

13 March 2015

www.regisresources.com

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REGIS RECORDS \$68.8M (PRE TAX) HALF YEAR PROFIT

The board of Regis Resources Limited is pleased to announce a profit before tax of \$68.8 million and profit after tax of \$47.7 million for the half year ended 31 December 2014.

Summary of financial results:

	Half Year 31 Dec 14	Half Year 31 Dec 13	Change	Change %
Gold sales (\$'000)	240,492	195,460	+45,032	+23%
Profit before tax (\$'000)	68,835	65,811	+3,024	+5%
Profit after tax (\$'000)	47,672	45,693	+1,979	+4%
Basic earnings per share (cents)	9.54	9.20	+0.34	+4%
Gold sales (ounces) included in revenue	168,680	131,060 [#]		
Sale price (\$/oz)	1,426	1,491 [#]		
Cash operating cost pre royalties (\$/oz)	763	723		

[#] excludes Rosemont gold sales capitalised during commissioning phase.

- The profit before tax result of \$68.8 million was up 5% on the prior period. This was due to increased production from a full six months of operations at Rosemont combined with higher production at Moolart Well. Moolart Well production was up 11% from the prior period due to an increase in grade of the ore treated. Offsetting the increase in revenue from higher production was a 4% decline in the price of gold achieved from \$1,491 per ounce to \$1,426 per ounce as well as higher costs of production at the Duketon Gold Project. The cash cost of production for the half year of \$763 per ounce was 6% higher than the prior period cost of \$723/oz. This was the result of a lower milled head grade achieved during the period at Garden Well of 0.95g/t compared to 1.16g/t in the prior period as well as a 7% fall in recovery rates to 81% in the December 2014 half year.

- The operating results at the Moolart Well Gold Mine for the half year were as follows:

		31 December 2014	31 December 2013
Ore mined	Tonnes	1,452,448	1,448,403
Ore milled	Tonnes	1,452,450	1,408,332
Head grade	g/t	1.33	1.23
Recovery	%	93	93
Total production	Ounces	58,030	51,909
Cash operating cost pre royalties	\$/oz	538	585

- The operating results at the Garden Well Gold Mine for the half year were as follows:

		31 December 2014	31 December 2013
Ore mined	Tonnes	3,378,019	3,257,183
Ore milled	Tonnes	2,320,275	2,535,107
Head grade	g/t	0.95	1.16
Recovery	%	81	87
Total production	Ounces	57,053	81,681
Cash operating cost pre royalties	\$/oz	1,015	807

- The operating results at the Rosemont Gold Mine for the half year were as follows:

		31 December 2014 (6 months)	31 December 2013 (2 months)
Ore mined	Tonnes	1,101,155	299,439
Ore milled	Tonnes	1,121,580	305,714
Head grade	g/t	1.63	0.99
Recovery	%	91	85
Total production	Ounces	53,800	8,259
Cash operating cost pre royalties	\$/oz	737	N/A ¹

¹ Costs capitalized during commissioning phase

- Cash and gold bullion holdings of \$23.7 million as at 31 December 2014 (30 June 2014: \$14.2 million).
- Cash flow from operations for the half year was \$70.9 million, down 30% from \$101.8 million in the previous period due in part to the repayment of deferred earthmoving contractor payments (associated with the February 2014 flooding event) in the September 2014 quarter.
- Regis repaid \$20 million of the Company's \$40 million corporate debt facility with Macquarie Bank.

A copy of the Company's Reviewed Condensed Consolidated Interim Financial Report for the 6 months to 31 December 2014 is attached.



ABN 28 009 174 761

and its Controlled Entities

Condensed Consolidated Interim Financial Report

31 December 2014

Contents

Corporate Information.....	3
Directors' Report.....	4
Auditor Independence Declaration	7
Consolidated Statement of Comprehensive Income	8
Consolidated Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flow	11
Notes to the Consolidated Financial Statements.....	12
Directors' Declaration.....	19
Independent Auditor's Report.....	20

CORPORATE INFORMATION

ABN

28 009 174 761

Directors

Nick Giorgetta	(Non-Executive Chairman)
Mark Clark	(Managing Director)
Glyn Evans	(Non-Executive Director)
Frank Fergusson	(Non-Executive Director)
Ross Kestel	(Non-Executive Director)
Mark Okeby	(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.

