

Regis Resources Limited and its Controlled Entities

For the half-year ended 31 December 2023

(Previous corresponding period is the half-year ended 31 December 2022)

Results for Announcement to the Market

	31 December 2023	31 December 2022	Change	
	\$'000	\$'000	\$'000	%
Revenue from ordinary activities	550,058	536,149	13,909	3%
Loss from ordinary activities after tax attributable to members	(91,800)	(30,182)	(61,618)	(204%)
Net loss for the period attributable to members	(91,800)	(30,182)	(61,618)	(204%)

Net Tangible Assets

	31 December 2023	31 December 2022
	\$	\$
Net tangible assets per share	1.92	2.03

Control Gained or Lost over Entities during the Period

There have been no gains or losses of control over entities in the half-year ended 31 December 2023.

Financial Results

This report is based on the attached Condensed Consolidated Interim Financial Report for the half-year ended 31 December 2023, which has been reviewed by KPMG, and should be read in conjunction with the consolidated annual financial report as at 30 June 2023 and public announcements made subsequent to 31 December 2023.



ABN 28 009 174 761

and its Controlled Entities

Condensed Consolidated Interim Financial Report

For the Half Year Ended
31 December 2023

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CORPORATE INFORMATION

ABN

28 009 174 761

Directors

James Mactier	Independent Non-Executive Chairman
Jim Beyer	Chief Executive Officer and Managing Director
Paul Arndt	Independent Non-Executive Director
Lynda Burnett	Independent Non-Executive Director
Fiona Morgan	Independent Non-Executive Director
Steve Scudamore	Independent Non-Executive Director

Company Secretary

Elena Macrides

Registered Office & Principal Place of Business

Level 2
516 Hay 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 23
240 St Georges Terrace
PERTH WA 6840

National Australia Bank Limited
Level 17
395 Bourke Street
MELBOURNE VIC 3000

The Hongkong and Shanghai Banking Corporation Limited
Level 2
10 Smith Street
PARAMATTA NSW 2150

Westpac Banking Corporation
Level 3
Brookfield Place Tower 2
123 St Georges Terrace
PERTH WA 6000

Commonwealth Bank of Australia
Ground Floor, Tower 1
201 Sussex Street
SYDNEY NSW 2000

Auditor

KPMG
235 St Georges Terrace
PERTH WA 6000

DIRECTORS' REPORT

The directors present their report of Regis Resources Limited ("Regis" or "the Company") for the half-year ended 31 December 2023.

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.

James MactierIndependent Non-Executive Chairman
 Jim BeyerChief Executive Officer and Managing Director
 Paul Arndt.....Independent Non-Executive Director
 Lynda Burnett.....Independent Non-Executive Director
 Fiona MorganIndependent Non-Executive Director
 Steve Scudamore.....Independent Non-Executive Director

Review and Results of Operations

Safety

The 12-month moving average lost time injury frequency rate (LTIFR) was 0.66 at the end of the half-year. The LTIFR continues to be well below the WA gold industry average published by the WA Department of Mines, Industry Regulation and Safety.

Environment

No environmental non-compliance or significant incidents have been reported in the half-year ended 31 December 2023.

A 9MW solar farm to supplement the diesel power at the Garden Well Power Station was commissioned during the half-year. Operated by our power supplier, the solar farm reduces diesel consumption during daylight hours, providing more cost-effective power generation and lowering the Company's carbon footprint.

At the Tropicana Gold Mine construction of a 62MW integrated wind/solar/battery facility continues with expected operation in the first half of 2025.

Further information is available in the Company's sustainability report, which is available at www.regisresources.com.

Results

Consolidated net loss after tax for the half-year was \$91,800,000 (2022 half-year loss: \$30,182,000).

