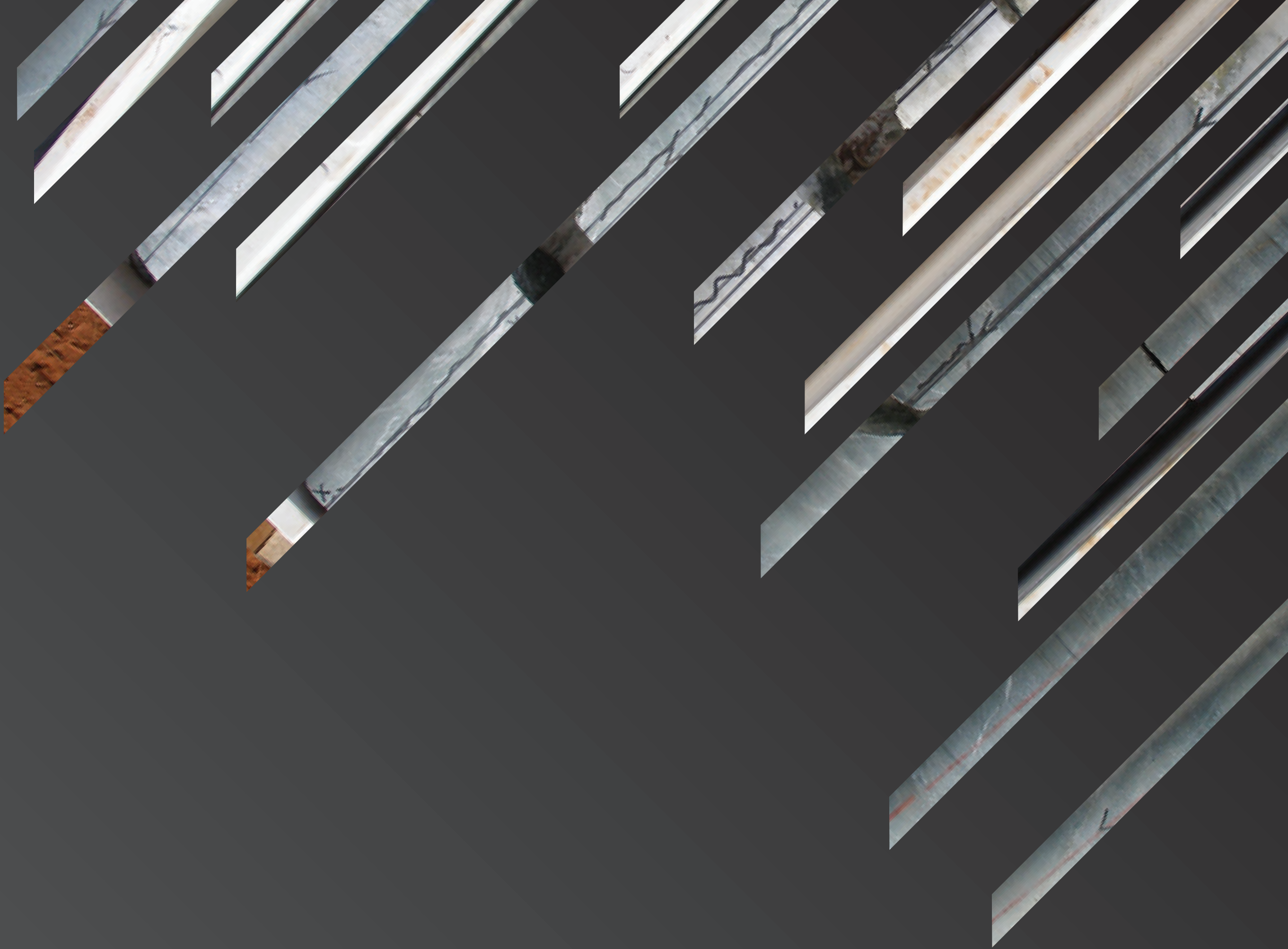


REGIS RESOURCES LTD

2011 ANNUAL REPORT

ABN 28 009 174 761

REGIS RESOURCES LTD AND IT'S CONTROLLED ENTITIES

REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2011

Corporate Information

ABN 28 009 174 761

Directors
Nick Giorgetta . . . . *(Chairman)*
Mark Clark . . . . *(Managing Director)*
Morgan Hart . . . . *(Executive Director)*
Ross Kestel . . . . *(Non-executive Director)*
Mark Okeby . . . . *(Non-executive Director)*

Company Secretary
Kim Massey

Registered Office & Principal Place of Business
Level 1
1 Alvan Street
SUBIACO WA 6008

Share Register
Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

Regis Resources Limited shares are listed on the Australian Securities Exchange (ASX).

Solicitors
Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Bankers
Australian and New Zealand Banking Group Ltd
77 St Georges Terrace
PERTH WA 6000

Macquarie Bank Limited
Level 4, Bishops See
235 St Georges Terrace
PERTH WA 6000

Auditors
KPMG
235 St Georges Terrace
PERTH WA 6000

REGIS RESOURCES LTD

Contents

Chairman's Report

Photography courtesy of Stan Yates

"With the gold price currently trading at near record highs it is a very exciting time to be a gold producer and explorer."

Dear Shareholder

It is a pleasure to write to you at the end of what has been a transformational year for Regis Resources Limited. Amongst a number of achievements, two significant milestones were achieved by the Company during the 2011 financial year. Firstly Regis made the successful transition from gold explorer to gold producer. Secondly the Company reported a maiden profit as a result of commencing gold mining operations on the Duketon Gold Project area.

The first project brought in to production was the Moolart Well Gold Mine, which is located in the northern part of the Duketon Gold Project license package. The construction of the mining and milling facilities was completed under budget and on time early in the financial year. First gold was poured at the project on 31 August 2010. This was a great credit to both the construction and operations teams. After commencing production in late August 2010, Regis produced 80,918 ounces of gold for the financial year. This gold was produced at a very competitive cash cost (pre royalties) of A$545 per ounce.

Regis reported a maiden net profit for the year of $36.3 million. This was an excellent result reflecting the start up of gold production and the strong cost management at the operation. With forecast gold production for 2012 at Moolart Well in the order of 95,000 – 105,000 ounces, we can expect to see a continuation of Regis' move to an enduringly profitable gold business.

Another, no less significant, achievement for the Company during the year was the completion of a successful feasibility study in to the development of the Garden Well Gold Project. This project is also on Regis' Duketon tenement package and is located approximately 35 kilometres south of the mining operation at Moolart Well. We have commenced construction of the Garden Well project and expect to be pouring first gold there in the September 2012 quarter.

The discovery and commencement of development of the Garden Well project has had a significant impact on Regis. It has taken the Company's gold reserves to 2.4 million ounces and resources to 5.8 million ounces and will lift gold production to around 350,000 ounces in the 2013 financial year. This places Regis in a unique position in the mid tier of open pit gold miners in Australia.

