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

**REGIS**
RESOURCES LTD
ABN 28 009 174 761
www.regisresources.com
Level 1, 1 Alvan Street
Subiaco WA 6008 Australia
P 08 9442 2200
F 08 9442 2290

REGIS APPROVES UNDERGROUND MINING EXPANSION OF ROSEMONT OPERATION

HIGHLIGHTS

- Regis' board has approved development of an underground mining operation directly below the current Rosemont open pit and as part of an expansion of the existing operations.
- The combined open pit and underground mine is scheduled to deliver 10.3 million tonnes of ore at 1.72g/t for 570,000 ounces over a current 5 year mine life. Open pit, JORC compliant reserves of 356,000 ounces make up 62% of this schedule, with 214,000 ounces expected to be delivered from the underground operation (38%).
- The underground component of the expanded operation will exploit the underground Mineral Resource Estimate ('MRE') at Rosemont of 1.4Mt @ 5.1 g/t gold for 230koz of gold at a 2.0g/t gold cut-off grade. The fully diluted underground mining schedule is designed to deliver stoping of 666kt at 4.8g/t at Rosemont Main and 1.15Mt at 3.0g/t at Rosemont South.
- Development work will commence in the current quarter with permitting, the ordering of long lead capital items and underground mining contract tendering process.
- An updated MRE, which will include recent infill and extensional drilling, is expected to be completed in the current quarter.
- Commencement of portal development in the southern end of Rosemont Main is expected in the March 2019 quarter with processing of the underground material expected to commence in the December 2019 quarter (development tonnes mined in September 2019 quarter).
- Mining rates of the expanded operation will continue to be around 2.1 million tonnes per annum, with the underground component of this mining schedule being in the range between 480,000 - 600,000 tonnes per annum.
- At the life of mine grades of the open pit and underground operation (once underground mining is at full mining capacity) the combined operation is expected to produce at a run rate in the order of 120,000 - 130,000 ounces per annum. This is an estimated 35,000 – 45,000 ounces per annum uplift on production from the average grade of the open pit alone.

Highlights continued on page 2

HIGHLIGHTS (Continued)

- Operating cost (including royalties) of the combined operation is expected to be in the order of \$1,015 per ounce, with the operating cost of the underground mine component expected to be in the order of \$1,154 per ounce.
- Pre-production capital for the underground expansion is expected to be in the order of \$29.4 million (the majority of which will be spent in FY2020) and a further \$9.7 million is forecast over the life of mine. Maximum cumulative cash outflow is expected to be \$38.5m.
- Importantly the significant surface (camp and equipment) and underground infrastructure (portals, declines, ventilation etc) included in this capital investment will also service a significant underground exploration effort and any economic mining inventory delineated by this exploration along the highly prospective 4km Rosemont shear zone.
- June 2018 quarter drilling shows that high grade mineralisation is now seen up to 200 metres below the current resource envelope and stope designs at Rosemont South and at Rosemont Central, along strike and outside of the current Rosemont Main resource envelope.

Regis Executive Chairman, Mark Clark commented:

“The decision to approve the first development of an underground mine at one of our Duketon operations is a very exciting step for Regis. We believe that the approved Rosemont underground operation is a robust business in its own right but just as importantly will see the infrastructure in place to grow that mine through exploration from an established underground footprint. This growth opportunity will be targeted both laterally between the two mining zones and at depth and along strike. There is also a very strong opportunity to replicate this development path at Garden Well in the near term and then at other Duketon satellite pits in due course.”

Inferred Resource & Production Targets

This announcement refers to certain Inferred Resources. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The board has assessed this risk in the context of the geological and metallurgical knowledge gained in mining and processing the Rosemont open pit deposit over the last 5 years together with the existing mining and processing cost structures at the operation. The board believes that it has a reasonable basis to include a component of Inferred Resources in the production targets contained in this announcement because:

- The deposit on which the Inferred Resource has been estimated is a direct extension of the mineralisation in the Rosemont open pit (Ore Reserve) and extends to a maximum of only 150 metres below open pit designs;
- Grade control drilling and detailed geological mapping in the open pit that has been mined and processed for the last five years confirm the existence and orientation of high grade zones that continue in to the Inferred Resource;
- The drilling on the Inferred Resource includes 1,635 RC holes for 210,108 metres and 144 diamond holes for 41,193 metres. Drill patterns in the resource are as tight as 20m x 10m in some areas, with the bulk of drilling on a 20m x 20m pattern and the widest spaced drilling 40m x 20m.

