License, referred to as the Blayney Gold Project, covers 493 square kilometres and hosts two gold deposits.

Regis paid the acquisition cost of $3.25 million in cash on completion of the transaction.

The Blayney Gold Project is reported under the JORC Code 2004, to host Mineral Resources at two gold deposits. Discovery Ridge has an Indicated and Inferred MRE of 13.84MT at 1.1g/t Au for 501,000 ounces and Bald Hill has an Inferred MRE of 37.0MT at 0.5g/t Au for 595,000 ounces.

Discovery Ridge is a shear hosted gold deposit located in strongly foliated, fine-grained metasediments of the Ordovician Coombing and Adaminaby Formations. Regis believes the deposit has the potential to augment its McPhillamys Gold Project. It appears to be a robust resource and is located 32 kilometres away by major highway. The Company intends to study the deposit with a view to generating a satellite open pit operation to be developed contemporaneously with the McPhillamys project.

To that end, a 6,000 metre infill drilling programme consisting of RC and diamond drilling is planned to commence at Discovery Ridge early in the first half of the 2018 financial year. The programme is aimed at providing enough information to allow the estimation of a maiden reserve at Discovery Ridge.

GROUP MINERAL RESERVES *As at 31 March 2017*

PROJECT	TYPE	CUT-OFF (g/t)[2]	PROVED TONNES (Mt)	PROVED GOLD GRADE (g/t)	PROVED GOLD METAL (koz)	PROBABLE TONNES (Mt)	PROBABLE GOLD GRADE (g/t)	PROBABLE GOLD METAL (koz)	TOTAL ORE RESERVE TONNES (Mt)	TOTAL ORE RESERVE GOLD GRADE (g/t)	TOTAL ORE RESERVE GOLD METAL (koz)	COMPETENT PERSON
Moolart Well	Open-Pit	> 0.4	1.8	0.98	57	1.0	0.82	27	2.8	0.92	83	D
Garden Well	Open-Pit	> 0.4	6.1	0.76	149	17.6	0.92	520	23.7	0.88	669	D
Rosemont	Open-Pit	> 0.4	1.9	1.53	92	7.8	1.40	350	9.7	1.42	442	D
Duketon Main Deposits	**Sub Total**		**9.7**	**0.95**	**298**	**26.4**	**1.06**	**897**	**36.1**	**1.03**	**1,195**	
Tooheys Well	Open-Pit	> 0.5	-	-	-	7.1	1.61	366	7.1	1.61	366	D
Gloster	Open-Pit	> 0.5	0.2	0.85	6	7.1	1.06	243	7.3	1.05	248	D
Erlistoun	Open-Pit	> 0.5	-	-	-	4.1	1.43	190	4.1	1.43	190	D
Baneygo	Open-Pit	> 0.4	-	-	-	3.6	1.16	136	3.6	1.16	136	D
Petra	Open-Pit	> 0.5	-	-	-	0.6	1.26	25	0.6	1.26	25	D
Dogbolter	Open-Pit	> 0.5	-	-	-	0.3	1.57	16	0.3	1.57	16	D
Anchor	Open-Pit	> 0.5	-	-	-	0.1	2.07	6	0.1	2.07	6	D
Duketon Satellite Deposits	**Sub Total**		**0.2**	**0.85**	**6**	**23.0**	**1.33**	**981**	**23.2**	**1.32**	**987**	
McPhillamys	Open-Pit	> 0.4	-	-	-	60.1	1.05	2,034	60.1	1.05	2,034	D
Regis	**Grand Total**		**10.0**	**0.95**	**304**	**109.5**	**1.11**	**3,912**	**119.4**	**1.10**	**4,216**	

GROUP MINERAL RESOURCES *As at 31 March 2017*

GOLD PROJECT	TYPE	CUT-OFF (g/t)	MEASURED TONNES (Mt)	MEASURED GOLD GRADE (g/t)	MEASURED GOLD METAL (koz)	INDICATED TONNES (Mt)	INDICATED GOLD GRADE (g/t)	INDICATED GOLD METAL (koz)	INFERRED TONNES (Mt)	INFERRED GOLD GRADE (g/t)	INFERRED GOLD METAL (koz)	TOTAL RESOURCE TONNES (Mt)	TOTAL RESOURCE GOLD GRADE (g/t)	TOTAL RESOURCE GOLD METAL (koz)	COMPETENT PERSON
Moolart Well	Open-Pit	0.4	5.2	0.87	144	17.1	0.70	384	12.2	0.71	278	34.5	0.73	806	A
Garden Well	Open-Pit	0.4	6.8	0.76	164	52.5	0.83	1,401	10.8	0.78	271	70.1	0.82	1,837	A
Rosemont	Open-Pit	0.4	2.4	1.45	111	20.5	1.30	858	1.8	1.72	97	24.7	1.34	1,066	A
Duketon Main Deposits	**Sub Total**		**14.3**	**0.91**	**420**	**90.2**	**0.91**	**2,643**	**24.7**	**0.81**	**646**	**129.2**	**0.89**	**3,709**	
Tooheys Well	Open-Pit	0.4	-	-	-	15.9	1.17	598	1.1	0.89	31	17.0	1.16	630	A
Gloster	Open-Pit	0.4	0.2	0.85	6	15.0	0.83	399	6.1	0.66	129	21.3	0.78	534	A
Baneygo	Open-Pit	0.4	-	-	-	9.2	0.96	283	1.9	0.95	57	11.1	0.96	340	A
Erlistoun	Open-Pit	0.4	0.0	0.95	0	6.0	1.31	253	0.8	1.05	28	6.9	1.28	282	A
Dogbolter	Open-Pit	0.4	-	-	-	3.5	1.11	128	0.5	1.02	16	4.0	1.10	144	A
Russells Find	Open-Pit	0.4	-	-	-	2.1	1.07	71	0.3	0.90	10	2.4	1.05	81	A
Petra	Open-Pit	0.4	-	-	-	1.2	1.08	42	0.1	1.09	2	1.3	1.08	44	A
King John	Open-Pit	0.4	-	-	-	-	-	-	0.8	1.56	42	0.8	1.56	42	A
Reichelts Find	Open-Pit	0.4	-	-	-	-	-	-	0.8	1.11	28	0.8	1.11	28	A
Anchor	Open-Pit	0.4	-	-	-	0.2	1.75	9	0.1	0.95	2	0.2	1.53	11	A
Duketon Satellite Deposits	**Sub Total**		**0.2**	**0.85**	**6**	**53.0**	**1.05**	**1,784**	**12.5**	**0.86**	**346**	**65.7**	**1.01**	**2,136**	
Duketon	Total		14.5	0.91	426	143.1	0.96	4,427	37.2	0.83	991	194.9	0.93	5,845	
McPhillamys	Total	0.4	-	-	-	67.7	1.05	2,282	1.2	0.64	25.46	68.9	1.04	2,307	A
Regis	**Grand Total**		**14.5**	**0.91**	**426**	**210.9**	**0.99**	**6,709**	**38.4**	**0.82**	**1,017**	**263.8**	**0.96**	**8,152**	

Garden Well Open Pit // Photo by Sarah Parfett

Directors' Report

DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2017.

DIRECTORS

The directors of the Company in office since 1 July 2016 and up to the date of this report are:

Mr Mark Clark, B.Bus CA

(Executive Chairman)

Mr Clark has over 26 years of experience in corporate advisory and public company management. He was appointed to the board of Regis Resources Limited in May 2009 in the role of Managing Director. Mr Clark assumed the role of Executive Chairman at Regis immediately after the company's AGM on 12 November 2015. Prior to joining Regis, Mr Clark was the Managing Director of Equigold NL.

He joined Equigold in 1995 and originally held the roles of Chief Financial Officer and was responsible for the financial, administration and legal functions of the company. He was closely involved in the development and operation of Equigold's projects in both Australia and Ivory Coast. He was a director of Equigold from April 2003 and was Managing Director from December 2005 until Equigold's merger with Lihir Gold Limited in June 2008. Prior to working at Equigold Mr Clark held a senior position at an international advisory firm, providing financial and corporate advice to clients in the mining industry.

During the past three years, Mr Clark has not served as a director of any other ASX listed companies.

Mr Clark is a member of the Institute of Chartered Accountants in Australia.

Mr Paul Thomas, BAppSc (extmet) GAICD

(Executive Director)

Mr Thomas joined Regis in March 2014 in the role of Chief Operating Officer (COO) and was appointed to the board immediately following the company's AGM on 12 November 2015. Mr Thomas is a qualified metallurgist with extensive operating and development experience gained in a career of over 30 years in the mining industry. During this time, he has held a number of senior operations management and executive roles within Australian listed gold and base metal mining companies.

Mr Thomas has various regulatory and technical qualifications in mining, processing, management and finance including a Diploma in Open Cut and Underground Mining, a Diploma of Business and a Graduate Diploma of Applied Finance and Investment. He is a Graduate Member of the Australian Institute of Company Directors.

During the past three years, Mr Thomas has not served as a director of any other ASX listed companies.

Mr Mark Okeby, LLM

(Deputy Chairman/Lead Independent Non-Executive Director)

Mr Okeby has considerable experience in the resources industry as a solicitor and as a director of listed companies. He has been an executive and non-executive director of a number of gold producers and other resource companies and has been involved in the development of a number of resource projects and with mergers and acquisitions in the resource sector.

Mr Okeby was appointed Deputy Chairman/Lead Independent Director immediately after the company's AGM on 12 November 2015 and assumes the responsibilities of Chairman in the event of the unavailability of Mr Clark at any time or in relation to any matter in which Mr Clark may be conflicted.

Mr Okeby is currently a non-executive director of Red Hill Iron Limited and, during the past three years, has not served as a director of any other ASX listed companies.

Mr Ross Kestel, B.Bus, CA, MAICD

(Independent Non-Executive Director)

Mr Kestel is a Chartered Accountant and was a director of a mid-tier accounting practice for over 26 years and has a strong corporate and finance background. He has acted as a director and company secretary of a number of public companies involved in mineral exploration, mining, mine services, property development, manufacturing and technology industries.

During the past three years he has also served as a non-executive director of Beadell Resources Limited (from February 2012 to November 2015).

Mr Kestel is a member of the Australian Institute of Company Directors.

Mr James Mactier, BAgrEc, GradDipAppFin GAICD

(Independent Non-Executive Director)

Mr Mactier was joint head of the Metals and Energy Capital Division of Macquarie Bank Limited for fifteen years until his retirement in April 2015. He has wide ranging experience in project and corporate finance, resource project assessment, equity investing, commodity and currency hedging and trading in the metals and energy sectors globally. He is a Graduate Member of the Australian Institute of Company Directors.

During the past three years, Mr Mactier has not served as a director of any other ASX listed company.

Ms Fiona Morgan, CPEng, BE(Hons), FIEAust, GAICD

(Independent Non-Executive Director – appointed 18 November 2016)

Ms Morgan is a Chartered Professional Engineer with over 23 years' experience in the mining industry, including working on gold, nickel, coal and iron ore projects. Ms Morgan is the Managing Director and Chief Executive Officer of Mintrex Pty Ltd, a highly regarded and longstanding consulting engineering company which has successfully undertaken a broad suite of technical services to Australian and international clients developing resource projects. She has a wide range of experience in operations and project management, maintenance, research and design of both underground and surface mining infrastructure.

During the past three years, Ms Morgan has not served as a director of any other ASX listed company.

Fiona is a Fellow of the Institution of Engineers Australian and a graduate member of the Australian Institute of Company Directors.

Mr Glyn Evans, BAppSc, FAusIMM

(Independent Non-Executive Director – retired 29 July 2016)

Mr Evans is a geologist with over 30 years' experience in base metal and gold mining operations.

He was an executive director with ASX listed gold mining companies between 1991 and 2007. Mr Evans has a strong mine geology background, having held senior mine management positions early in his career and then ultimately managed the gold resources and reserves of both Samantha Gold NL (1987-1994) and Equigold NL (1995-2007). He also led extensive exploration programmes over his long career which culminated in significant gold discoveries including the well-known Higginsville and Chalice Mines in Western Australia and the Bonikro mine in the Ivory Coast.

Mr Evans retired as non-executive director on 29 July 2016.

During the past three years, Mr Evans has not served as a director of any other ASX listed companies.

Mr Evans is a Fellow of the Australian Institute of Mining and Metallurgy.

COMPANY SECRETARY

Mr Kim Massey, B.Com, CA

Mr Massey is a Chartered Accountant with significant experience in financial management and corporate advisory services, particularly in the resources sector, as a corporate advisor and company secretary for a number of ASX and AIM listed companies.

DIVIDENDS

After the balance sheet date the following dividends were proposed by the directors:

	CENTS PER SHARE	TOTAL AMOUNT
		$'000
Final dividends recommended:		
Ordinary shares	8.00	40,143

The financial effect of these dividends has not been brought to account in the consolidated financial statements for the year ended 30 June 2017 and will be recognised in subsequent financial reports.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of Regis Resources Limited ("Regis" or the "Company") and its controlled entities (collectively, the "Group") during the year were:

- production of gold from the Duketon Gold Project;
- exploration, evaluation and development of gold projects in the Eastern Goldfields of Western Australia; and
- exploration and evaluation of the McPhillamys Gold Project in New South Wales.

Apart from the above, or as noted elsewhere in this report, no significant changes in the state of affairs of the Company occurred during the financial year.

OBJECTIVES

The Group's objectives are to:

- Continue to optimise mining and processing operations across the Duketon Gold Project whilst maintaining a high standard of safety;
- Maximise cash flow by this process of optimisation and the blending of ore feed from satellite resources across the Duketon tenure;
- Organically increase the Reserve base of the Group by discovering and developing satellite resource positions, extending the reserve base of existing operating deposits;
- Focus on regional exploration to add incremental ounces and mine life to the three operating mills in the district;
- Advance the economic study of the McPhillamys Gold Project in NSW with a view to developing a significant long life gold mine at the project;
- Return value to shareholders through a commitment to dividends; and
- Actively pursue inorganic growth opportunities.

OPERATING AND FINANCIAL REVIEW

Overview of the Group

Regis is a leading Australian gold producer, with its head office in Perth, Western Australia. The Company operates within two distinct project areas at the Duketon Gold Project in the Eastern Goldfields of Western Australia. The Duketon North Operations (DNO) comprises the Moolart Well Gold Mine and the Gloster Gold Mine. The Duketon South Operations contains the Garden Well Gold Mine, the Rosemont Gold Mine and the Erlistoun Gold Mine.

The Group also owns the McPhillamys Gold Project, an advanced exploration project in New South Wales, 250 kilometres west of Sydney near the town of Bathurst.

Financial Summary

KEY FINANCIAL DATA	2017	2016	CHANGE	CHANGE
	$'000	$'000	$'000	%
Financial results				
Sales revenue	542,218	500,152	42,066	8.4%
Cost of sales (excluding D&A)[(i)]	(278,374)	(260,047)	(18,327)	7.0%
Other income	4,962	6,294	(1,332)	(21.2%)
Corporate, admin and other costs	(15,504)	(12,007)	(3,497)	29.1%
EBITDA[(i)]	253,302	234,392	18,910	8.1%
Depreciation and amortisation (D&A)	(57,581)	(75,244)	17,663	(23.5%)
Profit before tax	196,137	159,101	37,036	23.3%
Income tax expense	(57,974)	(47,308)	(10,666)	22.5%
Reported profit after tax	138,163	111,793	26,370	23.6%
Other financial information				
Cash flow from operating activities	206,082	204,001	2,081	1.0%
Net cash	117,081	96,925	20,156	20.8%
Net assets	538,392	481,848	56,544	11.7%
Basic earnings per share (cents per share)	27.59	22.37	5.22	23.3%

(i) EBITDA is an adjusted measure of earnings before interest, taxes, depreciation and amortisation. Cost of sales (excluding D&A) and EBITDA are non-IFRS financial information and are not subject to audit. These measures are included to assist investors to better understand the performance of the business

Performance relative to the previous financial year

Regis achieved a 24% increase in net profit after tax for the current year in comparison to the prior year result of $111.8 million. This result is a reflection of the continued successful expansion of the Company's Duketon Gold Project. Operations commenced at two new satellite deposits during the period which had a positive impact on production while costs remained very competitive. The expanded life of mine reserve footprint at the Duketon Gold Project has reduced the impact of depreciation and amortisation expense on net profit by 24%.

Sales

The Company achieved record gold production for the year ended 30 June 2017 of 324,353 ounces which translated into an increase of 8.4% in gold sales revenue. Total sales exceeded the prior year in terms of both volume and price with 322,355 ounces of gold sold at an average price of $1,682 per ounce in 2017 (2016: 310,676 ounces at $1,610 per ounce). The Company delivered gold produced into a combination of spot deferred contracts and the prevailing spot price. The total hedging position at the end of the year was 396,406 ounces of spot deferred contracts with an average delivery price of $1,551 per ounce (2016: 433,770 ounces comprising 80,000 ounces of flat forward contracts with a delivery price of $1,454 per ounce and 353,770 ounces of spot deferred contracts with a weighted average forward price of $1,581 per ounce).

Cost of Sales

Costs of sales including royalties, but before depreciation and amortisation increased marginally (7%) due to the higher start up strip ratios associated with the commencement of mining at the new satellite projects. Mining volumes were up 10% compared to the previous year as Gloster and Erlistoun were brought into production. The satellite projects contributed a higher grade ore feed which meant costs on a per ounce basis increased to a lesser extent.

Depreciation and Amortisation

The expansion of the Duketon reserves at both the northern and southern operations has resulted in a decrease in the depreciation and amortisation expense for the year by 23.5% over the prior year as the value of capitalised assets is realised over a comparatively longer period.

Cash Flow from Operating Activities

Cash flow from operating activities continued to be strong in 2017 at $206.1 million. This represented only a modest increase on the prior year as the Group's improved profitability lead to the payment of $36.2 million of income taxes, up 58% on the prior year.

The Company continued to provide strong returns to shareholders through the payment of two fully franked dividends in 2017 totalling $80.1 million.

Duketon North Operations ("DNO")

Operating results for the 12 months to 30 June 2017 were as follows:

		30 JUNE 2017	30 JUNE 2016
Ore mined	BCM	1,742,903	1,486,071
Waste mined	BCM	7,768,536	5,768,217
Strip ratio	w:o	4.5	3.9
Ore mined	Tonnes	3,368,392	2,981,095
Ore milled	Tonnes	2,950,400	2,916,006
Head grade	g/t	1.14	0.90
Recovery	%	94	91
Gold production	Ounces	100,875	76,139
Cash cost per ounce – pre royalties	A$/oz	$621	$706
Cash cost per ounce – incl. royalties	A$/oz	$697	$778
All-in Sustaining Cost ("AISC")	A$/oz	$785	$934

Gold production at DNO was up 32% on the prior year as a result of the commencement of mining operations at the Gloster satellite deposit in October 2016. Gloster ore is hauled approximately 26 kilometres by road train to the processing facility at Moolart Well where it is blended with ore from that operation. The ore from Gloster milled during 2017 was of a higher grade and softer, oxide material than the ore available from Moolart Well. As a result the head grade at DNO increased by 27% and mill throughput improved slightly from the previous year even though Gloster contributed to production for only 9 months of the year.

AISC for DNO dropped 16% on the back of the increased gold production and despite the higher strip ratio incurred in starting up operations at Gloster.

Garden Well Crushing Circuit // Photo by Sarah Parfett

Duketon South Operations ("DSO")

Operating results at the Duketon South Operations for the 12 months to 30 June 2017 were as follows:

		30 JUNE 2017	30 JUNE 2016
Ore mined	BCM	2,817,291	3,148,056
Waste mined	BCM	17,783,273	16,848,858
Strip ratio	w:o	6.3	5.4
Ore mined	Tonnes	7,481,128	7,805,241
Ore milled	Tonnes	6,830,460	7,336,030
Head grade	g/t	1.10	1.08
Recovery	%	93	90
Gold production	Ounces	223,478	228,945
Cash cost per ounce – pre royalties	A$/oz	$867	$795
Cash cost per ounce – incl. royalties	A$/oz	$940	$867
All-in Sustaining Cost ("AISC")	A$/oz	$1,017	$924

DSO reported a slight increase in head grade of 2% over the prior period and improved recoveries, but a 7% drop in mill throughput contributed to a 2% drop in gold production. Mill throughput at Rosemont was affected with the operation transitioning to harder, fresh ore during the year. Mining of softer oxide material in the Rosemont southern extension commenced towards the end of the year resulting in improved throughput.

Mining at the Erlistoun satellite project commenced in December 2016 and ore was carted to the Garden Well processing plant (8 kilometres to the north). Ore supply from Erlistoun, whilst contributing positively to DSO grade, was continuous but in modest tonnages as the open cut advances to main ore zones.

AISC was up 10% on the prior year as a result of high, start up strip ratios at Erlistoun and the Rosemont southern extension.

Exploration

During the year, a total of 213,008 metres of exploration drilling was completed across the Group's tenements in Western Australia and New South Wales. The table below breaks down the drilling activity (in metres) by Prospect:

PROSPECT	AIRCORE	RC	DIAMOND	TOTAL
Tooheys Well	-	51,254	-	51,254
McPhillamys	-	4,184	41,227	45,411
Rosemont	-	42,175	-	42,175
Hack Bore	10,526	4,330	-	14,856
Reichelts	3,858	6,815	-	10,673
Commonwealth	9,674	708	-	10,382
Petra North	4,506	-	-	4,506
Garden Well	-	4,396	-	4,396
Mt Maiden	3,192	966	-	4,158
Gloster	-	3,932	-	3,932
Erlistoun	835	2,971	-	3,806
McKenzie Well	3,007	-	-	3,007
Bella Well	2,932	-	-	2,932
Old Peculiar	-	2,887	-	2,887
Bandya	-	2,400	-	2,400
Beamish	797	1,334	-	2,131
Mourillian	1,482	-	-	1,482
King John	-	1,175	-	1,175
Kintyre	643	-	-	643
Chert Ridge	-	522	-	522
Mason Hill	172	-	-	172
Moolart Well	-	108	-	108
Total	**41,624**	**130,157**	**41,227**	**213,008**

Significant projects advanced during the year ended 30 June 2017 are outlined below.

All drilling results and resource estimations highlighted in this report are detailed fully in announcements to the ASX made by the Company throughout the year, along with the associated JORC 2012 disclosures.