We are also actively exploring the Duketon project area and hope to be able to convert some of the existing resources nearby the two key projects in to further mining inventory over the next twelve months. Regional exploration is also underway with a focus on exploring for geological replications of the Moolart Well and Garden Well style deposits.

With the gold price currently trading at near record highs it is a very exciting time to be a gold producer and explorer. Whilst we can't predict where the gold price might be in the future, we will work hard during the current year to develop the Garden Well Gold Mine and to keep adding to our reserves and resources through exploration and mining studies of our satellite projects. Successful achievement of these goals of increasing gold production and reserves should see Regis continue to participate in the benefits of the high gold price.

Finally I would like to take this opportunity to thank all of Regis' staff and management for their significant contributions to the business over the last twelve months. It is through your continued efforts that Regis has grown to this point and will continue to do so in the future.

Yours sincerely

Nick Giorgetta
Chairman

Highlights

Corporate

- Regis Resources Ltd (Regis) recorded a maiden net profit of $36.3 million for the year to 30 June 2011.
- Cash and gold bullion holdings at 30 June 2011 were $33.9 million.
- Gold sales of 72,342 ounces at average sales price of A$1,402 per ounce.
- Gold hedging of 198,000 ounces at delivery prices of between A$1,340 and A$1,461 at 30 June 2011.
- Regis was included in the benchmark S&P/ASX 200 index in November 2010.

Moolart Well Operations

- The development of the Moolart Well Gold Mine was completed on time and budget in early August 2010.
- Total gold production of 80,918 ounces for the year since first gold pour in late August 2010.
- The Moolart Well gold processing plant was operating at 25% above the design throughput rate of 2.0 million tonnes per annum by the end of the year.

Reserves and Resources

- Release of maiden JORC compliant Resource at Garden Well and updates to the Resource for a current estimate of 49.0 Mt at 1.36 g/t Au for 2.14 million ounces of gold.
- Release of maiden JORC compliant Ore Reserve at Garden Well and updates to the Reserve for a current estimate of 35.3 Mt at 1.46 g/t Au for 1.66 million ounces of gold.
- At the end of the year Regis' total JORC compliant reserves were 2.38 million ounces of gold and resources were 5.8 million ounces of gold.

Development

- A Definitive Feasibility Study was completed and board approval granted for development of the Garden Well Gold Project.
- Financing arranged for development of the project.
- Long lead capital equipment items committed.
- Construction underway subsequent to the end of the year with first gold production scheduled for early in the September 2012 quarter.

Exploration

- In excess of 106,000 metres of aircore, RC and diamond drilling was completed during the year on various exploration projects in the Duketon project area.
- Gold mineralisation defined to a vertical depth of 300 metres at Garden Well.
- The Garden Well gold deposit remains open along strike and at depth.
- High priority targets identified for regional drilling programmes.

Outlook

- Gold production for the 2012 financial year has been forecast at between 95,000 – 105,000 ounces at a cash cost of between $540 - $590 per ounce.
- Successful development of the Garden Well Gold Project should take Regis gold production for 2013 to the order of 350,000 ounces, elevating Regis to the mid tier of world gold producers.

Photography courtesy of Stan Yates

> “ Regis recorded a maiden net profit of $36.3 million for the year as a result of the commencement of operations at the Moolart Well Gold Mine.”

Corporate

Regis recorded a maiden net profit of $36.3 million for the year as a result of the commencement of operations at the Moolart Well Gold Mine. A total of 72,342 ounces of gold was sold during the year at an average price of A$1,402 per ounce.

The Company increased cash and bullion reserves from $9.5 million in the previous year to $33.9 million as at 30 June 2011. Operating cashflow from the Moolart Well Gold Mine for the year was in excess of $58 million.

At the end of the financial year the Company had a total hedging position of 198,247 ounces, being 106,750 ounces of flat forward contracts with a delivery price of A$1,340 per ounce and 91,497 ounces of spot deferred contracts with a price of A$1,422 per ounce. In July 2011 the delivery dates of the flat forward contracts referred to above have been deferred to match the extended repayment dates of the new debt facility and as a result the average delivery price has increased from A$1,340 per ounce to A$1,401 per ounce. These gold forward sales contracts represent less than 9% of Regis' total gold reserves.

In November 2010 Regis was included in the ASXs premier benchmark index, the S&P/ASX 200.

Photography courtesy of Stan Yates

Moolart Well Operations

Background

The Moolart Well Gold Mine is located within the Duketon Gold Project approximately 350 kilometres north, north-east of Kalgoorlie in Western Australia. The Company completed development of the Moolart Well Gold Mine during the September 2010 quarter for a final capital cost of $67 million compared to budget of $74 million. The 2 million tonne per annum processing plant was commissioned in July 2010 with the first gold pour on 31 August 2010 marking Regis' transition to gold producer.

Milling

Total operating results from the commencement of operations to 30 June 2011 were as follows:

	Sep 2010* Quarter	Dec 2011 Quarter	Mar 2011 Quarter	Jun 2011 Quarter	Total
Ore mined (t)	309,922	500,663	598,048	619,239	2,027,872
Ore milled (t)	280,330	475,296	580,495	636,058	1,972,179
Head grade (g/t)	1.09	1.68	1.28	1.44	1.40
Recovery (%)	90	93	92	89	91
Total production (oz's)	8,873	23,851	22,005	26,189	80,918

** Operations commenced in August 2010*

From the commencement of operations to the end of the financial year the Moolart Well Gold Mine produced 80,918 ounces of gold at a pre-royalty cash cost of $545 per ounce. Mill throughput exceeded the name-plate design of 2 million tonnes per annum during the year. In the June 2011 quarter the mill achieved a throughput rate 27% above name-plate capacity of approximately 2.54 million tonnes per annum. This throughput rate is expected to be maintained during the 2012 financial year.

Mining

During the year from the commencement of operations, 895,000 bcm of ore and 3.54 million bcm of waste material were mined from the Moolart Well open pits for a total material movement of 4.44 million bcm. Of the total ore mined, 821,396 bcm was mined from laterite pits and 73,643 bcm was early stage mining from the Lancaster and Mid-Pit South Oxide deposits. Mining during the year yielded 2.03 million tonnes of ore at a grade of 1.45g/t gold.

Outlook

Gold production for the 2012 financial year has been forecast at between 95,000 – 105,000 ounces at a pre-royalty cash cost of between $540 - $590 per ounce.

Photography courtesy of Jens Balkau

REGIS RESOURCES LTD

Development

Photography courtesy of Stan Yates

Garden Well Gold Project

Reserves and Resources

The wholly owned Garden Well gold deposit is located approximately 35 kilometres south of the Company's current mining operations at Moolart Well. Regis discovered the deposit in November 2009 and since that time has drilled in excess of 75,900 metres of aircore, RC and diamond drilling for resource and reserve definition. On the basis of early drilling Regis released a maiden JORC compliant resource of 1.21 million ounces of contained gold in October 2010.