DIRECTORS' REPORT

The Directors present their report of Regis Resources Limited ("Regis" or "the Company") for the half-year ended 31 December 2014.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Nick Giorgetta Non-Executive Chairman
 Mark Clark..... Managing Director
 Glyn Evans..... Non-Executive Director
 Frank Fergusson... Non-Executive Director
 Ross Kestel..... Non-Executive Director
 Mark Okeby..... Non-Executive Director

Review and Results of Operations

Results

Consolidated net profit after tax for the half-year was \$47,672,000 (2013: \$45,693,000).

Operations

Moolart Well

Operations at the Moolart Well Gold Mine produced 58,030 ounces of gold at a pre-royalty cash cost of production of \$538 per ounce¹ (2013: \$585 per ounce).

Operating results for the 6 months to December 2014 at the Moolart Well Gold Mine were as follows:

		31 December 2014	31 December 2013
Ore mined	Tonnes	1,452,448	1,448,403
Ore milled	Tonnes	1,452,450	1,408,332
Head grade	g/t	1.33	1.23
Recovery	%	93	93
Total production	Ounces	58,030	51,909

Production at Moolart Well for the six months to 31 December 2014 was 12% higher than the corresponding period due predominately to an increase in grade of the ore treated. The milled grade for the half year of 1.33g/t was reflective of the ore scheduled to be mined for the period. The grade over the next 6 months to 30 June 2015 is expected to trend lower towards the life of mine grade.

Garden Well

The Garden Well Gold Mine produced 57,053 ounces of gold in the first half of the year at a pre-royalty cash cost of \$1,015 per ounce¹ (2013: \$807 per ounce).

Garden Well Gold Mine operating results for the 6 months to December 2014 were as follows:

		31 December 2014	31 December 2013
Ore mined	Tonnes	3,378,019	3,257,183
Ore milled	Tonnes	2,320,275	2,535,107
Head grade	g/t	0.95	1.16
Recovery	%	81	87
Total production	Ounces	57,053	81,681

¹ Cash cost per ounce is calculated as costs of production relating to gold sales (Note 5(b)), excluding gold in circuit inventory movements and the cost of royalties divided by gold ounces produced. This measure is included to assist investors to better understand the performance of the business. Cash cost per ounce is a non-IFRS measure, and where included in this report, has not been subject to review by the Group's external auditors.

DIRECTORS' REPORT (CONTINUED)

Production at Garden Well during the half year was affected by low recovery rates due to the treatment of a relatively small area of transitional ore containing higher than normal base metals and highly reactive sulphides. Metallurgical testing confirmed that the very low recovery ore is contained in a discrete area in the southern end of the pit. Since identifying this problematic ore and the effect it has on recovery rates the Company has attempted to isolate the ore from treatment. However the problematic ore has tended to be some of the softer and higher grade ore for the six months which impacted the milled grade and throughput achieved for the period.

Rosemont Gold

The Rosemont Gold Mine produced 53,800 ounces of gold in the first half of the year at a pre-royalty cash cost of \$737 per ounce¹.

Operating results at the Rosemont Gold Mine for the 6 months to December 2014 were as follows:

		31 December 2014 (6 months)	31 December 2013 (2 months)
Ore mined	Tonnes	1,101,155	299,439
Ore milled	Tonnes	1,121,580	305,714
Head grade	g/t	1.63	0.99
Recovery	%	91	85
Total production	Ounces	53,800	8,259

Rosemont Stage 1 construction was completed in October 2013 with first ore pumped through to the Garden Well processing facility late in that month. Rosemont Stage 2, being the construction of the balance of a full processing plant for Rosemont at Garden Well, was commissioned in June 2014. During the half year to 31 December 2014, mill throughput rates have improved from 2.0mtpa to a record annualised rate of 2.3mtpa which, coupled with the strong grade performance, has resulted in a solid half year of operations at Rosemont.

