REGIS RESOURCES LTD
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17 February 2020

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 2019

Key Points *(All figures expressed in Australian dollars unless stated otherwise)*

- **Record Net profit after tax of $93.4 million** and **net profit margin of 25%** reflects the ongoing strong profitability of the Duketon operations.
- **Revenue of $371.4 million*,** with **182,807 ounces of gold sold** at average price of $2,063* per ounce.
- **EBITDA of $185.6 million** with a strong **EBITDA margin of 50%**.
- **Cash flows** from operating activities of **$147.2 million**.
- **Cash and bullion** of **$168.8 million****, after the payment of $40.7 million in fully franked dividends, $20 million on the strategic tenement acquisition from Duketon Mining Limited, $33.0 million in income tax, $19.9 million on exploration expenditure and feasibility costs, $23.2 million on the development of the Rosemont underground and new satellite projects, $32.0 million on capitalised mining costs and $35.9 million on other capital including a significant TSF expansion, the Duketon airstrip uprgrade and land acquisitions in New South Wales.
- **Fully franked interim dividend of 8 cents per share** declared.
- Gold production of **178,482 ounces for H1 FY20** at an AISC of **$1,226** per ounce.
- Duketon operations continue to be on track to deliver the annual production guidance of 340,000-370,000 ounces with all in sustaining costs at the upper end of annual cost guidance of $1,125-$1,195 per ounce after excluding the extra royalty cost impact associated with the higher prevailing gold price.

Comment

Regis Managing Director, Mr Jim Beyer commented: "Regis has produced another strong performance, recording a record half-year profit after tax of $93.4 million and operating cash flows of $147.2 million. This outcome again demonstrates the reliability and quality of the operations at Duketon.

We continue to deliver solid cash flow with robust net profit margins of 25% which has allowed the Company to undertake a period of significant capital investment towards the development of the Rosemont underground and new satellite deposits at Dogbolter-Coopers, Baneygo and Petra.

The Company's solid performance has meant that in addition to investing in our future, we can continue to provide returns to our shareholders with a declared dividend of 8 cents per share which is a very pleasing result."

**Gold sold from preproduction assets not included in revenue.*
*** Includes bullion on hand valued at $2,220 per ounce.*

The board of Regis Resources Limited is pleased to announce a strong half year net profit after tax of $93.4 million for the six months ended 31 December 2019. This represents a 17% increase from the first half net profit after tax of $79.9 million reported in FY2019 and is a record result for the Company.

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

- **Dividend amount** **8 cents per share fully franked**
- **Ex-dividend date** **2 March 2020**
- **Record date** **3 March 2020**
- **Payable date** **18 March 2020**

The interim dividend represents a payout ratio of 11% of revenue and 44% of profit after tax for the half year ended 31 December 2019.

A summary of the financial result for H1 FY20 is presented below:

	Half Year 31 Dec 19*	Half Year 31 Dec 18*	Change	Change %
Gold sales ($'000)	370,796	315,960	+54,836	+17%
Profit before tax ($'000)	133,300	114,414	+18,886	+17%
Profit after tax ($'000)	93,390	79,854	+13,536	+17%
Basic earnings per share (cents)	18.38	15.77	+2.61	+17%
Gold sales (ounces) included in revenue	182,807	186,276		
Sale price ($/oz)	2,063	1,696		
Cash operating cost pre royalties ($/oz)	889	779		
All in sustaining cost (A$/oz)[1]	1,226	954		
Dividend declared (cents per share)	8	8		

* Group has adopted AASB15 Revenue from contracts with customers for the first time for the annual reporting period commencing 1 July 2018 and applied the new standard using the cumulative effect approach without having to adjust comparatives in the current year reporting. Refer Note 2 to the attached Consolidated Interim Financial Report.

Operating results for the Duketon project for H1 FY20 were as follows:

	December 2019	**December 2018**
Ore mined (Mbcm)	2.1	2.5
Waste mined (Mbcm)	13.4	13.2
Stripping ratio (w:o)	6.5	5.2
Ore mined (Mtonnes)	4.9	5.8
Ore milled (Mtonnes)	4.6	4.9
Head grade (g/t)	1.28	1.24
Recovery (%)	94.0	93.7
Gold production (koz)	178	181

Cash cost pre royalty (A$/oz)	889	779
All in Sustaining Cost (A$/oz)[1]	1,226	954

1 AISC calculated on a per ounce of production basis

A copy of the Company's Condensed Consolidated Interim Financial Report and Appendix 4D for the 6 months to 31 December 2019 are attached.