Since that time Regis has twice upgraded the resource based on further drilling, with the current resource estimated at 2.14 million ounces of gold. The current resource was estimated by independent geological consultants using the Ordinary Kriging estimation technique on a block size of 20 m x 20 m x 5 m. Uniform conditioning was used to estimate the proportion of the kriged panel estimate above the 0.5 g/t Au cut-off using a selective mining unit (SMU) size of 5 m x 5 m x 2.5 m. The breakdown of the resource is as follows:

Category	Tonnes (Millions)	Gold Grade (g/t)	Contained Gold (Ounces)
Indicated	39.5	1.39	1,760,100
Inferred	9.5	1.23	375,800
	49.0	**1.36**	**2,135,900**

Notes: Rounded to two significant figures. Rounding errors may occur.

In December 2010 Regis announced a maiden JORC compliant reserve for the Garden Well Gold Project of 1.34 million ounces of contained gold. The reserve has subsequently been updated in March 2011 to 1.66 million ounces of contained gold.

The breakdown of the reserve is as follows:

Category	Tonnes (Millions)	Gold Grade (g/t)	Contained Gold (Ounces)
Proven	0	0	0
Probable	35.3	1.46	1,660,000
	35.3	**1.46**	**1,660,000**

Notes: 0.6 g/t Au lower SMU block cut off grade. Rounded to two significant figures.

This reserve has been estimated to a maximum depth of 280 metres below surface, with 90% of the contained gold within 200 metres of surface and 99% of the contained gold within 250 metres of surface. The pit optimisation was completed using a A$1,000 per ounce gold price.

Garden Well Definitive Feasibility Study

In June 2011 Regis completed a Definitive Feasibility Study (DFS) in to the development of the Garden Well Gold Project. The results of the DFS show a robust project with the following parameters:

MINING		
Ore mined	bcm	13,074,000
Waste mined	bcm	45,690,000
Stripping ratio	w/o	3.49
MILLING		
Tonnes milled	Tonnes	35,061,000
Grade	g/t	1.46
Recovery	%	95
Recovered gold	Ounces	1,568,046
Annual throughput	Tonnes	4,000,000
PROJECT LIFE		
Mine life	years	9
Max annual production	ounces	(yr 1) 247,000
Average annual production	ounces	180,000

Mining will be conducted using truck and shovel excavation methods. The plant design is based on a nominal 4.0mtpa throughput utilising a three stage crushing circuit, a scrubber and a single ball mill followed by gravity and carbon in leach circuits. This is a robust and well proven configuration, which in management's prior operating experience, has the capacity to exceed the nominal throughput rating.

The forecast gold production of 247,000 ounces at a cash cost of less than A$400/oz in the first year of operation is a reflection of the higher grade nature of the oxide zone of the deposit (down to 80 metres below surface) which will be mined early in the project mine life. This high early production enhances the NPV and payback of the project.

The DFS reported the following forecast operating costs for the Garden Well Gold Project:

OPERATING COSTS	
Cash Costs	**A$/oz**
Mining	328
Milling	195
Laboratory	2
Administration	30
Total Cash Costs	**555**
Other Operating Costs	
Rehabilitation	4
Royalties	72
Total other operating costs	**76**
Total Operating Costs	**631**

"The forecast gold production of 247,000 ounces at a cash cost of less than A$400/oz in the first year of operation ..."

For personal use only

The DFS forecast the following capital costs for the development of the Garden Well Gold Project:

CAPITAL COSTS	A$'000
Construction Overheads	12,722
Primary & Secondary Crushing	16,284
Grinding, Scrubbing & Tertiary Crushing	23,069
Leaching, Adsorption & Desorption	12,977
Reagents	1,446
Services (Power & Water)	4,910
Tailings Storage	2,242
Infrastructure	21,772
Capital Spares	1,421
First Fills	942
EPCM	9,735
Owners Costs	300
Pre-Production - Mine and Plant	1,640
Total Capital Cost	**109,461**

Operating and capital costs have been forecast using current third party pricing, the significant operating experience of management, current operating costs at Regis' Moolart Well Gold Mine and input from external engineering consultants Mintrex.

In addition, approximately $27 million will be spent on early stage mining to facilitate the removal of overburden waste material in the open pit, building of an ore stockpile for start up operations and provision of suitable material for TSF construction.

Photography courtesy of Stan Yates

Construction of 250 man camp is nearing completion

Construction and other development activities will be managed in house by Regis. This is the same approach as was used very successfully in the development of the Moolart Well Gold Mine in 2009/10. This approach contributed to the timely and highly cost effective delivery of that project and is expected to achieve a similar result at Garden Well.

A summary of the financial results of the Garden Well Gold Project DFS is shown below:

Financial Analysis (gold price US$1,250, aud:usd 0.90)		
Revenue	$'000	2,195,000
Net cash flow (after capex, before tax)	$'000	1,051,000
NPV @ 6% (after capex, before tax)	$'000	750,000
IRR	%	143
Payback period	Months	7

The financial analysis shows that the project is expected to be very robust and highly profitable. The internal rate of return of 143% and capital payback of 7 months are testament to the high quality of the project.

The development of the project will be funded through a combination of internal cash-flow from Regis' Moolart Well operations and an extension of the existing corporate debt facility. In July 2011 the Company announced an agreement with Macquarie Bank Limited to extend the existing financing facility to cover the funding requirements for the development of the Garden Well Gold Project. The board does not envisage any requirement for the Company to issue any further equity to fund the development.

The timetable under which the development of the project is scheduled to proceed is as follows:

Commence construction	September 2011 quarter
Mill delivery and commencement of installation	March 2012 quarter
Commissioning and first gold production	September 2012 quarter

The development schedule forecasts an eleven month construction period. This should see commercial gold production commencing early in the September 2012 quarter.

Commencement of Construction

During the year and in some cases prior to the completion of the DFS, the Company committed to the purchase of long lead capital items in order to ensure that the development of the project is not delayed by late delivery of key components. Capital items committed to early include:

- Ball mill (new) – Outotec 6.0MW, 5.8m x 9.2m
- Primary crusher (new) – Metso s50-65 gyratory
- Drum scrubber and trommel (new) – Outotec 315kW, 3.8m x 5.73m (scrubber)
- Accommodation camp (new) – units, associated buildings and infrastructure for 250 man camp
- Various mobile equipment.

Construction activities have commenced in earnest at Garden Well since the end of the financial year. Early works have focussed on the construction of the 250 man accommodation village. This village will initially house the construction workforce and will ultimately be the housing for the fly in fly out operations workforce.

Other site activities underway at the date of this report are focussed on civil works for the processing plant site and preparations for concrete and tank fabrication works.

"Construction activities have commenced in earnest at Garden Well since the end of the financial year."

