REGIS RESOURCES LTD
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21 February 2017

Manager Announcements
Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Financial Results and Interim Dividend Declaration for the Half Year Ended 31 December 2016

The board of Regis Resources Limited is pleased to announce a half year net profit after tax of $61.0 million for the six months ended 31 December 2016 (H1 FY17). This represents a 33% increase to the $45.0 million net profit after tax reported in the first half of FY2016 (H1 FY16).

Key financial highlights for the half-year include:

- **Net profit after tax of $61.0 million, up 33% from H1 FY16. Earnings per share also increased by 33% to 12.19 cents per share.**

- Revenue up 4% from H1 FY16 to $252.9 million with 144,699 ounces of gold sold at average price of $1,742 per ounce.

- EBITDA of $113.0 million up 16% from H1 FY16 and a very strong EBITDA margin of 45% (H1 FY16: 40%).

- Cash and bullion (including bullion on hand classified as inventory) of $129.8 million*, an increase of $6.4 million since June 2016, after the payment of $45 million in fully franked dividends, $10.7 million in developing satellite projects and $11.3 million on exploration expenditure.

- Gold production of 154,702 ounces for H1 FY17 (H1 FY16: 150,960 ounces) is in line with annual production guidance of 300,000-330,000 ounces with pre-royalty cash cost for the half year of $826 per ounce and all in sustaining cost of $949 per ounce, both below the lower end of annual cost guidance for FY2017.

As a result of the ongoing strong financial performance of the Company, the Board has declared the following fully franked interim dividend:

- **Dividend amount** **7 cents per share fully franked**
- **Ex-dividend date** **7 March 2017**
- **Record date** **8 March 2017**
- **Payable date** **21 March 2017**

The interim dividend represents a payout ratio of 14% of revenue and 57% of profit after tax for the half year ended 31 December 2016.

* Includes bullion on hand classified as inventory and valued at the delivered gold price subsequent to 31 December 2016 (i.e. 8,024 oz's at $1610/oz)

A summary of the financial result for H1 FY17 is presented below:

	Half Year 31 Dec 16	Half Year 31 Dec 15	Change	Change %
Gold sales ($'000)	252,204	242,691	+9,513	+4%
Profit before tax ($'000)	85,100	64,398	+20,702	+32%
Profit after tax ($'000)	61,036	45,979	+15,057	+33%
Basic earnings per share (cents)	12.19	9.20	+2.99	+33%
Gold sales (ounces) included in revenue	144,699	156,616		
Sale price ($/oz)	1,742	1,550		
Cash operating cost pre royalties ($/oz)	826	805		
All in sustaining cost (A$/oz)[1]	949	946		
Dividend declared (cents per share)	7	4		

Operating results for the Duketon project for H1 FY17 were as follows:

	December 2016	December 2015
Ore mined (Mbcm)	2.22	2.40
Waste mined (Mbcm)	13.10	11.07
Stripping ratio (w:o)	5.9	4.6
Ore mined (Mtonnes)	5.44	5.62
Ore milled (Mtonnes)	5.12	5.14
Head grade (g/t)	1.03	1.02
Recovery (%)	91.5	89.5
Gold production (koz)	155	151

Cash cost (A$/oz)	826	805
All in Sustaining Cost (A$/oz)[1]	949	946

1 AISC calculated on a per ounce of production basis

Regis Executive Chairman, Mr Mark Clark commented:

"The strong half-year profit before tax of $85 million and operating cashflows of $89 million reflect the very strong operating margin we are generating at the Duketon Gold Project. These strong results have underpinned the declaration of an interim dividend of 7 cents per share which sees Regis continue as an industry leader in dividend payment metrics. We are committed to maximising shareholder returns as we pursue both internal and external opportunities to grow the Company."

A copy of the Company's Condensed Consolidated Interim Financial Report and Appendix 4D for the 6 months to 31 December 2016 are attached.

Regis Resources Limited and its Controlled Entities

For the half-year ended 31 December 2016

(Previous corresponding period is the half-year ended 31 December 2015)

Results for Announcement to the Market

	31 December 2016	31 December 2015	Change	
	$'000	$'000	$'000	%
Revenue from ordinary activities	252,906	243,726	9,180	4%
Profit from ordinary activities after tax attributable to members	61,036	45,979	15,057	33%
Net profit for the period attributable to members	61,036	45,979	15,057	33%

Dividend Information

After balance date the following interim dividend was declared by the directors:

Amount per share	Franking	Record Date	Expected Payment Date
7 cents per share	100% franked	8 March 2017	21 March 2017

Net Tangible Assets

	31 December 2016	31 December 2015
	$	$
Net tangible assets per share	0.52	0.46

Control Gained or Lost over Entities during the Period

There have been no gains or losses of control over entities in the period ended 31 December 2016.