Operating results for the Duketon and Tropicana (30%) Gold Projects for the half-year ended 31 December 2023 were as follows:

	Unit	Duketon South Operations	Duketon North Operations	Tropicana Gold Project (30%)	Total December 2023	Duketon South Operations	Duketon North Operations	Tropicana Gold Project (30%)	Total December 2022
Ore mined (open pit)	Bcm	535,866	364,222	337,303	1,237,391	1,106,782	522,826	242,129	1,871,737
Waste mined (open pit)	Bcm	4,516,896	1,216,879	3,435,853	9,169,628	1,834,708	5,143,878	3,979,879	10,958,465
Stripping ratio	w:o	8.4	3.3	10.2	7.4	1.7	9.8	16.4	5.9
Capital development	m	2,739	-	658	3,397	2,725	-	773	3,498
Operating development	m	2,952	-	979	3,931	1,970	-	775	2,745
Ore mined (OP)	t	1,298,463	840,543	940,379	3,079,385	3,074,637	1,062,168	661,920	4,798,725
Ore mined (UG)	t	662,723	-	305,283	968,006	383,738	-	227,984	611,722
Total Ore mined	t	1,961,186	840,543	1,245,662	4,047,391	3,458,375	1,062,168	889,904	5,410,447
Ore milled	t	3,198,087	940,134	1,388,029	5,526,250	3,100,194	1,359,745	1,464,355	5,924,294
Head grade	g/t	1.28	1.00	1.85	1.38	1.35	1.01	1.71	1.36
Recovery	%	90.8%	91.3%	89.2%	90.3%	90.0%	89.3%	89.6%	89.8%
Gold production	oz	119,337	27,508	73,787	220,632	120,737	39,412	71,998	232,147
All-in Sustaining Cost ¹	A\$/oz	2,254	2,106	1,825	2,119	1,883	2,425	1,141	1,771

¹ All-in sustaining cost (AISC) per ounce is calculated as cash cost per ounce, plus royalties, amounts capitalised for production stripping costs, sustaining capital and corporate costs, divided by gold ounces produced. Net realisable value adjustments to inventories are not included in AISC above.

Directors' Report (Continued)

Duketon Gold Project Operations

The Duketon Gold Project achieved half-year production of 146,846 ounces of gold at an all-in sustaining cost of \$2,226 per ounce (2022 half-year: 160,149 ounces of gold produced at an all-in sustaining cost of \$2,016 per ounce).

Duketon South Operations (DSO)

Duketon South Operations gold production was consistent with the previous corresponding period with slightly higher throughput at a marginally lower grade.

Pre-strip mining continues at both Ben Hur and Russell's Find.

Costs have been impacted by the higher proportion of lower grade stockpile feed with an increase in the All-in Sustaining Cost ("AISC") from the previous corresponding period of \$1,883 per ounce to \$2,254 per ounce at the Duketon South Operations.

Duketon North Operations (DNO)

Duketon North Operations gold production for the half-year ended 31 December 2023 decreased by 30% from the previous corresponding period with the planned cessation of open pit mining by June 2024. As the ore delivery from the open pits reduces, mill feed will be supplemented from lower grade stockpiles.

Costs have been favourably impacted largely by less material mined with a decrease in the All-in Sustaining Cost from the previous corresponding period of \$2,425 per ounce to \$2,106 per ounce at the Duketon North Operations.

Tropicana Gold Project Operations

The Tropicana Gold Project is 30% owned by Regis and is operated by joint venture partner AngloGold Ashanti Australia Limited (70%).

The Tropicana Gold Project achieved half-year production of 73,787 ounces of gold (at 30%) at an all-in sustaining cost of \$1,825 per ounce.

Corporate

Gold Sales

During the half-year ended 31 December 2023, the Company sold 211,010 ounces of gold at an average price of \$2,607 net of hedge sales per ounce (2022 half-year: 227,444 ounces at an average price of \$2,357 net of hedge sales per ounce).

Gold Hedging

The Company fully closed out its hedge book in the half year ended 31 December 2023. A total of 57,000 ounces of gold were delivered into forward hedge contracts at approximately \$1,571 per ounce and 63,000 ounces were financially closed out in mid-December. The total loss on the financial settlement of the 63,000 ounces included in the Statement of Comprehensive Income was \$97,659,000. The close out transaction was fully funded from existing cash and bullion reserves.

Dividend Paid and Declared

No interim dividend in relation to the half year ended 31 December 2023 has been declared.