Tooheys Well Gold Project

The Tooheys Well gold project is 100% owned and located on a granted mining lease, 2.5 kilometres south of the Garden Well gold mine. In June 2017, after extensive drilling, Regis announced a maiden Ore Reserve of 7.1MT at 1.61g/t Au for 366,000 ounces of gold at a 0.5g/t Au lower cut.

Gold mineralisation has been defined in two north-south trending Western and Eastern shear zones 100 metres apart hosted in Banded Iron Formation (BIF), chert and fine grained sediments. The eastern shear zone mineralisation appears to have a steep dip of 80-90° to the east. Host rocks are BIF/chert and shale and weathering extends to 80 to 100 metres vertical depth. Gold mineralisation is associated with pyrrhotite hosted in BIF which appears to be the dominant lithology at Tooheys Well. The pyrrhotite phase is restricted to BIFs and has replaced magnetite during hydrothermal alteration.

It is planned that open cut mining will provide a supplementary higher-grade ore supply for the existing Garden Well processing plant. Mining is expected to commence in the March 2018 quarter (subject to final statutory approvals) with ore haulage and gold production to follow in the December 2018 quarter. Utilisation of Regis' 5Mtpa Garden Well processing plant will see Tooheys Well produce in the order of 90,000 ounces of gold per annum over the life of the mine, displacing lower grade ore from Garden Well from the mill.

Rosemont Main Pit Underground Resource Drilling

An RC drill programme was undertaken during the current year to test for underground mineralisation below the centre of the Main Pit where numerous high grade intercepts were recorded during exploration and resource development programmes prior to mining. This programme also leveraged off the knowledge of structural orientation and controls over high grade zones of mineralisation seen in grade control drilling in the open pit workings immediately above the targeted underground areas.

Drilling has been conducted from within the open pit mine, considerably shortening the depth of holes required to test 100-200 metres vertically below the final pit design depth. Shorter holes also allow the use of RC rigs rather than diamond drill rigs however the drilling activities must fit within mining operations and as a result, the drill programme has extended beyond the end of the current year. In addition, Regis will shortly commence diamond drilling at Rosemont to both verify existing RC derived high grade intercepts and to also gain structural and geotechnical information.

On completion of the first phase of the diamond drilling programme, it is anticipated Regis will be in a position to estimate a maiden underground resource in relation to the initial areas drilled to date below and to the south of Rosemont Main Pit.

Reichelts Find

The Reichelts Find project is located 12 kilometres south of the Garden Well gold mine. Prior production is believed to have included small scale underground mining between 1912 and 1939 and a small oxide open pit operated by Ashton Mining in the late 1980's. Gold mineralisation at Reichelts Find is hosted by a strongly sheared ultramafic-mafic-sediment package. Locally, gold is hosted by quartz veins and surrounding localised shear zones. Current JORC 2012 resources, reported at a 0.4g/t Au cut-off grade, are 0.8MT at 1.11g/t Au for 28,000 ounces.

A first pass RC drill programme of 88 holes for 6,815 metres has been completed to target mineralisation below the existing pit for both open pit and high-grade underground resources. A wide spaced air core programme targeting extensions of gold mineralisation north of Reichelts Find was also completed during the year and returned anomalous intercepts. The results of both programmes will be reviewed and followed up with further drilling in due course.

Duketon Gold Exploration Joint Venture

Lag sampling and air core drilling programmes were completed on a number of prospects in the Duketon Gold Exploration Joint Venture during the current year, including Petra North, Hack Bore, Commonwealth, Bella Well and Bandya. The Joint Venture required Regis to spend at least $1 million over a 2 year period to earn a 75% interest in any mining project that is confirmed by a Regis decision to mine. The 2 year term expires in October 2017 and over $2 million has been expended to 30 June 2017 without finding any significant targets for further follow up. Limited work is planned to be undertaken subsequent to year end and as such, all costs incurred have been written off in the current year.

McPhillamys Drilling // Photo by Tom Ridges

McPhillamys Gold Project NSW

The 100% Regis owned McPhillamys Gold Project is one of Australia's larger undeveloped open pittable gold resources. The project is located approximately 250 kilometres west of Sydney in Central West NSW, a well-established mining district. Regis has reported a mineral resource estimate of 73.2MT at 0.94g/t Au for 2.2Moz at a 0.4g/t Au cut-off grade.

An RC and diamond drill programme was completed during the year (153 holes for 45,411 metres) with the aim being to infill the current drill pattern to a nominal 50m x 25m spacing for an updated MRE and ultimately to be used as a basis for reserve estimation. It was also designed to look for high grade extensions to the mineralisation at depth.

Results from the centre of the project have returned large scale +1g intercepts and continue to correlate well with historic drilling. At year end an RC rig was on site conducting sterilisation drilling for planned infrastructure sites.

Subsequent to the end of the year, Regis announced that it had advanced the development of the McPhillamys Gold Project by progressing two long term water supply options for the project. The first option is a non-binding heads of agreement with Centennial Coal Company Limited ("Centennial") and Energy Australia Pty Ltd ("EA") for Regis to utilise water from the Mt Piper Power Station and Springvale Mine near Lithgow. The parties to the non-binding heads of agreement are proceeding to work towards finalising a binding agreement as soon as possible with completion targeted for the September 2017 quarter.

Concurrent with progressing the above water supply agreement, Regis has contractually secured approximately 4.5GLpa of water through long term lease and acquisition of Water Access Licenses over ground water allocations in a zone of the Lachlan catchment approximately 80 kilometres from McPhillamys.

During the current year, significant work was completed towards finalising the Environmental Impact Statement ("EIS") for the development of the project. Regis is aiming to submit a Conceptual Project Development Plan ("CPDP") to the NSW Department of Planning and Environment ("DPE") in the September 2017 quarter. This will commence the approvals process for the development of the project. It is then expected that the EIS will be submitted to the DPE by the end of the December 2017 quarter.

The Company is undertaking a definitive feasibility study ("DFS") into the development of a 7Mtpa mining and processing operation at McPhillamys. The DFS is expected to be completed in the December 2017 quarter.

Acquisition of the Blayney Gold Project

During the year, Regis executed an agreement to acquire an Exploration License located immediately west of the McPhillamys project license. The Exploration License, referred to as the Blayney Gold Project, covers 493 square kilometres and hosts two gold deposits.

Regis paid the vendor, Aeris Resources Limited (ASX: AIS), $3.25 million in cash on completion of the transaction.

The Blayney Gold Project is reported, by Aeris Resources Limited under the JORC Code 2004, to host Mineral Resources at two gold deposits. Discovery Ridge has an Indicated and Inferred MRE of 13.84MT at 1.1g/t Au for 501,000 ounces and Bald Hill has and Inferred MRE of 37.0MT at 0.5g/t Au for 595,000 ounces.

Discovery Ridge is a shear hosted gold deposit located in strongly foliated, fine-grained metasediments of the Ordovician Coombing and Adaminaby Formations. Regis believes the deposit has the potential to augment its McPhillamys Gold Project. It appears to be a robust resource and is located 32 kilometres away by major highway. The Company intends to study the deposit with a view to generating a satellite open pit operation to be developed contemporaneously with the McPhillamys project.

To that end, a 6,000 metre infill drilling programme consisting of RC and diamond drilling is planned to commence at Discovery Ridge early in the first half of the 2018 financial year. The programme is aimed at providing enough information to allow the estimation of a maiden reserve at Discovery Ridge.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs other than those listed in the review of operations above.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Option issue

On 5 July 2017, 1,790,000 unlisted employee options were issued under the Regis Resources Employee Share Option Plan. The options are exercisable on or before 1 July 2021 at an exercise price of $3.90.

Share issue

Subsequent to year end, 762,250 shares have been issued as a result of the exercise of employee options for proceeds of $234,500.

Dividends

On 28 August 2017, the directors proposed a final dividend on ordinary shares in respect of the 2017 financial year. Refer to note 6.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature which, in the opinion of the directors of the Group, has significantly affected or is likely to significantly affect:

- the operations of the Group;
- the results of those operations; or
- the state of affairs of the Group

in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

There are no likely developments of which the directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Significant Events after the Balance Date sections of the Directors' Report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Group are subject to environmental regulation under the laws of the Commonwealth and the States of Western Australia and New South Wales. The Group holds various environmental licenses issued under these laws, to regulate its mining and exploration activities in Australia. These licenses include conditions and regulations in relation to specifying limits on discharges into the air, surface water and groundwater, rehabilitation of areas disturbed during the course of mining and exploration activities and the storage of hazardous substances.

All environmental performance obligations are monitored by the board of directors and subjected from time to time to Government agency audits and site inspections. There have been no material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

SHARE OPTIONS

Unissued Shares

At the date of this report, the Company had the following unissued shares under listed and unlisted options.

MATURITY DATE	EXERCISE PRICE	NUMBER OUTSTANDING
Unlisted options		
14 October 2018	$1.55	25,000
11 August 2019	$1.40	7,137,500
6 January 2020	$2.34	1,000,000
13 May 2020	$2.70	200,000
1 July 2021	$3.90	1,790,000
Total		**10,152,500**

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Details of options granted to directors and other key management personnel during the year are set out in the remuneration report.

Shares Issued as a Result of the Exercise of Options

During the financial year, employees exercised unlisted options to acquire 1,165,762 fully paid ordinary shares in Regis Resources Limited at a weighted average exercise price of $2.35 per share.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into an Indemnity Deed with each of the directors which will indemnify them against liabilities incurred to a third party (not being the Company or any related company) where the liability does not arise out of negligent conduct including a breach of good faith. The Indemnity Deed will continue to apply for a period of 10 years after a director ceases to hold office. The Company has entered into a Director's Access and Insurance Deed with each of the directors pursuant to which a director can request access to copies of documents provided to the director whilst serving the Company for a period of 10 years after the director ceases to hold office. There are certain restrictions on the directors' entitlement to access under the deed. In addition the Company will be obliged to use reasonable endeavours to obtain and maintain insurance for a former director similar to that which existed at the time the director ceased to hold office.

The Company has, during or since the end of the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the directors, secretaries, executive officers and employees of the Company and any related bodies corporate as defined in the insurance policy. The insurance grants indemnity against liabilities permitted to be indemnified by the Company under Section 199B of the Corporations Act 2001. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

DIRECTORS' MEETINGS

The number of directors' meetings held (including meetings of Committees of the Board) and number of meetings attended by each of the directors of the Company during the financial year are:

	DIRECTORS' MEETINGS		AUDIT AND RISK MANAGEMENT COMMITTEE		REMUNERATION, NOMINATION AND DIVERSITY COMMITTEE	
	No. Eligible to Attend	No. Attended	No. Eligible to Attend	No. Attended	No. Eligible to Attend	No. Attended
M Clark	9	9	n/a	n/a	n/a	n/a
G Evans (retired 29 July 2016)	1	1	n/a	n/a	n/a	n/a
R Kestel	9	9	2	2	7	7
J Mactier	9	9	2	2	7	7
F Morgan (appointed 18 November 2016)	5	5	n/a	n/a	n/a	n/a
M Okeby	9	8	2	1	7	7
P Thomas	9	9	n/a	n/a	n/a	n/a

Committee Membership

As at the date of this report, the Company had an Audit and Risk Management Committee and a Remuneration, Nomination and Diversity Committee of the board of directors.

Members acting on the committees of the board during the year were:

AUDIT AND RISK MANAGEMENT COMMITTEE	REMUNERATION, NOMINATION AND DIVERSITY COMMITTEE
R Kestel (Chairman)	R Kestel (Chairman)
J Mactier	J Mactier
M Okeby	M Okeby

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the directors in the options of the Company were unchanged from the holdings as at 30 June 2017 as disclosed in the Remuneration Report. The directors' interests in the shares of the Company at the date of this report are set out in the table below.

	NUMBER OF ORDINARY SHARES
M Clark	2,460,000
R Kestel	75,000
J Mactier	-
F Morgan	513,230
M Okeby	700,000
P Thomas	-

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

During the year KPMG, the Group auditor, provided the following non-audit services. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

KPMG Australia received or are due to receive the following amounts for the provision of non-audit services:

	$
Tax compliance services	6,509
IT advisory services	15,888
	22,397

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is attached to the Directors' Report.

ROUNDING OFF

The Company is of a kind referred to in ASIC Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the Financial Statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Garden Well Gold Pour // Photo by Sarah Parfett

Garden Well open pit // Photo by Sarah Parfett

Remuneration Report (audited)

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2017 outlines the remuneration arrangements of the Company and the Group.

This remuneration report for the year ended 30 June 2017 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term "executive" includes the Executive Chairman, senior executives and company secretaries of the Parent and the Group.

KEY MANAGEMENT PERSONNEL

Details of KMPs of the Company and Group and their movements during the year ended 30 June 2017 are set out below:

NAME	POSITION	TERM AS KMP
Non-Executive Directors		
M Okeby	Deputy Chairman	Full financial year
G Evans	Non-Executive Director	Retired 29 July 2016
R Kestel	Non-Executive Director	Full financial year
J Mactier	Non-Executive Director	Full financial year
F Morgan	Non-Executive Director	Appointed 18 November 2016
Executive Directors		
M Clark	Executive Chairman	Full financial year
P Thomas	Executive Director	Full financial year
Other Executives		
P Woodman	Chief Geological Officer	Full financial year
K Massey	Chief Financial Officer and Company Secretary	Full financial year

PRINCIPLES OF REMUNERATION

The Remuneration, Nomination and Diversity Committee is charged with formulating the Group's remuneration policy, setting each director's remuneration and reviewing the Executive Chairman's remuneration recommendations for KMPs to ensure compliance with the Remuneration Policy and consistency across the Group. Recommendations of the Remuneration, Nomination and Diversity Committee are put to the Board for approval.

Remuneration levels for KMP are set to attract, retain and incentivise appropriately qualified and experienced directors and executives. We reward executives with a level and mix of remuneration appropriate to their position, responsibilities and performance, in a way that aligns with the business strategy. For the 2017 and subsequent financial years, the Company has implemented an Executive Remuneration Incentive Plan for executive directors and other KMPs which sets out the performance hurdles for both Short Term Incentives ("STI") and Long Term Incentives ("LTI") and replaces share options with performance rights as the LTI compensation methodology. Fixed Remuneration and STI awards are in the form of cash payments.

The objectives and principles of the Company's remuneration policy include:

- To align the objectives of executive directors and other KMP's with the interests of shareholders and reflect Company strategy;
- To provide competitive rewards to attract, retain and incentivise high calibre executives; and
- For total remuneration to include a competitive fixed component and an "at risk" component based on performance hurdles and key performance indicators.

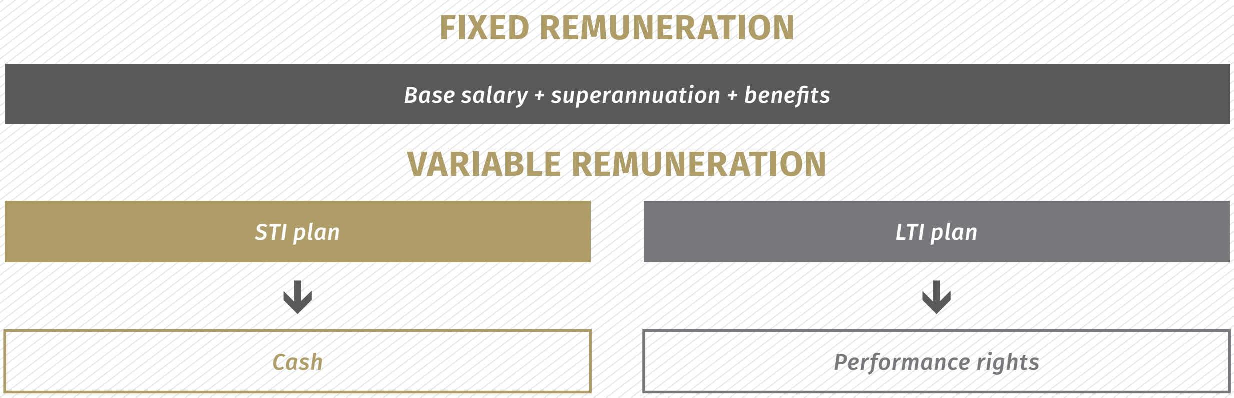
The STI is the annual component of the "at risk" reward opportunity which is payable in cash upon the successful achievement of work related financial and non-financial key performance indicators ("KPI"). These KPI's are chosen to represent the key drivers of short term success for the Company with reference to Regis' long term strategy.

The LTI refers to the "at risk" reward opportunity which takes the form of performance rights, being the issue of shares in Regis in the future, subject to meeting predetermined performance and vesting conditions.

Executive remuneration levels are reviewed annually by the Remuneration, Nomination and Diversity Committee with reference to the remuneration guiding principles and market movements.

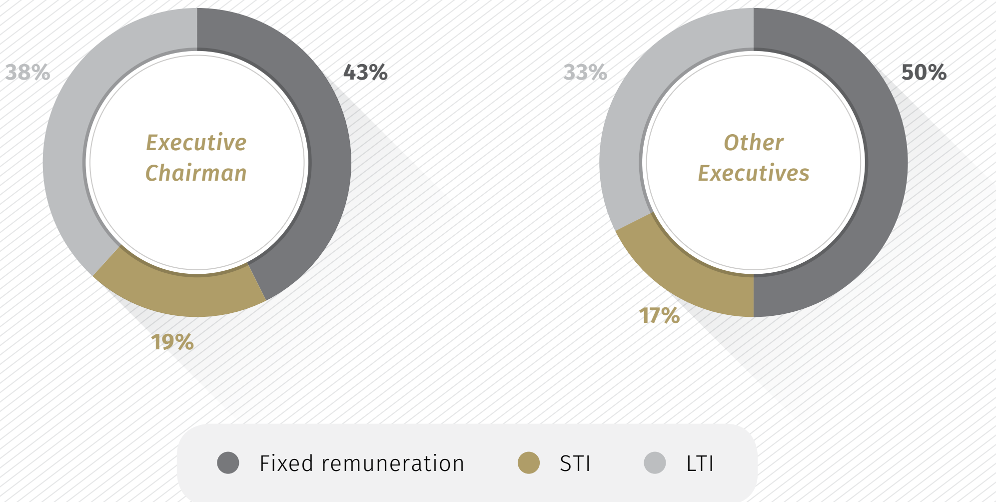
Gloster Construction // Photo by Stan Yates

The chart below provides a summary of the structure of executive remuneration in the 2017 and subsequent financial years:



To maximise engagement of executives and align with the long-term interests of shareholders, the initial grant of LTI's in 2017 have a two year performance/vesting period with a one year holding lock restricting trading on any shares issued under the plan. Subsequent grants of performance rights will apply a performance/vesting period of three years.

REMUNERATION MIX – TARGET



ELEMENTS OF REMUNERATION

Fixed remuneration

Fixed remuneration consists of base remuneration (including any fringe benefits tax charges related to employee benefits), as well as employer contributions to superannuation funds. The Group allows KMP to salary sacrifice superannuation for additional benefits (on a total cost basis).

Remuneration levels are reviewed annually by the Remuneration, Nomination and Diversity Committee through a process that considers individual and overall performance of the Group. In addition, external consultants may provide analysis and advice to ensure the KMP's remuneration is competitive in the market place, as required.

Performance linked remuneration

Performance linked remuneration includes both STI and LTI and is designed to reward KMP for meeting or exceeding their objectives.

Short Term Incentive

Under the STI plan, all executives have the opportunity to earn an annual incentive which is delivered in cash. The STI recognises and rewards annual performance.

How is it paid?	Any STI award is paid in cash after the assessment of annual performance.
How much can executives earn?	In 2017, the Executive Chairman had a maximum STI opportunity of 45% of fixed remuneration and other executives had a maximum STI opportunity of 35% of fixed remuneration. An overarching review by the board of each individual's performance against agreed performance measures and a review of qualitative factors around the Company's performance and the macro economic environment will determine the achievable percentage (between 0%-100%) of the maximum potential STI available to be awarded, subject further to the level of achievement against detailed KPI's listed below. This maximum achievable STI percentage will automatically be 0% in a given financial year in the event of a workplace fatality at any of the Company's operations in that year.
How is performance measured?	A combination of specific Company Key Performance Indicators (KPIs) are chosen to reflect the core drivers of short term performance and also to provide a framework for delivering sustainable value to the Group and its shareholders. The following KPIs were chosen for the 2017 financial year: - KPI 1: EBITDA relative to internal targets (35%(i)); - KPI 2: Production relative to stated guidance (35%(i)); and - KPI 3: Safety and environmental performance targets (30%(i)).
When is it paid?	The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures by the Remuneration, Nomination and Diversity Committee. The Board approves the final STI award based on this assessment of performance and the award is paid in cash three months after the end of the performance period.
What happens if executive leaves?	If an executive resigns or is terminated for cause before the end of the financial year, no STI is awarded for that year. If an executive ceases employment during the performance period by reason of redundancy, ill health, death, or other circumstances approved by the Board, the executive will be entitled to a pro-rata cash payment based on assessment of performance up to the date of ceasing employment for that year (subject to Board discretion).
What happens if there is a change of control?	In the event of a change of control, a pro-rata cash payment will be made based on assessment of performance up to the date of the change of control (subject to Board discretion).

(i) Represents the maximum award if stretch targets are met.

Long Term Incentives

Under the LTI plan, annual grants of performance rights are made to executives to align remuneration with the creation of shareholder value over the long-term.