ROSEMONT GOLD PROJECT

Background

The Rosemont Project is a fully operational open pit gold mine (commenced in March 2013) with a stand-alone crushing and grinding plant, piping an ore slurry to the Garden Well CIL processing facility. The current open pit mine is expected to continue until at least FY2024.

The geology at Rosemont has gold hosted in the steeply dipping 345° trending Rosemont Dolerite unit intruding into an ultramafic sequence. Gold mineralisation is within a brittle quartz-dolerite phase of the Rosemont Dolerite, primarily occurring within discrete, steeply dipping, quartz-dolerite parallel, en-echelon and stacked vein structures. The quartz-dolerite varies from 5 metres, up to 100 metres wide.

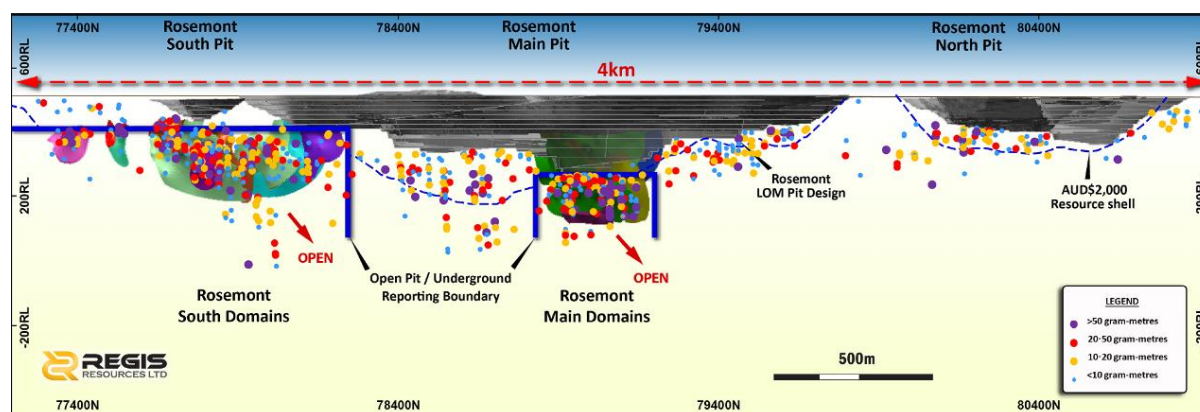
The Rosemont open-pit Ore Reserve estimate as at 31 March 2018 is shown below:

Gold			Proved			Probable			Total Ore Reserve		
Project	Type	Cut-Off (g/t) ¹	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Rosemont	Open-Pit	>0.4	2.0	1.24	80	6.5	1.32	276	8.5	1.31	356

The Maiden Underground MRE complements the existing open pit Rosemont MRE. Total MRE as at 31 March 2018 at Rosemont (refer to Competent Persons Statement below) are shown below:

Gold		Measured			Indicated			Inferred			Total Resource		
Project	Cut-Off (g/t)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Rosemont Open Pit	0.4	2.5	1.20	95	14.9	1.17	562	0.8	1.36	37	18.3	1.18	694
Rosemont Main U/G	2.0	-	-	-	-	-	-	0.4	7.19	102	0.4	7.19	102
Rosemont South U/G	2.0	-	-	-	-	-	-	1.0	4.14	128	1.0	4.14	128
ROSEMONT TOTAL		2.5	1.20	95	14.9	1.17	562	2.2	3.70	267	19.7	1.46	924

The discrete areas included in this underground MRE are shown in the following long section:



Rosemont Underground Mine Expansion

The board of Regis has made a decision to invest in the development of an underground mining operation at the current Rosemont open pit operation. This decision has been made on the basis of a detailed mining study which assessed the mining of the maiden underground resource at Rosemont of 1.4Mt at 5.10g/t for 230,000 ounces of gold.

The location of the proposed underground operations is directly below the existing open pit, with the portal to be developed at the southern end of the Rosemont Main open pit. Development will commence in the current quarter with the completion of final study work including a resource update to include recent drilling, the commencement of the permitting process and ordering of long lead capital items. It is expected that this work will allow development of a portal in to the southern end of the Rosemont Main open pit to commence in the March 2019 quarter.

The development exploits the maiden underground resource, which has only been estimated for two initial and discrete zones and only extends to a maximum depth of 150 metres below the base of the current Ore Reserve pit design in these areas.