Term Loan

The Company signed an Amendment Deed with its lenders to extend the maturity date of its existing \$300M syndicated loan facility from 31 May 2024 to 30 June 2025. This maturity date extension is consistent with the development execution of a broader funding strategy for the Company's McPhillamy's Gold Project following the expected completion of a Definitive Feasibility Study in the March 2024 quarter. This is likely to include the existing syndicated loan being refinanced.

Development

Garden Well Main Underground

The drilling from the exploration decline has strengthened the case for the development of a potential underground production area at Garden Well Main.

Tropicana – Havana Underground

The Tropicana Joint Venture approved commencement of the Havana Underground Feasibility Study. The Havana Underground has a potential initial mine life of 7 years. The Feasibility Study will focus on operational readiness and detailed designs to commence development of the access decline and surface infrastructure in 2024. The target start date for the main access decline is the June 2024 quarter.

The AISC measure is included to assist investors to better understand the performance of the business, is a non-IFRS measure, and where included in this report, has not been subject to review by the Group's auditor.

Directors' Report (Continued)

Exploration

The Bi-Annual exploration update released to the ASX on 14 December 2023 further highlighted the size and potential of the Company's assets.

During the half-year ended 31 December 2023, Regis drilled a total of 130,557 metres across Duketon and Tropicana (100%) as shown below:

	Duketon	Tropicana
Type	Metres	Metres
Aircore	21,105	-
RC	39,530	-
Diamond	34,988	34,934
Total	95,623	34,934

Significant exploration projects advanced during the half-year ended 31 December 2023 are outlined as follows.

Garden Well Main Underground

Exploration drilling from surface beneath the Garden Well pit has demonstrated the potential for a large mineralised system which could support additional underground production areas. A 1km long exploration decline extending from Garden Well South to beneath Garden Well Main Zone is complete and drilling continued to test the Initial Target Area within the Exploration Target released in June 2023 "Mineral Resource and Ore Reserve Statement".

Drilling commenced in the southernmost drill position and initially tested the extension of the Garden Well South underground mineralisation where it strikes north of the current reserves and mine development. This early success has added stopes to the mine plan. Drill results are confirming the Company's belief that a continuous mineralised system extends from the existing Garden Well South mine for at least 1km to the north underneath the existing Garden Well open pits.

Rosemont Underground

During the period drilling continued to explore multiple high-grade shoots which extend around existing underground infrastructure and along strike to the south. Significant high-grade drill hole intersections have shown an area of robust lodes plunging further south from the southernmost underground mine area.

Garden Well to King of Creation Trend

The area between Garden Well and 30km south at King of Creation has been prioritised for drilling to extend mineralisation and grow surface resources. This area is now more accessible due to the investment of a haul road from Ben Hur lowering one of the cost hurdles for economic extraction. Deposits that have the potential to leverage off the new haul road include Russell's Find (currently), Reichelt's Find, Palliard's Find and King of Creation.

Duketon Regional Exploration

Regional exploration continued to test conceptual targets and identify new gold anomalies as well as collecting baseline geological, geochemical, and geophysical data. This data has facilitated the prioritisation of ongoing exploration in the most prospective trends within the Duketon Belt. An area between Rosemont and Baneygo continues to return promising drilling results in a setting which is geologically similar to the existing orebodies on the trend.

Tropicana

Exploration in and around the mine continues to define substantial extensions to mineralisation. The current period has focused on infill and extensional drilling at Boston Shaker and Tropicana underground mines and at Havana to support the recently completed underground Pre-Feasibility Study.

Boston Shaker Underground

Drilling at Boston Shaker over the last six months has focused on the conversion of inferred resources to indicated resources and extending mineralisation in unclassified areas. Significant potential exists for confirming the extensions to mineralisation down-plunge of existing resource areas. To test this potential a series of deep diamond holes were drilled, with results demonstrating significant depth extensions.

Tropicana Underground

Drilling from an underground platform targeting the higher-grade down-dip extents of the Tropicana mineralisation was completed during the period, demonstrating the significant areas of mineralisation. Infill drilling was also completed to convert resources from inferred to indicated category.