How is it paid?	Executives are eligible to receive performance rights (being the issue of shares in Regis in the future).
How much can executives earn?	In 2017, the Executive Chairman had a maximum LTI opportunity of 90% of fixed remuneration and other executives had a maximum LTI opportunity of 65% of fixed remuneration. An overarching review by the board of each individual's performance against agreed performance measures and a review of qualitative factors around the Company's performance and the macro economic environment will determine the achievable percentage (between 0%-100%) of the maximum potential LTI available to be awarded, subject further to the level of achievement against detailed KPI's listed below. This maximum achievable LTI percentage will automatically be 0% in a given financial year in the event of a workplace fatality at any of the Company's operations in that year.
How is performance measured?	The vesting of performance rights are subject to a number of vesting conditions. The performance rights issued in 2017 are subject to the following vesting conditions: - Relative Total Shareholder Return (25%[i]) measured on a sliding scale against a select peer group of comparator companies. (ASX code: AQG, BDR DRM, EVN, KRM, MML, MOY, NCM, NST, OGC, PRU, RMS, RSG, SAR, SBM, SLR, TGZ, TRY); - Absolute Total Shareholder Return (25%[i]); - Absolute earnings per share ("EPS") (25%[i]) measured against a pre-determined target[ii] set by the board (as an average across two 12 month periods); and - Reserve growth and production replacement over the two year vesting period (25%[i])
When is performance measured?	The performance rights issued in 2017 have a two year performance period with the vesting of the rights tested as at 30 June 2018. All subsequent issues of performance rights will have a three year performance period. Any performance rights that do not vest will lapse after testing. There is no re-testing of performance rights.
What happens if executive leaves?	Where an executive ceases to be an employee of any Group Company: - due to resignation or termination for cause, then any unvested rights will automatically lapse on the date of the cessation of employment; or - due to any other reason, then a proportion of any unvested rights will lapse equivalent to the proportion of time remaining in the period during which the relevant vesting conditions must be satisfied and the remaining unvested rights will continue and are still capable of vesting in accordance with the relevant vesting conditions at the end of that period, unless the Board determines otherwise.
What happens if there is a change of control?	If a matter, event, circumstance or transaction occurs that the Board reasonably believes may lead to a change of control, the Board may in its discretion determine the treatment and timing of such treatment of any unvested rights and must notify the holder of any changes to the terms of the rights as a result of such a decision. If a change of control occurs and the Board hasn't made such a decision, all unvested rights will vest and be automatically exercised.
Are executives eligible for dividends?	Executives are not eligible to receive dividends on unvested performance rights.

(i) Represents the maximum award if stretch targets are met.

(ii) Targets and actual outcomes for each of the STI and LTI performance measures will be disclosed in the relevant remuneration report in the year the award may vest. This is to recognise commercial sensitivity of disclosing key organisational metrics.

PERFORMANCE AND EXECUTIVE REMUNERATION OUTCOMES IN 2017

Actual remuneration earned by executives in 2017

The actual remuneration earned by executives in the year ended 30 June 2017 is set out in Tables 1 to 7 below. This provides shareholders with a view of the remuneration actually paid to executives for performance in 2017 year and the value of LTIs that vested during the period.

Performance against STI measures

A combination of financial and non-financial measures is used to measure performance for STI rewards. Company performance against those measures is as follows for 2017:

KEY PERFORMANCE INDICATOR	WEIGHTING	METRIC	ACHIEVEMENT
KPI 1: EBITDA	35%	Achieve FY2017 Budget EBITDA	Stretch target achieved – 100% award
KPI 2: Production	35%	Production within stated guidance	Threshold target achieved – 43% award
KPI 3: Safety and Environment	30%	Reduction in safety and environmental measures	Threshold target achieved – 50% award

Based on this assessment, the STI payments for FY2017 to Executives were recommended as detailed in the following table:

NAME	POSITION	ACHIEVED STI	STI AWARDED
		%	$
Mark Clark	Executive Chairman	65%	205,320
Paul Thomas	Chief Operating Officer	65%	125,474
Peter Woodman	Chief Geologist	65%	91,253
Kim Massey	Chief Financial Officer & Company Secretary	65%	91,253

Performance against LTI measures

LTIs awards granted in 2017 will be subject to testing at the end of the two year performance period on 30 June 2018. In November 2016, after receiving approval from shareholders at the AGM, 401,999 performance rights were granted in total to the Executive Directors, Mr Mark Clark and Mr Paul Thomas, and to other executives, Mr Kim Massey and Mr Peter Woodman, under the Group's Executive Incentive Plan ("EIP"). Further details of the grant, including performance conditions and the calculation of fair value is disclosed in the Note 24 to the financial statements. As of 30 June 2017 no performance rights had vested and become exercisable.

Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the past five years as required by the Corporations Act 2001. However these measures are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs, as discussed above. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2017	2016	2015	2014	2013
	$'000	$'000	$'000	$'000	$'000
Revenue	543,799	502,019	465,320	371,933	416,834
Net profit/(loss) after tax	138,163	111,793	86,920	(147,830)	146,506
Basic earnings/(loss) per share (cents)	27.59	22.37	17.39	(29.68)	30.65
Diluted earnings/(loss) per share (cents)	27.29	22.22	17.39	(29.68)	30.27
Net assets	538,392	481,848	409,973	321,060	538,096

PERFORMANCE AND EXECUTIVE REMUNERATION ARRANGEMENTS IN 2018

Following a review by the Remuneration, Nomination and Diversity Committee subsequent to the end of the 2017 financial year, the Board resolved to set STI and LTI hurdles as follows for the 2018 financial year:

COMPONENT	LINKS TO FY2018 PERFORMANCE
Total Fixed Remuneration (TFR)	Salaries awarded effective 1 July 2017 used as basis for determining the value component for FY2018 STI and LTI. The maximum STI and LTI opportunity that each KMP can earn remains unchanged, except for Mr Thomas whose maximum STI and LTI opportunity was increased to 40% and 75% of TFR, respectively, for the 2018 year.
Short Term Incentives (STI)	The following KPIs were chosen for the 2018 financial year: - KPI 1: Achieve FY2018 Budget EBITDA as approved by the Board (35%[i]); - KPI 2: Production relative to stated guidance (35%[i]); and - KPI 3: Safety and environmental performance measures (30%[i]).
Long Term Incentives (LTI)	At the time of preparation of this report, the allocation of the LTIs for FY2018 had not been determined by the board, however the vesting conditions will remain unchanged from those used for the 2017 award. The LTI awards to be issued in FY2018 will have a three year performance period.

(i) Represents the maximum award if stretch targets are met.

SERVICE CONTRACTS

The Group has entered into service contracts with each KMP. The service contract outlines the components of remuneration paid to each key management person but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the key management person and any changes required to meet the principles of the remuneration policy. No service contract specifies a term of employment or entitlement to performance based incentives, except as detailed below for the Executive Chairman.

Mr Mark Clark, the Company's Executive Chairman, is employed under a fixed term contract, with the following significant terms:

- Current contract has a three year term to 3 May 2018;
- Fixed remuneration of $766,500 per annum inclusive of superannuation (2016: $711,750) subject to annual review; and
- Opportunity to earn a performance based STI and LTI determined by the Board.

Each key management person, except as specified below, is subject to a notice period of 1 month which the Company may pay in part or full of the required notice period. The key management personnel are also entitled to receive, on termination of employment, statutory entitlements of accrued annual and long service leave, and any accrued superannuation contributions would be paid to their fund. In the case of a genuine redundancy, executives would receive their statutory entitlements based on completed years of service.

The Executive Chairman's termination provisions are as follows:

	NOTICE PERIOD	PAYMENT IN LIEU OF NOTICE	ENTITLEMENT TO OPTIONS AND RIGHTS ON TERMINATION
Employer initiated termination:			
- without reason	3 months plus 9 months' salary	12 months	Options – 1 month to exercise,
- with reason	Not less than 3 months	Not less than 3 months	extendable at Board discretion
- serious misconduct	0 – 1 month	0 – 1 month	Rights – refer to LTI details above
Employee initiated termination	3 months	Not specified	As above
Change of control	1 month plus 12 months' salary	Not specified	As above

Mr Paul Thomas, the Company's Chief Operating Officer, is employed under a contract with the following termination provisions:

	NOTICE PERIOD	PAYMENT IN LIEU OF NOTICE	ENTITLEMENT TO OPTIONS AND RIGHTS ON TERMINATION
Employer initiated termination: - with or without reason - serious misconduct	 3 months 0 – 1 month	 Up to 3 months 0 – 1 month	 Options – 1 month to exercise, extendable at Board discretion Rights – refer to LTI details above
Employee initiated termination	3 months	Not specified	As above
Change of control	1 month plus 12 months' salary	Not specified	As above

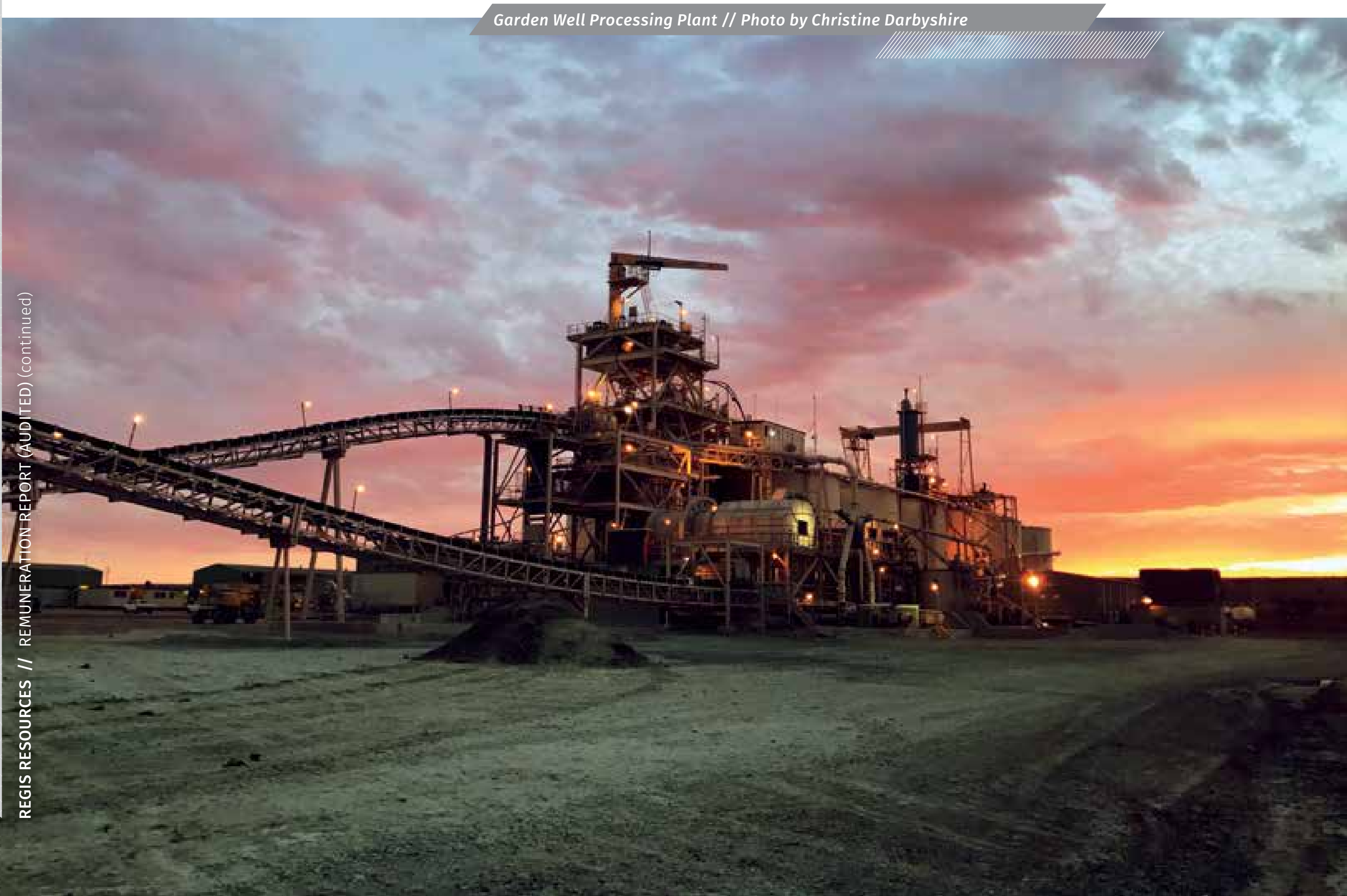
Mr Kim Massey, the Company's Chief Financial Officer and Company Secretary is entitled to 1 months' notice plus 12 months' salary in the event of a change of control.

NON-EXECUTIVE DIRECTORS

Total remuneration for all non-executive directors, last voted upon by shareholders at the 2011 AGM, is not to exceed $500,000 per annum. At the date of this report, total non-executive directors' base fees are $362,000 per annum excluding superannuation. Non-executive directors' fees cover all main board activities and membership of board committees. Non-executive directors do not receive performance-related compensation and are not provided with any retirement benefits, apart from statutory superannuation. From time to time, non-executive directors may provide consulting services to the Company and in these cases they are paid consulting fees in line with industry rates.

The Board has resolved not to increase non-executive director fees for 2018 other than Mr Okeby who will receive an additional $10,000 per annum as Lead Independent Director.

Garden Well Processing Plant // Photo by Christine Darbyshire



KEY MANAGEMENT PERSONNEL REMUNERATION

Table 1: Remuneration for the year ended 30 June 2017

	SHORT TERM			POST EMPLOYMENT	LONG-TERM BENEFITS	SHARE-BASED PAYMENT		
2017	SALARY & FEES	CASH REWARDS	NON-MONETARY BENEFITS*	SUPER-ANNUATION	ACCRUED ANNUAL & LONG SERVICE LEAVE#	OPTIONS & RIGHTS+	TOTAL	PERFORMANCE RELATED
	$	$	$	$	$	$	$	%
Non-Executive Directors								
G Evans(i)	7,083	-	-	673	-	-	7,756	-
R Kestel(ii)	97,000	-	-	9,215	-	-	106,215	-
J Mactier	85,000	-	-	8,075	-	-	93,075	-
F Morgan(iv)	52,362	-	-	4,974	-	-	57,336	-
M Okeby(iii)	117,076	-	-	8,075	-	-	125,151	-
Executive Directors								
M Clark(v)	653,420	205,320	3,734	32,083	78,441	902,692	1,875,690	59.07%
P Thomas(v)	521,590	125,474	3,734	33,125	54,296	336,693	1,074,912	43.00%
Other Executives								
K Massey(v)	373,076	91,253	3,734	29,115	47,724	322,906	867,808	47.72%
P Woodman(v)	367,261	91,253	3,734	34,075	32,406	468,703	997,432	56.14%
Total	**2,273,868**	**513,300**	**14,936**	**159,410**	**212,867**	**2,030,994**	**5,205,375**	

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

\# Long term benefits for accrued annual and long service leave are the movements in the provision, net of any leave taken.

\+ Represents the statutory remuneration expensed based on fair value at grant date of options and rights over the vesting period of the award. No options or rights vested during the year for KMPs apart from Mr Thomas and Mr Massey as detailed in Table 3. Table 3 reflects the realised benefits of share-based payments for the year.

(i) Mr Evans retired as non-executive director on 29 July 2016.

(ii) Mr Kestel's fees include an additional $12,000 for chairing the Board Committees.

(iii) Mr Okeby's fees includes an additional $32,076 for consulting services provided in his capacity as a director.

(iv) Ms Morgan was appointed as non-executive director on 18 November 2016.

(v) Mr Clark, Mr Thomas, Mr Woodman and Mr Massey elected to receive a portion of their superannuation entitlements above the statutorily required maximum amount as salary.

Historical items found at Gloster // Photo by Stan Yates

Table 2: Remuneration for the year ended 30 June 2016

	SHORT TERM		POST EMPLOYMENT	LONG-TERM BENEFITS	SHARE-BASED PAYMENT			
2016	SALARY & FEES	NON-MONETARY BENEFITS*	SUPER-ANNUATION	ACCRUED ANNUAL LEAVE^	OPTIONS	TERMINATION PAYMENTS	TOTAL	PERFORMANCE RELATED
	$	$	$	$	$	$	$	%
Non-Executive Directors								
N Giorgetta	83,333	-	7,917	-	-	-	91,250	-
M Okeby	80,000	-	7,600	-	-	-	87,600	-
G Evans	80,000	-	7,600	-	-	-	87,600	-
F Fergusson	26,767	-	2,543	-	-	-	29,310	-
R Kestel	92,000	-	8,740	-	-	-	100,740	-
J Mactier	30,295	-	2,878	-	-	-	33,173	-
Executive Directors								
M Clark	618,363	5,525	30,875	62,512	401,289	-	1,118,564	35.88%
P Thomas	452,527	5,525	47,500	47,473	853,160	-	1,406,185	60.67%
Other Executives								
J Balkau	197,144	3,683	19,317	6,190	51,759	116,545	394,638	13.12%
P Woodman	150,879	2,302	15,736	14,762	163,972	-	347,651	47.17%
M Evans	280,811	4,604	28,262	16,689	-	100,226	430,592	-
K Massey	333,908	5,525	35,625	41,092	238,469	-	654,619	36.43%
Total	**2,426,027**	**27,164**	**214,593**	**188,718**	**1,708,649**	**216,771**	**4,781,922**	

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

^ Accrued annual leave was disclosed as part of "Salary & Fees" in the prior year financial statements, but has been split out in the comparative table above for consistency with the current year disclosure.

Table 3: Voluntary information – Non-IFRS – Remuneration received by executives for the year ended 30 June 2017

The amounts disclosed below as executive KMP remuneration for 2017 reflect the realised benefits received by each KMP during the reporting period. The remuneration values disclosed below have been determined as follows:

Fixed remuneration

Fixed remuneration includes base salaries received, payments made to superannuation funds, the taxable value of non-monetary benefits received and any once-off payments such as sign-on bonuses or termination benefits, see Table 1 above for details. Fixed remuneration excludes any accruals of annual or long service leave.

Short-term incentives

The cash STI benefits represent the bonuses that were awarded to each KMP in relation to the prior financial year and which were paid in the current financial year. There were no cash STI benefits awarded in relation to the year ended 30 June 2016 and as such the value of this benefit received in the current year is nil.

Long-term incentives

The value of vested options was determined based on the intrinsic value of the options at the date of vesting, being the difference between the share price on that date and the exercise price payable by the KMP. The options that vested during the current year were granted in August 2013 (Mr Massey) and September 2014 (Mr Thomas).

	FIXED REMUNERATION	AWARDED STI (CASH)	VESTED LTI	TOTAL VALUE
	$	$	$	$
Executive Directors				
M Clark	756,546	-	-	756,546
P Thomas	592,297	-	3,375,000	3,967,297
Other Executives				
K Massey	432,609	-	55,000	487,609
P Woodman	432,609	-	-	432,609
Total Executive KMP	**2,214,061**	**-**	**3,430,000**	**5,644,061**
Non-executive directors	389,533	-	-	389,533
Total KMP remuneration	**2,603,594**	**-**	**3,430,000**	**6,033,594**

The amounts disclosed above are not the same as the remuneration expensed in relation to each KMP in accordance with the accounting standards ($5,205,375 for 2017, see Table 1 above). The directors believe that the remuneration received is more relevant to users for the following reasons:

- The statutory remuneration expensed is based on fair value determined at grant date and does not reflect the fair value of the equity instruments when they are actually received by the KMPs.
- The statutory remuneration shows benefits before they are actually received by the KMPs.
- Where options or performance rights do not vest because a market-based performance condition is not satisfied (e.g. absolute TSR), the Company must still recognise the full amount of expenses even though the KMPs will never receive any benefits.
- Share-based payment awards are treated differently under the accounting standards depending on whether the performance conditions are market conditions (no reversal of expense) or non-market conditions (reversal of expense where shares fail to vest), even though the benefit received by the KMP is the same (nil where equity instruments fail to vest).

The information in this section has been audited together with the rest of the remuneration report.

Tables 4 & 5: Rights and options over equity instruments granted as compensation

All rights and options refer to rights and options over ordinary shares of Regis Resources Limited, which are exercisable on a one-for-one basis.

There were no options granted to KMPs as compensation during the current year. Details on options granted as compensation in previous years and which have vested during or remain outstanding at the end of the year are provided below.

OPTIONS	GRANTED & OUTSTANDING		TERMS & CONDITIONS FOR EACH GRANT				VESTED		
	NO.	GRANT DATE	FAIR VALUE PER OPTION AT GRANT DATE	EXERCISE PRICE PER OPTION	EXPIRY DATE	VESTING DATE	NO.	% VESTED DURING THE YEAR	% FORFEITED DURING THE YEAR
M Clark	750,000	12 Nov 15	$1.04	$1.40	11 Aug 19	11 Aug 17	-	-	-
M Clark	750,000	12 Nov 15	$1.27	$1.40	11 Aug 19	11 Aug 18	-	-	-
P Thomas	250,000	12 Aug 15	$0.58	$1.40	11 Aug 19	11 Aug 17	-	-	-
P Thomas	250,000	12 Aug 15	$0.74	$1.40	11 Aug 19	11 Aug 18	-	-	-
P Thomas	1,500,000	12 Sep 14	$0.87	$1.55	12 Sep 17	12 Sep 16	1,500,000	100%	-
P Woodman	500,000	25 Jan 16	$1.00	$2.34	6 Jan 20	25 Jan 18	-	-	-
P Woodman	500,000	25 Jan 16	$1.29	$2.34	6 Jan 20	25 Jan 19	-	-	-
K Massey	500,000	12 Aug 15	$0.58	$1.40	11 Aug 19	11 Aug 17	-	-	-
K Massey	500,000	12 Aug 15	$0.74	$1.40	11 Aug 19	11 Aug 18	-	-	-
K Massey	50,000	19 Aug 13	$1.94	$3.50	31 Jul 17	31 Jul 16	50,000	50%	-
Total	**5,550,000**						**1,550,000**		

All options expire at the earlier of their expiry date or termination of the individual's employment. Options granted as compensation do not have any vesting conditions other than a continuing employment service condition.

Details on performance rights that were granted as compensation to each KMP during the reporting period are as follows:

RIGHTS	GRANTED			NUMBER OF RIGHTS GRANTED DURING 2017 TO:					
VESTING CONDITION	GRANT DATE	FAIR VALUE AT GRANT DATE	TEST DATE	M CLARK	P THOMAS	K MASSEY	P WOODMAN	% VESTED DURING THE YEAR	% FORFEITED DURING THE YEAR
Relative TSR	18 Nov 16	$1.51	30 Jun 18	42,000	23,833	17,333	17,333		
Absolute TSR	18 Nov 16	$0.97	30 Jun 18	42,000	23,833	17,333	17,333	-	-
Earnings per share	18 Nov 16	$2.56	30 Jun 18	42,000	23,833	17,333	17,333	-	-
Ore reserves	18 Nov 16	$2.56	30 Jun 18	42,000	23,834	17,334	17,334	-	-
				168,000	**95,333**	**69,333**	**69,333**	**-**	**-**
Value of rights granted during the year				**$319,326**	**$181,205**	**$131,785**	**$131,785**		

The two year performance period during which the performance rights are tested ends on 30 June 2018 with the testing to occur within 60 days after that date. Any performance rights that do not vest will lapse after testing. There is no re-testing of performance rights. In addition to a continuing employment service condition, vesting of the performance rights is conditional upon the Group achieving certain performance hurdles. Details of the performance criteria are included in the long-term incentives discussion on page 39.