CIL tank fabrication has commenced at Garden Well Gold Project

Pre production mining has commenced at Garden Well Gold Project

Erlistoun Gold Project

The Erlistoun gold deposit is located 7 kilometres south west of the Garden Well Gold Project. In January 2011 Regis completed an update of the reserve estimation for the Erlistoun Gold Project reflecting further drilling and a revised mining plan to truck the ore to the nearby Garden Well processing plant, now under construction. The updated Reserve estimate for the Erlistoun gold deposit is as follows:

Category	Tonnes	Grade (g/t)	(Ounces)
Proven Reserve	1,257,000	2.34	94,700
Probable Reserve	1,420,000	2.37	108,200
Total Reserve	**2,677,000**	**2.36**	**202,900**

Pit optimisation completed using a gold price of A$1,000 per ounce.
Lower cut 0.7g/t, upper cut 14.7g/t

Key results of the Reserve study include:

PHYSICAL	
Stripping ratio – tonnes (waste:ore)	10.76
Milling recovery	95%
Recovered gold (ounces)	192,738
OPERATING COSTS & SURPLUS	
Total operating cost (mining, milling & admin)*	A$117.3m
Total operating cost per ounce (A$/oz)*	A$609
Total operating cost per tonne (A$/tonne)*	A$43.82
Operating surplus (pre royalties and tax)#	A$114.0m

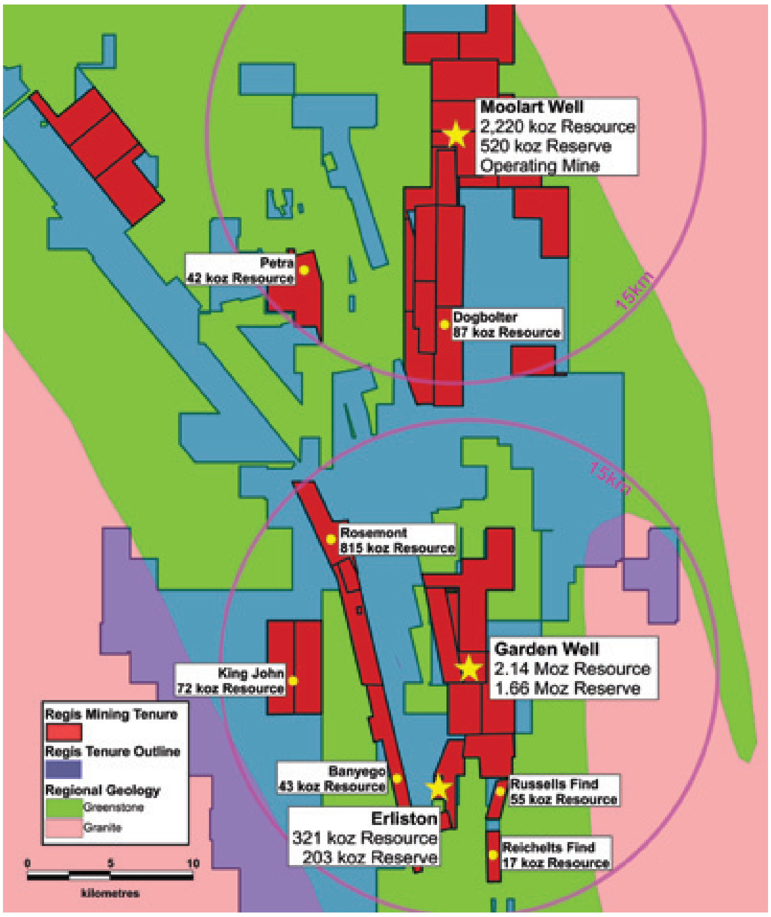
** before royalties   # using a gold price of A$1,200/oz*

The development of the Erlistoun Gold Project does not require any significant additional capital expenditure to that currently envisaged for the development of the Garden Well Gold Project. The cost of trucking the ore to the Garden Well processing plant has been included in the above operating cost estimates. Once the Garden Well Gold Project is operational, a mining schedule to optimise the processing of Erlistoun ore will be developed.

Satellite Gold Deposits

In addition to the Moolart Well, Garden Well and Erlistoun projects which already have JORC compliant reserves, Regis' Duketon project area contains a further 7 known gold deposits with current JORC compliant resources of 1.1 million ounces.

All of these gold deposits are within 15 kilometres of either the Moolart Well or Garden Well (under construction) gold processing plants. Over the coming year Regis intends to prioritise these deposits for drill outs (as required) and mining studies with a view to converting incremental ore tonnages to reserves and extending the mine plans for the two processing facilities.



Gold Exploration

Overview

Regis controls a significant tenement package, encompassing 349 granted licences covering 3,750 square kilometres in the Eastern Goldfields of Western Australia. This tenure includes 1,600 square kilometres of exploration, prospecting and mining licenses and 2,150 square kilometres of miscellaneous and general purpose licenses.

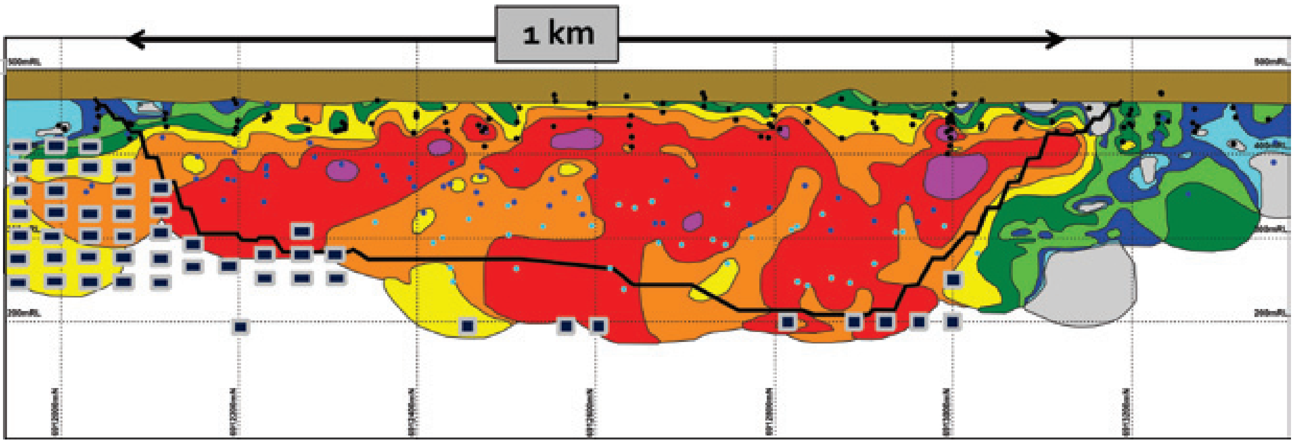
Regis completed the following drilling during the year:

	GARDEN WELL		MOOLART WELL		REGIONAL		TOTAL	
	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Aircore	233	16,141	-	-	158	8,939	391	25,080
RC	126	28,099	281	33,764	27	2,962	434	64,825
Diamond	50	17,050	-	-	-	-	50	17,050
Total	**409**	**61,290**	**281**	**33,764**	**185**	**11,901**	**875**	**106,955**