Tropicana Regional Exploration

The regional exploration programme continues to explore the tenement portfolio, with the primary aim to discover satellite resources which can be trucked to the Tropicana Gold Mine (TGM).

Directors' Report (Continued)

Drilling tested the geological and geophysical targets within a fault bound stratigraphic block south of the Angel Eyes Shear mineralisation in an area that could access targets from the margins of Lake Rosetta to provide greater confidence to pursue advanced drilling on the lake. The programme has intersected strongly altered rocks, disseminated sulphides and quartz veins containing visible gold along strike and up-dip from previously intersected mineralisation.

Drilling at Bushwacker – Bumbo prospect was testing strike extensions of results from previous drilling undertaken in 2021 as well as testing prospective zones of coincident geophysical, geochemical and geological anomalism including following up results from hole BURC021D which ended in mineralisation.

McPhillamys Gold Project (MGP)

The McPhillamys Gold Project (“McPhillamys”) has received the final New South Wales Independent Planning Commission approval. All outstanding queries for the Section 10 application under the Federal Aboriginal and Torres Strait Islander Heritage Protection Act, have been completed with the Company now awaiting a response. The Definitive Feasibility Study is expected to be completed at the end of the March 2024 quarter. Confirmation of the funding strategy and best timing for a final investment decision will be evaluated by the end of the June quarter FY24.

McPhillamys in New South Wales is one of Australia’s largest undeveloped open pit gold projects capable of producing up to 200,000 ounces per year from an Ore Reserve of 61 million tonnes @ 1.0g/t gold for 2.02 million ounces. The Company also has 390koz of Resources at the nearby Discovery Ridge deposit with other nearby highly prospective targets also being evaluated.

Events After Balance Date

Except as disclosed in this report, there have not been any 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 2023.

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 2023.

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 Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

Signed in accordance with a resolution of the directors.



Mr James Mactier
Non-Executive Chairman
Perth, 21 February 2024



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 of Regis Resources Limited for the half-year ended 31 December 2023 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.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'Derek Meates'.

Derek Meates

Partner

Perth

21 February 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

	Note	Consolidated	
		31 December 2023	31 December 2022
		\$'000	\$'000
Revenue	4(a)	550,058	536,149
Cost of goods sold	6(a)	(551,980)	(552,523)
Gross loss		(1,922)	(16,374)
Other income/(expenses)	4(b)	4,064	1,131
Personnel costs		(12,654)	(10,140)
Investor and corporate costs		(2,565)	(2,843)
Occupancy costs		(1,003)	(1,098)
Other corporate administrative expenses		(2,686)	(3,210)
Impairment of non-current assets		(1,730)	(139)
Finance costs	6(b)	(112,636)	(10,141)
Loss before income tax		(131,132)	(42,814)
Income tax benefit	7	39,332	12,632
Loss from continuing operations		(91,800)	(30,182)
Loss attributable to members of the parent		(91,800)	(30,182)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(91,800)	(30,182)
Total comprehensive loss attributable to members of the parent		(91,800)	(30,182)
Basic loss per share attributable to ordinary equity holders of the parent (cents per share)		(12.2)	(4.0)
Diluted loss per share attributable to ordinary equity holders of the parent (cents per share)		(12.2)	(4.0)