Exploration

Exploration activities at the Duketon Gold Project in Western Australia focussed on the Moolart Well, Eristoun, Rosemont and Dogbolter deposits during the period.

Moolart Well

The Moolart Well deposit has significant Inferred oxide resources north of the Stirling and Lancaster open pits. Drilling at Moolart Well during the period focussed on RC resource infill drilling on the Wellington Oxide Resource to reduce the drill hole spacing from 50 by 50 metre to 25 by 25 metre pattern spacing across the inferred resource. This drilling is part of Regis' ongoing mining inventory replacement strategy and will be incorporated in mining studies for Wellington in due course. A total of 21 RC holes for 3,138 metres were drilled during the period. The work is continuing and will form the basis of resource estimations and pit optimisations in due course.

Eristoun

The Eristoun gold resource is currently defined by a 40 by 40 metre and 40 by 20 metre drill pattern. Gold mineralisation is hosted in narrow quartz veins which dip shallowly to the west at ~40°. Zones of supergene mineralisation occur in discrete pods where the gold mineralisation structure comes into contact with the weathering horizons. RC infill resource drilling commenced during the period to reduce the drill spacing to 40 by 20 metre and 20 by 20 metre and to better define the discrete zones of high grade gold mineralisation. A total of 125 RC holes for 12,902 metres were drilled during the period.

Results received from this programme of drilling are encouraging and will be used to refine mineralised boundaries and define high grade pods between old holes drilled previously on a 40 by 40 metre grid. Anomalous results on the acquired mining lease contiguous to the south of the deposit indicate mineralisation continues along strike at least 200 metres south of the current resource and is still open to the south. To date, 34 holes have tested the mineralised structure on this lease and RC drilling will continue to follow up these results.

Rosemont

A total of 14 holes for 1,127 metres of RC drilling were completed at Rosemont to test a mineralised western quartz dolerite unit located 30 metres west of the main lode, in and around the southern extremities of the current

DIRECTORS' REPORT (CONTINUED)

Rosemont Main open pit design. Results from these holes, when received, and further planned drilling will be assessed to determine any opportunity to make modest additions to the in pit mining inventory in due course.

Dogbolter

The Dogbolter deposit (Inferred Resource of 0.9MT at 2.91g/t Au for 87,000 ounces) is located 12 kilometres south of the Moolart Well processing facility and is currently defined by a 40 by 40 metre to 40 by 20 metre drill pattern. Gold mineralisation dips shallowly to the east at 30-40° and is associated with a diorite intrusion close to an ultramafic contact. Small high grade pods are associated with the intersection of mineralised structures and weathering horizons.

A programme of RC drilling commenced during the period to target the high grade gold mineralisation in the shallow oxide zone. This programme of drilling is part of the Company's strategy to develop the numerous satellite deposits across the Duketon tenement package to provide incremental feed to the three operating mills in the district. A total of 20 RC holes were drilled during the period for 1,875 metres. Further drilling will be conducted on the Dogbolter deposit with the aim of adding future mining inventory to the Moolart Well processing facility.

Duketon Regional Exploration

A programme of regional exploration drilling commenced during the half year ended 31 December 2014. A total of 140 holes of aircore drilling for 7,425 metres were completed. Analytical results received to date have reported no anomalous results. Results are pending for 98 holes of aircore drilling completed at Moolart Well North.

Corporate

Gold Sales

During the half-year ended 31 December 2014, the Company sold 164,821 ounces of gold at an average price of \$1,424 per ounce (2013: 138,611 ounces at an average price of \$1,488 per ounce).

Debt Repayment

Cash flow from operations during the period facilitated the repayment in December 2014 of \$20 million of the Company's \$40 million debt balance. Cash and bullion receivable at 31 December 2014 (after debt repayment) was \$23,748,000 (June 2014: \$14,220,000).