Garden Well

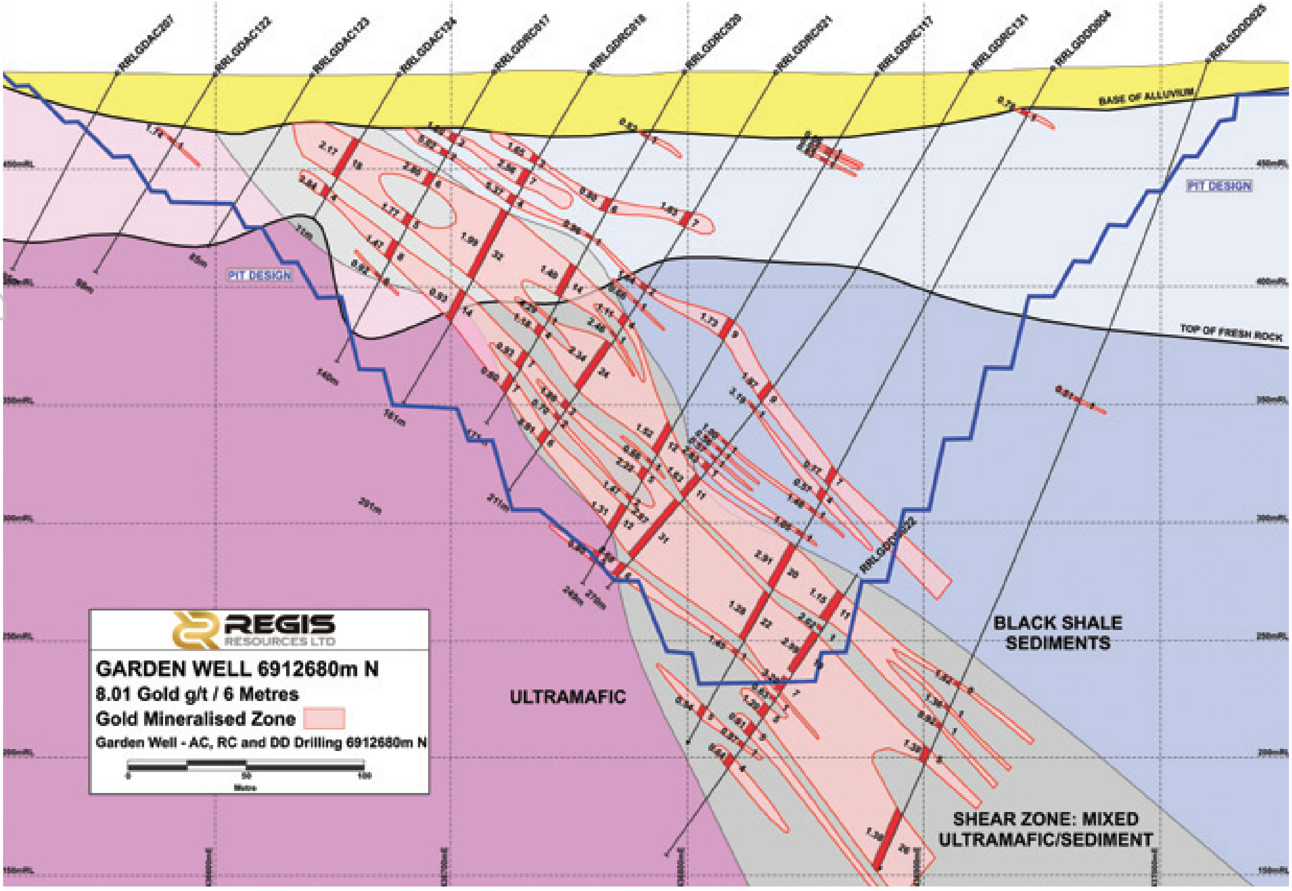
Regis continued a sustained programme of drilling to define the gold mineralisation at the Garden Well deposit during the year. Drilling to date has been designed to test the extent of the mineralisation both along strike and at depth and also increasing the drilling density in the known body of the mineralisation for resource and reserve estimation.

RC and diamond drilling during the year has defined the gold mineralisation down to a vertical depth of 300 metres in some areas of the deposit. The Garden Well deposit remains open along strike to the south and at depth for the entire length of the known mineralisation. Further RC and diamond drilling is planned to test the southern extensions and depth potential of the deposit.



Garden Well gram metre long section with pit design and planned extensional drilling

Planned RC/diamond hole



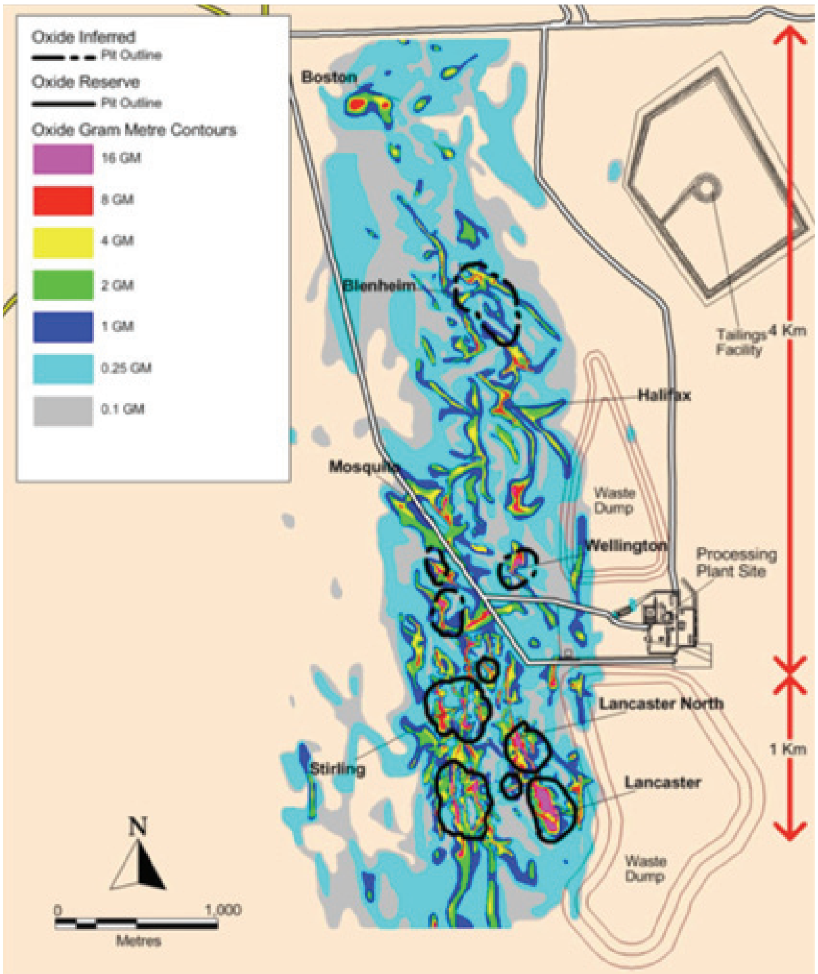
Typical Garden Well cross section and reserve pit outline

Moolart Well

During the year Regis continued an extensive ongoing RC drill programme designed to test for extensions to and infill of the known mineralisation in and around the oxide gold resources associated with the Moolart Well Gold project. Drilling was conducted at Wellington, Wellington North, Blenheim, Halifax, Mosquito and at the Boston prospect.