Financial Results

This report is based on the attached Condensed Consolidated Interim Financial Report for the half-year ended 31 December 2016, which has been reviewed by KPMG, and should be read in conjunction with the consolidated annual financial report as at 30 June 2016 and public announcements made subsequent to 31 December 2016.

ABN 28 009 174 761

and its Controlled Entities

Condensed Consolidated Interim Financial Report

31 December 2016

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Corporate Information

ABN
28 009 174 761

Directors

Mark Clark	(Executive Chairman)
Paul Thomas	(Executive Director)
Mark Okeby	(Deputy Chairman/Lead Independent 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.

DIRECTORS' REPORT

The Directors present their report of Regis Resources Limited ("Regis" or "the Company") for the half-year ended 31 December 2016.

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.

Mark Clark .... Executive Chairman
Paul Thomas .... Executive Director
Mark Okeby .... Deputy Chairman/Lead Independent Director
Glyn Evans .... Independent Non-Executive Director (retired 29 July 2016)
Ross Kestel.................... Independent Non-Executive Director
James Mactier .... Independent Non-Executive Director
Fiona Morgan .... Independent Non-Executive Director (appointed 18 November 2016)

Review and Results of Operations

Results

Consolidated net profit after tax for the half-year was $61,036,000 (2015: $45,979,000).

Duketon Gold Project Operations

The Duketon Gold Project delivered a robust operational performance for the period. The project produced 154,702 ounces of gold at a pre-royalty cash cost of $826 per ounce[1] and an all-in sustaining cost of $949 per ounce[2] (2015: 150,960 ounces of gold produced at a pre-royalty cash cost of $805 per ounce and an all-in sustaining cost of $946 per ounce).

Operating results for the Duketon Gold Project for the half-year ended 31 December 2016 were as follows:

	Duketon North Operations	Duketon South Operations	Total December 2016	Duketon North Operations	Duketon South Operations	Total December 2015
Ore mined (bcm)	746,288	1,471,065	2,217,353	701,766	1,696,710	2,398,476
Waste mined (bcm)	4,413,262	8,688,608	13,101,870	2,581,455	8,485,535	11,066,990
Stripping ratio (w:o)	5.9	5.9	5.9	3.7	5.0	4.6
Ore mined (tonnes)	1,499,077	3,945,578	5,444,655	1,435,355	4,187,154	5,622,509
Ore milled (tonnes)	1,522,032	3,596,997	5,119,029	1,438,452	3,704,938	5,143,390
Head grade (g/t)	0.99	1.04	1.03	0.91	1.06	1.02
Recovery (%)	92.3%	91.1%	91.5%	90.5%	89.2%	89.5%
Gold production (oz)	44,764	109,938	154,702	38,069	112,891	150,960
Cash cost pre royalty (A$/oz)	673	888	826	809	804	805
All-in Sustaining Cost (A$/oz)	903	967	949	975	936	946

Duketon North Operations ("DNO") gold production for the half year ended 31 December 2016 increased by 18% from the previous corresponding period, boosted by the commencement of mining operations at Gloster. First ore from the Gloster Project was carted by road to the Moolart Well plant (26 kilometres to the east) in October 2016, which had a positive impact on head grade and recoveries. Mill throughput for the half year was over 3mtpa and 6% higher than the prior period on the back of a higher proportion of oxide ore being treated from oxide pits at Moolart Well and the softer Gloster ore.

Duketon South Operations ("DSO") gold production was 3% below the prior period as mining at Rosemont focussed mainly on the initially lower grade southern end of the pit before transitioning into the higher grade fresh ore in the central area of the pit late in the half year. The

[1] Cash cost per ounce is calculated as cash costs of production relating to gold sales (note 6(a)), excluding gold in circuit inventory movements and the cost of royalties, divided by gold ounces produced.

[2] All-in sustaining cost per ounce is calculated as cash cost per ounce as described above, plus royalties and amounts capitalised for pre-strip and production stripping costs, divided by gold ounces produced.