This announcement refers to certain Inferred Resources. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The board has assessed this risk in the context of the geological and metallurgical knowledge gained in mining and processing the Rosemont open pit deposit over the last 5 years together with the existing mining and processing cost structures at the operation. Furthermore, development of the current resource is considered the most timely and cost effective approach to development and exploration of the target zones.

Physical Mining Parameters

Mining physical outputs for components of the expanded Rosemont operation are shown below:

Physical Outputs	Rosemont Open-pit	Rosemont South U/G	Rosemont Main U/G	Total
Total Mined Tonnes (kt)	8,485	1,145	666	10,296
Mined Grade (g/t)	1.3	3.0	4.8	1.7
Total Ounces (koz)	356	112	102	570

Key Development and Operating Parameters

The forecast physical and cost parameters for the Rosemont operation are as follows:

	Open-pit	Underground	Total
Tonnes mined	8,485,000	1,811,000	10,296,000
Diluted mine grade (g/t)	1.3	3.7	1.7
In situ gold mined (ounces)	356,000	214,000	570,000
Mill recovery (%)	94	97	95
Gold produced (ounces)	335,000	208,000	543,000
Commencement of portal establishment	-	March Q 2019	-
First development tonnes to mill	-	Sept Q 2019	-
First production tonnes to mill	-	Dec Q 2019	-
Mine life (months)	60	49	60
Average mining rate ('000 tonnes per annum)	1,500 – 1,620	480 – 600	2,100

Capital cost:			
Preproduction capital (\$m)	Nil	\$29.4	\$29.4
LOM development capital (\$m)	Nil	\$9.7	\$9.7
Total capital cost (\$m)	Nil	\$39.1	\$39.1
Maximum cumulative cash outflow (\$m)	Nil	\$38.5	\$38.5
Operating cost:	\$/ounce	\$/ounce	\$/ounce
• Mining	407	790	554
• Operating mine development capital	Nil	158	61
• Milling	448	132	326
• Royalties (at \$1,650 gold price)	74	74	74
Total operating cost	929	1,154	1,015

Unit underground mining costs (both capital and operating) were derived from a third party contractor quotation and further reviewed by an independent expert in underground mining tender analysis. Open pit mining costs are based on mining contractor rates, historical cost performance in the mine over the last five years, operating experience and budgets. Processing costs for both open pit and underground material are based on the detailed operating experience of processing Rosemont open pit ore at the Rosemont plant over the past five years. Surface aspects of the development cost have been estimated by Regis' in house technical team on the same basis as previous mine developments completed by Regis.

Material Assumptions

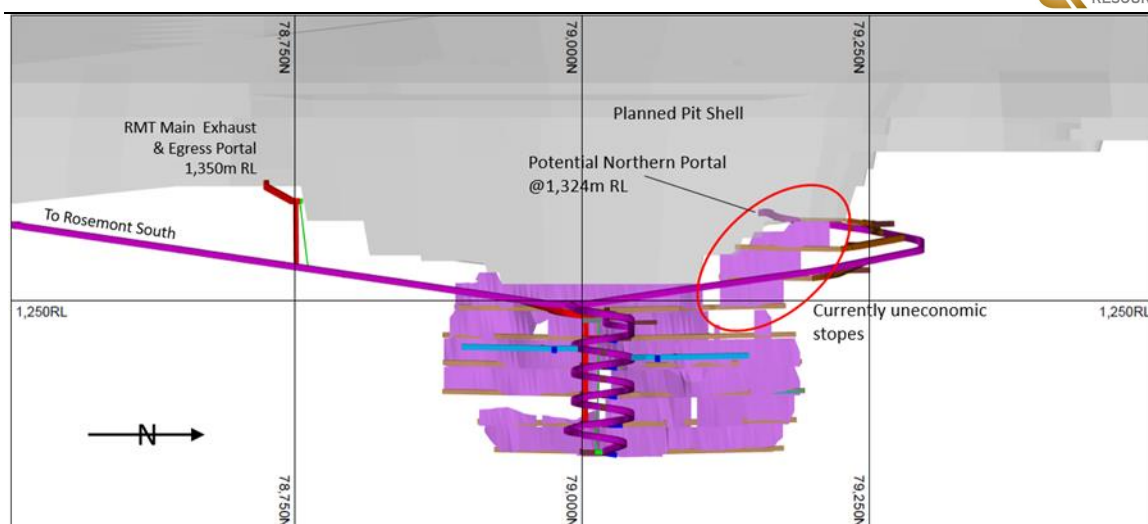
The material assumptions applying to the open pit Ore Reserve and the underground mining of the Inferred Underground Mineral Resource are detailed in Appendix 1 to this announcement.