Events After Balance Date

Subsequent to period end, the Company restructured its existing debt facility with Macquarie Bank Limited. The revised terms have relaxed the restrictions around the payment of dividends during the term of the facility and amended the repayment terms of the \$20 million outstanding loan balance from three annual repayments in June 2015 to June 2017, to one repayment on 30 June 2017.

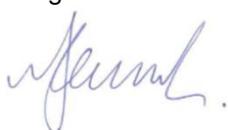
Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on the following page and forms part of the Directors' Report for the half-year ended 31 December 2014.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'Mark Clark', is written over a light blue horizontal line.

Mark Clark
Managing Director
Perth, 12 March 2015



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 review for the half-year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG.

KPMG

A handwritten signature in blue ink, appearing to read 'R Gambitta'.

R Gambitta
Partner

Perth

12 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2014

	Note	Consolidated	
		31 December 2014	31 December 2013
		\$'000	\$'000
Gold sales		240,492	195,460
Interest revenue		161	570
Revenue		240,653	196,030
Cost of goods sold	4(a)	(164,537)	(125,985)
Gross profit		76,116	70,045
Other income		80	989
Investor and corporate costs		(509)	(594)
Personnel costs		(2,463)	(1,890)
Share-based payment expense		(919)	(1,239)
Occupancy costs		(270)	(236)
Other corporate administrative expenses		(422)	(390)
Exploration and evaluation written off		(29)	(146)
Other		(651)	(81)
Finance costs	4(b)	(2,098)	(647)
Profit from continuing operations before income tax		68,835	65,811
Income tax expense	5	(21,163)	(20,118)
Profit from continuing operations		47,672	45,693
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		47,672	45,693
Profit attributable to members of the parent		47,672	45,693
Total comprehensive income attributable to members of the parent		47,672	45,693
Basic profit per share attributable to ordinary equity holders of the parent (cents per share)		9.54	9.20
Diluted profit per share attributable to ordinary equity holders of the parent (cents per share)		9.54	9.16

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

		Consolidated	
		31 December 2014	30 June 2014
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents		10,399	6,615
Gold bullion awaiting settlement		13,349	7,605
Receivables		4,386	3,863
Current tax assets		15,537	27,080
Inventories		50,968	43,045
Financial assets held to maturity		151	148
Other current assets		1,160	1,242
Total current assets		95,950	89,598
Non-current assets			
Property, plant and equipment		218,572	212,020
Exploration and evaluation expenditure		110,279	105,788
Mine properties under development		-	14,235
Mine properties	6	50,469	38,668
Deferred tax assets		-	6,363
Total non-current assets		379,320	377,074
Total assets		475,270	466,672
Current liabilities			
Trade and other payables		36,175	59,825
Interest-bearing liabilities		3,730	5,714
Provisions		3,587	3,288
Total current liabilities		43,492	68,827
Non-current liabilities			
Interest-bearing liabilities		16,365	34,286
Deferred tax liabilities		3,258	-
Provisions		42,470	42,499
Total non-current liabilities		62,093	76,785
Total liabilities		105,585	145,612
Net assets		369,685	321,060
Equity			
Issued capital	8	431,338	431,304
Share option reserve	9	17,470	16,551
Retained profits		(79,123)	(126,795)
Total equity		369,685	321,060

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2014

	Consolidated			
	Issued capital	Share option reserve	Retained profits/ (accumulated losses)	Total equity
	\$'000	\$'000	\$'000	\$'000
At 1 July 2014	431,304	16,551	(126,795)	321,060
Profit for the period	-	-	47,672	47,672
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	47,672	47,672
Transactions with owners in their capacity as owners:				
Share based payments expense	-	919	-	919
Shares issued, net of transaction costs	34	-	-	34
At 31 December 2014	431,338	17,470	(79,123)	369,685
At 1 July 2013	428,358	14,032	95,706	538,096
Profit for the period	-	-	45,693	45,693
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	45,693	45,693
Transactions with owners in their capacity as owners:				
Share based payments expense	-	1,239	-	1,239
Dividends paid	-	-	(74,671)	(74,671)
Shares issued, net of transaction costs	2,068	-	-	2,068
At 31 December 2013	430,426	15,271	66,728	512,425