Both of the above measures are included to assist investors to better understand the performance of the business, are non-IFRS measures, and where included in this report, have not been subject to review by the Group's external auditors.

improved grade from Rosemont was partially offset by the impact of the harder ore on mill throughput, which is expected to continue until mining of the southern pit extension commences in the second half of 2017.

Garden Well head grade was marginally lower than anticipated as mining produced more ounces overall than forecast but at higher tonnages and lower grade. Pleasingly, recoveries of over 90% have been sustained for the current period at DSO.

Mining of the Erlistoun Project and stockpiling of ore at the operation commenced during the period. The first ore was carted to the Garden Well processing plant (8 kilometres to the north) late in the period and is expected to have a positive impact on the grade processed for the remainder of the year. Erlistoun ore supply is expected to be continuous but in modest tonnages until approximately April 2017 when development of the open cut reaches significant ore zones.

Exploration

Extensive exploration and resource development drilling programmes continued during the period at the Duketon project in Western Australia and the McPhillamys project in New South Wales. Encouraging results were returned at the Rosemont and Tooheys Well projects at Duketon and the McPhillamys project.

During the half year ended 31 December 2016, Regis drilled a total of 108,735 metres across all projects as shown below:

By Drilling Type		
Type	No. Holes	Metres
Aircore	434	35,043
RC	511	65,448
Diamond	21	8,244
Total	**966**	**108,735**

By Project	
Project	Metres
Duketon Gold Project ("DGP")	62,860
Duketon Gold Exploration Joint Venture ("DKJV")	37,631
McPhillamys ("MCP")	8,244
Total	**108,735**

By Prospect		
Project	Prospect	Metres
DGP	Rosemont	27,881
DGP	Tooheys Well	17,231
DKJV	Hacks Bore	11,917
DKJV	Commonwealth	10,382
MCP	McPhillamys	8,244
DKJV	Petra North	4,506
DGP	Garden Well	4,396
DKJV	Mt Maiden	4,158
DGP	Gloster	3,932
DGP	Erlistoun	3,806
DGP	McKenzie Well	3,007
DKJV	Bella Well	2,932
DKJV	Bandya	2,082
DKJV	Mourillian	1,482
DGP	Beamish	1,334
DGP	Kintyre	643
DGP	Chert Ridge	522
DKJV	Mason Hill	172
DGP	Moolart Well	108
Total		**108,735**

Significant exploration projects advanced during the half-year ended 31 December 2016 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 on 29 July 2016, 14 October 2016 and 16 January 2017, along with the associated JORC 2012 disclosures.

Tooheys Well Gold Project

The Tooheys Well gold prospect is located on a granted Mining Lease, 2.5km south of the Garden Well gold mine. Gold mineralisation was previously defined in two north-south trending Western and Eastern shear zones, 100m apart hosted in Banded Iron Formation (BIF), chert and fine grained sediments.

RC and diamond drilling during the previous financial year defined high grade gold mineralisation along the Eastern shear zone and this was followed up with further RC infill and extension drilling during the current period ended 31 December 2016.

A maiden Inferred Mineral Resource Estimate ("MRE") was estimated during the period at a 0.4g/t gold lower cut for the Tooheys Well gold deposit as follows:

	Tonnes (MT)	Grade (g/t)	Ounces (koz)
Tooheys Well Inferred Resource	14.6	1.16	547

Regis has quoted the maiden Inferred MRE for the Tooheys Well Gold Project at a 0.4 g/t gold lower cut, however it is particularly encouraging that the MRE reported above 1.0 g/t gold cut-off grade is 6.7 Mt @ 1.77 g/t gold for 379,000 ounces. This represents 70% of the MRE with an average grade of 1.77 g/t gold and is the result of the very regular wide intercepts of high grade mineralisation encountered at Tooheys Well.

Infill drilling, permitting, geotechnical and metallurgical studies are underway in preparation for reporting a reserve at Tooheys Well in the second half of the 2017 financial year.

Rosemont South

The Rosemont South Gold Project is located directly south of the current Rosemont open pit mine within the current resource envelope but with some areas, mainly at depth, outside the current reserves. It represents a strong target area to add both an open pit and underground mining inventory.

An ongoing RC drilling programme during the period at Rosemont South aimed to test the close-range continuity of the interpreted high-grade ore shoots over a strike length of 500 metres in and beyond the current southern limit of the Rosemont Main Pit. The known high-grade ore shoots lie between 50-300 metres below surface.