The drilling is designed to infill prospective reserve conversion areas (ultimately) to a 25m x 25m pattern to allow detailed mining reserve optimisation studies to be undertaken.

The tenor and frequency of results to date are considered to provide a good basis for reserve re-optimisation studies on the Moolart Well oxide zones. Open pit re-optimisation work is underway on existing reserves at the Lancaster, Lancaster North, Stirling and Stirling North areas and an optimisation study has commenced on the Blenheim prospect where there is no reported reserve to date.



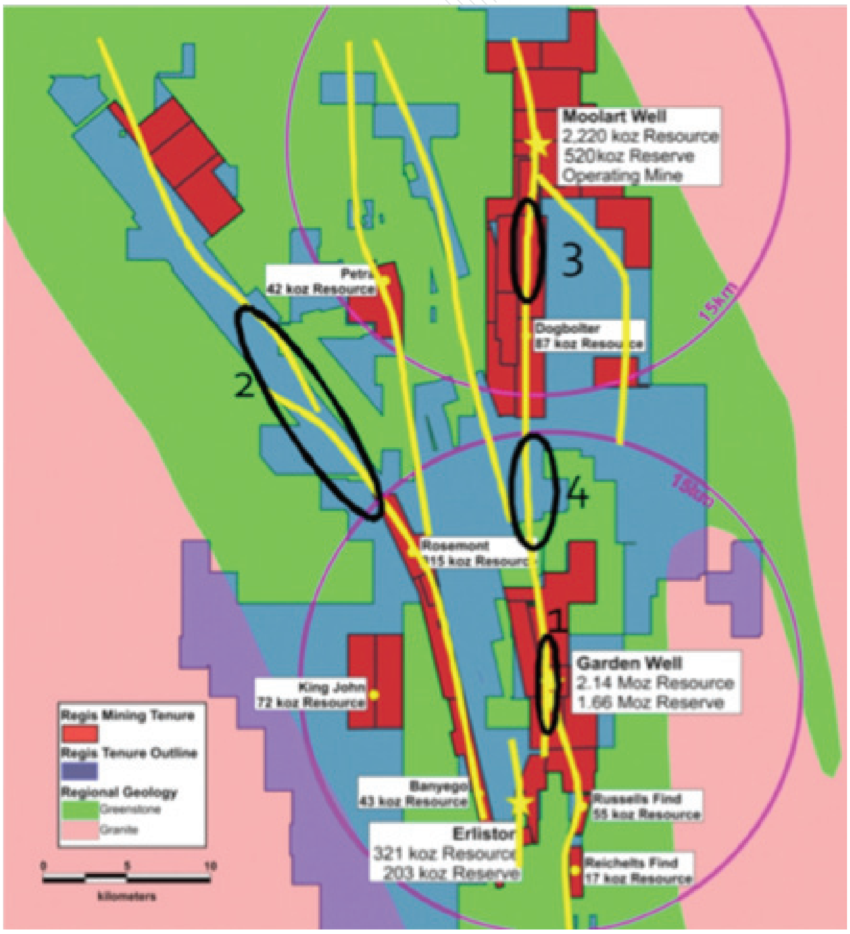
Oxide zone at Moolart Well Gold deposit

REGIS RESOURCES LTD

Regional

Towards the end of the year the Company identified a number of high priority targets under barren paleochannel cover over the north-south gold mineralised structure between the Moolart Well and Garden Well deposits. The targets are located at Rojo, Westport, German Well, Dogbolter, Anchor and Butcher Well. A programme of aircore drilling commenced in the June 2011 quarter to test these targets.

Soil sampling also commenced late in the year over numerous gold exploration targets identified in the Gum Well to Houtanoui corridor northwest of Garden Well and Rosemont.



Regional Exploration targets outlined in black

Gold Reserves

Project	PROVEN			PROBABLE			TOTAL			
	million tonnes	grade g/t	gold koz	million tonnes	grade g/t	gold koz	million tonnes	grade g/t	gold koz	cut off Grade g/t
GARDEN WELL				35.3	1.46	1,660	35.3	1.46	1,660	0.60
MOOLART WELL										
Laterite	7.8	1.31	335	1.0	1.00	32	8.8	1.30	367	0.50
Oxide	1.4	1.64	75	1.2	2.02	78	2.6	1.82	153	0.50
Total Moolart Well	9.2	1.39	410	2.2	1.56	110	11.4	1.42	520	
ERLISTOUN	1.3	2.34	95	1.4	2.37	108	2.7	2.36	203	0.70
Total Reserves	10.5	1.50	505	38.9	1.50	1,878	49.4	1.50	2,383	

Gold Resources (Inclusive of Reserves)

Project	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES			
	million tonnes	grade g/t	gold koz	million tonnes	grade g/t	gold koz	million tonnes	grade g/t	gold koz	million tonnes	grade g/t	gold koz	cut off Grade g/t
MOOLART WELL													
Laterite	9.8	1.45	459	1.0	0.90	29	0.3	0.88	8	11.1	1.39	496	0.50
Oxide	1.2	1.85	71	3.9	1.52	192	6.8	1.45	314	11.9	1.51	577	0.80
Sulphide							2.4	1.37	108	2.4	1.37	108	1.00
Low Grade	4.0	0.42	54	13.9	0.47	212	48.5	0.50	774	66.4	0.49	1040	0.3
Total Moolart Well	15.0	1.21	584	18.8	0.72	433	58.0	0.65	1,204	91.8	0.75	2,221	
GARDEN WELL				39.5	1.39	1,760	9.5	1.23	376	49.0	1.36	2,136	0.50
ERLISTOUN	2.3	1.92	143	3.0	1.88	179				5.3	1.90	322	0.50
SATELLITE DEPOSITS													
Dogbolter							0.9	2.91	87	0.9	2.91	87	1.00
Rosemont							14.7	1.72	815	14.7	1.72	815	1.00
King John							0.7	3.18	72	0.7	3.18	72	1.00
Russells Find							0.4	3.84	55	0.4	3.84	55	1.00
Baneygo							0.8	1.70	43	0.8	1.70	43	0.50
Reichelts Find				0.1	3.69	17				0.1	3.69	17	1.00
Petra							0.4	3.12	42	0.4	3.12	42	2.00
Total Satellite Deposits				0.1	3.69	17	17.9	1.94	1,114	18.0	1.95	1,131	
Total	17.3	1.31	727	61.4	1.21	2,389	85.4	0.98	2,694	164.1	1.10	5,810	
Regis share												5,788	

Tonnes and Ounces are rounded, rounding errors may occur.

The technical information in this report has been reviewed and approved by Mr Morgan Hart who is a member of the Australasian Institute of Mining and Metallurgy. Mr Hart has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Morgan Hart is a director and full time employee of Regis Resources Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Directors' Report

Directors' Report

Your directors submit their report for the year ended 30 June 2011.