Exploration & Expansion from within the Mine Footprint

Both the underground mine design and cost estimates include exploration/stope definition drilling platforms for both Rosemont South and Rosemont Main. For both mine areas a drill drive has been designed along 75% of the strike length for drilling (to allow acceptable intersection angles). A total of 770m of development has been included for dedicated drilling platforms. This establishes a strong position to explore the mineralised dolerite unit from within the workings and access additional mining inventory in many areas, in particular where mineralisation is known to exist through strong drill intercepts currently not included in the resource.

The current mine design also includes mine expansion optionality. A fourth connection to the surface can be added at the northern end of Rosemont Main. This could provide access for personnel, equipment/materials, haulage and a second fresh air intake for ventilation. It also provides access to small stopes in the area (not currently in the schedule) and more importantly presents a significant opportunity to access any mining inventory that can be established through further resource expansion drilling in to the prospective area to the north of Rosemont Main.

This decline could be driven off the open pit ramp at approximately 1,324mRL, in around July 2021. As shown below, if drilling can identify additional mining areas to the north, this northern portal will provide an ideal platform for expanding the mine workings.



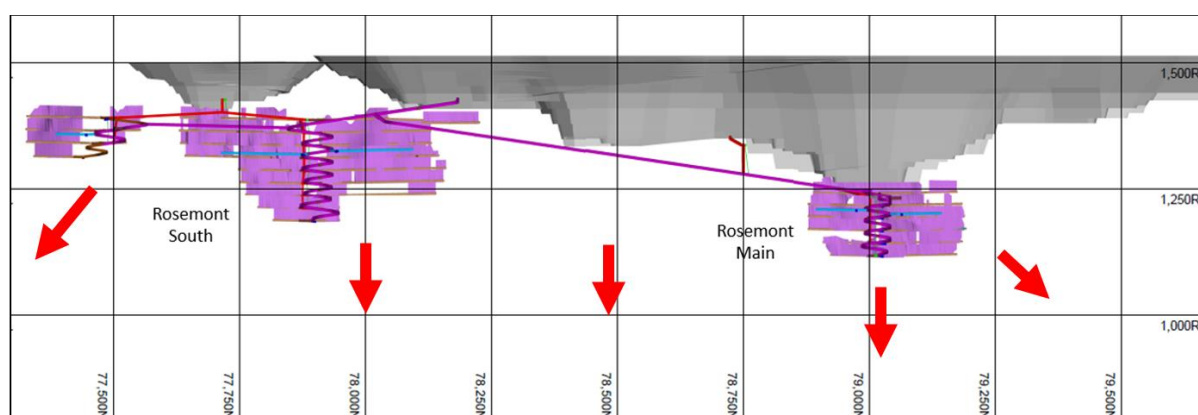
Exploration Upside at Rosemont

The current mine development is only based on an underground MRE with two initial and discrete zones and only extends to a maximum depth of 150 metres below the base of the current Ore Reserve pit design in these areas.

There are numerous high-grade intercepts outside of the two zones of this underground MRE and along the 4 kilometre strike extent of the Rosemont mineralised shear zone. The drilling density in these areas is currently not sufficient to accurately define the orientation, continuity and volumes of mineralisation domains, nor for classification as Mineral Resources. These areas are high priority targets for infill drilling to add to the maiden Resource. This work is active and ongoing. In addition to this continuing infill drilling, further deep drilling is planned with the aim of intercepting the mineralised quartz-dolerite at depth and down plunge from the current underground MRE.

As is the industry experience with most underground mines it is expected that the final infill drilling phase to reach Indicated Resources for a large portion of the deposit will be completed from underground positions.

Further, as can be seen in the mine long section below there will be significant opportunity to conduct exploration and resource drilling from the underground development between the two zones currently approved for development.



Importantly any additional mining inventory delineated through exploration from within the underground footprint will not have to bear any significant development or capital costs as the majority of these costs are already included in the current approved mine development.