Regis Resources Limited and its Controlled Entities

For the half-year ended 31 December 2019

(Previous corresponding period is the half-year ended 31 December 2018)

Results for Announcement to the Market

	31 December 2019	31 December 2018	Change	
	$'000	$'000	$'000	%
Revenue from ordinary activities	371,366	317,174	54,192	17%
Profit from ordinary activities after tax attributable to members	93,390	79,854	13,536	17%
Net profit for the period attributable to members	93,390	79,854	13,536	17%

Dividend Information

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

Amount per share	Franking	Record Date	Expected Payment Date
8 cents per share	100% franked	3 March 2020	18 March 2020

Net Tangible Assets

	31 December 2019	31 December 2018
	$	$
Net tangible assets per share	0.59	0.61

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 2019.

Financial Results

This report is based on the attached Condensed Consolidated Interim Financial Report for the half-year ended 31 December 2019, which has been reviewed by KPMG, and should be read in conjunction with the consolidated annual financial report as at 30 June 2019 and public announcements made subsequent to 31 December 2019.

REGIS RESOURCES LTD

ABN 28 009 174 761

and its Controlled Entities

Condensed Consolidated Interim Financial Report

31 December 2019

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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)
Fiona Morgan	(Independent Non-Executive Director)
Steve Scudamore	(Independent Non-Executive Director)
Lynda Burnett	(Independent Non-Executive Director)

Company Secretary
Jon Latto

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.

Directors' Report

The directors present their report of Regis Resources Limited ("Regis" or "the Company") for the half-year ended 31 December 2019.

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 Mactier .... Independent Non-Executive Chairman
Jim Beyer .... Chief Executive Officer and Managing Director
Paul Thomas .... Executive Director (retired 19 August 2019)
Ross Kestel.................... Independent Non-Executive Director (retired 26 November 2019)
Fiona Morgan............... Independent Non-Executive Director
Steve Scudamore .... Independent Non-Executive Director
Lynda Burnett.............. Independent Non-Executive Director (appointed 27 November 2019)

Review and Results of Operations

Results

Consolidated net profit after tax for the half-year was $93,390,000 (2018: $79,854,000).

Duketon Gold Project Operations

The Duketon Gold Project achieved half year production of 178,482 ounces of gold at a pre-royalty cash cost of $866 per ounce[1] and an all-in sustaining cost of $1,219 per ounce[2] (2018: 181,366 ounces of gold produced at a pre-royalty cash cost of $779 per ounce and an all-in sustaining cost of $954 per ounce).

Operating results for the Duketon Gold Project for the half-year ended 31 December 2019 were as follows:

	Duketon South Operations	Duketon North Operations	Total December 2019	Duketon South Operations	Duketon North Operations	Total December 2018
Ore mined (bcm)	1,386,693	669,166	2,055,858	1,427,991	1,089,592	2,517,583
Waste mined (bcm)	10,190,178	3,188,792	13,378,970	10,236,024	2,914,747	13,150,771
Stripping ratio (w:o)	7.3	4.8	6.5	7.2	2.7	5.2
Ore mined (tonnes)	3,459,255	1,477,737	4,936,992	3,717,585	2,093,764	5,811,349
Ore milled (tonnes)	3,165,788	1,454,125	4,619,913	3,186,501	1,682,573	4,869,074
Head grade (g/t)	1.35	1.11	1.28	1.37	0.99	1.24
Recovery (%)	94.9%	91.4%	94.0%	94.1%	92.5%	93.7%
Gold production (oz)	130,861	47,620	178,482	131,805	49,561	181,366
Cash cost pre royalty (A$/oz)	841	1,022	889	767	812	779
All-in Sustaining Cost (A$/oz)	1,226	1,227	1,226	968	917	954

Duketon South Operations (DSO) gold production was 1% lower than the prior period due to a decrease in throughput and lower head grade, this was offset by an increase in mill recovery at the Project. The commencement of early stage mining at Baneygo contributed 1.1 million bcm in pre-strip material moved for the period.