CONSOLIDATED BALANCE SHEET

As at 31 December 2023

	Note	Consolidated	
		31 December 2023	30 June 2023
		\$'000	\$'000
Current assets			
Cash		55,530	204,885
Sold gold bullion receivable		29,697	-
Other receivables		13,660	13,879
Current tax assets	7	19,846	-
Inventories	9	181,553	205,634
Financial assets		70	291
Other current assets		5,281	3,856
Total current assets		305,637	428,545
Non-current assets			
Inventories	9	154,352	127,663
Property, plant and equipment		298,299	303,953
Right-of-use assets	10	74,573	80,225
Exploration and evaluation expenditure	11	589,557	554,810
Mine properties under development		104,873	23,102
Mine properties in production		732,479	852,390
Intangible assets		1,721	1,914
Total non-current assets		1,955,854	1,944,057
Total assets		2,261,491	2,372,602
Current liabilities			
Trade and other payables		117,611	117,032
Provisions		7,043	6,731
Lease liabilities	10	21,270	19,214
Borrowings	12	-	298,748
Total current liabilities		145,924	441,725
Non-current liabilities			
Deferred tax liabilities		155,515	175,001
Borrowings	12	296,744	-
Provisions		154,409	150,452
Lease liabilities	10	59,570	65,583
Total non-current liabilities		666,238	391,036
Total liabilities		812,162	832,761
Net assets		1,449,329	1,539,841
Equity			
Issued capital		1,096,965	1,096,575
Reserves		38,835	37,937
Retained profits		313,529	405,329
Total equity		1,449,329	1,539,841

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

	Consolidated				
	Issued capital	Share-based payment reserve	Financial assets reserve	Retained profits/ (accumulated losses)	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2023	1,096,575	36,220	1,717	405,329	1,539,841
Loss for the period	-	-	-	(91,800)	(91,800)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(91,800)	(91,800)
Transactions with owners in their capacity as owners:					
Share-based payments expense	-	1,288	-	-	1,288
Dividends paid	-	-	-	-	-
Issued capital	390	(390)	-	-	-
At 31 December 2023	1,096,965	37,118	1,717	313,529	1,449,329
At 1 July 2022	1,096,575	34,244	1,717	444,763	1,577,299
Profit for the period	-	-	-	(30,182)	(30,182)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(30,182)	(30,182)
Transactions with owners in their capacity as owners:					
Share-based payments expense	-	672	-	-	672
Dividends paid	-	-	-	(15,100)	(15,100)
At 31 December 2022	1,096,575	34,916	1,717	399,481	1,532,689

CONSOLIDATED STATEMENT OF CASH FLOW

For the half-year ended 31 December 2023

	Note	Consolidated	
		31 December 2023	31 December 2022
		\$'000	\$'000
Cash flows from operating activities			
Receipts from gold sales		520,361	536,149
Payments to suppliers and employees		(386,995)	(383,028)
Interest received		4,108	1,155
Interest paid		(11,622)	(6,158)
Income tax paid		-	-
Net cash from operating activities		125,852	148,118
Cash flows from investing activities			
Acquisition of plant and equipment		(19,955)	(21,507)
Proceeds on disposal of property, plant and equipment		85	-
Payments for exploration and evaluation		(36,312)	(34,346)
Payments for mine properties under development		(60,548)	(82,639)
Payments for mine properties in production		(43,185)	(41,591)
Payment of stamp duty - 30% Tropicana acquisition		-	(38,970)
Other		(10)	-
Net cash used in investing activities		(159,925)	(219,053)
Cash flows from financing activities			
Payment of dividends		-	(15,100)
Payment for gold forward hedge book buyout		(97,659)	-
Payment of lease liabilities		(15,973)	(14,827)
Other		(1,650)	-
Net cash used in financing activities		(115,282)	(29,927)
Net decrease in cash and cash equivalents		(149,355)	(100,862)
Cash and cash equivalents at 1 July		204,885	207,354
Cash and cash equivalents at 31 December		55,530	106,492

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

1. Corporate Information

The interim condensed consolidated financial statements of Regis Resources Limited and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 21 February 2024.

Regis Resources Limited (the “Company”) is a for profit company, limited by shares, incorporated and domiciled in Australia whose shares are publicly traded. The Group’s principal activities are the exploration for, and production of, gold.

2. Basis of Preparation and Accounting Policies

Basis of preparation

The interim condensed consolidated financial statements for the half-year ended 31 December 2023 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 2023 which are available upon request from the Company’s registered office or at www.regisresources.com.

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 2023.

3. Operating Segment Information

The following table presents revenue and profit information for reportable segments for the half-years ended 31 December 2023 and 2022 respectively.