CONSOLIDATED STATEMENT OF CASH FLOW

For the half-year ended 31 December 2014

	Note	Consolidated	
		31 December 2014	31 December 2013
		\$'000	\$'000
Cash flows from operating activities			
Receipts from gold sales		234,748	205,514
Payments to suppliers and employees		(167,907)	(106,316)
Option premium income		75	2,948
Interest received		139	735
Interest paid		(1,442)	(221)
Other income		5	561
Net cash from operating activities		65,618	103,221
Cash flows from investing activities			
Acquisition of plant and equipment		(8,803)	(12,403)
Payments for exploration and evaluation (net of rent refunds)		(4,361)	(9,627)
Payments for mine development		(1,685)	(58,353)
Payments for mine properties		(26,967)	(20,194)
Purchase of held to maturity investments		(2)	(2)
Proceeds from disposal of held to maturity investments		-	10
Acquisition of exploration assets		(50)	-
Net cash used in investing activities		(41,868)	(100,569)
Cash flows from financing activities			
Proceeds from issue of shares		37	2,141
Payment of transaction costs		(3)	(18)
Repayment of borrowings		(20,000)	-
Drawdown of borrowings		-	9,990
Dividends paid	12	-	(74,671)
Net cash used in financing activities		(19,966)	(62,558)
Net increase/(decrease) in cash and cash equivalents		3,784	(59,906)
Cash and cash equivalents at 1 July		6,615	61,220
Cash and cash equivalents at 31 December		10,399	1,314

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

1. CORPORATE INFORMATION

Regis Resources Limited (the "Company") is a limited company incorporated and domiciled in Australia whose shares are publicly traded. The interim condensed consolidated financial statements of the Company comprises the Company and its subsidiaries (collectively referred to as the "Group").

The interim condensed consolidated financial statements of the Group for the half-year ended 31 December 2014 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2014.

The consolidated financial statements of the Group as at and for the year ended 30 June 2014 are available upon request from the Company's registered office or at www.regisresources.com.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the half-year ended 31 December 2014 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2014.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2014, except as disclosed below.

Changes in accounting policies

The Group has adopted the following new and revised accounting standards, amendments and interpretations as of 1 July 2014:

- AASB 2012-3: Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities*
- Interpretation 21: *Levies*
- AASB 2013-3: Amendments to AASB 136 – *Recoverable Amount Disclosures for Non-Financial Assets*
- AASB 1031: *Materiality*
- AASB 2013-9: Amendments to Australian Accounting Standards – *Conceptual Framework, Materiality and Financial Instruments*

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. OPERATING SEGMENT INFORMATION

The following tables present revenue and profit information for reportable segments for the half-years ended 31 December 2014 and 2013 respectively.