Results to date from Rosemont South have been very encouraging with numerous +20 gram-metre (gm) intervals returned over the 500 metre strike length from near surface to 300 metre vertical depth. Ongoing surface drilling will continue with a focus on establishing continuity and geometry of high grade gold mineralisation seen at Rosemont South.

Rosemont Main Pit Underground Resource Drilling

In addition to the drill programme at the southern end of the Rosemont open pit, a second RC drill programme commenced during the period 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.

Phase 1 of the Rosemont Main Pit underground drill programme consists of 62 holes for 13,610 metres and is planned to be drilled from inside the Rosemont Main Pit. As the drilling must fit in with mining operations in the pit, the drill programme will extend beyond the end of the current period. Early results from this programme have been very encouraging and there is still a significant portion of phase 1 holes to be completed.

McPhillamys Gold Project (NSW)

The 100% Regis owned McPhillamys Gold Project is one of Australia's larger undeveloped, open pit-able gold resources. The project is located approximately 250 kilometres west of Sydney, in Central West New South Wales, a well-established mining district. Regis has estimated a MRE of 73.2 MT @ 0.94 g/t gold for 2.2 Moz at a 0.4 g/t cut-off grade.

An RC and diamond drill programme commenced during the period with the aim of infilling the current drill pattern to a nominal 50 x 25 metre spacing for an update to the MRE. It will also provide diamond core for further metallurgical and geotechnical studies and will ultimately be used as a basis for a reserve estimation. It is also designed to look for high grade extensions to the mineralisation at depth. At present, three diamond rigs and one RC rig are working at site.

Duketon Gold Exploration Joint Venture (Regis Earning 75%)

A total of 587 infill lag soil samples were collected during the period on the Duketon Gold Exploration Joint Venture tenements to complete an ongoing geochemical survey programme. The infill lag sampling across mineralised trends was completed on a 100m x 50m grid to follow up anomalies highlighted in the first pass lag sampling programme completed in the prior period.

Gold and pathfinder element results have been received for all of the samples collected. Contouring of gold results has been completed. Numerous +75ppb gold anomalies of interest were defined and have been followed up with Aircore ("AC") drilling.

357 AC holes for 30,557 metres and 54 RC holes for 7,074 metres were drilled over various prospects on the Duketon Gold Exploration JV tenements during the period. The AC drill programmes were designed to provide further geochemical infill of the major geochemical anomalies derived from the lag sampling programme. The RC sample programmes were drilled to follow up anomalous AC results.

Corporate

Gold Sales

During the half-year ended 31 December 2016, the Company sold 144,699 ounces of gold at an average price of $1,742 per ounce (2015: 150,036 ounces at an average price of $1,556 per ounce). The Company had a hedging position at the end of the period of 404,825 ounces, being 40,000 ounces of fixed forward contracts with an average delivery price of A$1,454 per ounce and 364,825 ounces of spot deferred contracts with an average price of A$1,556 per ounce (June 2016: 433,770 ounces, being 80,000 ounces fixed forward contracts with an average delivery price of A$1,454 per ounce and 353,770 ounces of spot deferred contracts with an average price of A$1,581 per ounce).

Dividend Payment

Regis' net profit after tax for the year ended 30 June 2016 was $111.8 million, and as a result the Board declared a fully franked final dividend of 9 cents per share ($45 million). The final dividend payment took total dividends paid in relation to the 2016 financial year to 13 cents per share ($65 million).

Events After Balance Date

Dividends

On 20 February 2017, the directors declared an interim, fully franked dividend of 7 cents per share on ordinary shares (refer note 8). The dividend will be paid on 21 March 2017.

Except as disclosed above, 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 2016.

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 2016.

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.

Mark Clark
Executive Chairman
Perth, 20 February 2017

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 2016 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