Recent Drilling Confirming the Expansion Potential

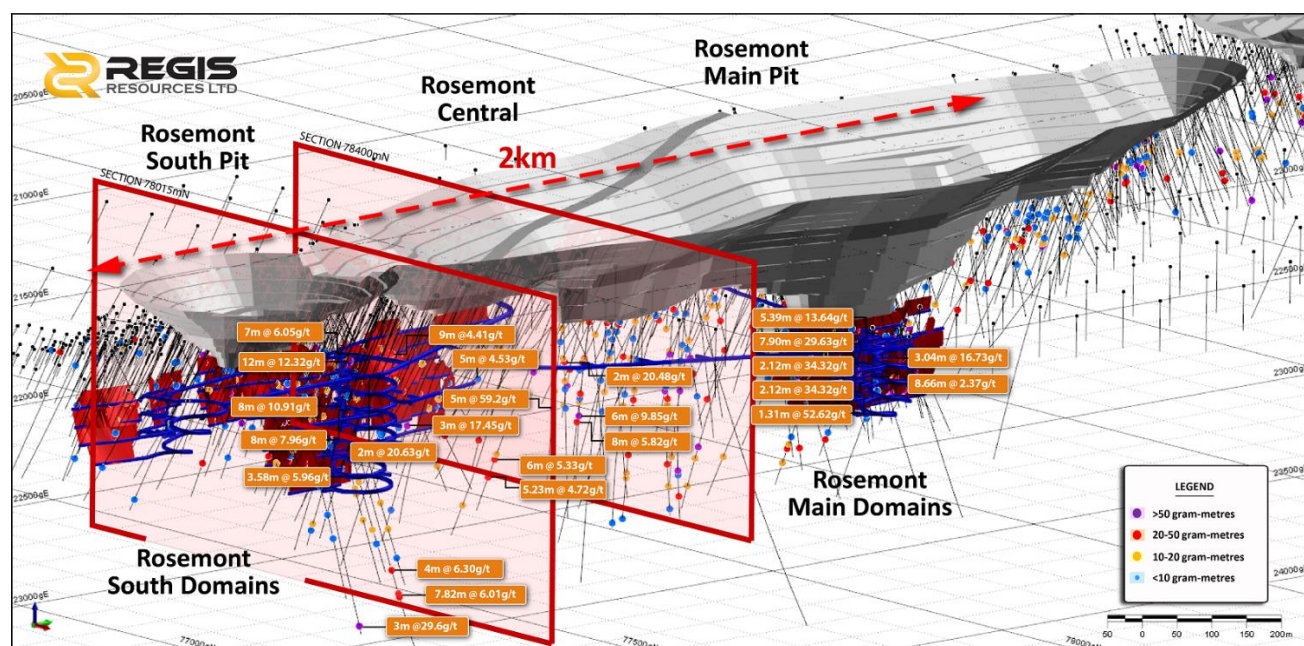
As reported in Regis' June 2018 quarterly report, exploration drilling of Rosemont Underground targets from surface during the quarter continued to return very strong results as shown below:

• 5.39m @ 13.64 g/t Au from 167m	RRLRMDD011 (main domain)
• 7.90m @ 29.63 g/t Au from 192.1m	RRLRMDD013 (main domain)
• 7.82m @ 6.01 g/t Au from 518m	RRLRMDD022 (south domain*)
• 8m @ 10.91 g/t Au from 220m	RRLRMRC734 (south domain)
• 3m @ 17.45 g/t Au from 300m	RRLRMRC740 (south domain)
• 12m @ 12.32 g/t Au from 156m	RRLRMRC754 (south domain)
• 8m @ 7.96 g/t Au from 240m	RRLRMRC756 (south domain)
• 7m @ 6.05 g/t Au from 154m	RRLRMRC763 (south domain)
• 2m @ 20.63 g/t Au from 228m	RRLRMRC770 (south domain)
• 2m @ 20.48 g/t Au from 100m	RRLRMRC775 (central zone *)
• 6m @ 9.85 g/t Au from 192m	RRLRMRC777 (central zone*)
• 5m @ 59.62 g/t Au from 169m	RRLRMRC778 (central zone*)
• 8m @ 5.82 g/t Au from 195m	RRLRMRC779 (central zone*)