The value of rights granted during the year is the fair value of the rights calculated at grant date. The total value of the rights granted is included in the table above. This amount is allocated to remuneration over the vesting period (i.e. in years 1 July 2016 to 30 June 2018). No performance rights were exercised during the year.

Table 6: Rights and options over equity instruments

The movement during the reporting period, by number of options over ordinary shares in Regis Resources Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	HELD AT START OF PERIOD				HELD AT END OF PERIOD	VESTED AT 30 JUNE 2017		
	1 JULY 2016	GRANTED AS REMUNERATION	EXERCISED	NET CHANGE OTHER	30 JUNE 2017	TOTAL	EXERCISABLE	NOT EXERCISABLE
Options								
M Clark	1,500,000				1,500,000	-	-	-
P Thomas(i)	2,000,000	-	-	-	500,000	-	-	-
K Massey(ii)	1,100,000	-	(1,500,000)	-	1,000,000	-	-	-
P Woodman	1,000,000	-	(100,000)	-	1,000,000	-	-	-
Rights		-	-	-				
M Clark	-	168,000	-	-	168,000	-	-	-
P Thomas	-	95,333	-	-	95,333	-	-	-
K Massey	-	69,333	-	-	69,333	-	-	-
P Woodman	-	69,333	-	-	69,333	-	-	-

(i) The intrinsic value of options exercised by Mr Thomas during the year was $3,375,000. Mr Thomas exercised his options using the cashless exercise feature available under the Regis ESOP and was issued with 899,225 ordinary shares as a result. No amounts remain unpaid on the shares issued.

(ii) The intrinsic value of options exercised by Mr Massey during the year was $55,000. Mr Massey exercised his options using the cashless exercise feature available under the Regis ESOP and was issued with 17,062 ordinary shares as a result. No amounts remain unpaid on the shares issued.

There were no options granted to KMPs during the year. No options or rights were forfeited during the prior year due to performance criteria not being achieved. There have been no alterations to the terms and conditions of options awarded as remuneration since their award date.

Table 7: Shareholdings of key management personnel

The movement during the reporting period in the number of ordinary shares in Regis Resources Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	HELD AT 1 JULY 2016	ON EXERCISE OF OPTIONS	NET CHANGE OTHER	HELD AT 30 JUNE 2017
Non-Executive Directors				
M Okeby	700,000	-	-	700,000
G Evans(i)	2,235,815	-	(2,235,815)	n/a
R Kestel	75,000	-	-	75,000
J Mactier	-	-	-	-
F Morgan(ii)	n/a	-	513,230	513,230
Executive Directors				
M Clark	4,960,000	-	(2,500,000)	2,460,000
P Thomas	-	899,225	(899,225)	-
Other Executives				
P Woodman	-	-	-	-
K Massey	-	17,062	(17,062)	-
Total	**7,970,815**	**916,287**	**(5,138,872)**	**3,748,230**

(i) Mr Evans retired as a non-executive director on 29 July 2016. "Net change other" reflects the number of shares held at this date.

(ii) Ms Morgan was appointed as non-executive director on 18 November 2016. "Net change other" represents the number of shares held at this date.

In all instances, "Net change other" relates to on-market purchases and sales of shares.

All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Loans to key management personnel and their related parties

There were no loans made to any director, key management personnel and/or their related parties during the current or prior years.

Other transactions with key management personnel

From the date of her appointment as a director, services totalling $335,302 have been provided on normal commercial terms to the Group by Mintrex Pty Ltd, of which Ms Morgan is a managing director, chief executive officer and a shareholder. There was no outstanding balance payable as at 30 June 2017.

Other than the ordinary accrual of personnel expenses at balance date and transactions disclosed above, there are no other amounts receivable from and payable to key management personnel and their related parties.

Signed in accordance with a resolution of the directors.

Mr Mark Clark
Executive Chairman

Perth, 28 August 2017

AUDITOR'S INDEPENDENCE DECLARATION

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Regis Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Regis Resources Limited for the financial year ended 30 June 2017 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

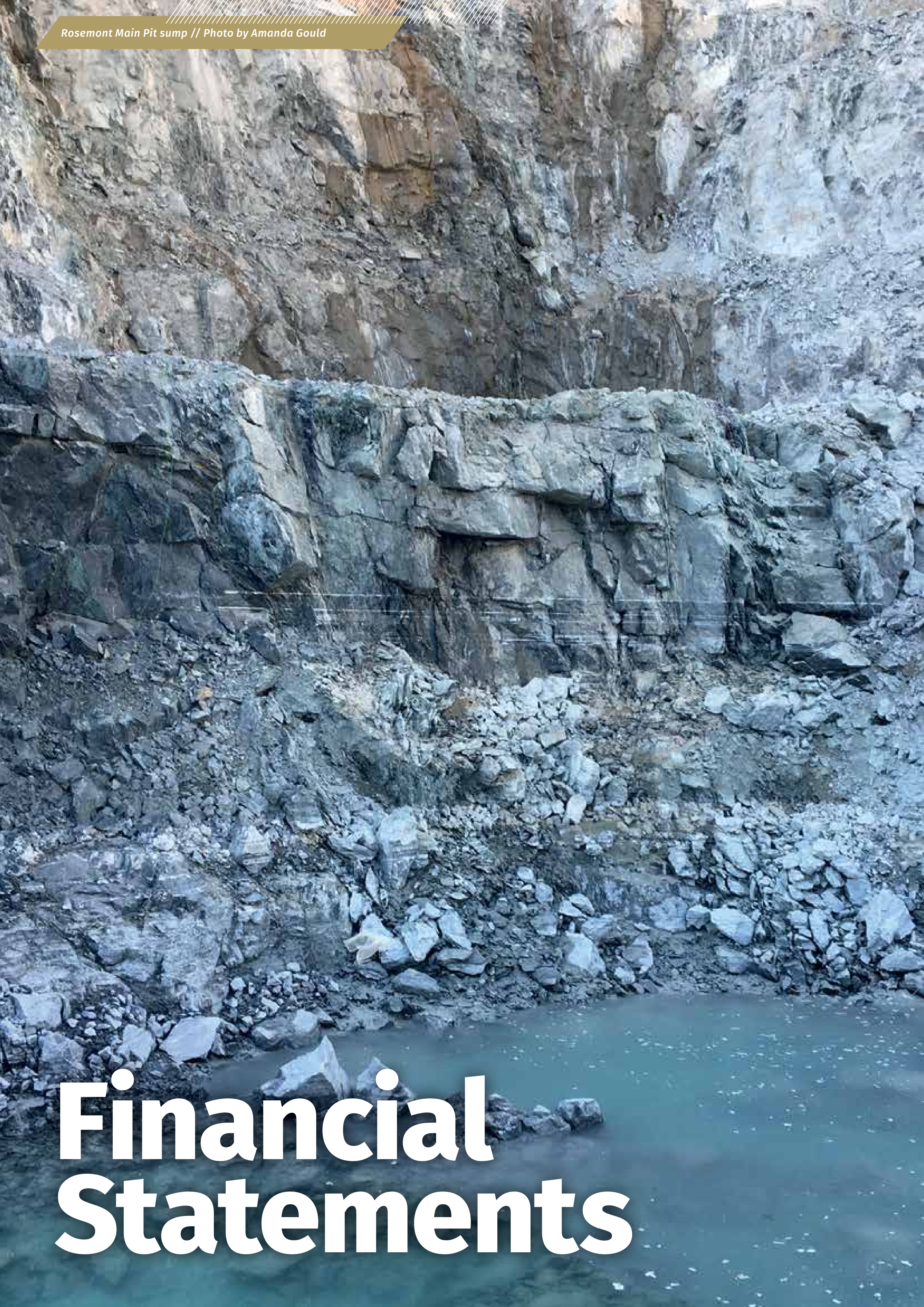
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

R Gambitta
Partner

Perth

28 August 2017



Rosemont Main Pit sump // Photo by Amanda Gould

Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	NOTE	CONSOLIDATED 2017	CONSOLIDATED 2016
		$'000	$'000
Revenue	2	543,799	502,019
Cost of goods sold	3	(335,827)	(335,136)
Gross profit		207,972	166,883
Other income	2	4,962	6,294
Investor and corporate costs		(2,117)	(1,677)
Personnel costs		(5,521)	(5,304)
Share-based payment expense	24	(3,222)	(3,317)
Occupancy costs		(585)	(547)
Other corporate administrative expenses		(312)	(457)
Impairment of non-current assets	15	(2,939)	(21)
Other expenses	3	(936)	(839)
Finance costs	18	(1,165)	(1,914)
Profit before tax		196,137	159,101
Income tax expense	5	(57,974)	(47,308)
Profit from continuing operations		138,163	111,793
Profit attributable to members of the parent		138,163	111,793
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Cash flow hedge reserve			
Unrealised gains/(losses) on cash flow hedges		(641)	5,006
Realised gains transferred to net profit		(4,177)	-
Tax effect		1,424	(1,502)
Items that will not be reclassified to profit or loss:			
Financial assets reserve			
Changes in the fair value of financial assets designated at fair value through other comprehensive income		(2,180)	4,633
Tax effect		654	(1,390)
Other comprehensive (loss)/income for the period, net of tax		(4,920)	6,747
Total comprehensive income for the period		133,243	118,540
Total comprehensive income attributable to members of the parent		**133,243**	**118,540**
Basic earnings per share attributable to ordinary equity holders of the parent (cents per share)	4	27.59	22.37
Diluted earnings per share attributable to ordinary equity holders of the parent (cents per share)	4	27.29	22.22

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As at 30 June 2017

	NOTE	CONSOLIDATED 2017 $'000	2016 $'000
Current assets			
Cash and cash equivalents	7	119,428	99,535
Gold bullion awaiting settlement	8	24,934	22,764
Receivables	9	6,833	5,257
Inventories	10	39,328	29,134
Derivatives	21	260	5,006
Financial assets	19	263	155
Other current assets		1,197	1,139
Total current assets		192,243	162,990
Non-current assets			
Inventories	10	35,452	25,866
Financial assets	19	-	6,442
Property, plant and equipment	11	182,388	187,663
Exploration and evaluation assets	12	151,735	123,739
Mine properties under development	13	-	1,199
Mine properties	14	123,244	83,358
Intangible assets		802	-
Total non-current assets		493,621	428,267
Total assets		685,864	591,257
Current liabilities			
Trade and other payables	16	43,719	35,155
Interest-bearing liabilities	18	1,506	1,125
Income tax payable		2,193	11,123
Provisions	17	4,607	1,903
Derivatives	21	102	713
Total current liabilities		52,127	50,019
Non-current liabilities			
Interest-bearing liabilities	18	841	1,485
Deferred tax liabilities	23	49,403	20,806
Provisions	17	45,101	37,099
Total non-current liabilities		95,345	59,390
Total liabilities		147,472	109,409
Net assets		**538,392**	**481,848**
Equity			
Issued capital	22	431,491	431,335
Reserves	22	26,876	28,574
Retained profits		80,025	21,939
Total equity		**538,392**	**481,848**

The above balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	CONSOLIDATED					
	ISSUED CAPITAL	SHARE-BASED PAYMENT RESERVE	FINANCIAL ASSETS RESERVE	CASH FLOW HEDGE RESERVE	RETAINED PROFITS/ (ACCUMULATED LOSSES)	TOTAL EQUITY
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2016	431,335	21,827	3,243	3,504	21,939	481,848
Profit for the period	-	-	-	-	138,163	138,163
Other comprehensive income						
Changes in the fair value of financial assets, net of tax	-	-	(1,526)	-	-	(1,526)
Changes in the value of cash flow hedges, net of tax	-	-	-	(3,394)	-	(3,394)
Total other comprehensive income for the year, net of tax	-	-	(1,526)	(3,394)	-	(4,920)
Total comprehensive income for the year, net of tax	-	-	(1,526)	(3,394)	138,163	133,243
Transactions with owners in their capacity as owners:						
Share-based payments expense	-	3,222	-	-	-	3,222
Dividends paid	-	-	-	-	(80,077)	(80,077)
Shares issued, net of transaction costs	156	-	-	-	-	156
At 30 June 2017	**431,491**	**25,049**	**1,717**	**110**	**80,025**	**538,392**
At 1 July 2015	431,338	18,510	-	-	(39,875)	409,973
Profit for the period	-	-	-	-	111,793	111,793
Other comprehensive income						
Changes in the fair value of financial assets, net of tax	-	-	3,243	-	-	3,243
Changes in the value of cash flow hedges, net of tax	-	-	-	3,504	-	3,504
Total other comprehensive income for the year, net of tax	-	-	3,243	3,504	-	6,747
Total comprehensive income for the year, net of tax	-	-	3,243	3,504	111,793	118,540
Transactions with owners in their capacity as owners:						
Share-based payments expense	-	3,317	-	-	-	3,317
Dividends paid	-	-	-	-	(49,979)	(49,979)
Shares issued, net of transaction costs	(3)	-	-	-	-	(3)
At 30 June 2016	**431,335**	**21,827**	**3,243**	**3,504**	**21,939**	**481,848**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

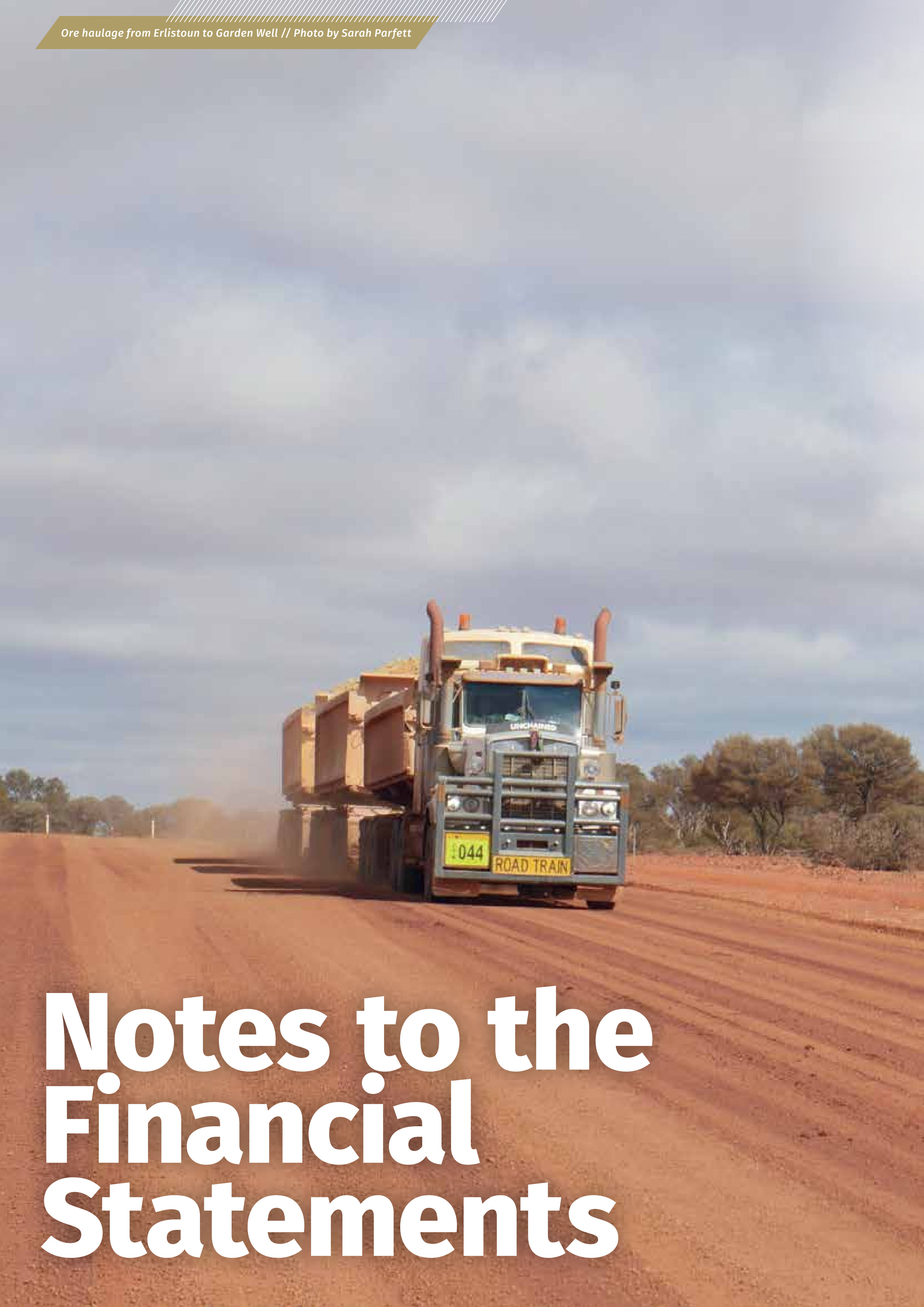
For the year ended 30 June 2017

	NOTE	CONSOLIDATED 2017	2016
		$'000	$'000
Cash flows from operating activities			
Receipts from gold sales		540,048	490,098
Payments to suppliers and employees		(300,416)	(266,569)
Option premium income received		1,302	2,715
Interest received		1,504	1,745
Interest paid		(126)	(1,063)
Proceeds from rental income		-	8
Income tax paid		(36,230)	(22,933)
Net cash from operating activities	7	206,082	204,001
Cash flows from investing activities			
Acquisition of property, plant and equipment		(23,395)	(20,469)
Proceeds on disposal of property, plant and equipment		2	165
Payments for exploration and evaluation (net of rent refunds)		(32,366)	(18,141)
Payments for acquisition of exploration assets (net of cash)		(3,370)	(100)
Payments for financial assets		-	(1,812)
Proceeds on disposal of financial assets		4,154	-
Payments for mine properties under development		(9,506)	(816)
Payments for mine properties		(40,301)	(44,355)
Net cash used in investing activities		(104,782)	(85,528)
Cash flows from financing activities			
Proceeds from issue of shares		175	-
Payment of transaction costs		(19)	(3)
Payment of dividends		(80,077)	(49,979)
Repayment of finance lease		(1,486)	(737)
Repayment of borrowings		-	(20,000)
Net cash used in financing activities		(81,407)	(70,719)
Net increase in cash and cash equivalents		19,893	47,754
Cash and cash equivalents at 1 July		99,535	51,781
Cash and cash equivalents at 30 June	**7**	**119,428**	**99,535**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Rosemont North Pit // Photo by Amanda Gould

Ore haulage from Erlistoun to Garden Well // Photo by Sarah Parfett



Notes to the Financial Statements

BASIS OF PREPARATION

Regis Resources Limited ("Regis" or the "Company") is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business is:

Regis Resources Limited
Level 1
1 Alvan Street
Subiaco WA 6008

A description of the nature of operations and principal activities of Regis and its subsidiaries (collectively, the "Group") is included in the Directors' Report, which is not part of these financial statements.

The financial statements were authorised for issue in accordance with a resolution of the directors on 28 August 2017.

The financial report is a general purpose financial report which:

- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared on a historical cost basis except for assets and liabilities and share-based payments which are required to be measured at fair value. The basis of measurement is discussed further in the individual notes;
- is presented in Australian dollars with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with ASIC Instrument 2016/191;
- presents reclassified comparative information where required for consistency with the current year's presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2016. Refer to note 31 for further details;
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to note 31 for further details.

Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in note 25.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Foreign currencies

Both the functional currency of each entity within the Group and the Group's presentation currency is Australian dollars.

Transactions in foreign currencies are initially recorded in Australian dollars at the exchange rate on that day. Foreign currency monetary assets and liabilities are translated to Australian dollars at the reporting date exchange rate. Foreign currency gains and losses are generally recognised in profit or loss.

Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the financial statements.

Key estimates and judgements

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes.

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Group. Information is considered relevant and material if, for example:

- the amount is significant due to its size or nature;
- the amount is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business; or
- it relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- Performance for the year;
- Operating assets and liabilities;
- Capital structure and risk;
- Other disclosures.

A brief explanation is included under each section.

PERFORMANCE FOR THE YEAR

This section focuses on the results and performance of the Group. This covers both profitability and the resultant return to shareholders via earnings per share combined with cash generation and the return of cash to shareholders via dividends.

1. SEGMENT INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting provided to the Executive Chairman and his executive management team (the chief operating decision makers). The Group has two reportable segments which comprise the Duketon Gold Project; being Duketon North Operations ("DNO"), currently comprising Moolart Well and Gloster and Duketon South Operations ("DSO"), currently incorporating Garden Well, Rosemont and Erlistoun. The segments are unchanged from those reported at 30 June 2016. A number of new mining operations at satellite pits will commence in the next several years. In addition to Moolart Well and Gloster, DNO will include Dogbolter, Petra and Anchor pits as all will be processed through the Moolart Well processing plant. DSO will add Baneygo and Tooheys Well and the other satellite projects in that area to the Garden Well leaching circuit.

Unallocated items comprise corporate administrative costs (including personnel costs, share based payments, occupancy costs and investor and corporate costs), interest revenue, finance costs, net gains and losses on derivatives, exploration and evaluation assets relating to areas of interest where an economically recoverable reserve is yet to be delineated, cash, derivative assets and income tax assets.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, conduct exploration and evaluation activities and develop mine properties.

The following table presents financial information for reportable segments for the years ended 30 June 2017 and 30 June 2016:

	DUKETON NORTH OPERATIONS		DUKETON SOUTH OPERATIONS		UNALLOCATED		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
Continuing Operations	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue								
Sales to external customers	170,065	124,661	372,153	375,491	-	-	542,218	500,152
Other revenue	-	-	-	-	1,581	1,867	1,581	1,867
Total segment revenue	170,065	124,661	372,153	375,491	1,581	1,867	543,799	502,019
Total revenue per the statement of comprehensive income							543,799	502,019
Interest expense	-	-	-	-	126	981	126	981
Impairment of non-current assets	-	-	-	-	2,939	21	2,939	21
Depreciation and amortisation	18,061	34,482	39,392	40,607	218	248	57,671	75,337
Depreciation capitalised							(90)	(93)
Total depreciation and amortisation recognised in the statement of comprehensive income							57,581	75,244
Segment result								
Segment net operating profit/(loss) before tax	80,724	30,341	127,455	137,886	(12,042)	(9,126)	196,137	159,101
Segment assets								
Segment assets at balance date	82,066	62,087	308,108	272,784	295,690	256,386	685,864	591,257
Capital expenditure for the year	18,436	18,974	46,622	41,386	32,306	17,692	97,364	78,052

2. REVENUE AND OTHER INCOME

Accounting Policies

Gold sales

Revenue is recognised and measured at the fair value of the consideration received or receivable, when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group. The specific recognition criteria for the Group's gold sales is upon dispatch of the gold bullion from the mine site as this is the point at which the significant risks and rewards of ownership and control of the product passes to the customer. Adjustments are made for variations in gold price, assay and weight between the time of dispatch and the time of final settlement.