R Gambitta
Partner

Perth

20 February 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2016

		Consolidated	
		31 December 2016	31 December 2015
	Note	$'000	$'000
Revenue	4	252,906	243,726
Cost of goods sold	6	(162,084)	(172,494)
Gross profit		90,822	71,232
Other income		1,704	998
Investor and corporate costs		(1,380)	(1,047)
Personnel costs		(2,613)	(2,533)
Share-based payment expense	11	(1,470)	(1,846)
Occupancy costs		(284)	(272)
Other corporate administrative expenses		(155)	(414)
Exploration and evaluation written off		(143)	(7)
Other		(851)	(738)
Finance costs	6	(530)	(975)
Profit before income tax		85,100	64,398
Income tax expense	7	(24,064)	(18,419)
Net profit		61,036	45,979
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Unrealised gains on cash flow hedges		1,659	-
Realised gains transferred to net profit		(1,721)	-
Tax effect		19	-
Items that will not be reclassified to profit or loss:			
Changes in financial assets designated at fair value through other comprehensive income		(2,147)	-
Tax effect		644	-
Other comprehensive income for the period, net of tax		(1,546)	-
Total comprehensive income for the period		59,490	45,979
Profit attributable to members of the parent		59,490	45,979
Total comprehensive income attributable to members of the parent		**59,490**	**45,979**
Basic profit per share attributable to ordinary equity holders of the parent (cents per share)		12.19	9.20
Diluted profit per share attributable to ordinary equity holders of the parent (cents per share)		11.86	9.17

CONSOLIDATED BALANCE SHEET

As at 31 December 2016

		Consolidated	
		31 December 2016	30 June 2016
	Note	$'000	$'000
Current assets			
Cash and cash equivalents		93,966	99,535
Gold bullion awaiting settlement		22,830	22,764
Receivables	10	5,554	5,257
Inventories	9	35,299	29,134
Derivatives	10	5,030	5,006
Financial assets		239	155
Other current assets		1,340	1,139
Total current assets		164,258	162,990
Non-current assets			
Inventories	9	30,179	25,866
Financial assets	10	4,295	6,442
Property, plant and equipment		187,538	187,663
Exploration and evaluation expenditure		137,142	123,739
Mine properties under development		5,414	1,199
Mine properties		96,907	83,358
Total non-current assets		461,475	428,267
Total assets		625,733	591,257
Current liabilities			
Trade and other payables	10	44,488	35,155
Interest-bearing liabilities	10	1,544	1,125
Income tax payable		7,310	11,123
Provisions		1,985	1,903
Derivatives		-	713
Total current liabilities		55,327	50,019
Non-current liabilities			
Interest-bearing liabilities	10	1,568	1,485
Deferred tax liabilities		26,446	20,806
Provisions		44,435	37,099
Total non-current liabilities		72,449	59,390
Total liabilities		127,776	109,409
Net assets		**497,957**	**481,848**
Equity			
Issued capital		431,491	431,335
Reserves		28,498	28,574
Retained profits		37,968	21,939
Total equity		**497,957**	**481,848**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2016

	Consolidated					
	Issued capital	Share option 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	-	-	-	-	61,036	61,036
Other comprehensive income						
Changes in fair value of financial assets, net of tax	-	-	(1,503)	-	-	(1,503)
Changes in value of cash flow hedges, net of tax	-	-	-	(43)	-	(43)
Total other comprehensive income for the period	-	-	(1,503)	(43)	-	(1,546)
Total comprehensive income for the period	-	-	(1,503)	(43)	61,036	59,490
Transactions with owners in their capacity as owners:						
Share-based payments expense	-	1,470	-	-	-	1,470
Dividends paid	-	-	-	-	(45,007)	(45,007)
Shares issued, net of transaction costs	156	-	-	-	-	156
At 31 December 2016	431,491	23,297	1,740	3,461	37,968	497,957
At 1 July 2015	431,338	18,510	-	-	(39,875)	409,973
Profit for the period	-	-	-	-	45,979	45,979
Other comprehensive income						
Changes in fair value of financial assets, net of tax	-	-	-	-	-	-
Changes in value of cash flow hedges, net of tax	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**45,979**	**45,979**
Transactions with owners in their capacity as owners:						
Share-based payments expense	-	1,846	-	-	-	1,846
Dividends paid	-	-	-	-	(29,987)	(29,987)
Shares issued, net of transaction costs	-	-	-	-	-	-
At 31 December 2015	431,338	20,356	-	-	(23,883)	427,811