The temporary reduction in grade due to short term variations in the mine schedule, as well as the reduction in mill throughput impacted by an unplanned maintenance shutdown at Garden Well resulted in an increase of the AISC to $1,226 per ounce.

[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.

Duketon North Operations (DNO) gold production for the half year ended 31 December 2019 decreased by 4% from the previous corresponding period as a result of lower throughput and lower recovery at the Moolart Well mill. Mill throughput along with drill and blast costs at DNO continued to be affected by the fresh rock zone of the Gloster deposit, while the commencement of processing of Dogbolter-Coopers ore from 1 September 2019 had a positive effect on milled grade at DNO for the period.

The AISC of $1,227 per ounce for the half year end 31 December 2019 was 34% higher than the prior period due to increased stripping ratios, slower mill rates associated with the transition to fresh rock and an increase in royalty costs as a result of the higher gold price.

Corporate

Gold Sales

During the half-year ended 31 December 2019, the Company sold 182,807 ounces of gold at an average price of $2,063 per ounce (2018: 186,276 ounces at an average price of $1,696 per ounce). The Company had a hedging position at the end of the period of 428,510 ounces of spot deferred contracts with an average price of A$1,617 per ounce (2018: 445,183 ounces of spot deferred and call option contracts with an average price of A$1,588 per ounce).

Dividend Payment

Regis' net profit after tax for the year ended 30 June 2019 was $163.1 million, and as a result the Board declared a fully franked final dividend of 8 cents per share ($40.7 million), which was paid in September 2019. The final dividend payment took total dividends paid in relation to the 2019 financial year to 16 cents per share ($81.3 million).

Tenement Acquisition – Duketon Greenstone Belt ("DGB")

Organic growth potential through exploration was given a major boost on 23 August 2019 when the Company acquired a large strategic tenement holding across the Duketon Greenstone Belt from Duketon Mining Limited for $20m cash and up to $5m in contingent payments. The acquisition tripled the Company's landholding resulting in a contiguous tenement area over 3,265km² and means that Regis now controls approximately 90% of the gold rights in this highly prospective belt.

Development

Rosemont Underground Project

First ore from the development of Rosemont Underground was achieved in July 2019 with 42kt in ore mined from the 2,653 lineal metres of development for the period. Ongoing underground stope definition diamond drilling was completed with first stoping trials planned for the March 2020 quarter. The Rosemont Underground Resource is currently 1.7Mt at 5.6g/t Au for 314,000 ounces.

McPhillamys Gold Project ("MGP")

In July 2019, Regis submitted the Development Application ("DA") and Environmental impact statement ("EIS") for the development of the MGP. Following review by the New South Wales Department of Planning, Industry and Environment ("DPIE") the DA & EIS were publicly exhibited for a 42-day period ending on 24 October 2019. The exhibition period provided an opportunity for the public authorities, organisations, and general public to make submissions on the Project to the DPIE. Regis is now reviewing all the submissions, which inclusive of interest groups and the public, totalled more than 671. It was encouraging to see solid support for the Project especially in relation to jobs and economic benefits, Regis will produce a Response to Submissions report for submission to the DPIE.

Regis continues to progress the water supply agreement and refine the pipeline route access to recycled water from the Mt Piper Power Station and Centennial Mine near Lithgow. In addition, an application to connect the Project power supply has been made with Transgrid. Regis is working with the community and Transgrid to identify the optimum route and placement of infrastructure. The Company continues to hold approximately 4.5GLpa of ground water access licences in a zone of the Lachlan catchment, approximately 80 kilometres from the MGP as an alternative water supply.

The Definitive Feasibility Study ("DFS") for the development of the MGP is progressing. Completion of this study will be controlled by the need to incorporate any additional requirements for Project development emanating from the DA process. The DFS will update and further refine the operating parameters, estimated capital and operating costs and a development timetable (subject to completion of permitting).

Exploration

Extensive exploration and Resource development continued during the half-year to 31 December 2019, including continuation of drilling programmes at the Duketon Gold Project in Western Australia, and further Resource and Reserve development at the MGP in New South Wales.