	Duketon North Operations		Duketon South Operations		Tropicana		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Segment revenue</i>										
Sales to external customers	96,262	104,615	333,433	303,015	201,264	178,993	(80,901)	(50,474)	550,058	536,149
Total segment revenue	96,262	104,615	333,433	303,015	201,264	178,993	(80,901)	(50,474)	550,058	536,149
Total revenue per the statement of comprehensive income									550,058	536,149
<i>Segment result</i>										
Segment net operating profit/(loss) before tax	286	(50,591)	65,089	36,614	8,139	43,148	(204,646)	(71,985)	(131,132)	(42,814)
Income tax benefit									39,332	12,632
Net loss after tax									(91,800)	(30,182)

Notes to the Financial Statements (Continued)

Segment assets

The Group's three reporting segments comprise Duketon North (DNO), Duketon South (DSO) and Tropicana. DNO and DSO collectively comprise the Duketon Gold Project. These segments are unchanged from those reported at 30 June 2023. Unallocated items comprise exploration and evaluation assets relating to areas of interest where an economically recoverable reserve is yet to be delineated and corporate costs. Segment assets as at 31 December and 30 June are as follows:

	Duketon North Operations		Duketon South Operations		Tropicana		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December										
Segment operating assets	51,862	102,632	641,252	578,712	926,158	997,534	642,219	592,055	2,261,491	2,270,933
As at 30 June										
Segment operating assets	84,731	156,734	594,871	632,129	973,563	1,009,097	719,437	531,312	2,372,602	2,329,272

4. Revenue

	Consolidated	
	Half-year ended 31 December 2023	Half-year ended 31 December 2022
	\$'000	\$'000
<i>(a) Revenue</i>		
Gold sales	550,058	536,149
	<u>550,058</u>	<u>536,149</u>
<i>(b) Other income/(expenses)</i>		
Interest income	3,779	1,197
Rental income	84	106
Rehabilitation provision adjustment	112	(79)
Other income/(expenses)	89	(93)
	<u>4,064</u>	<u>1,131</u>

5. Physical Gold Delivery Commitments

As at 31 December 2023, the Company had nil physical gold delivery commitments (June 2023: 120,000 ounces at \$1,571/oz). The company is fully unhedged with all gold sales exposed to spot gold prices after the buyout of the remaining 63,000 ounces in mid-December.

Notes to the Financial Statements (Continued)

6. Expenses

	Consolidated	
	Half-year ended 31 December 2023 \$'000	Half-year ended 31 December 2022 \$'000
<i>(a) Cost of goods sold</i>		
Cash costs of mining and processing	370,055	316,761
Royalties	25,340	24,071
Depreciation of mine plant and equipment	38,982	43,750
Amortisation of mine properties	143,598	167,254
Silver sales (credits)	(2,000)	(1,476)
Inventory write-down to net realisable value	5,228	19,062
Inventory increase in bullion on hand at book value	(29,223)	(16,899)
	551,980	552,523
<i>(b) Finance costs</i>		
Interest and financing fees expensed	9,926	7,353
Interest on ROU lease liabilities	2,038	640
Unwinding of discount on rehabilitation & restoration provisions	3,013	2,148
Loss on hedge contracts closed out ⁽¹⁾	97,659	-
	112,636	10,141

(1) The Company fully closed out its hedge book in the half year ended 31 December 2023. A total of 63,000 ounces were financially closed out in mid-December at a cost of \$97,659,000. The close out transaction was fully funded from existing cash and bullion reserves.

7. Income Tax

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 loss before income tax	(131,132)	(42,814)
At the Group's statutory income tax rate of 30% (2022: 30%)	(39,340)	(12,844)
Share-based payments	-	202
Adjustment in respect of income tax of previous years	-	5
Other non-deductible expenditure	8	5
Income tax benefit reported in the statement of comprehensive income	(39,332)	(12,632)

The finalisation of the 30 June 2023 income tax return will result in a tax refund to the Company of \$19.8 million relating to the ATO's Loss Carry Back tax offset. The relevant lodgement will be made prior to 28 February 2024 and the Company expects the refund in the second half of the current financial year ending 30 June 2024.