Consolidated Statement of Cash Flow

For the half-year ended 31 December 2016

		Consolidated	
		31 December 2016	31 December 2015
	Note	$'000	$'000
Cash flows from operating activities			
Receipts from gold sales		252,138	233,467
Payments to suppliers and employees		(142,911)	(134,550)
Option premium income		905	974
Interest received		739	949
Interest paid		(54)	(510)
Income tax paid		(21,574)	(4,569)
Other income		-	5
Net cash from operating activities		89,243	95,766
Cash flows from investing activities			
Acquisition of plant and equipment		(13,630)	(8,116)
Payments for exploration and evaluation (net of rent refunds)		(11,259)	(8,257)
Payments for exploration assets (net of cash)		(100)	(100)
Purchase of held to maturity investments		(84)	(1)
Payments for mine properties under development		(6,127)	(277)
Payments for mine properties		(18,040)	(23,978)
Proceeds on disposal of plant and equipment		-	130
Net cash used in investing activities		(49,240)	(40,599)
Cash flows from financing activities			
Proceeds from issue of shares		175	-
Payment of transaction costs		(19)	-
Repayment of finance lease		(721)	(350)
Dividends paid	8	(45,007)	(29,987)
Net cash used in financing activities		(45,572)	(30,337)
Net increase/(decrease) in cash and cash equivalents		(5,569)	24,830
Cash and cash equivalents at 1 July		99,535	51,781
Cash and cash equivalents at 31 December		**93,966**	**76,611**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

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 2016 were authorised for issue in accordance with a resolution of the directors on 20 February 2017.

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 2016 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 2016 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 2016, 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 2016:

- AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2014-4: Clarification of Acceptable Methods of Depreciation and Amortisation [Amendments to AASB 116 & AASB 138]
- AASB 1057: Application of Australian Accounting Standards
- 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
- AASB 2015-9: Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]

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

3. Operating Segment Information

The following table presents revenue and profit information for reportable segments for the half-years ended 31 December 2016 and 2015 respectively.

	Duketon North Operations		Duketon South Operations		Unallocated		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue								
Sales to external customers	73,772	62,752	178,432	179,939	-	-	252,204	242,691
Other revenue	-	-	-	-	702	1,035	702	1,035
Total segment revenue	73,772	62,752	178,432	179,939	702	1,035		
Total revenue per the statement of comprehensive income							252,906	243,726
Segment result								
Segment net operating profit/(loss) before tax	31,111	12,448	58,567	57,314	(4,578)	(5,364)	85,100	64,398
Income tax expense							(24,064)	(18,419)
Net profit after tax							61,036	45,979

Segment assets

Total assets have increased by 6% since the last annual report as a result of expansionary activity at Duketon North to bring Gloster into production, and at Duketon South to complete a cutback of the Rosemont main pit and ramp up pre-production at Erlistoun. Segment assets as at 31 December and 30 June are as follows:

	Duketon North Operations		Duketon South Operations		Unallocated		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December								
Segment operating assets	80,333	61,185	281,670	269,661	263,730	217,069	625,733	547,915
As at 30 June								
Segment operating assets	62,087	62,849	272,784	261,408	256,386	191,932	591,257	516,189

4. Revenue

	Consolidated	
	Half-year ended 31 December 2016	Half-year ended 31 December 2015
	$'000	$'000
Revenue		
Gold sales	252,204	242,691
Interest	702	1,035
	252,906	243,726

5. Physical Gold Delivery Commitments

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]	
	31 December 2016	30 June 2016	31 December 2016	30 June 2016	31 December 2016	30 June 2016	31 December 2016	30 June 2016
	ounces	ounces	$/oz	$/oz	$'000	$'000	$'000	$'000
Within one year								
- Spot deferred contracts[ii]	364,825	353,770	1,556	1,581	567,496	559,206	(14,803)	(68,594)
- Fixed forward contracts	40,000	80,000	1,454	1,454	58,140	116,280	(6,125)	(27,121)
	404,825	433,770			625,636	675,486	(20,928)	(95,715)
Mark-to-market has been calculated with reference to the following spot price at period end							$1,596/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 half-year was from $1,405/oz to $1,807/oz (30 June 2016: $1,402/oz to $1,803/oz).

The Group has no other gold sale commitments.