During the half year ended 31 December 2019, Regis drilled a total of 91,093 metres across the Duketon Gold Project as shown below:

By Drilling Type		
Type	No. Holes	Metres
Aircore	558	46,996
RC	34	16,900
Diamond	192	27,197
Total	**784**	**91,093**

Significant exploration projects advanced during the half-year ended 31 December 2019 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 25 October 2019 and 22 January 2020 along with the associated JORC 2012 disclosures.

Rosemont Underground Resource

The deep drilling programme continued testing the potential for gold mineralised quartz dolerite at depth 1km below surface. The targeted quartz dolerite was intersected at 650m and 750m below surface. One collar intersected 15m (9m true width) of the quartz dolerite with alteration associated with gold mineralisation, and a narrow quartz vein within this zone assayed 43.9g/t gold. These results confirm the mineralised quartz dolerite continues over 285m below the deepest currently planned underground development with further work being undertaken with the aim to increase underground Resources and Reserves.

Garden Well Underground Project

Diamond drilling continued at the southern end of the Garden Well open pit to test the down plunge continuity of the high grade gold mineralisation at depth, on a spacing of 80m x 40m. A total of 25 diamond drill holes were completed for 10,260 metres. Drilling will continue in 2020 to infill drill spacing to 40m x 20m within the mineralised zone for the purpose of increasing confidence and estimating a maiden underground Resource and Reserve.

Baneygo Project

The Baneygo Project is located 15km south and along strike of the Rosemont Gold Mine and the current Mineral Resource is 11.4Mt @ 0.99g/t Au for 363,000 ounces, including Ore Reserves of 3.4Mt @ 1.3g/t Au for 142,000 ounces. Drilling during the period targeted down plunge and strike extensions to gold mineralisation beneath the oxide resources with significant drill intercepts supporting the view of potential underground resources.

Gloster Underground Project

The Gloster gold deposit is hosted in a package of intermediate volcanics and intrusives. Gold mineralisation is interpreted to be associated with multiple stacked lodes consisting of low angle quartz veins, dipping moderately to the north east. A diamond drilling programme commenced during the period with three holes drilled for 1,420 metres, with the programme designed to test the extent of the gold mineralised system at depth in fresh rock and the potential for an underground Resource. In conjunction with the diamond drilling programme RC drilling continued with significant results confirming the mineralised system extends in the fresh rock over a strike distance of 700m.

Duketon Regional Exploration

The Company commenced reviewing the extensive data package from the DGB tenement acquisition with majority of drilling undertaken on the poorly explored western margin. Drilling was also completed on a number of other prospects including Murphys Hills, Fisher Well, Matt's Bore, Borodale Creek, Little Well, The Ranch, Hacks Bore and Butcher Well.

Discovery Ridge Project

Discovery Ridge continues to shape up as a very significant additional value proposition for the McPhillamys Gold Project with work currently underway on a maiden Reserve estimate.

Events After Balance Date

On 14 February 2020, the directors declared an interim, fully franked dividend of 8 cents per share on ordinary shares (refer note 8). The dividend will be paid on 18 March 2020.

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 2019.

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 2019.

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, 14 February 2020

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 2019 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

Derek Meates
Partner

Perth

14 February 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2019

		Consolidated	
		31 December 2019	31 December 2018
	Note	$'000	$'000
Revenue	4	371,366	317,174
Cost of goods sold	6	(227,483)	(193,364)
Gross profit		143,883	123,810
Other income		437	(177)
Investor and corporate costs		(1,193)	(1,468)
Personnel costs		(5,254)	(4,719)
Share-based payment expense	12	395	(660)
Occupancy costs		(335)	(561)
Other corporate administrative expenses		(537)	(275)
Exploration and evaluation written off		(1,065)	(1)
Other		(1,912)	(852)
Finance costs	6	(1,119)	(683)
Profit before income tax		133,300	114,414
Income tax expense	7	(39,910)	(34,560)
Net profit		93,390	79,854
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Unrealised gains on cash flow hedges		-	-
Realised gains transferred to net profit		-	-
Tax effect		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		93,390	79,854
Profit attributable to members of the parent		93,390	79,854
Total comprehensive income attributable to members of the parent		**93,390**	**79,854**
Basic profit per share attributable to ordinary equity holders of the parent (cents per share)		18.38	15.77
Diluted profit per share attributable to ordinary equity holders of the parent (cents per share)		18.34	15.75