	Continuing Operations			
	Moolart Well Gold Mine	Garden Well Gold Mine	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
Half-year ended 31 December 2014				
Segment revenue				
Sales to external customers	81,217	159,275	-	240,492
Other revenue	-	-	161	161
Total segment revenue	<u>81,217</u>	<u>159,275</u>	<u>161</u>	
Total revenue per the profit and loss statement				<u>240,653</u>
Segment result				
Segment result before tax	<u>35,356</u>	<u>40,266</u>	<u>(6,787)</u>	<u>68,835</u>
Income tax expense				<u>(21,163)</u>
Net profit after tax				<u>47,672</u>
Segment assets				
Total assets have increased by 2% since the last annual report. Segment assets as at 31 December 2014 are as follows:				
Segment operating assets	<u>73,630</u>	<u>243,302</u>	<u>158,338</u>	<u>475,270</u>
As at 30 June 2014				
Segment operating assets	<u>80,045</u>	<u>219,552</u>	<u>167,075</u>	<u>466,672</u>
Half-year ended 31 December 2013				
Segment revenue				
Sales to external customers	78,092	117,368	-	195,460
Other revenue	-	-	570	570
Total segment revenue	<u>78,092</u>	<u>117,368</u>	<u>570</u>	
Total revenue per the statement of comprehensive income				<u>196,030</u>
Segment result				
Segment result before tax	<u>33,472</u>	<u>36,002</u>	<u>(3,663)</u>	<u>65,811</u>
Income tax expense				<u>(20,118)</u>
Net profit after tax				<u>45,693</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Note	Consolidated	
		Half-year ended 31 December 2014	Half-year ended 31 December 2013
		\$'000	\$'000
4. EXPENSES			
<i>(a) Cost of goods sold</i>			
Costs of production		130,197	92,263
Royalties		10,196	8,682
Depreciation of mine plant and equipment		16,968	13,818
Amortisation of development costs		7,176	11,222
		<u>164,537</u>	<u>125,985</u>
<i>(b) Finance costs</i>			
Interest expense		1,154	215
Other borrowing costs		173	25
Unwinding of discount on provisions		771	407
		<u>2,098</u>	<u>647</u>
5. INCOME TAX			
<i>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:</i>			
Accounting profit before income tax		<u>68,835</u>	<u>65,811</u>
At the Group's statutory income tax rate of 30% (2013: 30%)		20,651	19,743
Share-based payments		276	372
Unwinding of discount on provisions		231	-
Other non-deductible expenditure		3	3
Adjustment in respect of income tax of previous years		2	-
Income tax expense reported in the statement of comprehensive income		<u>21,163</u>	<u>20,118</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Note	Consolidated	
		As at 31 December 2014	As at 30 June 2014
		\$'000	\$'000
6. MINE PROPERTIES			
<i>(a) Production stripping asset</i>			
At cost		23,039	15,092
Accumulated amortisation		(8,423)	(6,988)
		<u>14,616</u>	<u>8,104</u>
<i>(b) Pre-strip</i>			
At cost		29,253	18,223
Accumulated amortisation		(9,571)	(6,790)
		<u>19,682</u>	<u>11,433</u>
<i>(c) Mine properties</i>			
At cost		49,716	49,715
Accumulated amortisation		(33,545)	(30,584)
		<u>16,171</u>	<u>19,131</u>
Total		<u>50,469</u>	<u>38,668</u>

7. INTEREST-BEARING LIABILITIES

The availability period for draw downs on the Macquarie Bank Limited ("MBL") debt facility ended on 1 December 2014, at which point \$40 million was drawn of the \$70 million available. During December 2014, repayments totaling \$20 million were made against the outstanding principal. These prepayments had the effect of proportionately reducing the amounts payable under the current amortisation schedule. At 31 December 2014, a principal repayment of \$3,635,000 is due on 30 June 2015 with the final repayment of \$9,090,000 due on 30 June 2017.

During the half-year ended 31 December 2014, MBL and the Company agreed to a reduction in the performance bond facility limit from \$30 million to \$1 million due to the compulsory introduction of the Mining Rehabilitation Fund ("MRF") levy scheme from 1 July 2014 and the removal of the requirement to provide environmental performance bonds to the Department of Mines and Petroleum in Western Australia.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		Half-year ended 31 December 2014	
		No. shares '000s	\$'000
8. ISSUED CAPITAL			
On issue at 1 July		499,744	431,304
Issued on exercise of options		37	37
Transaction costs		-	(3)
On issue at 31 December		499,781	431,338

9. SHARE-BASED PAYMENTS

During the half-year, employees (none of whom were directors) of the Company were granted 1,650,000 options under the Regis Resources Limited 2008 Employee Share Option Plan. The options have the following terms and conditions:

September tranche

- 100% vest on 12 September 2016
- Expiry date of all options is 12 September 2017

October tranche

- 50% vest on 15 October 2016 and 50% vest on 15 October 2017
- Expiry date of all options is 14 October 2018

The fair value of services received in return is based on the fair value of the share options granted, as measured using the Black-Scholes option pricing formula. The inputs used to calculate the fair value of these options are set out below.