Interest

Interest income is recognised as it accrues using the effective interest method.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Revenue		
Gold sales	542,218	500,152
Interest	1,581	1,867
	543,799	502,019

Gold forward contracts

As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financier, the Group enters into gold forward contracts to manage the gold price of a proportion of anticipated gold sales. The counterparty to the gold forward contracts is Macquarie Bank Limited ("MBL").

It is management's intention to settle each contract through physical delivery of gold and as such, the gold forward sale contracts disclosed below do not meet the criteria of financial instruments for accounting purposes. This is referred to as the "normal purchase/sale" exemption. Accordingly, the contracts will be accounted for as sale contracts with revenue recognised once the gold has been delivered to MBL or its agent.

Open contracts at balance date are summarised in the table below:

	GOLD FOR PHYSICAL DELIVERY		CONTRACTED GOLD SALE PRICE		VALUE OF COMMITTED SALES		MARK-TO-MARKET(i)	
	2017	2016	2017	2016	2017	2016	2017	2016
	ounces	ounces	$/oz	$/oz	$'000	$'000	$'000	$'000
Within one year								
– Spot deferred contracts(ii)	396,406	353,770	1,551	1,581	614,718	559,206	(25,386)	(68,594)
– Fixed forward contracts	-	80,000	-	1,454	-	116,280	-	(27,121)
	396,406	433,770			614,718	675,486	(25,386)	(95,715)
Mark-to-market has been calculated with reference to the following spot price at period end							$1,615/oz	$1,774/oz

(i) Mark-to-market represents the value of the open contracts at balance date, calculated with reference to the gold spot price at that date. A negative amount reflects a valuation in the counterparty's favour.

(ii) The contracted gold sale price disclosed for spot deferred contracts reflects a weighted average of a range of contract prices. The range of prices at the end of the year was from $1,408/oz to $1,810/oz (2016: $1,402/oz to $1,803/oz).

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Other income		
Rehabilitation provision adjustment	2,977	4,283
Net gain on financial instruments at fair value through profit or loss	1,913	2,002
Ineffectiveness on commodity swap contracts designated as cash flow hedges	72	-
Rental income	-	9
	4,962	6,294

The net gain on financial instruments at fair value through profit or loss relates to sold gold call options that do not qualify for hedge accounting. During the current financial year, the Group sold gold call options for 35,000 ounces with a weighted average exercise price of $1,716/oz (2016: 73,000 ounces at A$1,700/oz). Offsetting the premium income received during the current year is the fair value of open contracts at balance date, recognised on the balance sheet as "derivative liabilities". For more information on the measurement and recognition of derivatives, refer to note 21.

3. EXPENSES

Accounting Policies

Cash costs of production

Cash costs of production is a component of cost of goods sold and includes direct costs incurred for mining, milling, laboratory and mine site administration, net of costs capitalised to pre-strip and production stripping assets. This category also includes movements in the cost of inventory and any net realisable value write downs.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Cost of goods sold		
Cash costs of production	255,074	238,158
Royalties	23,300	21,889
Depreciation of mine plant and equipment	31,484	42,823
Amortisation of mine properties	25,969	32,266
	335,827	335,136

Depreciation

Depreciation of mine specific plant and equipment and buildings and infrastructure is charged to the statement of comprehensive income on a unit-of-production basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is used. The unit of account is tonnes of ore milled.

Depreciation of non-mine specific plant and equipment is charged to the statement of comprehensive income and exploration and evaluation assets on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment in current and comparative periods as follows:

- Plant and equipment: 3 - 20 years
- Fixtures and fittings: 3 - 20 years
- Leasehold improvements: 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Amortisation

Mine properties are amortised on a unit-of-production basis over the economically recoverable reserves of the mine concerned. The unit of account is tonnes of ore milled.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Depreciation and amortisation		
Depreciation expense	31,702	43,071
Amortisation expense	25,969	32,266
Less: Amounts capitalised	(90)	(93)
Depreciation and amortisation charged to the statement of comprehensive income	57,581	75,244

KEY ESTIMATES AND ASSUMPTIONS

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located.

		CONSOLIDATED	
	NOTE	2017	2016
		$'000	$'000
Employee benefits expense			
Wages and salaries		35,700	33,459
Defined contribution superannuation expense		3,235	3,027
Share-based payments expense	24	3,222	3,317
Employee bonuses		335	-
Other employee benefits expense		2,425	2,118
		44,917	41,921
Less: Amounts capitalised		(4,826)	(3,365)
Employee benefits expense recognised in the statement of comprehensive income		40,091	38,556
Lease payments and other expenses included in the statement of comprehensive income			
Minimum lease payments – operating lease		380	356
Less: Amounts capitalised		(114)	(107)
Recognised in the statement of comprehensive income		266	249
Other expenses			
Gold swap fees		49	175
Non-capital exploration expenditure		804	660
Loss on disposal of assets		83	4
		936	839

4. EARNINGS PER SHARE

Accounting Policy

Earnings per share ("EPS") is the amount of post-tax profit attributable to each share. The Group presents basic and diluted EPS data for ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS takes into account the dilutive effect of all potential ordinary shares, being unlisted employee share options and performance rights on issue.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Earnings used in calculating EPS		
Net profit attributable to ordinary equity holders of the parent	138,163	111,793

	NO. SHARES	NO. SHARES
Weighted average number of shares	('000s)	('000s)
Issued ordinary shares at 1 July	499,854	499,782
Effect of shares issued	928	6
Weighted average number of ordinary shares at 30 June	500,782	499,788
Effect of dilution:		
Share options	5,225	3,291
Performance rights	247	-
Weighted average number of ordinary shares adjusted for the effect of dilution	506,254	503,079

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements which would impact on the above EPS calculations.

5. CURRENT INCOME TAX

Accounting Policy

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
The major components of income tax expense are:		
Current income tax		
Current income tax expense	30,198	31,996
Adjustment in respect of income tax of previous years	(3,635)	(1,462)
Deferred income tax		
Relating to the origination and reversal of temporary differences	29,614	16,736
Adjustment in respect of income tax of previous years	1,797	38
Income tax expense reported in the statement of comprehensive income	57,974	47,308
Deferred tax payable/(receivable) related to items recognised in OCI during the year		
Net (loss)/gain on revaluation of cash flow hedges	(1,424)	1,502
Net (loss)/gain on financial assets	(654)	1,390
Deferred tax charged to OCI	(2,078)	2,892
A reconciliation between tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	196,137	159,101
At the Group's statutory income tax rate of 30% (2016: 30%)	58,841	47,730
Share-based payments	966	996
Other non-deductible items	5	6
Adjustment in respect of income tax of previous years	(1,838)	(1,424)
Income tax expense reported in the statement of comprehensive income	57,974	47,308

6. DIVIDENDS

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Declared and paid during the year:		
Dividends on ordinary shares		
Final franked dividend for 2016: 9 cents per share (2015: 6)	45,007	29,987
Interim franked dividend for 2017: 7 cents per share (2016: 4)	35,070	19,992
	80,077	49,979
Proposed by the directors after balance date but not recognised as a liability at 30 June:		
Dividends on ordinary shares		
Final dividend for 2017: 8 cents per share (2016: 9 cents per share)	40,143	45,006
Dividend franking account		
Amount of franking credits available to shareholders of Regis Resources Limited for subsequent financial years	5,625	12,644

The ability to utilise the franking credits is dependent upon the ability to declare dividends.

7. CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

At 30 June 2017, the Group had no undrawn, committed borrowing facilities available (2016: nil). Refer to note 18.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Cash and cash equivalents in the balance sheet and cash flow statement		
Cash at bank and on hand	69,428	99,535
Short-term deposits	50,000	-
	119,428	99,535

Restrictions on cash

The Group is required to maintain $161,000 (2016: $161,000) on deposit to secure a bank guarantee in relation to the Perth office lease. The amount will be held for the term of the lease. Refer to note 27.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Reconciliation of profit after income tax to net cash inflow from operating activities		
Net profit for the year	138,163	111,793
Adjustments for:		
Impairment of non-current assets	2,939	21
Unwinding of discount on provisions	1,039	933
Loss on disposal of assets	83	4
Unrealised (loss)/gain on derivatives	(683)	713
Share-based payments	3,222	3,317
Rehabilitation provision adjustment	(2,977)	(4,283)
Depreciation and amortisation	57,581	75,244
Changes in assets and liabilities		
(Increase)/decrease in gold bullion awaiting settlement	(2,170)	(10,054)
(Increase)/decrease in receivables	(365)	(376)
(Increase)/decrease in inventories	(18,669)	(2,805)
(Increase)/decrease in other current assets	(64)	(180)
Increase/(decrease) in income tax payable	(7,308)	7,601
Increase/(decrease) in trade and other payables	7,539	5,899
Increase/(decrease) in deferred tax liabilities	29,053	16,774
Increase/(decrease) in provisions	(1,301)	(600)
Net cash from operating activities	206,082	204,001

Non-cash financing and investing activities

During the year ended 30 June 2017, the Group entered into a hire purchase arrangement for the acquisition of a second Komatsu WA600 loader for the Duketon Gold Project. The amount financed was $1,222,000 (2016: first Komatsu Loader $1,222,000).

Refer to note 18 for further details. These transactions are not reflected in the statement of cash flows.

OPERATING ASSETS AND LIABILITIES

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the capital structure and finance costs section on page 77.

8. GOLD BULLION AWAITING SETTLEMENT

Accounting Policy

Bullion awaiting settlement comprises gold that has been received by the refiner prior to period end but which has not yet been delivered into a sale contract. Bullion awaiting settlement is initially recognised at the expected selling price and adjustments for variations in the gold price are made at the time of final settlement.

Due to the short-term nature of the bullion awaiting settlement, the carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the fair value.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Current		
Gold bullion awaiting settlement	24,934	22,764

At balance date, gold bullion awaiting settlement comprised 15,487 ounces valued at a weighted average realisable value of $1,610/oz (2016: 12,538 ounces at $1,815/oz).

9. RECEIVABLES

Accounting Policy

Receivables are initially recognised at fair value and subsequently at the amounts considered receivable (financial assets at amortised cost). Balances within receivables do not contain impaired assets, are not past due and are expected to be received when due.

The Group does not have trade receivables in relation to gold sales. The only material receivables at year end are for GST and fuel tax credits receivable from the Australian Taxation Office and therefore, the Group is not generally exposed to credit risk in relation to its receivables.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate fair value.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Current		
GST receivable	3,323	2,955
Fuel tax credit receivable	1,570	1,527
Security deposit for land acquisition	974	-
Interest receivable	217	140
Dividend trust account	498	439
Other receivables	251	196
	6,833	5,257

10. INVENTORIES

Accounting Policy

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product, including royalties.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on a first-in first-out basis.

Inventories expected to be sold (or consumed in the case of stores) within 12 months after the balance sheet date are classified as current assets, all other inventories are classified as non-current.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Current		
Ore stockpiles	25,894	16,733
Gold in circuit	6,098	8,957
Bullion on hand	4,254	525
Consumable stores	3,082	2,919
	39,328	29,134
Non-current		
Ore stockpiles	35,452	25,866

At 30 June 2016, there was no expense recognised in costs of goods sold for inventories carried at net realisable value.

At 30 June 2017, a portion of ore stockpiles were reclassified as non-current as a result of the annual update of life of mine plans and written down to net realisable value resulting in an expense totalling $1,440,000 being recognised in cost of goods sold. During the year, all other inventories were carried at cost. (2016: all inventory is carried at cost).

KEY ESTIMATES AND ASSUMPTIONS

Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product based on prevailing spot metals process at the reporting date, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage. Stockpile tonnages are verified by periodic surveys.

11. PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

The value of property, plant and equipment is measured as the cost of the asset, less accumulated depreciation and impairment. The cost of the asset also includes the cost of replacing parts that are eligible for capitalisation, the cost of major inspections and an initial estimate of the cost of dismantling and removing the item from site at the end of its useful life (rehabilitation provisions). Changes in the rehabilitation provisions resulting from changes in the size or timing of the cost or from changes in the discount rate are also recognised as part of the asset cost.

Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no further economic benefits. Any gain or loss from derecognising the asset (the difference between the proceeds on disposal and the carrying amount of the asset) is included in the income statement in the period the item is derecognised.

	CONSOLIDATED						
	FREEHOLD LAND	LEASEHOLD IMPROVEMENTS	PLANT & EQUIPMENT	FURNITURE & EQUIPMENT	BUILDINGS & INFRASTRUCTURE	CAPITAL WIP	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Net carrying amount at 1 July 2016	16,488	341	114,609	616	47,561	8,048	187,663
Additions	-	28	6,400	108	9,361	8,327	24,224
Depreciation expense	-	(76)	(21,306)	(176)	(10,144)	-	(31,702)
Transfers to mine properties	-	-	-	-	-	(18)	(18)
Transfers between classes	-	10	4,551	52	3,259	(7,872)	-
Rehabilitation provision adjustments	-	-	55	-	2,251	-	2,306
Disposals	-	-	(85)	-	-	-	(85)
Net carrying amount at 30 June 2017	16,488	303	104,224	600	52,288	8,485	182,388
At 30 June 2017							
Cost	16,488	762	234,758	1,817	102,539	8,485	364,849
Accumulated depreciation	-	(459)	(130,534)	(1,217)	(50,251)	-	(182,461)
Net carrying amount	16,488	303	104,224	600	52,288	8,485	182,388
Net carrying amount at 1 July 2015	16,488	409	133,541	613	47,537	10,371	208,959
Additions	-	4	8,408	221	1,308	12,290	22,231
Depreciation expense	-	(72)	(30,238)	(229)	(12,532)	-	(43,071)
Transfers between classes	-	-	3,101	11	11,501	(14,613)	-
Rehabilitation provision adjustments	-	-	(34)	-	(253)	-	(287)
Disposals	-	-	(169)	-	-	-	(169)
Net carrying amount at 30 June 2016	16,488	341	114,609	616	47,561	8,048	187,663
At 1 July 2015							
Cost	16,488	721	213,694	1,432	76,187	10,371	318,893
Accumulated depreciation	-	(312)	(80,153)	(819)	(28,650)	-	(109,934)
Net carrying amount	16,488	409	133,541	613	47,537	10,371	208,959
At 30 June 2016							
Cost	16,488	725	223,997	1,663	88,104	8,048	339,025
Accumulated depreciation	-	(384)	(109,388)	(1,047)	(40,543)	-	(151,362)
Net carrying amount	16,488	341	114,609	616	47,561	8,048	187,663

12. EXPLORATION AND EVALUATION ASSETS

Accounting Policy

Exploration and evaluation expenditure is accumulated on an area of interest basis. Exploration and evaluation assets include the costs of acquiring licences, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Expenditure is carried forward when incurred in areas for which the Group has rights of tenure and where economic mineralisation is indicated, but activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine properties under development. No amortisation is charged during the exploration and evaluation phase.

		CONSOLIDATED	
	NOTE	2017	2016
		$'000	$'000
Reconciliation of movements during the year			
Balance at 1 July		123,739	118,779
Expenditure for the period		31,976	17,440
Acquisition of tenements		3,382	100
Impairment	15	(2,917)	(21)
Transferred to mine properties	14	(4,445)	(12,559)
Balance at 30 June		151,735	123,739

Acquisition of tenements

During the year, the Group acquired the Blayney Gold Project tenement from Aeris Resources Limited for $3.25 million (paid in cash), paid $100,000 to Delta Gold Pty Ltd to acquire its 28.78% beneficial interest in the Bandya Joint Venture tenements (taking the Group's interest in these tenements to 100%) and paid $20,000 to Hot Holdings Pty Ltd to acquire its 49% beneficial interest in an exploration license (taking the Group's interest in this license to 100%).

Impairment

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGUs") to which the exploration activity relates. The CGU is not larger than the area of interest.

Carrying value by area of interest		
Duketon North Operations	8,868	1,840
Duketon South Operations	14,281	3,144
Duketon Gold Project satellite deposits	12,757	19,343
Regional WA exploration	9,267	7,947
NSW exploration	106,562	91,465
	151,735	123,739

KEY ESTIMATES AND ASSUMPTIONS

Impairment of exploration and evaluation assets

The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

Exploration expenditure commitments

Exploration expenditure commitments represent tenement rentals and expenditure requirements that may be required to be met under the relevant legislation should the Group wish to retain tenure on all current tenements in which the Group has an interest.

The terms and conditions under which the Group retains title to its various mining tenements oblige it to meet tenement rentals and minimum levels of exploration expenditure as gazetted by the Western Australian and New South Wales state governments, as well as local government rates and taxes.

The exploration commitments of the Group not provided for in the consolidated financial statements and payable are as follows:

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Within one year	2,317	2,804

The tenement commitments shown above represent the minimum required to be spent on all granted tenements as at reporting date. Actual expenditure will vary as a result of ongoing management of the tenement portfolio including reductions and relinquishment of tenements not considered prospective, in whole or in part.

Tenement commitments are shown gross of exemptions that are likely to be available in the ordinary course of business as the financial impact of potential exemptions cannot be measured reliably in advance.

13. MINE PROPERTIES UNDER DEVELOPMENT

Accounting Policy

Mine properties under development represents the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

		CONSOLIDATED	
	NOTE	2017	2016
		$'000	$'000
Balance at beginning of period		1,199	68
Pre-production expenditure capitalised		9,158	1,131
Transferred to inventory		(1,111)	-
Transferred to mine properties	14	(9,246)	-
Balance at end of period		-	1,199

14. MINE PROPERTIES

Accounting Policies

Production stripping costs

Once access to the ore is attained, all waste that is removed from that point forward is considered production stripping activity. The amount of production stripping costs deferred is based on the extent to which the current period cost per tonne of ore mined exceeds the expected cost per tonne for the life of the identified component. A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity, and is identified based on the mine plan.

The production stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of the ore body. The production stripping asset is then carried at cost less accumulated amortisation and any impairment losses.

The production stripping asset is amortised over the expected useful life of the identified component (determined based on economically recoverable reserves), on a unit of production basis. The unit of account is tonnes of ore mined.

Pre-strip costs

In open pit mining operations, it is necessary to remove overburden and waste materials to access the ore. This process is referred to as stripping and the Group capitalises stripping costs incurred during the development of a mine (or pit) as part of the investment in constructing the mine ("pre-strip"). These costs are subsequently amortised over the life of mine on a units of production basis, where the unit of account is tonnes of ore milled.

Other mine properties

Other mine properties represents expenditure in respect of exploration, evaluation, feasibility and pre-production operating costs incurred by the Group previously accumulated and carried forward in mine properties under development in relation to areas of interest in which mining has now commenced. Other mine properties are stated at cost, less accumulated amortisation and accumulated impairment losses.

Other mine properties are amortised on a unit-of-production basis over the economically recoverable reserves of the mine concerned. The unit of account is tonnes of ore milled.

	CONSOLIDATED			
	PRODUCTION STRIPPING COSTS	PRE-STRIP COSTS	OTHER MINE PROPERTIES	TOTAL
	$'000	$'000	$'000	$'000
Net carrying amount at 1 July 2016	19,969	37,334	26,055	83,358
Additions	22,398	11,213	7,535	41,146
Transfers from exploration and evaluation assets	-	-	4,445	4,445
Transfers from pre-production	4,321	3,606	1,319	9,246
Transfers from property, plant and equipment	-	-	18	18
Rehabilitation provision adjustment	-	-	11,000	11,000
Amortisation expense	(4,801)	(11,334)	(9,834)	(25,969)
Net carrying amount at 30 June 2017	41,887	40,819	40,538	123,244
At 30 June 2017				
Cost	63,563	82,154	96,803	242,520
Accumulated amortisation	(21,676)	(41,335)	(56,265)	(119,276)
Net carrying amount	41,887	40,819	40,538	123,244
Net carrying amount at 1 July 2015	20,464	31,663	13,747	65,874
Additions	5,521	21,794	9,935	37,250
Transfers from exploration and evaluation assets	-	-	12,559	12,559
Rehabilitation provision adjustment	-	-	(59)	(59)
Amortisation expense	(6,016)	(16,123)	(10,127)	(32,266)
Net carrying amount at 30 June 2016	19,969	37,334	26,055	83,358
At 30 June 2016				
Cost	36,843	67,335	72,486	176,664
Accumulated amortisation	(16,874)	(30,001)	(46,431)	(93,306)
Net carrying amount	19,969	37,334	26,055	83,358
At 1 July 2015				
Cost	31,322	45,541	50,051	126,914
Accumulated amortisation	(10,858)	(13,878)	(36,304)	(61,040)
Net carrying amount	20,464	31,663	13,747	65,874

KEY ESTIMATES AND ASSUMPTIONS

Production stripping costs

The Group capitalises mining costs incurred during the production stage of its operations in accordance with the accounting policy described above. The identification of specific components will vary between mines as a result of both the geological characteristics and location of the ore body. The financial considerations of the mining operations may also impact the identification and designation of a component.

The expected cost per tonne is a function of an individual mine's design and therefore changes to that design will generally result in changes to the expected cost. Changes in other technical or economic parameters that impact reserves will also have an impact on the expected costs per tonne for each identified component. Changes in the expected cost per tonne are accounted for prospectively from the date of change.

15. IMPAIRMENT OF NON-FINANCIAL ASSETS

Accounting policy

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Total impairment losses recognised in the statement of comprehensive income for the year were as follows:

		CONSOLIDATED	
	NOTE	2017	2016
		$'000	$'000
Exploration and evaluation assets	12	2,939	21

Exploration and evaluation assets

An impairment loss of $343,000 (2016: $21,000) has been recognised in relation to tenements that were surrendered, relinquished or expired during the year.