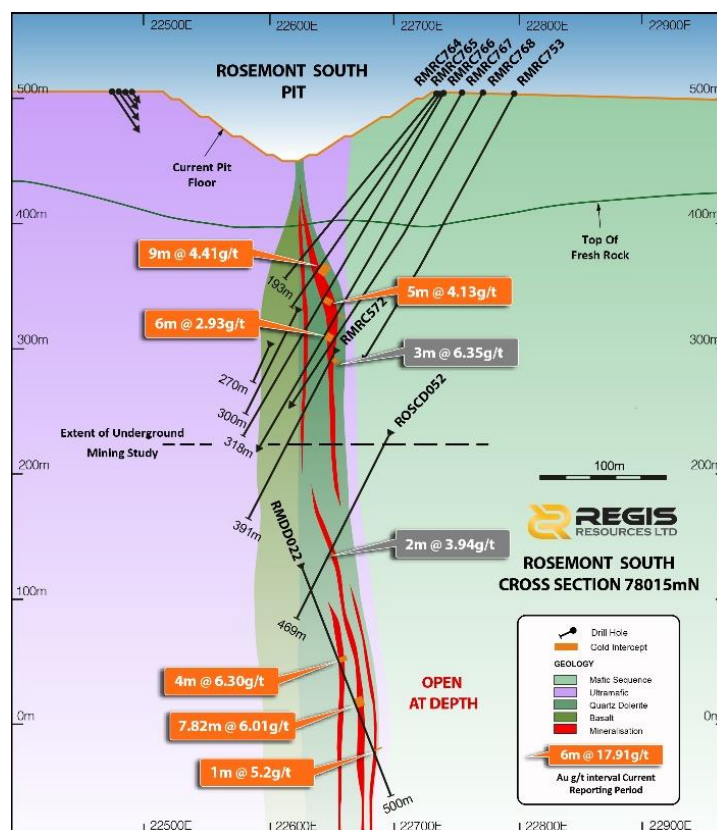
* Results outside current UG resource envelope.

All intercepts calculated using a 2.0g/t lower cut, no upper cut, maximum 2m internal dilution. All assays determined on 1m split samples by fire assay.

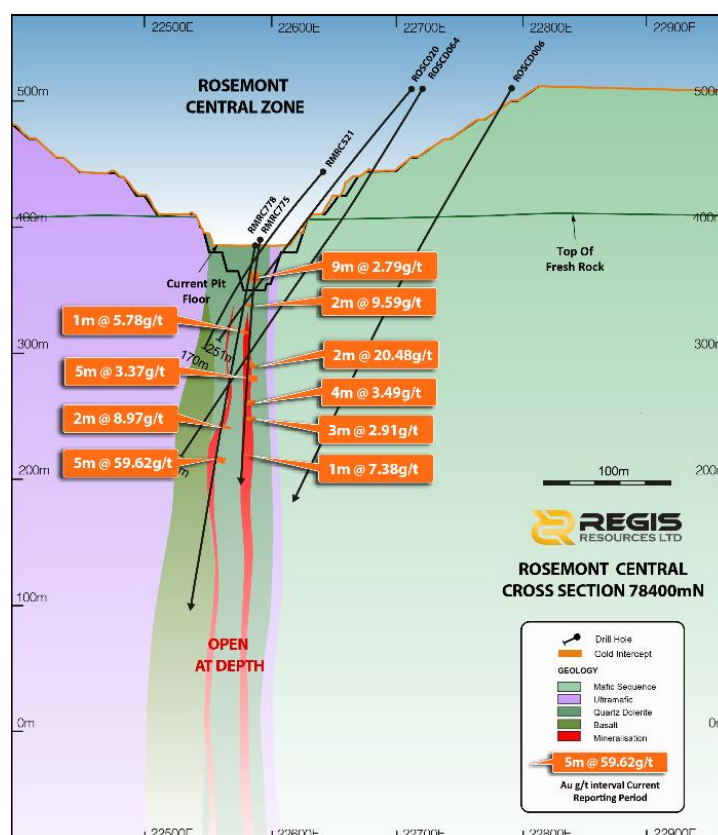
The two areas highlighted on the oblique long section and cross sections below show that high grade mineralisation is now seen up to 200 metres below current resource envelope and stope designs at Rosemont South and along strike and outside of the current resource envelop in Rosemont Central.



Section 78015mN showing high grade gold intercepts 200m below proposed UG development stope design at Rosemont South:



Section 78400mN at Rosemont Central zone along strike and outside of current UG resource:



These recent results continue to encourage Regis that there is a larger scale underground mine opportunity at Rosemont than the currently approved development. Any expansion of the mine will benefit from underground exploration and the installed capital investment in underground infrastructure contemplated in the current development.