CONSOLIDATED BALANCE SHEET

As at 31 December 2019

		Consolidated	
		31 December 2019	30 June 2019
	Note	$'000	$'000
Current assets			
Cash and cash equivalents		158,974	188,697
Receivables	9	8,895	7,674
Inventories	10	55,678	56,077
Financial assets		270	269
Other current assets		3,306	2,198
Total current assets		227,123	254,915
Non-current assets			
Inventories	10	60,764	55,898
Property, plant and equipment		258,709	242,988
Exploration and evaluation expenditure		213,284	185,748
Mine properties under development		56,607	44,163
Mine properties		196,119	167,713
Intangible assets		2,572	2,572
Right-of-use assets	11	34,701	-
Total non-current assets		822,756	699,082
Total assets		1,049,879	953,997
Current liabilities			
Trade and other payables	9	69,497	67,613
Interest-bearing liabilities		1	1
Income tax payable		11,893	12,224
Provisions		3,308	3,479
Lease liabilities	9	12,566	792
Total current liabilities		97,265	84,109
Non-current liabilities			
Deferred tax liabilities		98,511	91,305
Provisions		62,571	60,791
Lease liabilities	9	22,462	1,328
Total non-current liabilities		183,544	153,424
Total liabilities		280,809	237,533
Net assets		**769,070**	**716,464**
Equity			
Issued capital		435,145	434,880
Reserves		30,684	31,079
Retained profits		303,241	250,505
Total equity		**769,070**	**716,464**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2019

	Consolidated				
	Issued capital	Share-based payment reserve	Financial assets reserve	Retained profits/ (accumulated losses)	Total equity
	$'000	$'000	$'000	$'000	$'000
At 1 July 2019	434,880	29,362	1,717	250,505	716,464
Profit for the period	-	-	-	93,390	93,390
Other comprehensive income					
Changes in value of cash flow hedges, net of tax	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	93,390	93,390
Transactions with owners in their capacity as owners:					
Share-based payments expense	-	(395)	-	-	(395)
Dividends paid	-	-	-	(40,654)	(40,654)
Shares issued, net of transaction costs	265	-	-	-	265
At 31 December 2019	435,145	28,967	1,717	303,241	769,070
At 30 June 2018	433,248	28,280	1,717	173,597	636,842
Adjustment on adoption of AASB 15 on 1 July 2018	-	-	-	(5,046)	(5,046)
At 1 July 2018	**433,248**	**28,280**	**1,717**	**168,551**	**631,796**
Profit for the period	-	-	-	79,854	79,854
Other comprehensive income					
Changes in value of cash flow hedges, net of tax	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	79,854	79,854
Transactions with owners in their capacity as owners:					
Share-based payments expense	-	660	-	-	660
Dividends paid	-	-	-	(40,570)	(40,570)
Shares issued, net of transaction costs	1,647	-	-	-	1,647
At 31 December 2018	434,895	28,940	1,717	207,835	673,387

CONSOLIDATED STATEMENT OF CASH FLOW

For the half-year ended 31 December 2019

		Consolidated	
		31 December 2019	31 December 2018
	Note	$'000	$'000
Cash flows from operating activities			
Receipts from gold sales		370,796	315,960
Payments to suppliers and employees		(191,007)	(161,488)
Interest received		665	1,204
Interest paid		(673)	(42)
Income tax paid		(33,034)	(29,157)
Other income		437	6
Net cash from operating activities		147,184	126,483
Cash flows from investing activities			
Acquisition of plant and equipment		(35,920)	(21,542)
Payments for exploration and evaluation (net of rent refunds)		(19,871)	(20,892)
Payments for acquisition of exploration assets		(20,000)	-
Purchase of held to maturity investments		(1)	(1)
Payments for mine properties under development		(23,174)	(16,474)
Payments for mine properties		(31,932)	(22,296)
Proceeds on disposal of plant and equipment		1	28
Net cash used in investing activities		(130,897)	(81,177)
Cash flows from financing activities			
Proceeds from issue of shares		279	1,698
Payment of transaction costs		(14)	(50)
Payment of lease liabilities		(5,621)	(417)
Dividends paid	8	(40,654)	(40,570)
Net cash used in financing activities		(46,010)	(39,339)
Net increase/(decrease) in cash and cash equivalents		(29,723)	5,967
Cash and cash equivalents at 1 July		188,697	181,118
Cash and cash equivalents at 31 December		**158,974**	**187,085**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2019

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 2019 were authorised for issue in accordance with a resolution of the directors on 14 February 2020.