An impairment loss of $2,596,000 was recognised for the tenements relating to the Duketon Gold Exploration Joint Venture. The Joint Venture required Regis to spend at least $1 million over a 2 year period to earn a 75% interest in any mining project that is confirmed by a Regis decision to mine. The 2 year term expires in October 2017 and at 30 June 2017 no significant targets had been found. Limited work is planned to be undertaken subsequent to year end and as such, all costs incurred have been written off in the current year. There were no other indicators of impairment identified.

KEY JUDGEMENTS

Determination of mineral resources and ore reserves

The determination of mineral resources and ore reserves impacts the accounting for asset carrying values. The Group estimates its mineral resources and ore reserves in accordance with the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012* (the "JORC" Code). The information on mineral resources and ore reserves was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

16. TRADE AND OTHER PAYABLES

Accounting Policies

Trade payables

Trade and other payables are initially recognised at the value of the invoice received from a supplier and subsequently measured at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and generally paid within 30 days of recognition.

Employee entitlements

A liability is recognised for the amount expected to be paid to an employee for annual leave they are presently entitled to as a result of past service. The liability includes allowances for on-costs such as superannuation and payroll taxes, as well as any future salary and wage increases that the employee may be reasonably entitled to.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Current		
Trade payables	16,892	14,182
Accrued expenses	16,628	11,241
Employee entitlements – annual leave payable	2,881	2,727
Other payables	7,318	7,005
	43,719	35,155

17. PROVISIONS

Accounting Policies

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost. Refer to note 18.

Site rehabilitation

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site rehabilitation is recognised in respect of the estimated cost of rehabilitation and restoration of the areas disturbed by mining activities up to the reporting date, but not yet rehabilitated.

When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. At each reporting date the site rehabilitation provision is re-measured to reflect any changes in discount rates and timing or amounts to be incurred. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation provision, prospectively from the date of change. For closed sites, or where the carrying value of the related asset has been reduced to nil either through depreciation and amortisation or impairment, changes to estimated costs are recognised immediately in the statement of comprehensive income.

Long service leave

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service up to reporting date, plus related on costs. The benefit is discounted to determine its present value and the discount rate is the yield at the reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Current		
Dividends payable	498	438
Long service leave	156	-
Rehabilitation	3,953	1,465
	4,607	1,903
Non-current		
Long service leave	1,423	1,163
Rehabilitation	43,678	35,936
	45,101	37,099
Provision for rehabilitation		
Balance at 1 July	37,401	42,114
Provisions made during the year	12,439	-
Provisions used during the year	(1,138)	(1,018)
Provisions re-measured during the year	(2,110)	(4,628)
Unwinding of discount	1,039	933
Balance at 30 June	47,631	37,401

Nature and purpose of provision for rehabilitation

The nature of rehabilitation activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and re-vegetation of affected areas. Typically the obligation arises when the asset is installed at the production location.

KEY ESTIMATES AND ASSUMPTIONS

Rehabilitation obligations

The Group assesses site rehabilitation liabilities annually. The provision recognised is based on an assessment of the estimated cost of closure and reclamation of the areas using internal information concerning environmental issues in the exploration and previously mined areas, together with input from various environmental consultants, discounted to present value. Significant estimation is required in determining the provision for site rehabilitation as there are many factors that may affect the timing and ultimate cost to rehabilitate sites where mining and/or exploration activities have previously taken place. These factors include future development/exploration activity, changes in the cost of goods and services required for restoration activity and changes to the legal and regulatory framework. These factors may result in future actual expenditure differing from the amounts currently provided.

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS AND RISK

This section outlines how the Group manages its capital, related financing costs and its exposure to various financial risks. It explains how these risks affect the Group's financial position and performance and what the Group does to manage these risks.

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an efficient capital structure to reduce the cost of capital.

The Board's policy in relation to capital management is to regularly and consistently monitor future cash flows against expected expenditures for a rolling period of up to 12 months in advance. The Board determines the Group's need for additional funding by way of either share issues or loan funds depending on market conditions at the time. The Board defines working capital in such circumstances as its excess liquid funds over liabilities, and defines capital as being the ordinary share capital of the Company, plus retained earnings, reserves and net debt. In order to maintain or adjust the capital structure, the Board may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or reduce debt.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

18. NET DEBT AND FINANCE COSTS

Accounting Policies

Finance Leases – Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership for the lease item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

The carrying amounts of the Group's current and non-current borrowings approximate their fair value.

		CONSOLIDATED	
	NOTE	2017	2016
		$'000	$'000
Current interest-bearing liabilities			
Finance lease liability		1,506	1,125
Non-current interest-bearing liabilities			
Finance lease liability		841	1,485
Less: cash and cash equivalents	7	119,428	99,535
Net cash		117,081	96,925

Interest-bearing liabilities

Finance lease commitments

The Group has hire purchase contracts for three Komatsu loaders. The Group's obligations are secured by the lessors' title to the leased assets. Ownership of the loaders passes to the Group once all contractual payments have been made. Refer to note 27.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Finance costs		
Interest expense	126	981
Unwinding of discount on provisions	1,039	933
	1,165	1,914

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed as part of finance costs in the period incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Unwinding of discount on provisions

The unwinding of discount on provisions represents the cost associated with the passage of time. Rehabilitation provisions are recognised at the discounted value of the present obligation to restore, dismantle and rehabilitate each mine site with the increase in the provision due to the passage of time being recognised as a finance cost in accordance with the policy described in note 17.

19. FINANCIAL ASSETS

Accounting Policy

Financial assets are initially recognised at fair value, plus transaction costs that are directly attributable to its acquisition and subsequently measured at amortised costs or fair value depending on the business model for those assets and the contractual cash flow characteristics.

Equity instruments

Equity instruments are normally measured at fair value through profit or loss ("FVTPL") unless the Group chooses, on an instrument-by-instrument basis on initial recognition, to present fair value changes in other comprehensive income ("FVOCI"). This option is irrevocable and only applies to equity instruments which are neither held for trading nor are contingent consideration in a business combination. Gains and losses on equity instruments measured at FVOCI are not recycled through profit and loss or disposal and there is no impairment accounting. All gains and losses are recorded in equity through other comprehensive income.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Current		
Financial assets at amortised cost – term deposit	263	155
Non-current		
Financial assets at fair value through OCI – listed shares	-	6,442

Financial assets at fair value through OCI

During the year, the Group disposed of its investment in Capricorn Metals Limited ("CMM"). At 30 June 2016, the Group held a non-controlling interest of 9% which was carried at its fair value determined with reference to the published price quoted on the ASX, an active market ("Level 1" fair value measurement).

20. FINANCIAL RISK MANAGEMENT

The Group holds financial instruments for the following purposes:

- *Financing:* to raise finance for the Group's operations or, in the case of short-term deposits, to invest surplus funds. The principal types of instruments used include bank loans, cash and short-term deposits.
- *Operational:* the Group's activities generate financial instruments, including cash, receivables and trade payables.
- *Risk management:* to reduce risks arising from the financial instruments described above, including commodity swap contracts and gold call options.

It is, and has been throughout the year, the Group's policy that no speculative trading in financial instruments shall be undertaken.

The Group's holding of these financial instruments exposes it to the following risks:

- Credit risk
- Liquidity risk
- Market risk, including interest rate and commodity price risk

This note presents information about the Group's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risk. These risks affect the fair value measurements applied by the Group. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Management Committee is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit Risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial asset fails to meet its contractual obligation. Credit risk arises from cash and cash equivalents and gold bullion awaiting settlement. The Group has adopted the policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Cash is deposited and gold sales settled only with institutions approved by the Board. The Group has determined that it currently has no significant exposure to credit risk as at reporting date given banks have investment grade credit ratings.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Group's reputation.

The Group uses weekly and monthly cash forecasting to monitor cash flow requirements. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following table analyses the Group's financial liabilities, including net and gross settled financial instruments, into relevant maturity periods based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and hence will not necessarily reconcile with the amounts disclosed in the balance sheet.

For derivative liabilities (sold gold call options), the amounts disclosed are the net amounts that would need to be paid if the option expired out of the money. Due to their short term nature, the amounts have been estimated using the gold spot price applicable at reporting date.

30 JUNE 2017 ($'000)	CARRYING AMOUNT	CONTRACTUAL CASH-FLOWS	6 MTHS OR LESS	6-12 MTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Trade and other payables	40,764	(40,764)	(40,764)	-	-	-	-
Derivative liabilities	102	(102)	(102)	-	-	-	-
Finance leases	2,347	(2,414)	(811)	(747)	(820)	(36)	-
Total	43,213	(43,280)	(41,677)	(747)	(820)	(36)	-

30 JUNE 2016 ($'000)	CARRYING AMOUNT	CONTRACTUAL CASH-FLOWS	6 MTHS OR LESS	6-12 MTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Trade and other payables	32,428	(32,428)	(32,428)	-	-	-	-
Derivative liabilities	713	(713)	(713)	-	-	-	-
Finance lease	2,610	(2,716)	(597)	(597)	(1,130)	(392)	-
Total	35,751	(35,857)	(33,738)	(597)	(1,130)	(392)	-

Assets pledged as security

The hedging facility provided by MBL is secured by:

- a first ranking, registered fixed and floating charge over all of the assets of Regis Resources Limited and its wholly-owned subsidiary Duketon Resources Pty Limited;
- a first ranking, registered Mining Act (WA) mortgage over the Company's interest in the Duketon Gold Project tenements;
- a fixed charge over the Proceeds Account and Gold Account; and
- satisfactory security over Regis' rights under key project documents.

The finance lease liabilities are secured by the related assets. Ownership of the assets remains with Komatsu until all contractual payments have been made.

Financial guarantee liabilities

As at 30 June 2017, the Group did not have any financial guarantee liabilities (2016: Nil).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

- *Foreign currency risk:* The Group is occasionally exposed to foreign currency risk when long lead items are purchased in a currency other than Australian dollars. The Group maintains all of its cash in Australian dollars and does not currently hedge these purchases. There is no significant exposure to foreign currency risk at reporting date.
- *Interest rate risk:* Since repayment of substantially all of the principal outstanding on the secured project loan facility with Macquarie Bank Limited ("MBL") during the current year, the Group is only exposed to interest rate risk through its cash deposits, which attract variable interest rates. The Group regularly reviews its current working capital requirements against cash balances and the returns available on short term deposits. There is no significant exposure to interest rate risk at reporting date.
- *Commodity price risk:* The Group's exposure to commodity price risk is purely operational and arises largely from gold price fluctuations or in relation to the purchase of inventory with commodity price as a significant input, such as diesel. The Group's exposure to movements in the gold price is managed through the use of gold forward contracts (note 2) and sold call options (note 21). The gold forward sale contracts do not meet the criteria of financial instruments for accounting purposes on the basis that they meet the normal purchase/sale exemption because physical gold will be delivered into the contract. No sensitivity analysis is provided for these contracts as they are outside the scope of AASB 9 Financial Instruments (2014). The sold call options are classified as derivative financial instruments at fair value through profit or loss. Refer to note 21 for sensitivity and other analysis.

The Group implemented a medium term risk management strategy during the prior year to take advantage of historically low oil prices by entering into commodity swap transactions on gasoil to hedge exposure to movements in the Australian dollar price of diesel. Regis considers the gasoil component to be a separately identifiable and measurable component of diesel. This hedge arrangement fixes a significant proportion (approximately two thirds) of the total estimated annual diesel usage at the Group's Duketon operations. Sensitivity of the Group's profit or loss to the hedged exposures is analysed in note 21.

Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Fixed rate instruments		
Term deposits	50,263	155
Finance lease liabilities	(2,347)	(2,610)
	47,916	(2,455)
Variable rate instruments		
Cash and cash equivalents	69,167	99,105

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change at reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A sensitivity analysis has not been disclosed in relation to the variable interest rate cash on deposit and secured bank loan as the results have been determined to be immaterial to the statement of comprehensive income for both the current and prior financial years.

Fair Values

The carrying amounts and estimated fair values of all of the Group's financial instruments recognised in the financial statements are materially the same. The methods and assumptions used to estimate the fair value of the financial instruments are disclosed in the respective notes.

Valuation of financial instruments

For all fair value measurements and disclosures, the Group uses the following to categorise the method used:

- Level 1: the fair value is calculated using quoted prices in active markets.
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The Group's derivative liabilities (sold gold call options) and derivative assets (cash flow hedges) are classified as Level 2, as they were valued using valuation techniques that employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and spot and forward rate curves of the underlying commodity. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for the commodity swaps designated in hedge relationships and the sold gold call options recognised at fair value.
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data. The Group does not have any financial assets or liabilities in this category.

For financial instruments that are carried at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between levels during the year.

21. DERIVATIVES AND HEDGING

Accounting policy

Recognition

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value as per note 20. The method of recognising any re-measurement gain or loss depends on the nature of the item being hedged. Any changes in the fair value of a derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement. For hedge instruments, any hedge ineffectiveness is recognised directly in the income statement in the period in which it is incurred.

Hedge accounting

At the start of a hedge relationship, the Group formally designates and documents the hedge relationship, including the risk management strategy for undertaking the hedge. This includes identification of the hedge instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness. Hedge accounting is only applied where effective tests are met on a prospective basis.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset, liability or firm commitment that could affect profit or loss; or
- cash flow hedges when they hedge a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions.

Regis will discontinue hedge accounting prospectively only when the hedging relationship, or part of the hedging relationship no longer qualifies for hedge accounting, which includes where there has been a change to the risk management objective and strategy for undertaking the hedge and instances when the hedging instrument expires or is sold, terminated or exercised. For this purpose, the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such a replacement or rollover is consistent with our documented risk management objective.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Derivatives (current assets)		
Designated as cash flow hedges	260	5,006
Derivatives (current liabilities)		
Sold gold call options (not qualifying for hedge accounting)	(102)	(713)

Hedges that meet the criteria for hedge accounting are classified and accounted for as follows:

Cash flow hedges

The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to diesel price fluctuations over the hedging period associated with our operations at the Duketon Gold Project, where it has highly probable purchases of diesel. For cash flow hedges, the portion of the gain or loss on the hedging instrument that is effective is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts recognised in equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged expenses are recognised or when the asset is consumed. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

	NOTIONAL AMOUNT	LINE ITEM IN THE BALANCE SHEET	CONSOLIDATED 2017	2016
			$'000	$'000
Cash flow hedges				
Diesel swap – 12 month contract expiring 30 April 2017 – fixed at $0.404/litre	2,000,000 litres/ month (20,000,000 litres)	Derivatives (current assets)	-	1,988
Diesel swap – 18 month contract expiring 31 October 2017 – fixed at $0.419/litre	2,000,000 litres/month (32,000,000 litres)	Derivatives (current assets)	260	3,018
Diesel swap – 8 month contract expiring 30 June 2018 – fixed at $0.487/litre	2,000,000 litres/month (16,000,000 litres)	Derivatives (current assets)	-	-
Diesel swap – 12 month contract expiring 30 June 2018 – fixed at $0.4825/litre	2,000,000 litres/month (24,000,000 litres)	Derivatives (current assets)	-	-
			260	5,006

The terms of the commodity swap match the terms of the expected highly probable forecast transactions. For the year ended 30 June 2017, hedge ineffectiveness of $72,000 was recognised in the statement of profit or loss as detailed in the table below (2016: nil).

The above hedging relationships affected profit or loss and other comprehensive income as follows:

2017 CASH FLOW HEDGES	HEDGING GAIN/ (LOSS) RECOGNISED IN OCI	INEFFECTIVENESS RECOGNISED IN PROFIT OR LOSS	LINE ITEM IN THE STATEMENT OF PROFIT OR LOSS	AMOUNT RECLASSIFIED FROM OCI TO PROFIT OR LOSS	LINE ITEM IN THE STATEMENT OF PROFIT OR LOSS
	$'000	$'000		$'000	
Diesel swaps	(641)	72	Other income	4,177	Cost of goods sold

2016 CASH FLOW HEDGES	HEDGING GAIN/ (LOSS) RECOGNISED IN OCI	INEFFECTIVENESS RECOGNISED IN PROFIT OR LOSS	LINE ITEM IN THE STATEMENT OF PROFIT OR LOSS	AMOUNT RECLASSIFIED FROM OCI TO PROFIT OR LOSS	LINE ITEM IN THE STATEMENT OF PROFIT OR LOSS
	$'000	$'000		$'000	
Diesel swaps	5,006	-	n/a	-	n/a

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or roll over, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. There were no such events during the current or prior year.

Commodity Price Sensitivity

The table below summarises the gain/(loss) impact of reasonably possible changes in market risk, relating to existing financial instruments, on net profit and equity before tax as disclosed for the prior year. Due to the immaterial value of exposures at 30 June 2017, no sensitivity analysis has been disclosed. For the purpose of this disclosure for the 2016 year, the following assumptions were used:

- 10% per litre increase and decrease in the Australian dollar gasoil price
- A$20 per ounce increase and decrease in the spot price of gold
- Sensitivity analysis assumes hedge designations as at 30 June 2016 remain unchanged and all designations are effective

2016	CHANGE IN YEAR-END PRICE	EFFECT ON PROFIT (BEFORE TAX)	EFFECT ON EQUITY (BEFORE TAX)
		$'000	$'000
Cash flow hedges	+10%	-	2,630
Diesel swaps	-10%	-	(2,627)
Derivatives	+A$20	(285)	-
Sold gold call options	-A$20	261	-

22. ISSUED CAPITAL AND RESERVES

Accounting Policy

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of shares or options are recognised as a deduction from equity, net of any related income tax effects.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Ordinary shares – issued and fully paid	431,491	431,335

	NO. SHARES	
	('000s)	$'000
Movement in ordinary shares on issue		
At 1 July 2015	499,781	431,338
Issued on exercise of options	73	-
Transaction costs	-	(3)
At 30 June 2016	499,854	431,335
Issued on exercise of options	1,166	175
Transaction costs	-	(19)
At 30 June 2017	501,020	431,491

The holders of ordinary shares are entitled to receive dividends as declared from time to time and, on a poll, are entitled to one vote per share at meetings of the Company. The Company does not have authorised capital or par value in respect of its issued shares.

	SHARE-BASED PAYMENT RESERVE	FINANCIAL ASSETS RESERVE	CASH FLOW HEDGE RESERVE	TOTAL RESERVES
	$'000	$'000	$'000	$'000
Balance at 1 July 2015	18,510	-	-	18,510
Net gain on financial instruments recognised in equity	-	4,633	5,006	9,639
Tax effect of transfers and revaluations	-	(1,390)	(1,502)	(2,892)
Share-based payment transactions	3,317	-	-	3,317
Balance at 30 June 2016 and 1 July 2016	21,827	3,243	3,504	28,574
Net loss on financial instruments recognised in equity	-	(2,180)	(4,818)	(6,998)
Tax effect of transfers and revaluations	-	654	1,424	2,078
Share-based payment transactions	3,222	-	-	3,222
Balance at 30 June 2017	25,049	1,717	110	26,876

Nature and purpose of reserves

Share-based payment reserve

The share-based payment reserve is used to record the value of share-based payments and performance rights provided to employees, including KMP, as part of their remuneration, as well as non-employees.

Financial assets reserve

The financial assets reserve records fair value changes on financial assets designated at fair-value through other comprehensive income.

Cash flow hedge reserve

The hedging reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

OTHER DISCLOSURES

This section provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements.

23. DEFERRED INCOME TAX

Accounting Policy

Deferred tax balances are determined using the balance sheet method, which provides for temporary differences at the balance sheet date between accounting carrying amounts and the tax bases of assets and liabilities.

Deferred income tax liabilities are recognised for all taxable temporary differences, other than for the exemptions permitted under accounting standards. At 30 June 2017 there are no unrecognised temporary differences associated with the Group's investment in subsidiaries (2016: $nil).

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that future taxable profits will be available to utilise these deductible temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are only offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Deferred income tax at 30 June relates to the following:

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Deferred tax liabilities		
Receivables	2,389	2,752
Inventories	469	-
Prepayments	74	47
Financial assets	78	2,892
Property, plant and equipment	10,083	-
Exploration and evaluation expenditure	22,529	14,922
Mine properties under development	-	360
Mine properties	36,973	25,007
Gross deferred tax liabilities	72,595	45,980
Set off of deferred tax assets	(23,192)	(25,174)
Net deferred tax liabilities	49,403	20,806
Deferred tax assets		
Inventories	-	2,114
Property, plant and equipment	-	2,339
Trade and other payables	940	892
Provisions	14,763	11,569
Expenses deductible over time	8	31
Derivatives	31	214
Tax losses carried forward	7,450	8,015
Gross deferred tax assets	23,192	25,174
Set off of deferred tax assets	(23,192)	(25,174)
Net deferred tax assets	-	-
Reconciliation of deferred tax, net:		
Opening balance at 1 July – net deferred tax assets/(liabilities)	(20,806)	(1,140)
Income tax (expense)/ benefit recognised in profit or loss	(31,411)	(16,774)
Income tax (expense)/benefit recognised in equity	2,814	(2,892)
Closing balance at 30 June – net deferred tax (liabilities)/ assets	(49,403)	(20,806)

KEY JUDGEMENTS

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognised on the balance sheet. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in Australia.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in Australia could limit the ability of the Group to obtain tax deductions in future periods.

Tax consolidation

The Company and its wholly-owned Australian resident entities became part of a tax-consolidated group on 14 December 2006. As a consequence, all members of the tax-consolidation group are taxed as a single entity from that date. The head entity within the tax-consolidation group is Regis Resources Limited.

The head entity, in conjunction with other members of the tax-consolidated group, have entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity and are recognised by the Company as intercompany receivables (or payables). Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which asset can be utilised.

Any subsequent period adjustment to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

24. SHARE-BASED PAYMENTS

Accounting Policy

The value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options (the vesting period), ending on the date on which the relevant employees become fully entitled to the option (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- The grant date fair value of the option;
- The current best estimate of the number of options that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- The expired portion of the vesting period.

Until an option has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Recognised share-based payments expense		
Employee share-based payments expense	2,928	3,317
Performance rights expense	294	-
Total expense arising from share-based payment transactions	3,222	3,317

There have been no cancellations or modifications to any of the plans during the current or prior years.