Notes to the Financial Statements (Continued)

8. Dividends

	Consolidated	
	Half-year ended 31 December 2023 \$'000	Half-year ended 31 December 2022 \$'000
<i>Declared and paid during the half-year:</i>		
Dividends on ordinary shares		
Final dividend for 2023: nil (2022: 2 cents) (fully-franked at 30%)	-	15,100
<i>Proposed by the directors after balance date but not recognised as a liability at 31 December:</i>		
Dividends on ordinary shares		
Interim dividend for 2024: nil (2023: nil) (fully-franked at 30%)	-	-
<i>Dividend franking account</i>		
Franking credits available for future years at 30% adjusted for the payment of income tax and dividends payable	19,846	86,943
Impact on the franking account of dividends proposed before the financial report was issued but not recognised as a distribution to equity holders during the period	-	-
The ability to utilise the franking credits is dependent upon the ability to declare dividends.		

9. Inventories

	Consolidated	
	As at 31 December 2023 \$'000	As at 30 June 2023 \$'000
<i>Current</i>		
Bullion on hand at book value	55,569	26,346
Ore stockpiles	75,260	132,055
Gold in circuit	23,418	21,822
Consumable stores	27,306	25,411
	181,553	205,634
<i>Non-current</i>		
Ore stockpiles	154,352	127,663

As at 31 December 2023, all inventories were valued at the lower of cost or net realisable value. The respective adjustments were recognised in cost of goods sold. The assessment resulted in total net inventory write-downs of \$5.2m for the half year (Dec22 HY: \$19.1m write-down).

Notes to the Financial Statements (Continued)

10. Leases

	Consolidated	
	As at 31 December 2023 \$'000	As at 30 June 2023 \$'000
Lease liability recognised		
Comprising:		
Current	21,270	19,214
Non-current	59,570	65,583
	<u>80,840</u>	<u>84,797</u>

Upon lease inception right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2023.

	Consolidated	
	As at 31 December 2023 \$'000	As at 30 June 2023 \$'000
Plant & equipment	72,883	74,154
Buildings & infrastructure	1,690	6,071
Total right-of-use assets	<u>74,573</u>	<u>80,225</u>

11. Exploration and Evaluation Assets

	Consolidated	
	As at 31 December 2023 \$'000	As at 30 June 2023 \$'000
<i>Reconciliation of movements during the year</i>		
Balance at 1 July	554,810	509,104
Expenditure for the period	36,477	71,417
Impairment charge	(1,730)	(1,905)
Transferred to mine properties under development	-	(15,106)
Transferred to mine properties	-	(8,700)
Balance at 31 December / 30 June	<u>589,557</u>	<u>554,810</u>

12. Borrowings

The Company signed an Amendment Deed with its lenders to extend the maturity date of its existing \$300M syndicated loan facility from 31 May 2024 to 30 June 2025. This maturity date extension is consistent with the development execution of a broader funding strategy for the Company's McPhillamy's Gold Project following the expected completion of a Definitive Feasibility Study in the March 2024 quarter. This is likely to include the existing syndicated loan being refinanced.

Notes to the Financial Statements (Continued)

13. Share-Based Payments

The following performance rights were granted to Chief Executive Officer and Managing Director, Mr Jim Beyer (Key Management Personnel) under the Company's Incentive Plan:

	Tranche A	Tranche B	Tranche C	Tranche D
Performance conditions	Continuous employment	Total shareholder return	Reserve growth	Production
Number of rights - KMP	80,279	267,529	133,765	133,765
Type of rights	STI	LTI	LTI	LTI
Grant date	23 Nov 2023	23 Nov 2023	23 Nov 2023	23 Nov 2023
Value of the underlying security at grant date	\$1.775	\$1.775	\$1.775	\$1.775
Exercise price	Nil	Nil	Nil	Nil
Dividend yield	3.69%	3.69%	3.69%	3.69%
Risk free rate	4.21%	4.14%	4.14%	4.14%
Volatility	50%	50%	50%	50%
Performance period (years)	1.0	3.00	3.00	3.00
Commencement of measurement period	30 June 2023	30 June 2023	30 June 2023	30 June 2023
Test date	30 June 2024	30 June 2026	30 June 2026	30 June 2026
Remaining performance period (years)	0.60	2.60	2.60	2.60