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 2019 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 2019 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 2019, 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 2019:

- AASB 16 – *Leases*

The impact of the adoption of the leasing standard AASB 16 - *Leases*, and the new accounting policy are disclosed in Note 11.

3. Operating Segment Information

The following table presents revenue and profit information for reportable segments for the half-years ended 31 December 2019 and 2018 respectively.

	Duketon North Operations		Duketon South Operations		Unallocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue								
Sales to external customers	98,570	89,449	272,226	226,511	-	-	370,796	315,960
Other revenue	-	-	-	-	570	1,214	570	1,214
Total segment revenue	98,570	89,449	272,226	226,511	570	1,214	371,366	317,174
Total revenue per the statement of comprehensive income							371,366	317,174
Segment result								
Segment net operating profit/(loss) before tax	37,019	35,265	106,073	86,716	(9,792)	(7,567)	133,300	114,414
Income tax expense							(39,910)	(34,560)
Net profit after tax							93,390	79,854

Segment assets

Total segment assets have increased substantially since the last annual report. The Group's two reporting segments comprise the Duketon Gold Project, which includes Duketon North (DNO) and Duketon South (DSO). These segments are unchanged from those reported at 30 June 2019. DNO comprises Moolart Well, Gloster, Anchor and Dogbolter-Coopers. DSO comprises Garden Well, Rosemont, Erlistoun and Tooheys Well. Dogbolter-Coopers transitioned to operations during the six months to 31 December 2019, contributing to the increase in asset holdings at DNO. Expansionary activity at DSO, together with the right-of-use assets brought on balance sheet from 1 July 2019, has contributed to the increase for this segment. Unallocated items comprise exploration and evaluation assets relating to areas of interest where an economically recoverable reserve is yet to be delineated. Segment assets as at 31 December and 30 June are as follows:

	Duketon North Operations		Duketon South Operations		Unallocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December								
Segment operating assets	105,830	87,677	502,375	371,871	441,674	425,117	1,049,879	884,665
As at 30 June								
Segment operating assets	98,843	88,429	422,140	338,141	433,013	395,960	953,996	822,530

4. Revenue

	Consolidated	
	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	$'000	$'000
Revenue		
Gold sales	370,796	315,960
Interest	570	1,214
	371,366	317,174

5. Physical Gold Delivery Commitments

Open contracts at balance date, along with the current amortisation profile agreed with the Company's hedge provider, Macquarie Bank Limited, are summarised in the table below and overleaf:

	Gold for physical delivery		Contracted gold sale price		Value of committed sales		Mark-to-market(i)	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	ounces	ounces	$/oz	$/oz	$'000	$'000	$'000	$'000
- Spot deferred contracts(ii)	428,510	426,514	1,617	1,598	693,079	681,466	(235,394)	(175,578)
- Spot	-	25,000	-	1,830	-	45,750	-	(4,485)
	428,510	451,514			693,079	727,216	(235,394)	(180,063)
Mark-to-market has been calculated with reference to the following spot price at period end							$2,167/oz	$2,009/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 $1,425/oz to $1,874/oz (30 June 2019: $1,425/oz to $1,878/oz).

The Company's current volume limits are as follows:

Period	Volume
December 2019 – December 2020	600,000 ounces
January 2021 – December 2021	400,000 ounces
January 2022 – December 2022	200,000 ounces
January 2023 – June 2023	100,000 ounces
July 2023	Nil

As at 31 December 2019, the Group has no further gold sale commitments.

6. Expenses

	Consolidated	
	Half-year ended 31 December 2019 $'000	Half-year ended 31 December 2018 $'000
(a) Cost of goods sold		
Cash costs of production	163,063	146,968
Royalties	17,475	13,276
Depreciation of mine plant and equipment [(i)]	19,213	14,217
Amortisation of mine properties	27,732	18,903
	227,483	193,364
(b) Finance costs		
Interest expense [(i)]	675	42
Unwinding of discount on provisions	444	641
	1,119	683

[(i)] Depreciation of mine plant and equipment and interest expense has increased due to the adoption of the new standard AASB 16 – *Leases* (refer Note 11).