Grant date	12 September 2014	10 October 2014
Share price at grant date	\$1.83	\$1.51
Exercise price	\$1.55	\$1.55
Expected dividends	-	-
Risk-free interest rate	2.72%	2.54% - 2.60%
Expected volatility	76.32%	77.43% - 88.51%
Expected life	2 years	2 – 3 years
Fair value per option at grant date	\$0.871	\$0.641 - \$0.860

In the half-year ended 31 December 2014, the Group has recognised total share-based payment expense (for new and existing grants) of \$919,000 in the statement of comprehensive income (2013: \$1,239,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Gold for physical delivery	Contracted gold sale price	Value of committed sales	Mark-to-market
	ounces	\$/oz	\$'000	\$'000
10. PHYSICAL GOLD DELIVERY COMMITMENTS				
<i>31 December 2014</i>				
Within one year				
- Spot deferred contracts*	99,403	1,421.85	141,335	(2,611)
- Fixed forward contracts	45,834	1,402.35	64,275	(3,032)
- Fixed forward contracts	10,000	1,453.50	14,535	(237)
Between one and five years				
- Fixed forward contracts	22,917	1,402.35	32,138	(1,989)
- Fixed forward contracts	90,000	1,453.50	130,815	(4,849)
	<u>268,154</u>		<u>383,098</u>	<u>(12,718)</u>

Mark-to-market calculated with reference to the following spot price at period end

\$1,448.114/oz

30 June 2014

Within one year				
- Spot contracts	20,000	1,400.00	28,000	(156)
- Spot deferred contracts*	47,724	1,419.68	67,753	566
- Fixed forward contracts	22,917	1,402.35	32,138	(832)
- Fixed forward contracts	24,000	1,460.25	35,046	921
Between one and five years				
- Fixed forward contracts	45,834	1,402.35	64,275	(2,839)
- Fixed forward contracts	100,000	1,453.50	145,350	(4,279)
	<u>260,475</u>		<u>372,562</u>	<u>(6,619)</u>

Mark-to-market calculated with reference to the following spot price at period end

\$1,407.825/oz

* The contracted gold sale price disclosed for spot deferred contracts reflects a weighted average range of contract prices. The range of prices at the end of the period was from \$1,398.52/oz to \$1,468.85/oz (30 June 2014: \$1,400.32/oz to \$1,460.25/oz).

The Group has no other gold sale commitments.

11. COMMITMENTS AND CONTINGENCIES

There have been no significant changes to the commitments and contingencies disclosed in the most recent financial report.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		Consolidated	
		Half-year ended 31 December 2014	Half-year ended 31 December 2013
	Note	\$'000	\$'000

12. DIVIDENDS PAID OR PROVIDED FOR

Cash dividends to the equity holders of the parent

Dividends on ordinary shares declared and paid during the six-month period:

Final dividend for 2014: nil (2013: 15 cents)		-	74,671
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13. SUBSEQUENT EVENTS

Subsequent to period end, the Company restructured its existing debt facility with Macquarie Bank Limited. The revised terms have relaxed the restrictions around the payment of dividends during the term of the facility and amended the repayment terms of the \$20 million outstanding loan balance from three annual repayments in June 2015 to June 2017, to one repayment on 30 June 2017.

There have been no events subsequent to balance date that would significantly affect the amounts reported in the consolidated financial statements as at and for the half-year ended 31 December 2014.

DIRECTORS' DECLARATION

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

In the opinion of the directors:

- (a) The financial statements and notes of Regis Resources Limited for the half-year ended 31 December 2014 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 31 December 2014 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*.
- (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.

On behalf of the board

A handwritten signature in blue ink, appearing to read 'Mark Clark', is written over a light blue horizontal line.

Mark Clark
Managing Director
Perth, 12 March 2015



Independent auditor's review report to the members of Regis Resources Limited

We have reviewed the accompanying consolidated interim financial report of Regis Resources Limited, which comprises the consolidated balance sheet as at 31 December 2014, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Regis Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Regis Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG.

KPMG

A handwritten signature in blue ink, appearing to read 'R Gambitta', with a horizontal line extending to the right.

R Gambitta
Partner

Perth

12 March 2015