Employee share option plan (ESOP)

The Company has one ESOP, being the Regis Resources Limited 2014 Share Option Plan (the "Option Plan"). The objective of the Option Plan is to assist in the recruitment, reward, retention and motivation of eligible persons of the Group. Under the Option Plan, the board or Remuneration, Nomination and Diversity Committee may issue eligible employees with options to acquire shares in the future at an exercise price fixed by the board or Remuneration, Nomination and Diversity Committee on grant of the options.

The vesting of all options is subject to service conditions being met whereby the recipient must meet the eligible employee criteria as defined in the Option Plan.

Summary of options granted

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2017		2016	
	NO.	WAEP	NO.	WAEP
Outstanding at the beginning of the year	13,160,000	$1.7125	5,155,000	$2.7956
Granted during the year	-	-	10,705,000	$1.5121
Forfeited during the year	(1,035,000)	$1.7570	(1,020,000)	$2.4520
Exercised during the year	(2,680,000)	$2.3473	(275,000)	$2.4000
Expired during the year	-	-	(1,405,000)	$3.4884
Outstanding at the end of the year	9,445,000	$1.5274	13,160,000	$1.7125
Exercisable at the end of the year	-	-	572,500	$3.5000

	2017	2016
Weighted average share price at the date of exercise	$3.85	$2.91
Weighted average remaining contractual life	2.2 years	2.7 years
Range of exercise prices	$1.40 - $2.70	$1.40 - $3.50
Weighted average fair value of options granted during the year	n/a	$0.7941

Option pricing model

The fair value of the equity-settled share options granted under the ESOP is estimated as at the date of grant using a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. There were no new grants of employee options during the year ended 30 June 2017. The following table lists the inputs to the model used for the year ended 30 June 2016:

	2016 ESOP
Dividend yield (%)	2.91 - 4.27
Expected volatility (%)	84.73 – 103.38
Risk free interest rate (%)	1.57 – 2.15
Expected life of the option (years)	2 – 3 years
Option exercise price ($)	1.40 – 2.70
Weighted average share price at grant date ($)	1.41 – 3.19

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Performance Rights

In November 2016, 401,999 performance rights were granted to the executive directors, Mr Mark Clark and Mr Paul Thomas, and other executives, Mr Kim Massey and Mr Peter Woodman under the Group's Executive Incentive Plan ("EIP"). The performance conditions that the Board has determined will apply to the Performance Rights are summarised below:

TRANCHE	WEIGHTING	PERFORMANCE CONDITIONS
Tranche A	25% of the Performance Rights	The Company's relative total shareholder return ("TSR") measured against the TSR's of 18 comparator mining companies
Tranche B	25% of the Performance Rights	The Company's absolute TSR measured against specific thresholds
Tranche C	25% of the Performance Rights	The growth in the Company's earnings per share ("EPS") measured against specific thresholds
Tranche D	25% of the Performance Rights	The growth in the Company's Ore Reserve measured against specific thresholds

The fair value at grant date of Tranches A and B was estimated using a Monte Carlo simulation, and a Black Scholes option pricing model was used to estimate the fair value at grant date of Tranches C and D.

The table below details the terms and conditions of the grant and the assumptions used in estimating fair value:

ITEM	TRANCHE A & B	TRANCHE C & D
Grant date	18 November 2016	18 November 2016
Value of the underlying security at grant date	$2.740	$2.740
Exercise price	nil	nil
Dividend yield	4.23%	4.23%
Risk free rate	1.75%	1.75%
Volatility	60%	60%
Performance period (years)	2	2
Commencement of measurement period	1 July 2016	1 July 2016
Test date	30 June 2018	30 June 2018
Remaining performance period (years)	1.61	1.61

The weighted average fair value of the Performance Rights granted during the year was $1.90.

KEY ESTIMATES AND ASSUMPTIONS

Share-based payments

The Group is required to use key assumptions, such as volatility, in respect of the fair value models used in determining share-based payments to employees in accordance with the requirements of AASB 2 *Share–based payment*. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

25. RELATED PARTIES

Key management personnel compensation

The key management personnel compensation included in employee benefits expense (note 3) and share-based payments (note 24), is as follows:

	CONSOLIDATED	
	2017	2016
	$	$
Short-term employee benefits	2,802,104	2,453,191
Post-employment benefits	159,410	214,593
Long-term benefits	212,867	188,718
Termination benefits	-	216,771
Share-based payment	2,030,994	1,708,649
Total compensation	5,205,375	4,781,922

Individual directors and executives compensation disclosures

Information regarding individual directors' and executives' compensation and equity instrument disclosures required by s300A of the Corporations Act and Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report.

No director has entered into a material contract with the Group either in the current or prior financial year and there were no material contracts involving directors' interests existing at year end.

Subsidiaries

The consolidated financial statements include the financial statements of Regis Resources Limited and the subsidiaries listed in the following table:

NAME	COUNTRY OF INCORPORATION	% EQUITY INTEREST		INVESTMENT $'000	
		2017	2016	2017	2016
Duketon Resources Pty Ltd	Australia	100%	100%	30,575	30,575
Artane Minerals NL	Australia	100%	100%	-	-
Rosemont Gold Mines Pty Ltd	Australia	100%	100%	-	-
LFB Resources NL	Australia	100%	100%	44,110	44,110
				74,685	74,685

Ultimate parent

Regis Resources Limited is the ultimate Australian parent entity and the ultimate parent entity of the Group.

Transactions with related parties

A loan is made by the Company to Duketon Resources and represents the subsidiary's share of payments for exploration and evaluation expenditure on commercial joint ventures existing between the Company and Duketon Resources. The loan outstanding between the Company and Duketon Resources has no fixed date of repayment and is non-interest-bearing. As at 30 June 2017, the balance of the loan receivable was $24,157,000 (2016: $17,298,000).

A loan is made by the Company to LFB Resources and represents the subsidiary's share of payments for exploration and evaluation expenditure. The loan outstanding between the Company and LFB Resources has no fixed date of repayment and is non-interest-bearing. As at 30 June 2017, the balance of the loan receivable was $38,775,000 (2016: $25,481,000).

Transactions with key management personnel

From the date of her appointment as a director, services totalling $335,302 have been provided on normal commercial terms to the Group by Mintrex Pty Ltd, of which Ms Morgan is a managing director, chief executive officer and a shareholder. There was no outstanding balance payable as at 30 June 2017.

Other than the ordinary accrual of personnel expenses at balance date and transactions disclosed above, there are no other amounts receivable from and payable to key management personnel and their related parties.

26. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Regis Resources Limited, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as detailed in the relevant notes of this report.

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Current assets	190,919	162,751
Non-current assets	518,194	458,108
Total assets	709,113	620,859
Current liabilities	51,984	49,957
Non-current liabilities	85,933	56,590
Total liabilities	137,917	106,547
Issued capital	431,491	431,335
Share-based payment reserve	26,876	28,574
Retained profits	112,829	54,403
Total equity	571,196	514,312
Net profit for the year	138,503	112,184
Other comprehensive income for the period	(4,920)	6,747
Total comprehensive income for the period	133,583	118,931

The parent entity has not guaranteed any loans of its subsidiaries.

There are no contingent assets or liabilities of the Group or parent entity at 30 June 2017 as disclosed at note 28.

All commitments are commitments incurred by the parent entity, except for $1,351,000 (2016: $1,827,000) of the exploration expenditure commitments disclosed at note 12, and $35,000 (2016: $56,000) of the operating lease commitments disclosed at note 27.

27. COMMITMENTS

Operating lease commitments – Group as lessee

The Group leases office premises in Perth, WA and Blayney, NSW under normal commercial lease arrangements. The Perth office lease was entered into for an initial period of 5 years beginning 1 May 2010 and was renewed for a further 5 year period during the prior year. The Group is under no legal obligation to renew the lease once the extended lease term has expired. The Blayney lease is for a period of 3 years beginning 22 February 2013 and was renewed for a further 3 year period during the current year.

Future minimum rentals payable under non-cancellable operating leases at 30 June are as follows:

	CONSOLIDATED	
	2017	2016
	$'000	$'000
Within one year	373	358
Between one and five years	683	1,040
Total minimum lease payments	1,056	1,398

Finance lease commitments - Group as lessee

The Group has entered into hire purchase contracts for the purchase of three Komatsu loaders. The contracts expire on 29 May 2018, 27 May 2019 and 4 July 2019 and ownership of the loaders passes to the Group once all contractual payments have been made. (30 June 2016: 29 May 2018).

		CONSOLIDATED	
	NOTE	2017	2016
		$'000	$'000
Within one year		1,558	1,194
Between one and five years		856	1,522
Total minimum lease payments		2,414	2,716
Less amounts representing finance charges		(67)	(106)
Present value of minimum lease payments		2,347	2,610
Included in the financial statements as:			
Current interest-bearing liabilities		1,506	1,125
Non-current interest-bearing liabilities		841	1,485
		2,347	2,610
Carrying value of leased assets included in plant and equipment	11	3,425	3,008

Contractual commitments

On 19 January 2010, the Group entered into an agreement with Pacific Energy (KPS) Pty Ltd ("KPS") for the supply of electricity to the Moolart Well Gold Mine. The terms of this agreement commit the Group to purchasing a fixed amount of electricity per month for six years from 7 July 2010 (the "Effective Date") at a price which will be reviewed annually. As at 30 June 2017, the Group had nil commitments to purchase electricity as the new contract is being negotiated. (30 June 2016: $135,000).

On 23 June 2011, the Group entered into an agreement with Pacific Energy (KPS) Pty Ltd ("KPS") for the supply of electricity to the Garden Well Gold Mine. The terms of this agreement commit the Group to purchasing a fixed amount of electricity per month for 5 years from 1 September 2012 (the "Effective Date") at a price which will be reviewed annually. The agreement was amended, effective 1 October 2013, to incorporate Rosemont Gold Mine's power requirements. As at 30 June 2017, at the current contract price, the Group had commitments to purchase electricity for the remaining term of $762,000 (30 June 2016: $5,335,000).

28. CONTINGENCIES

As at 30 June 2017, the Group did not have any contingent assets or liabilities (30 June 2016: nil).

29. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2017	2016
	$	$
Audit services		
KPMG Australia		
Audit and review of financial statements	217,299	209,218
Other services		
IT advisory services	15,888	-
Taxation compliance services	6,509	-
Total auditor's remuneration	239,696	209,218

30. SUBSEQUENT EVENTS

Option issue

On 5 July 2017, 1,790,000 unlisted employee options were granted under the Regis Resources Employee Share Option Plan. The options are exercisable on or before 1 July 2021 at an exercise price of $3.90.

Share issue

Subsequent to year end, 762,250 shares have been issued as a result of the exercise of employee options for proceeds of $234,500.

Dividends

On 28 August 2017, the directors proposed a final dividend on ordinary shares in respect of the 2017 financial year. Refer to note 6.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature which, in the opinion of the directors of the Group, has significantly affected or is likely to significantly affect the operations of the Group; the results of those operations; or the state of affairs of the Group in future financial years.

31. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Changes in accounting policy

The Group has adopted the following new and revised accounting standards, amendments and interpretations as of 1 July 2016:

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The adoption of these new and revised standards did not have a material impact on the Group's financial statements.

New standards and interpretations issued but not yet effective

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2017, but have not been applied in preparing this financial report. Except where noted, the Group has evaluated the impact of the new standards and interpretations listed below and determined that the changes are not likely to have a material impact on its financial statements.

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses

This standard makes amendments to AASB 112 *Income Taxes* to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

Application date of Standard:	1 January 2017	***Application date for Group:***	1 July 2017

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

The amendments to AASB 107 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

Application date of Standard:	1 January 2017	***Application date for Group:***	1 July 2017

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB Interpretation 13 *Customer Loyalty Programmes*, AASB Interpretation 15 *Agreements for the Construction of Real Estate*, AASB Interpretation 18 *Transfers of Assets from Customers* and AASB Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 *Leases*, once applied).

AASB 15 establishes a five step model to account for revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Under AASB 15 the revenue recognition model will change from one based on the transfer of risk and reward of ownership to the transfer of control of ownership.

The Group has evaluated the impact of the new standard and determined that the changes are not likely to have a material impact on the amount of revenue recognised from gold sales, nor is it expected that significant changes to disclosures will be required. The Group is assessing the impact of the new rules on the timing of revenue recognition where recognition of gold sales revenue will depend on the passing of control rather than the passing of risks and rewards.

Application date of Standard:	1 January 2018*	***Application date for Group:***	1 July 2018

*Early application is permitted.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

AASB 2015-10 defers the mandatory effective date (application date) of AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.

Application date of Standard:	1 January 2018	***Application date for Group:***	1 July 2018

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions

This standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:

- The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments
- Share-based payment transactions with a net settlement feature for withholding tax obligations
- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Application date of Standard:	1 January 2018	***Application date for Group:***	1 July 2018

AASB 16 Leases

AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard will primarily affect the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $1.1 million, see note 27. To date, work has focussed on the identification of the provisions of the standard which will most impact the Group. In the year ended 30 June 2018, work on the issues and their resolution will continue including a detailed review of contracts and their financial reporting impacts.

Some of these commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16. Given the Group's current level of exposure, the impact of adoption of AASB 16 on the financial statements is not expected to be material.

Application date of Standard:	1 January 2019	***Application date for Group:***	1 July 2019

IFRIC 23 Uncertainty over Income Tax Treatments

The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately.
- The assumptions an entity makes about the examination of tax treatment by taxation authorities.
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- How an entity considers changes in facts and circumstances.

Application date of Standard:	1 January 2019	***Application date for Group:***	1 July 2019

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Regis Resources Limited, I state that:

1. In the opinion of the directors:

   (a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Company and the consolidated entity are in accordance with the *Corporations Act 2001*, including:

      (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

      (ii) Complying with Accounting Standards and the *Corporations Regulations 2001*; and

   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2017.

3. The directors draw attention to the notes to the consolidated financial statements, which include a statement of compliance with International Financial Reporting Standards.

On behalf of the board

Mr Mark Clark
Executive Chairman

Perth, 28 August 2017

KPMG

Independent Auditor's Report

To the shareholders of Regis Resources Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Regis Resources Limited.

In our opinion, the accompanying ***Financial Report*** of Regis Resources Limited is in accordance with the *Corporations Act 2001*, including

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises the:

- Consolidated balance sheet as at 30 June 2017
- Consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration

The ***Group*** consists of Regis Resources Limited (the Company) and the entities it controlled at the year end and from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the relevant ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code). We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The Key Audit Matters we identified are:

- Valuation and classification of low grade ore stockpiles
- Valuation of exploration and evaluation assets

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation and classification of low grade ore stockpiles AU $35,452 thousand	
Refer to Note 10 to the financial report	
The key audit matter	**How the matter was addressed in our audit**

Significant judgment is required to be exercised by management in assessing the value and classification of low grade ore stockpiles which will be used to produce gold bullion in the future.
The valuation and classification of low grade ore stockpiles is a key audit matter because:
• Additional low grade stockpiles have been created following the commencement of mining activities at new ore deposits; and
• Significant judgment is required by us in evaluating and challenging the Group's assessment.
The Group's assessment is based on a model which estimates future revenue expected to be derived from gold contained in the low grade ore stockpiles, less selling costs and future processing costs to convert stockpiles into gold bullion. We placed particular focus on those judgments listed below which impact the valuation and classification of ore stockpiles:
• Forecast processing costs of low grade ore stockpiles.
• Forecast quantity of gold contained within the low grade ore stockpiles.
• Future commodity prices expected to prevail when the gold from existing low grade ore stockpiles is processed and sold.
• Estimated timing of conversion of low grade ore stockpiles into gold bullion, which drives the classification of low grade ore stockpiles as current or non-current assets.
	For this key audit matter, our procedures included:
	• Testing the Group's key controls around inventory reconciliations which utilise underlying data such as production and processing costs, geological survey reports, mill production reports and metallurgical survey reports.
	• Assessing the methodology and key assumptions in the Group's model used to determine the value of low grade ore stockpiles by:
	  ◦ comparing forecast processing costs to previous actual costs, and for consistency with management's latest life of mine plan, and our knowledge of industry trends
	  ◦ comparing forecast quantity of gold contained within stockpiles to management's geological survey results and historical trends
	  ◦ comparing commodity prices to published external analysts' data for prices expected to prevail in the future
	• Critically evaluating the Group's classification of low grade ore stockpiles as current/non-current by assessing the estimated timing of processing the stockpiles against the Group's latest life of mine plan and the historical operating capacity of the Group's processing plants.

KPMG

Valuation of exploration and evaluation ("E&E") assets AU $151,735 thousand	
Refer to Note 12 to the financial report	
The key audit matter	**How the matter was addressed in our audit**

The valuation of E&E assets is a key audit matter due to:
 	
• the significance of the E&E balance (being 22% of the Group's total assets); and
 	
• the greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 *Exploration for and Evaluation of Mineral Resources*, in particular the presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E, therefore given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed.
 	
In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for areas of interest within the Duketon region of WA as well as the McPhillamys project of NSW where significant capitalised E&E exists. In performing the assessments above, we paid particular attention to:
 	
• The Group's compliance with key license conditions to maintain current rights to tenure for an area of interest, particularly minimum expenditure requirements
 	
• The ability of the Group to fund the continuation of activities for all areas of interest
 	
• Results from latest activities regarding the potential for a commercially viable quantity of reserves and the Group's intention to continue E&E activities in each area of interest as a result. This includes the Group's progress in securing a viable water source required for mining operations at McPhillamys
	Our audit procedures included:
	
	• We tested the Group's compliance with minimum expenditure requirements for a sample of exploration licenses
	
	• We obtained corporate budgets which we compared for consistency to areas of interest with capitalised E&E, for evidence of the ability to fund the continuation of activities
	
	• We compared the documentation from the sources listed below for information regarding the results of activities, the potential for commercially viable quantities of reserves to exist and for the Group's intentions to continue activities in relation to certain areas of interest. We corroborated this through interviews of key operational and finance personnel
	
	    • Internal management plans
	    • Minutes of board meetings
	    • Reports lodged with relevant government authorities
	    • Announcements made by the Group to the ASX
	    • Draft and final commercial arrangements for securing water sources for the McPhillamys project.

Other Information

Other Information is financial and non-financial information in Regis Resources Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report. The remaining Other Information, which includes the Chairman's Report, Corporate, Duketon Gold Project, Gold Exploration, Gold Reserves & Resources and Additional ASX information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Regis Resources Limited for the year ended 30 June 2017, complies with *Section 300A* of the *Corporations Act 2001*.

Director's responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in the Director's report for the year ended 30 June 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our Audit conducted in accordance with *Australian Auditing Standards*.

KPMG.

KPMG

R Gambitta
Partner

Perth

28 August 2017

ASX ADDITIONAL INFORMATION

As at 18 September 2017 the following information applied:

1. SECURITIES

(a) Fully Paid Ordinary Shares

The number of holders of fully paid ordinary shares in the Company is 7,479. On a show of hands every holder of fully paid ordinary shares present or by proxy, shall have one vote. Upon a poll, each share shall have one vote. The distribution of holders of fully paid ordinary shares is as follows:

CATEGORY		NUMBER OF SHAREHOLDERS	NUMBER OF SHARES
Holding between	1 - 1,000 Shares	2,426	1,126,830
Holding between	1,001 - 5,000 Shares	2,997	8,242,538
Holding between	5,001 - 10,000 Shares	1,030	7,963,525
Holding between	10,001 - 100,000 Shares	922	24,380,329
Holding more than	100,001 Shares	104	462,189,392
		7,479	**503,902,614**
Holding less than	A marketable parcel	458	11,629

The Company's fully paid ordinary shares are quoted on the Australian Securities Exchange using the code RRL.

The top 20 shareholders are as follows:

NAME	NUMBER OF FULLY PAID ORDINARY SHARES HELD	PERCENTAGE INTEREST
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	199,685,931	39.63%
J P MORGAN NOMINEES AUSTRALIA LIMITED	80,719,862	16.02%
CITICORP NOMINEES PTY LIMITED	64,315,073	12.76%
NATIONAL NOMINEES LIMITED	31,116,984	6.18%
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	11,965,347	2.37%
BNP PARIBAS NOMS PTY LTD <DRP>	7,500,445	1.49%
ROLLASON PTY LTD <GIORGETTA SUPER PLAN A/C>	5,950,000	1.18%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED–GSCO ECA	4,693,309	0.93%
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL>	4,024,000	0.80%
AMP LIFE LIMITED	2,569,824	0.51%
HSBC CUSTODY NOMINEEES (AUSTRALIA) LIMITED <NT – COMNWLTH SUPER CORP A/C>	2,565,622	0.51%
SHL PTY LTD <S H LEE FAMILY A/C>	2,500,000	0.50%

NAME	NUMBER OF FULLY PAID ORDINARY SHARES HELD	PERCENTAGE INTEREST
NATIONAL NOMINEES LIMITED <DB A/C>	2,451,252	0.49%
ROLLASON PTY LTD	2,389,671	0.47%
MR MARK JOHN CLARK	2,387,274	0.47%
BAINPRO NOMINEES PTY LIMITED	2,386,351	0.47%
MUTUAL INVESTMENT PTY LTD <MITCHELL SUPER FUND A/C >	2,000,000	0.40%
SBN NOMINEES PTY LIMITED <10004 ACCOUNT>	1,768,000	0.35%
ECAPITAL NOMINEES PTY LIMITED <ACCUMULATION A/C>	1,706,858	0.34%
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,485,747	0.29%
TOP 20 SHAREHOLDERS OF ORDINARY FULLY PAID SHARES (TOTAL)	**434,181,550**	**86.16%**

(b) Unlisted options

UNLISTED OPTIONS OVER FULLY PAID ORDINARY SHARES	NUMBER OF HOLDERS	NUMBER OF OPTIONS HELD
Expiry 14 October 2018	1	25,000
Expiry 11 August 2019	129	4,455,000
Expiry 6 January 2020	1	1,000,000
Expiry 13 May 2020	1	200,000
Expiry 1 July 2021	12	1,790,000

Option holders may attend and speak at general meetings of the Company. However, they do not have an entitlement to vote upon the business before the meeting either by show of hands or by poll.

(c) Unlisted performance rights

PERFORMANCE RIGHTS ISSUED UNDER EMPLOYEE INCENTIVE SCHEME	NUMBER OF HOLDERS	NUMBER OF RIGHTS HELD
Unvested 2016 performance rights (Test date: 30 June 2018)	4	401,999

Performance rights do not carry a right to vote. Voting rights will be attached to the unissued shares when the performance rights have been exercised.

2. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders as disclosed in substantial shareholder notices received by the Company are:

NAME	NUMBER OF FULLY PAID ORDINARY SHARES HELD	PERCENTAGE INTEREST
Van Eck Associates Corporation	52,916,826	10.56%
Vinva Investment Management	25,615,451	5.11%

3. ON-MARKET BUY-BACK

There is no current on-market buy-back of the Company's securities.

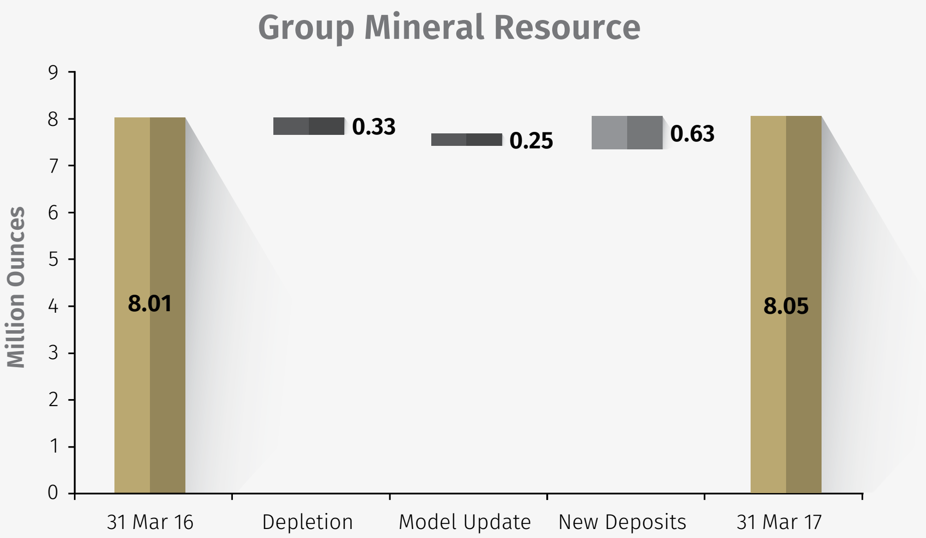
4. CORPORATE GOVERNANCE STATEMENT

The Company's 2017 Corporate Governance Statement has been released as a separate document and is located on our website at http://www.regisresources.com.au/about-us/corporate-governance.html

5. MINERAL RESOURCES AND ORE RESERVES

The JORC compliant Group Mineral Resources (inclusive of Ore Reserves) as at 31 March 2017 are estimated to be 268.0 million tonnes at 0.93g/t Au for 8.05 million ounces of gold compared with the estimate at 31 March 2016 of 261.7 million tonnes at 0.95g/t Au for 8.01 million ounces of gold.

The change in the Group Mineral Resources is primarily due to the addition of Tooheys Well.



Mineral Resources are reported inclusive of Ore Reserves and include all exploration and resource definition drilling information, where practicable, up to 31 March 2017 and have been depleted for mining to 31 March 2017.

Mineral Resources are constrained by optimised open pit shells developed with operating costs and a long term gold price assumption of A$2,000 per ounce for the purpose of satisfying "reasonable prospects for eventual extraction" (JORC 2012).

Duketon Ore Reserves

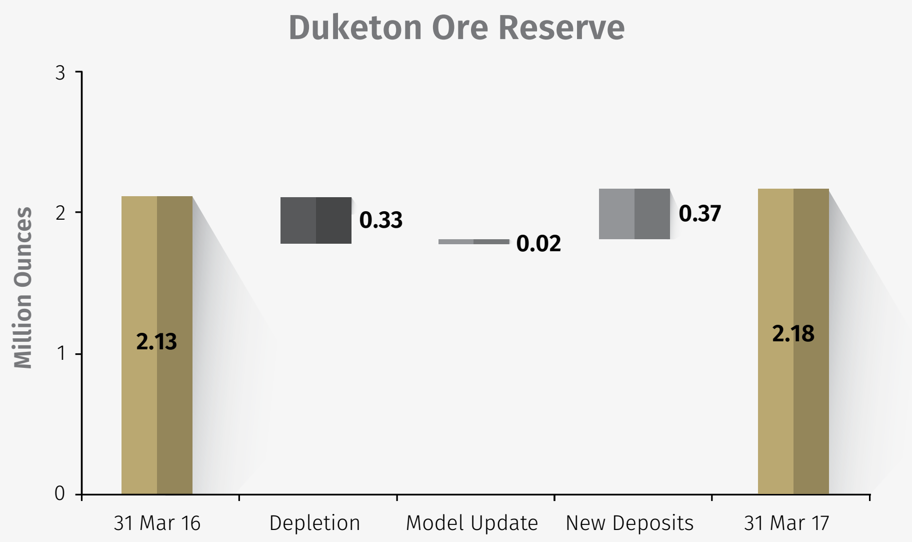
The JORC compliant Duketon Ore Reserves as at 31 March 2017 are estimated at 59.3 million tonnes at 1.14g/t Au for 2.18 million ounces of gold, compared with the estimate at 31 March 2016 of 60.8 million tonnes at 1.09g/t Au for 2.13 million ounces of gold.

The change in the Duketon Ore Reserve from March 2016 to March 2017 is as follows:

	TOTAL ORE RESERVE		
	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)
31 March 2016	60.8	1.09	2,125
Depleted by Mining to 31 March 2017	(9.6)	1.07	(331)
31 March 2016 Net of Depletion	51.2	1.09	1,794
31 March 2017	**59.3**	**1.14**	**2,182**
% Variation net of Depletion	13%		18%

The re-estimation of Duketon Ore Reserves resulted in a 13% increase in tonnes and 18% increase in ounces after allowing for depletion by mining. This was primarily the result of:

- The inclusion of maiden Ore Reserve from Tooheys Well;
- a review of current pit design parameters including costs, metallurgical and geotechnical performance of mining projects to date; and
- the inclusion of further drilling results, particularly at Gloster.



A long term gold price of A$1,400 per ounce was used in Ore Reserve pit optimisations. Ore Reserves have been depleted for mining to 31 March 2017.

Garden Well

The Garden Well JORC compliant Mineral Resource as at 31 March 2017 is 70.1 million tonnes at 0.82g/t Au for 1.84 million ounces, compared to 75.8 million tonnes at 0.88g/t Au for 2.14 million ounces at 31 March 2016.

The Garden Well JORC compliant Ore Reserve as at 31 March 2017 is 23.7 million tonnes at 0.88g/t Au for 0.67 million ounces, compared to 28.8 million tonnes at 0.89g/t Au for 0.83 million ounces at 31 March 2016.

The change in the Garden Well Ore Reserve from March 2016 to March 2017 is as follows:

	TOTAL ORE RESERVE - GARDEN WELL		
	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)
31 March 2016	28.8	0.89	827
Depleted by Mining to 31 March 2017	(4.3)	0.94	(131)
31 March 2016 Net of Depletion	24.5	0.88	696
31 March 2017	**23.7**	**0.88**	**669**
% Variation Net of Depletion	(3%)		(3%)

The re-optimisation and subsequent pit redesign at Garden Well resulted in a 3% decrease in tonnes and 3% decrease in ounces after allowing for depletion by mining. This was primarily the result of a change in geotechnical parameters on the east wall resulting in the base of the pit design lifting slightly.

Rosemont

The Rosemont JORC compliant Mineral Resource as at 31 March 2017 is 24.7 million tonnes at 1.34g/t Au for 1.07 million ounces, compared to 28.0 million tonnes at 1.48g/t Au for 1.33 million ounces at 31 March 2016.

The Rosemont JORC compliant Ore Reserve as at 31 March 2017 is 9.7 million tonnes at 1.42g/t Au for 0.44 million ounces, compared to 11.6 million tonnes at 1.51g/t Au for 0.56 million ounces at 31 March 2016. The change in the Rosemont Ore Reserve from March 2016 to March 2017 is as follows:

	TOTAL ORE RESERVE - ROSEMONT		
	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)
31 March 2016	11.6	1.51	564
Depleted by Mining to 31 March 2017	(2.2)	1.49	(107)
31 March 2016 Net of Depletion	9.4	1.51	458
31 March 2017	**9.7**	**1.42**	**442**
% Variation Net of Depletion	2%		(3%)

The re-optimisation and subsequent pit redesign at Rosemont resulted in a 2% increase in tonnes and 3% decrease in ounces after allowing for depletion by mining, primarily due to the inclusion of further drilling results.

Moolart Well

The Moolart Well JORC compliant Mineral Resource as at 31 March 2017 is 34.5 million tonnes at 0.73g/t Au for 0.81 million ounces, compared to 36.1 million tonnes at 0.71g/t Au for 0.82 million ounces at 31 March 2016.

The Moolart Well JORC compliant Ore Reserve as at 31 March 2017 is 2.8 million tonnes at 0.92g/t Au for 0.08 million ounces, compared to 4.8 million tonnes at 0.93g/t Au for 0.14 million ounces at 31 March 2016. The change in the Moolart Well Ore Reserve from March 2016 to March 2017 is as follows:

	TOTAL ORE RESERVE - MOOLART WELL		
	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)
31 March 2016	4.8	0.93	144
Depleted by Mining to 31 March 2017	(2.1)	0.92	(61)
31 March 2016 Net of Depletion	2.8	0.93	83
31 March 2017	**2.8**	**0.92**	**83**
% Variation Net of Depletion	0%		0%

The re-optimisation and subsequent pit redesign at Moolart resulted in no change for tonnes or ounces after allowing for depletion by mining.

Duketon Satellite Deposits

The combined JORC compliant Mineral Resource for Duketon satellite deposits as at 31 March 2017 is 65.7 million tonnes at 1.01g/t Au for 2.14 million ounces, compared to 48.7 million tonnes at 0.96g/t Au for 1.50 million ounces at 31 March 2016.

The material change in total Mineral Resource ounces for the combined Duketon satellite deposits are as follows:

Tooheys Well:

- Maiden Mineral Resource estimate and subsequent Mineral Resource estimate from infill drilling update during the year.

Gloster:

- Mineral Resource has been updated utilising new drilling completed by Regis Resources in the past year.

The combined JORC compliant Ore Reserve for Duketon satellite deposits as at 31 March 2017 is 23.2 million tonnes at 1.32g/t Au for 0.99 million ounces, compared to 15.5 million tonnes at 1.18g/t Au for 0.59 million ounces at 31 March 2016.

The change in the combined satellite deposits Ore Reserve from March 2016 to March 2017 is as follows:

	TOTAL ORE RESERVE - SATELLITE DEPOSITS		
	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)
31 March 2016	15.5	1.18	590
Depleted by Mining to 31 March 2017	(1.0)	1.03	(33)
31 March 2016 Net of Depletion	14.5	1.19	557
31 March 2017	**23.2**	**1.32**	**987**
% Variation net of Depletion	56%		73%

There has been a 56% increase in tonnes and 73% increase in ounces at the Duketon satellite deposits. This was primarily the result of the inclusion of a maiden Ore Reserve estimate based on the revised Mineral Resource estimate for Tooheys Well (refer to separate ASX announcement on 6 June 2017).

McPhillamys

The McPhillamys JORC compliant Mineral Resource at 31 March 2017 is 73.2 million tonnes at 0.94g/t Au for 2.21 million ounces, unchanged from 31 March 2015. Infill drilling conducted over the last 9 months lead to an updated Mineral Resource estimate on 8 September 2017 of 68.9 million tonnes at 1.04g/t Au for 2.31 million ounces. This update is a 5.9% reduction in ore tonnes, a 10.6% increase in ore grade for an overall increase in ounces of 4.4%.

A maiden Ore Reserve Estimate of 60.1 million tonnes at 1.05g/t AU for 2.03 million ounces was also announced on 8 September 2017 for the McPhillamys Gold Project (MGP). Regis has undertaken studies to a pre-feasibility level into the development of the MGP. The project study considers Regis' intention to develop, construct and operate a 7.0 Mtpa open pit gold mine including the process facility and supporting infrastructure. The study has been prepared in conjunction with Cube Consultants Pty Ltd (Cube) and Mintrex Pty Ltd (Mintrex). The study assesses the technical and financial viability of the project to a PFS level and supports the estimation of a JORC compliant maiden Ore Reserve. Work will continue towards completion of a Definitive Feasibility Study (DFS) in the December 2017 quarter.

Regis has also recently announced the execution of a non-binding heads of agreement with Centennial Coal Company Limited and Energy Australia Pty Ltd (refer separate ASX announcement 4th July 2017) to utilise water from the Mt Piper Power Station and Springvale Mine near Lithgow. Regis also has a second water option in contractually securing ~4.5GLpa of water through long term lease and acquisition of unused Water Access Licenses over ground water allocations in a zone of the Lachlan catchment approximately 80km from McPhillamys.

Governance Arrangements & Internal Controls

Regis has put in place governance arrangements and internal controls with respect to its estimates of Mineral Resources and Ore Reserves and the estimation process, including:

- oversight and approval of each annual statement by responsible senior officers;
- establishment of internal procedures and controls to meet JORC Code 2012 compliance in all external reporting;
- independent review of new and materially changed estimates;
- annual reconciliation with internal planning to validate reserve estimates for operating mines; and
- board approval of new and materially changed estimates.

Group Mineral Resources

As at 31 March 2017

			MEASURED			INDICATED			INFERRED			TOTAL RESOURCE			
PROJECT	TYPE	CUT-OFF (g/t)	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)	COMPETENT PERSON[2]
Moolart Well[1]	Open-Pit	0.4	5.2	0.87	144	17.1	0.70	384	12.2	0.71	278	34.5	0.73	806	A
Garden Well[1]	Open-Pit	0.4	6.8	0.76	164	52.5	0.83	1,401	10.8	0.78	271	70.1	0.82	1,837	A
Rosemont[1]	Open-Pit	0.4	2.4	1.45	111	20.5	1.30	858	1.8	1.72	97	24.7	1.34	1,066	A
Duketon Main Deposits	**Sub Total**		**14.3**	**0.91**	**420**	**90.2**	**0.91**	**2,643**	**24.7**	**0.81**	**646**	**129.2**	**0.89**	**3,709**	
Tooheys Well[3]	Open-Pit	0.4	-	-	-	15.9	1.17	598	1.1	0.89	31	17.0	1.16	630	A
Gloster[1]	Open-Pit	0.4	0.2	0.85	6	15.0	0.83	399	6.1	0.66	129	21.3	0.78	534	A
Baneygo	Open-Pit	0.4	-	-	-	9.2	0.96	283	1.9	0.95	57	11.1	0.96	340	A
Erlistoun[1]	Open-Pit	0.4	0.0	0.95	0	6.0	1.31	253	0.8	1.05	28	6.9	1.28	282	A
Dogbolter	Open-Pit	0.4	-	-	-	3.5	1.11	128	0.5	1.02	16	4.0	1.10	144	A
Russells Find	Open-Pit	0.4	-	-	-	2.1	1.07	71	0.3	0.90	10	2.4	1.05	81	A
Petra	Open-Pit	0.4	-	-	-	1.2	1.08	42	0.1	1.09	2	1.3	1.08	44	A
King John	Open-Pit	0.4	-	-	-	-	-	-	0.8	1.56	42	0.8	1.56	42	A
Reichelts Find	Open-Pit	0.4	-	-	-	-	-	-	0.8	1.11	28	0.8	1.11	28	A
Anchor	Open-Pit	0.4	-	-	-	0.2	1.75	9	0.1	0.95	2	0.2	1.53	11	A
Duketon Satellite Deposits	**Sub Total**		**0.2**	**0.85**	**6**	**53.0**	**1.05**	**1,784**	**12.5**	**0.86**	**346**	**65.7**	**1.01**	**2,136**	
Duketon	**Total**		**14.5**	**0.91**	**426**	**143.1**	**0.96**	**4,427**	**37.2**	**0.83**	**991**	**194.9**	**0.93**	**5,845**	
McPhillamys[4]	Open-Pit	0.4	-	-	-	67.7	1.05	2,282	1.2	0.64	25.46	68.9	1.04	2,307	A
Regis	**Grand Total**		**14.5**	**0.91**	**426**	**210.9**	**0.99**	**6,709**	**38.4**	**0.82**	**1,017**	**263.8**	**0.96**	**8,152**	

The above data has been rounded to the nearest 100,000 tonnes, 0.01 g/t gold grade and 1,000 ounces.
Errors of summation may occur due to rounding.
All Mineral Resources are reported inclusive of Ore Reserves to JORC Code 2012 unless otherwise noted.

1. Mineral Resources and Ore Reserves are reported inclusive of ROM Stockpiles at cut-off grade of 0.4 g/t.
2. Refer to Group Competent Person Notes.
3. As reported 6 June 2017.
4. As reported 8 September 2017.

Group Ore Reserves

As at 31 March 2017

PROJECT	TYPE	CUT-OFF (g/t)[2]	PROVED			PROBABLE			TOTAL ORE RESERVE			COMPETENT PERSON[3]
			TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)	TONNES (Mt)	GOLD GRADE (g/t)	GOLD METAL (koz)	
Moolart Well[1]	Open-Pit	> 0.4	1.8	0.98	57	1.0	0.82	27	2.8	0.92	83	D
Garden Well[1]	Open-Pit	> 0.4	6.1	0.76	149	17.6	0.92	520	23.7	0.88	669	D
Rosemont[1]	Open-Pit	> 0.4	1.9	1.53	92	7.8	1.40	350	9.7	1.42	442	D
Duketon Main Deposits	**Sub Total**		**9.7**	**0.95**	**298**	**26.4**	**1.06**	**897**	**36.1**	**1.03**	**1,195**	
Tooheys Well[4]	Open-Pit	> 0.5	-	-	-	7.1	1.61	366	7.1	1.61	366	D
Gloster[1]	Open-Pit	> 0.5	0.2	0.85	6	7.1	1.06	243	7.3	1.05	248	D
Erlistoun[1]	Open-Pit	> 0.5	-	-	-	4.1	1.43	190	4.1	1.43	190	D
Baneygo	Open-Pit	> 0.4	-	-	-	3.6	1.16	136	3.6	1.16	136	D
Petra	Open-Pit	> 0.5	-	-	-	0.6	1.26	25	0.6	1.26	25	D
Dogbolter	Open-Pit	> 0.5	-	-	-	0.3	1.57	16	0.3	1.57	16	D
Anchor	Open-Pit	> 0.5	-	-	-	0.1	2.07	6	0.1	2.07	6	D
Duketon Satellite Deposits	**Sub Total**		**0.2**	**0.85**	**6**	**23.0**	**1.33**	**981**	**23.2**	**1.32**	**987**	
McPhillamys[5]	Open-Pit	> 0.4	-	-	-	60.1	1.05	2,034	60.1	1.05	2,034	D
Regis	**Grand Total**		**10.0**	**0.95**	**304**	**109.5**	**1.11**	**3,912**	**119.4**	**1.10**	**4,216**	

The above data has been rounded to the nearest 100,000 tonnes, 0.01 g/t gold grade and 1,000 ounces.
Errors of summation may occur due to rounding.

1. Mineral Resources and Ore Reserves are reported inclusive of ROM Stockpiles at cut-off grade of 0.4 g/t.
2. Cut-off grades vary according to oxidation and lithology domains. Refer to Group Ore Reserves Lower Cut Notes.
3. Refer to Group Competent Person Notes.
4. As reported 6 June 2017.
5. As reported 8 September 2017.

Group Ore Reserves Lower Cut

Reserves as at 31 March 2017

PROJECT	PROFILE	DOMAIN	LOWER CUT (g/t)
Garden Well	Alluvial		0.4
	Oxide, Transitional, Fresh	Ultramafic	0.4
		Chert	0.5
		Low Recovery Chert and Shale	0.8
Rosemont	All		0.4
Moolart Well	All		0.4
Erlistoun	All		0.5
Dogbolter	Oxide		0.5
	Transitional	Sediments	0.6
		Other	0.5
	Fresh	Sediments	0.7
		Other	0.6
Petra	Oxide, Transitional		0.5
	Fresh		0.6
Anchor	Oxide, Transitional		0.5
	Fresh		0.6
Gloster	All		0.5
Baneygo	Oxide, Transitional		0.4
	Fresh		0.5
Tooheys Well	Oxide		0.5
	Transitional		0.6
	Fresh	Low Recovery	0.8
	Fresh		0.6
McPhillamys	All		0.4

Competent Persons Statement

The information in this statement that relates to the Mineral Resources or Ore Reserves listed in the table below is based on work compiled by the person whose name appears in the same row. Each of these persons, other than Mr de Klerk and Mr Johnson, is a full-time employee of Regis Resources Limited. Mr de Klerk is a full-time employee of Cube Consulting Pty Ltd and Mr Johnson is a full-time employee of MPR Geological Consultants Pty Ltd. Each person named in the table below are Members of The Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and have sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code 2012. It is noted that some of the Duketon satellite deposits were previously disclosed under JORC Code 2004 requirements and have now been updated to JORC Code 2012 requirements. Each person named in the table below consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

ACTIVITY	COMPETENT PERSON	IDENTIFIER	INSTITUTE
Moolart Well Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Moolart Well Reserve	Quinton de Klerk	D	Australasian Institute of Mining and Metallurgy
Garden Well Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Garden Well Reserve	Quinton de Klerk	D	Australasian Institute of Mining and Metallurgy
Rosemont Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Rosemont Reserve	Quinton de Klerk	D	Australasian Institute of Mining and Metallurgy
Tooheys Well Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Tooheys Well Reserve	Quinton de Klerk	D	Australasian Institute of Mining and Metallurgy
Erlistoun Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Erlistoun Reserve	Quinton de Klerk	D	Australasian Institute of Mining and Metallurgy
Dogbolter Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Dogbolter Reserve	Quinton de Klerk	D	Australasian Institute of Mining and Metallurgy
Petra Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Petra Reserve	Quinton de Klerk	D	Australasian Institute of Mining and Metallurgy
Anchor Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Anchor Reserve	Quinton de Klerk	D	Australasian Institute of Mining and Metallurgy
King John Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Russells Find Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Baneygo Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Reichelts Find Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Gloster Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
Coopers Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
McPhillamys Resource	Jarrad Price	A	Australasian Institute of Mining and Metallurgy
McPhillamys Reserve	Quinton de Klerk	D	Australasian Institute of Mining and Metallurgy

Forward Looking Statements

This report may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, Reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Regis Resources Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast.

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