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	133,300	114,414
At the Group's statutory income tax rate of 30% (2018: 30%)	39,990	34,324
Share-based payments	(118)	198
Other non-deductible expenditure	3	3
Adjustment in respect of income tax of previous years	35	35
Income tax expense reported in the statement of comprehensive income	39,910	34,560

8. Dividends

	Consolidated	
	Half-year ended 31 December 2019 $'000	Half-year ended 31 December 2018 $'000
Declared and paid during the half-year:		
Dividends on ordinary shares		
Final dividend for 2019: 8 cents (2018: 8 cents) (fully-franked at 30%)	40,654	40,570

	Consolidated	
	Half-year ended 31 December 2019 $'000	Half-year ended 31 December 2018 $'000
Proposed by the directors after balance date but not recognised as a liability at 31 December:		
Dividends on ordinary shares		
Interim dividend for 2020: 8 cents (2019: 8 cents) (fully-franked at 30%)	40,654	40,622
Dividend franking account		
Franking credits available for future years at 30% adjusted for the payment of income tax and dividends payable	52,409	28,801
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	(17,423)	(17,409)

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

9. 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 2019 and 30 June 2019.

	Consolidated	
	As at 31 December 2019 $'000	As at 30 June 2019 $'000
Financial assets at amortised cost		
Receivables	8,895	7,674
Total financial assets	**8,895**	**7,674**
Financial liabilities at amortised cost		
Trade and other payables	69,497	67,613
Obligations under leases		
Current [i]	12,566	792
Non-current [i]	22,462	1,328
Total financial liabilities	**104,525**	**69,733**

[i] Obligations under leases has increased due to the adoption of the new standard AASB 16 – *Leases* (refer Note 11).

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.
- 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 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.

10. Inventories

	Consolidated	
	As at 31 December 2019 $'000	As at 30 June 2019 $'000
Current		
Ore stockpiles	38,704	31,696
Gold in circuit	9,068	11,201
Bullion on hand	4,785	9,830
Consumable stores	3,121	3,350
	55,678	56,077
Non-current		
Ore stockpiles	60,764	55,898

At 31 December 2019, all inventory is carried at cost.

At the prior year end, a portion of ore stockpiles were reclassified as non-current as a result of the annual update of life of mine plans and written down to net realisable value resulting in an expense totalling $438,000 being recognised in cost of goods sold. All other inventories were carried at cost except for a portion of Erlistoun ore stockpiles written down to net realisable value resulting in an expense totalling $216,000 being recognised in cost of goods sold.

11. AASB 16 Leases

This note explains the impact of the adoption of AASB 16 Leases on the Group's financial statements and discloses the new accounting policy that has been applied from 1 July 2019.

The Group has adopted AASB 16 from 1 July 2019, but has not restated comparatives for the reporting periods prior to adoption, as permitted under the specific transitional provisions in the standard applying the Modified Retrospective Approach. The Group's retained earnings and net assets were unaffected by the transition at 1 July 2019.

The nature of the Group's leasing activities includes service contracts for mining services, drilling, haulage, and power generation contracts. Additionally, office leases and office equipment have also been included.

Accounting policy

Until 1 July 2019, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.
- Any restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets with a replacement value of less than $5,000.

Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 3.79%.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

	Consolidated	
	As at 31 December 2019 $'000	As at 1 July 2019 $'000
The lease liability recognised on date of transition is comprised as follows:		
Discounted operating lease commitments using incremental borrowing rate at 1 July 2019		1,695
Finance lease liabilities recognised as at 30 June 2019		2,121
Additional lease commitments from adopting AASB 16		29,679
Lease liability recognised as at 1 July 2019		**33,495**
Comprising:		
Current	12,566	10,081
Non-current	22,462	23,414
	35,028	**33,495**

Right-of-use assets were 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 30 June 2019.

	Consolidated	
	As at 31 December 2019 $'000	As at 1 July 2019 $'000
Plant & equipment	21,243	18,256
Furniture & equipment	91	125
Buildings & infrastructure	13,367	15,114
Total right-of-use assets	**34,701**	**33,495**

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

- Right-of-use assets – increased by $33,495,000.
- Property, plant & equipment – decreased by $2,121,000.
- Lease liabilities – increased by $31,373,000.