Directors

The directors of the Company in office since 1 July 2010 and up to the date of this report, unless otherwise stated, are:

Mr Nick Giorgetta,

(Non-Executive Chairman)

Mr Giorgetta was a founding director of Equigold NL. He is a metallurgist with over 38 years of experience in the mining industry. He began his professional career in various technical roles for a major mining company in Kalgoorlie. He later established his own metallurgical consultancy which designed and commissioned a number of gold treatment plants. From 1988 to 1994 he was Managing Director of Samantha Gold NL.

He retired as Managing Director of Equigold in November 2005 and assumed the role of Executive Chairman. He held this position until Equigold's merger with Lihir Gold Limited in June 2008.

During the past three years, Mr Giorgetta has not served as a director of any other ASX listed companies.

Mr Giorgetta is a fellow of the Australasian Institute of Mining and Metallurgy.

Mr Mark Clark, B.Bus CA

(Managing Director)

Mr Clark has over 20 years experience in corporate advisory and public company management. Prior to joining Regis Resources Limited Mr Clark was the Managing Director of Equigold NL.

He joined Equigold in 1995 and originally held the roles of Chief Financial Officer and Company Secretary and was responsible for the financial, administration and legal functions of the company. He was closely involved in the development and operation of Equigold's projects in both Australia and Ivory Coast.

He was a director of Equigold from April 2003 and was Managing Director from December 2005 until Equigold's merger with Lihir Gold Limited in June 2008.

Prior to Equigold Mr Clark held a senior position at an international advisory firm, providing financial and corporate advice to clients in the mining industry.

During the past three years, Mr Clark has not served as a director of any other ASX listed companies.

Mr Clark is a member of the Institute of Chartered Accountants in Australia

Mr Morgan Hart,

(Executive Director)

Mr Hart is a geologist with over 20 years of experience in the gold mining industry. He joined Regis Resources Limited in May 2009 as the Company's Operations Director. Prior to joining Regis Mr Hart was an Executive Director with Equigold NL. He joined Equigold NL in 1994 and held senior management positions in exploration and mining operations, including General Manager at the Mt Rawdon Gold Mine from 2005 to 2007. He was appointed to the position of General Manager of Operations of Equigold in March 2007 and was appointed a director of the company at the same time. His key responsibility during this period included overseeing the development and operational start up at the Bonikro Gold Mine in Ivory Coast.

During the past three years Mr Hart has not served as a director of any other ASX listed companies.

Mr Hart is a member of the Australasian Institute of Mining and Metallurgy.

Mr Ross Kestel, B.Bus, CA, AICD

(Non-Executive Director)

Mr Kestel is a Chartered Accountant and was a director of a mid tier accounting practice for over 25 years.

He has acted as a director and company secretary of a number of public companies involved in mineral exploration, mining, mine services, property development, manufacturing and technology industries.

Mr Kestel is currently a non-executive director of the following ASX listed companies:

- Resource Star Limited;
- Jatenergy Limited;
- Xstate Resources; and
- Equator Resources Limited.

During the past three years he has also served as a non executive director of the following ASX listed companies:

- VDM Group Limited;
- Jabiru Metals Limited;
- Dioro Exploration NL; and
- Blackcrest Resources Limited.

Mr Kestel is a member of the Australian Institute of Company Directors.

Mr Mark Okeby, LLM

(Non-Executive Director)

Mr Okeby has over 25 years experience in the resources industry as a solicitor and as a director of listed companies. He was admitted to practice law in Western Australia in 1979 and holds a Master of Laws (LLM).

He was an executive director of gold producers Hill 50 Limited (1996-2003) and Abelle Limited (2003-2004) before both were taken over by Harmony Gold Ltd in 2002 and 2004 respectively, and was a director of Harmony Gold Australia Ltd until mid 2003. More recently he has been a non-executive director of Lynas Corporation Ltd (2004 -2005) and an executive and non-executive director of Metals X Limited (2004-2009).

During the past three years he has also served as a non-executive director of the following ASX listed companies:

- Metals X Limited
  – June 2004 to June 2009
- Westgold Resources Limited
  – March 2007 to March 2010

Company Secretary

Mr Kim Massey, B.Com, CA

Mr Massey is a Chartered Accountant with significant experience in financial management and corporate advisory services, particularly in the resources sector, as a corporate advisor and company secretary for a number of ASX and AIM listed companies.

Dividends

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividend since the end of the previous financial year and up to the date of this Report.

Nature of Operations and Principal Activities

The principal activities of entities within the consolidated entity during the year were:

- production of gold from the Moolart Well gold mine; and
- exploration, evaluation and development of gold projects in the Eastern Goldfields of Western Australia.

Other than commencement of production of gold from the Moolart Well gold mine in August 2010, there have been no significant changes in the nature of these activities during the year.

Operating and Financial Review

Result for the Year

The Group's net profit for the year after tax is \$36,280,814 (2010: net loss for the Group of \$18,829,240). The turnaround in the result is due to the commencement of operations at the Moolart Well gold mine as discussed in the Review of Operations below.

Operations - Moolart Well

The Company completed development of the Moolart Well Gold Mine during the September 2010 quarter for a final capital cost of \$67 million compared to budget of \$73 million. The processing plant was commissioned in July 2010 with the first gold pour on 31 August 2010.

Moolart Well Gold Mine operating results from the commencement of operations to 30 June 2011 were as follows:

	30 June 2011
Ore mined (tonnes)	2,027,872
Ore milled (tonnes)	1,972,179
Head grade (g/t)	1.40
Recovery (%)	91%
Total production (ounces)	80,918

From the commencement of operations to the end of the financial year the Moolart Well Gold Mine produced 80,918 ounces of gold at a pre-royalty cash cost of production of \$545 per ounce. Mill throughput exceeded the name-plate design of 2 million tonnes per annum during the year. In the June 2011 quarter the mill achieved a throughput rate of approximately 2.54 million tonnes per annum which is expected to be maintained during the 2012 financial year.

During the year from commencement of operations, 895,000 bcm of ore and 3.54 million bcm of waste were mined from the Moolart Well open pits for a total material movement of 4.44 million bcm. Of the total ore mined, 821,396 bcm was mined from laterite pits and 73,643 bcm was early stage mining from the Lancaster and Mid-Pit South Oxide deposits. Mining during the year yielded 2.03 million tonnes of ore at a grade of 1.45g/t gold.

Development – Garden Well

The Garden Well gold deposit is 100% owned by Regis and is located 35 kilometres south of the Moolart Well processing plant. During the year the focus has been on an intense drill out programme to fully define the size of the resource and to complete a Definitive Feasibility Study (DFS) into the development of the Garden Well Gold Project.

The Company released a maiden JORC compliant resource of 1.21 million ounces of contained gold in October 2010. Since that time there have been two upgrades to the resource with the current resource at Garden Well released in March 2011 containing 2.14 million ounces of gold.