APPENDIX 1 MATERIAL ASSUMPTIONS

Open Pit Operation

Material Assumptions for Ore Reserve

The following material assumptions apply to the Rosemont Ore Reserve:

- Gold price of \$1,400 per ounce used for the optimisation
- No allowance was made for any capital cost in the reserve analysis. The economic analysis was based on total cash costs
- Current operational capital and operating cost structure
- Current operational mining and metallurgical performance
- Geotechnical and hydrogeological recommendations from internal specialist's reviews

Ore Reserve Classification

The classification of the Rosemont Ore Reserve has been carried out in accordance with the recommendations of the JORC Code 2012. It is based on the density of the drilling, estimation methodology and the mining method to be employed.

All Proven and Probable Ore Reserves have been derived from Measured and Indicated Mineral Resources respectively.

Mining Method

The mining method assumed in the Ore Reserve study is the same as that currently employed at the Rosemont Gold Mine, which utilises drill and blast, excavator and truck open pit mining. The existing pit has been designed to be developed in a series of progressive cutbacks. The Ore Reserve pit is designed as a further series of extensional cutbacks to the existing pit.

Geotechnical and hydrogeological recommendations have been applied during pit optimisation and incorporated in design with ongoing reviews. Mining dilution and ore loss factors have been dealt with in the estimation of the OK Mineral Resource.

Processing Method

The existing Rosemont crushing and grinding Plant and the Garden Well CIL Processing facility will be utilised to treat the Ore Reserve and a recovery factor of 94% has been assumed in the estimation of the Ore Reserve.

The metallurgical results from the full scale Rosemont crushing and grinding facility and the Garden Well CIL Processing Plant have been incorporated into the Ore Reserve estimation.

Underground Operation

Mining Method

Mining will be conducted using long-hole open stoping (LHOS), in a top down sequencing, with no backfill in Rosemont South leaving pillars for local and regional support and a combination of cemented rock fill (CRF) and waste rock fill (WRF) backfill in Rosemont Main.

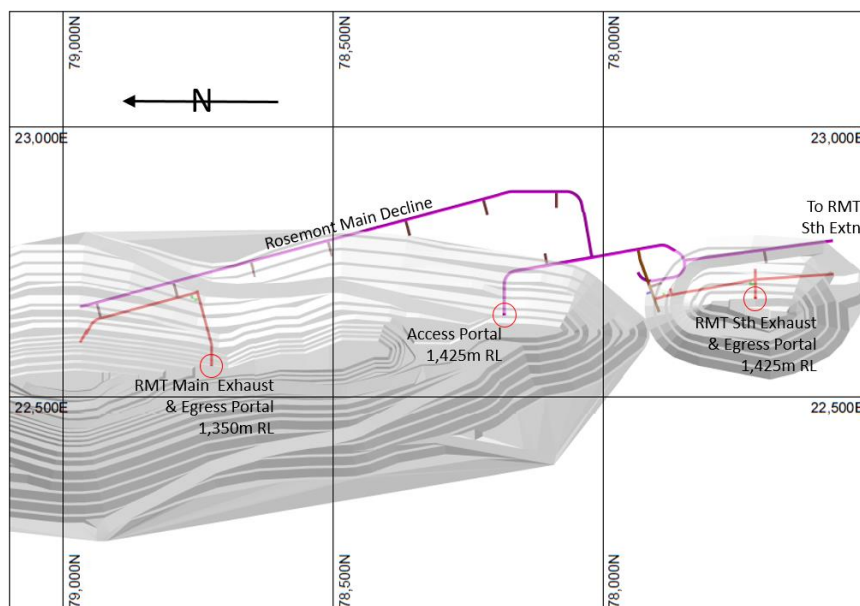
Stope Design Parameters and Cut-Off Grade

Key stope design parameters are summarised below:

Minimum Mining Width (m)	2.0
Maximum Mining Width (m)	20
Hanging Wall Dilution (m)	0.4
Footwall Dilution (m)	0.2
Floor to Floor Level Spacing (m)	25
Stope cut-off grade (g/t)	2.0

Mine Development

The underground mine plan will be developed from an initial access portal in the southern end of Rosemont Main pit and then two subsequent ventilation portals in the Main and South Pits. A plan view of the access and ventilation portals is shown below.