The impact on the Group's segment disclosure on 1 July 2019 is as follows:

	Duketon North Operations	Duketon South Operations	Unallocated	Total
	$'000	$'000	$'000	$'000
Segment assets	1,524	28,108	1,741	31,373
Segment liabilities	1,524	28,108	1,741	31,373

The change in accounting policy affected the following items in the statement of comprehensive income during the period:
- Interest expense on lease liabilities – increase by $652,000.
- Depreciation expense – increase by $5,900,000.

The change in accounting policy affected the following items in the statement of cash flows during the period:
- Decrease in operating cash flows – $5,210,000
- Increase in financing cash flows – $5,210,000
- Effect on cash and cash equivalents – Nil

Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:
- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases.
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

12. Share-Based Payments

In November 2019, a total of 187,776 Performance Rights were granted to the Chief Executive Officer and Managing Director, Mr Jim Beyer (129,433), and to executive, Mr Jon Latto (58,343), in the form of long-term incentives (LTIs) 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	20% of the Performance Rights	The Company's relative total shareholder return ("TSR") measured against the TSRs of 12 comparator mining companies
Tranche B	20% of the Performance Rights	The Company's absolute TSR measured against specific thresholds
Tranche C	15% of the Performance Rights	The growth in the Company's earnings per share ("EPS") measured against specific thresholds
Tranche D	15% of the Performance Rights	The growth in the Company's Ore Reserves in excess of depletion measured against specific thresholds
Tranche E	15% of the Performance Rights	McPhillamys Project targets as determined by the Board
Tranche F	15% of the Performance Rights	Production growth against specific performance rights

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, D, E and F, 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	26 November 2019
Value of the underlying security at grant date	$4.62
Exercise price	Nil
Dividend yield	4.00%
Risk free rate	0.73%
Volatility	35%
Performance period (years)	3.00
Commencement of measurement period	1 July 2019
Test date	30 June 2022
Remaining performance period (years)	2.59

In November 2019, 30,890 Performance Rights were granted to the Chief Executive Officer and Managing Director, Mr Jim Beyer, in the form of short-term incentives (STIs) 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 G	100% of the Performance Rights	Mr. Jim Beyer being an employee of the company as at 1 July 2020

The fair value at grant date of Tranche G, which has non-market based performance conditions, was estimated using a Black Scholes option pricing model.

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

Grant date	26 November 2019
Value of the underlying security at grant date	$4.62
Exercise price	Nil
Dividend yield	4.00%
Risk free rate	0.77%
Volatility	35%
Performance period (years)	1.00
Commencement of measurement period	1 July 2019
Test date	1 July 2020
Remaining performance period (years)	0.60

In November 2019, 546,128 Performance Rights were granted to Senior Executives in the form of long-term incentives (LTI's) 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 G	100% of the Performance Rights	Senior executives being employees of the company as at 30 June 2023

The fair value at grant date of Tranche G, which has non-market based performance conditions, was estimated using a Black Scholes option pricing model.

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

Grant date	26 November 2019
Value of the underlying security at grant date	$4.62
Exercise price	Nil
Dividend yield	4.00%
Risk free rate	0.77%
Volatility	35%
Performance period (years)	4.00
Commencement of measurement period	1 July 2019
Test date	30 June 2023
Remaining performance period (years)	3.60

The fair value of the Performance Rights granted during the half year was $3,178,000 and the weighted average fair value was $4.15.

For the six months ended 31 December 2019, the Group has recognised a credit of $395,000 against share-based payments in the statement of comprehensive income as a result of forfeitures during the period (31 December 2018: $660,000). The adjustment for the six months ended 31 December 2019 of $395,000 is calculated as follows:

Expense	$273,000
Forfeiture	$(668,000)
Net Adjustment	**$(395,000)**

13. Subsequent Events

On 14 February 2020 the directors declared an interim dividend of 8 cents per share on ordinary shares (refer note 8). The dividend will be paid on 18 March 2020.

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 2019.

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 2019 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 2019 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, 14 February 2020

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 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 2019 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 2019.
- 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 1 to 13 comprising a summary of significant accounting policies and other explanatory information.
- 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.

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 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 2019 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 Period 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.

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

KPMG

KPMG

Derek Meates
Partner

Perth

14 February 2020