6. Expenses

	Consolidated	
	Half-year ended 31 December 2016	Half-year ended 31 December 2015
	$'000	$'000
(a) Cost of goods sold		
Cash costs of production	122,817	128,616
Royalties	10,753	10,345
Depreciation of mine plant and equipment	15,471	20,031
Amortisation of mine properties	13,043	13,502
	162,084	172,494
(b) Finance costs		
Interest expense	54	509
Unwinding of discount on provisions	476	466
	530	975

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 profit before income tax	85,100	64,398
At the Group's statutory income tax rate of 30% (2015: 30%)	25,530	19,319
Share-based payments	441	554
Other non-deductible expenditure	1	3
Adjustment in respect of income tax of previous years	(1,908)	(1,457)
Income tax expense reported in the statement of comprehensive income	24,064	18,419

8. Dividends

	Consolidated	
	Half-year ended 31 December 2016 $'000	Half-year ended 31 December 2015 $'000
Declared and paid during the half-year:		
Dividends on ordinary shares		
Final dividend for 2016: 9 cents (2015: 6 cents) (fully-franked at 30%)	45,007	29,987
Proposed by the directors after balance date but not recognised as a liability at 31 December:		
Dividends on ordinary shares		
Interim dividend for 2017: 7 cents (2016: 4 cents) (fully-franked at 30%)	35,069	19,991
Dividend franking account		
Franking credits available for future years at 30% adjusted for the payment of income tax and dividends payable	11,116	5,029
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	(15,030)	(8,568)

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

9. Inventories

	Consolidated	
	As at 31 December 2016 $'000	As at 30 June 2016 $'000
Current		
Ore stockpiles	18,875	16,733
Gold in circuit	7,585	8,957
Bullion on hand	6,280	525
Consumable stores	2,559	2,919
	35,299	29,134
Non-current		
Ore stockpiles	30,179	25,866

During the half-year to 31 December 2016, a portion of ore stockpiles at Rosemont was reclassified to non-current as a result of a periodic review of the life of mine expected milling schedule. The Garden Well stockpiles previously classified as non-current during the year ended 30 June 2015 continue to be classified as such as at 31 December 2016, which reflects the expected timing for the conversion to bullion and subsequent sale.

At 31 December 2016, all inventory is carried at cost, except for the non-current ore stockpile at Rosemont which is carried at its net realisable value of $3,104,000. At the prior year end, all inventory was carried at cost. During the half year, $1,491,000 (2015: nil) was recognised in costs of goods sold for inventories carried at net realisable value.

10. Financial Assets and Financial Liabilities

Set out below is an overview of financial assets (other than cash and short-term deposits) and financial liabilities, held by the Group at 31 December 2016 and 30 June 2016.

	Consolidated	
	As at 31 December 2016 $'000	As at 30 June 2016 $'000
Financial assets at amortised cost		
Receivables	5,554	5,257
Financial assets at fair value through OCI		
Listed shares	4,295	6,442
Derivatives designated as cash flow hedges		
Diesel swap contracts	5,030	5,006
Total financial assets	**14,879**	**16,705**
Financial liabilities at amortised cost		
Trade and other payables	44,488	35,155
Obligations under finance leases		
Current	1,544	1,125
Non-current	1,568	1,485
Derivatives not designated as hedging instruments		
Sold gold call options	-	713
Total financial liabilities	**47,600**	**38,478**

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 financial instruments, and the categorisation of each method used, is set out below:

- Level 1: the fair value is calculated using quoted prices in active markets. The Group's investment in Capricorn Metals Limited is classified as Level 1, as it is valued based on a price quoted in an active market.
- 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 half-year.

11. Share-Based Payments

In November 2016, 263,333 Performance Rights were granted to the Executive Directors, Mr Mark Clark and Mr Paul Thomas, 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, which have market based performance conditions, 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, which have non-market based performance conditions.

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

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

The weighted average fair value of the Performance Rights granted during the half year was $1.90 (year ended 30 June 2016 weighted average fair value of employee share options granted: $0.79).

For the six months ended 31 December 2016, the Group has recognised $1,470,000 of share-based payment expense in the statement of comprehensive income (31 December 2015: $1,846,000).

12. Commitments and Contingencies

Finance Lease Commitment

The Group entered into a third hire purchase contract for the purchase of a Komatsu Loader in July 2016. This contract expires on 4 July 2019 and ownership of the loader passes to the Group once all contractual payments have been made.

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

13. Subsequent Events

Dividends

On 20 February 2017 the directors declared an interim dividend of 7 cents per share on ordinary shares (refer note 8). The dividend will be paid on 21 March 2017.

Except as disclosed above, 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 2016.

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 2016 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 2016 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 will be able to pay its debts as and when they become due and payable.

On behalf of the board

Mark Clark
Executive Chairman
Perth, 20 February 2017

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 2016, 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.

Responsibility 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* 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 for the review of the interim financial report

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 2016 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 2016 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

R Gambitta
Partner

Perth

20 February 2017