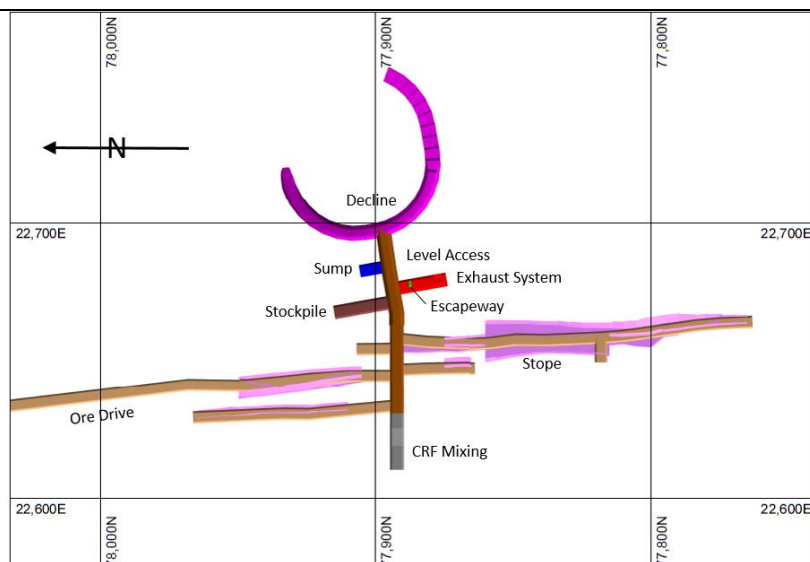
Rosemont South and Rosemont Main are both accessed via declines designed at 1:7 gradient. In certain areas, a twin decline configuration is required to separate fresh air access from exhaust air, while avoiding vertical development through the anticipated poor weathered ground near surface.

The ore drives on each level are accessed via a cross cut perpendicular to the ore, and so far as practical, centralised to allow for simpler stope sequencing. To reach the 25m vertically spaced levels, a 25m decline radius has been used to allow the level accesses to line up.

The decline has been positioned approximately 40-60m east of the orebody. This allows necessary level infrastructure development (ventilation, secondary egress, stockpiles, sumps, mixing bays etc.) to be mined whilst maintaining a minimum 10m pillar width (where required) between adjacent development drives.

The level access has been mined at a decline profile size to allow trucks to be loaded off the decline, it then reduces in size where trucks are not required. Where possible, levels have been optimised to reduce development.

An example of a typical level layout is shown below.



Mining Rates and Cost Assumptions

The table below outlines the mining rates used in the schedule and costings. The rates used have either been provided by an independent third party contractor or are industry standard.

Activity	Rate
Jumbo Development (single heading)	200m / month
Jumbo Development (multiple headings)	280m / month
Decline Advance Rate	100m / month
Other Development Advance Rate	60-80m / month
Ore Drive Advance Rate (geology controlled)	60m / month
Stope Boggging	1,800t / day
Production Drilling	230m / day
Backfilling (WR)	1,500t / day
Backfilling (CRF)	1,250t / day

Unit underground mining costs (both capital and operating) were derived from a third party contractor quotation and further reviewed by an independent expert in underground mining tender analysis.

Geotechnical

Geotechnical studies have been carried out on diamond drill core using the Q-System and indicate Very Good to Extremely Good rock in the mineralised quartz-dolerite rock unit. The shallow depth/low in-situ stress and high rock strength (100-220MPa) of the mineralised quartz-dolerite allow for relatively large stope spans to be adopted in the mine design.

Hydrogeological

Hydrogeological studies are completed and are based on experience operating/dewatering the Rosemont open pit since commencement in 2013 as well as substantial diamond and reverse circulation (RC) drilling information. Groundwater inflows are largely expected to remain at current (open pit inflow) levels. However, it is expected that the open pit dewatering rate will gradually reduce over time, whilst simultaneously increasing underground mine inflows.

Processing Method

The existing Rosemont crushing and grinding Plant and the Garden Well CIL Processing facility will be utilised to treat the material mined from the underground operation and a recovery factor of 97% has been assumed.

Competent Persons Statement

The information above that relates to the Company's Resources and Ore Reserves and Exploration Results is extracted from the ASX Announcements released on 27 July 2018 entitled "Mineral Resources and Ore Reserve Statement as at 31 March 2018" and 31 July 2018 entitled "Quarterly Report to 30 June 2018" and for which Competent Persons consents were obtained. The Competent Persons' consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The reports are available to review on the ASX website and on the Company's website at www.regisresources.com.au. The Company confirms that it is not aware of any new information or data that materially effects the information included in the original market announcement, and, in the case of estimates of Mineral Resources and Ore Reserves, that all market assumptions and technical assumptions underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements

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

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