The following performance rights were granted to Key Management Personnel, Mr Michael Holmes (COO) and Mr Anthony Rechichi (CFO), and Others under the Company's Incentive Plan:

	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E
Performance conditions	Continuous employment	Total shareholder return	Reserve growth	Production	Continuous employment
Number of rights - KMP	25,943	188,444	94,222	94,222	-
Number of rights - Other	21,146	601,899	300,950	300,950	125,827
Type of rights	STI	LTI	LTI	LTI	LTI
Grant date	16 Jan 2024	16 Jan 2024	16 Jan 2024	16 Jan 2024	31 July 2023
Value of the underlying security at grant date	\$2.130	\$2.130	\$2.130	\$2.130	\$1.675
Exercise price	Nil	Nil	Nil	Nil	Nil
Dividend yield	3.69%	3.69%	3.69%	3.69%	3.69%
Risk free rate	3.14%	3.19%	3.19%	3.19%	3.97%
Volatility	50%	50%	50%	50%	50%
Performance period (years)	1.0	3.00	3.00	3.00	2.00
Commencement of measurement period	30 June 2023	30 June 2023	30 June 2023	30 June 2023	1 July 2023
Test date	30 June 2024	30 June 2026	30 June 2026	30 June 2026	1 July 2025
Remaining performance period (years)	0.45	2.45	2.45	2.45	1.92

The fair value of the 2,368,941 performance rights granted during the half-year was \$3,490,328. A weighted average fair value per right of \$1.47.

For the six months ended 31 December 2023, the Group has recognised \$1,288,000 of share-based payments expense in the statement of comprehensive income relating to the above and previously granted LTIs (2022 half-year: \$672,000).

Notes to the Financial Statements (Continued)

14. Contingencies

South32 Limited (ASX: S32) (South32) has commenced proceedings against IGO Ltd (ASX:IGO) (IGO) in the Supreme Court of Western Australia (Supreme Court Proceedings). South32 is seeking a court declaration in relation to the interpretation of the Agreement for the Sale of Assets and Mining Tenements dated 1 August 1997 (as subsequently amended, assigned or novated) (the Royalty Agreement). Regis understands that South32 alleges that properly interpreted, it is owed royalty payments under the Royalty Agreement at the rate of 1.5% of gross revenue from 100% of production from the Tropicana Gold Project, and is also seeking interest and costs. IGO, being the current counterparty to the Royalty Agreement, has announced that it disputes the allegations and intends to strongly defend the claim.

Regis is not a party to the Royalty Agreement or the Supreme Court Proceedings. However, Regis is interested in the outcome of the Supreme Court Proceedings because there is overlap in the area over which South32 is claiming a royalty is payable, and the Tropicana Gold Project. Under the Asset Sale Agreement for the 30% interest in the Tropicana Gold Project between Regis, a wholly owned subsidiary of Regis (AFB Resources Pty Ltd) and IGO, Regis assumed liability for the royalty to the extent it may apply to any of the Tropicana Gold Project after its acquisition (Transferred Royalty). Also, under the Asset Sale Agreement Regis agreed to indemnify IGO for liability arising in relation to the Transferred Royalty on the terms of the Asset Sale Agreement.

Regis' view at the time of the acquisition was, and remains, that no amount is due under the Royalty Agreement in respect of current operations at the Tropicana Gold Project, and Regis intends to take appropriate action to protect its position.

15. Subsequent Events

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 2023.

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 2023 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company and Group will be able to pay its debts as and when they become due and payable.

On behalf of the board



Mr James Mactier
Non-Executive Chairman
Perth, 21 February 2024



Independent Auditor's Review Report

To the shareholders of Regis Resources Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Regis Resources Limited.

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 does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of 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*.

The **Interim Financial Report** comprises the:

- Consolidated Balance Sheet as at 31 December 2023;
- Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flow for the half-year ended on that date;
- Notes comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Regis Resources Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors 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*.
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 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*.

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.

KPMG

Derek Meates

Partner

Perth

21 February 2024