In December 2010 the Company announced a maiden JORC compliant reserve for the Garden Well Gold Project of 1.34 million ounces of contained gold. The reserve has subsequently been updated in March 2011 to 1.66 million ounces of contained gold.

In June 2011 the Company completed the DFS in to the development of the Garden Well Gold Project.

The results of the DFS show a robust project with the following parameters:

MINING		
Ore mined	bcm	13,074,000
Waste mined	bcm	45,690,000
Stripping ratio	w/o	3.49
MILLING		
Tonnes milled	Tonnes	35,061,000
Grade	g/t	1.46
Recovery	%	95
Recovered gold	Ounces	1,568,046
Annual throughput	Tonnes	4,000,000
PROJECT LIFE		
Mine life	years	9
Max annual production	Ounces (year 1)	247,000
Average annual production	Ounces	180,000

The project is expected to have a capital construction cost of \$109.5 million and have operating cash costs of \$555 per ounce before royalties. In addition, approximately \$27 million will be spent on early stage mining to facilitate the removal of overburden waste material in the open pit, building of an ore stockpile for start up operations and provision of suitable material for TSF construction.

Mining will be conducted using truck and shovel excavation methods. The plant design is based on a nominal 4.0mtpa throughput utilising a three stage crushing circuit, a scrubber and a single ball mill followed by gravity and carbon in leach circuits. Commercial gold production is expected to commence early in the September 2012 quarter after an eleven month construction period.

Directors' Report (continued)

Funding

The development of the project will be funded through a combination of internal cash flow from the Company's Moolart Well operations and an extension of the existing corporate debt facility with Macquarie Bank Limited (approved subsequent to year end).

Licensing and Permitting

The Garden Well project is located on granted mining leases. Applications have been made for all licenses required to develop and operate the project. Two clearing permits are required for the project, the first of which was granted in April 2011 and the second in June 2011. The Department of Mines and Petroleum granted approval to mine the project in August 2011, and the Department of Environment and Conservation granted the works approval instrument in July 2011.

Gold Exploration

Garden Well

The Company continued a sustained programme of drilling to define the gold mineralisation at the Garden Well deposit during the year. Drilling to date has been designed to test the extent of the mineralisation both along strike and at depth and also increasing the drilling density in the known body of the mineralisation for resource and reserve estimation.

RC and diamond drilling during the year has defined the gold mineralisation down to a vertical depth of 300 metres in some areas of the deposit. The Garden Well deposit remains open along strike to the south and at depth for the entire length of the known mineralisation. Further RC and diamond drilling is planned to test the southern extensions and depth potential of the deposit.

Moolart Well

During the year the Company continued an extensive ongoing RC drill programme designed to test for extensions to and infill of the known mineralisation in and around the oxide gold resources associated with the Moolart Well Gold project. Drilling was conducted at Wellington, Wellington North, Blenheim, Halifax, Mosquito and at the Boston prospect.

The drilling is designed to infill prospective reserve conversion areas (ultimately) to a 25m x 25m pattern to allow detailed mining reserve optimisation studies to be undertaken.

The tenor and frequency of results to date are considered to provide a good basis for reserve re-optimisation studies on the Moolart Well oxide zones. Open pit re-optimisation work is underway on existing reserves at the Lancaster, Lancaster North, Stirling and Stirling North areas and an optimisation study has commenced on the Blenheim prospect where there is no reported reserve to date.

Regional

Towards the end of the year the Company identified a number of high priority targets under barren paleochannel cover over the north-south gold mineralised structure between the Moolart Well and Garden Well deposits. The targets are located at Rojo, Westport, German Well, Dogbolter, Anchor and Butcher Well. A programme of aircore drilling commenced in the June 2011 quarter to test these targets.

Soil sampling also commenced late in the year over numerous gold exploration targets identified in the Gum Well to Houtanoui corridor northwest of Garden Well and Rosemont.

Regis completed the following drilling during the year:

	Garden Well		Moolart Well		Regional		Total	
	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Aircore	233	16,141	-	-	158	8,939	391	25,080
RC	126	28,099	281	33,764	27	2,962	434	64,825
Diamond	50	17,050	-	-	-	-	50	17,050
Total	**409**	**61,290**	**281**	**33,764**	**185**	**11,901**	**875**	**106,955**

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs other than those listed in the review of operations above.

Significant Events After the Balance Date

Garden Well Funding

On 22 July 2011, the Company signed an agreement with Macquarie Bank Limited to extend the existing financing facility to cover the funding requirements for the development of the Garden Well gold project. The key features of the facility are as follows:

- Debt facility of $80 million (previously $45 million of which $30 million is drawn down at year end);
- Hedging facility of up to 300,000 ounces of gold; and
- Performance bond facility of $15 million (previously $5 million)

The debt facility has been provided in two tranches. The first tranche is for $60 million of which $30 million is already drawn at year end for the development of the Moolart Well gold project. The maturity date of tranche one is 31 December 2014. The second tranche is for $20 million and is effectively a standby facility which has a maturity date of 30 December 2015 (if drawn).

Forward Contract Restructure

On 6 July 2011, the Company restructured its gold forward contracts with Macquarie Bank Limited such that 12,000 ounces of spot deferred and 48,000 ounces of fixed forward contracts, all with forward prices of $1,340 per ounce and maturities within the next 12 months, were replaced with 60,000 ounces of fixed forward contracts with a forward price of $1,460.25 per ounce and maturities between December 2013 and December 2014.

Exercise of Options

Subsequent to year end, 1,280,962 ordinary shares have been issued as a result of the exercise of listed options for net proceeds of $1,763,981.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature which in the opinion of the directors of the Group, has significantly affected or is likely to significantly affect:

- the operations of the Group
- the results of those operations, or
- the state of affairs of the Group

in future financial years.

Likely Developments and Expected Results

There are no likely developments of which the directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Events Subsequent to the Balance Sheet Date sections of the Directors' Report.

Environmental Regulation and Performance

The operations of the Group are subject to environmental regulation under the laws of the Commonwealth and the State of Western Australia. The Group holds various environmental licenses issued under these laws, to regulate its mining and exploration activities in Australia. These licenses include conditions and regulations in relation to specifying limits on discharges into the air, surface water and groundwater, rehabilitation of areas disturbed during the course of mining and exploration activities and the storage of hazardous substances.

All environmental performance obligations are monitored by the board of directors and subjected from time to time to Government agency audits and site inspections. There have been no material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

Share Options

Unissued Shares

At the date of this report, the Company had the following unissued shares under listed and unlisted options.

Maturity Date	Exercise Price	Number outstanding
LISTED OPTIONS		
30 April 2012	$2.0000	1,826,611
31 October 2012	$1.0000	3,398,553
31 January 2014	$0.5000	6,584,718
UNLISTED OPTIONS		
31 October 2011	$1.1165	40,000
15 June 2012	$0.8885	442,500
15 June 2012	$0.9509	142,500
4 February 2014	$0.1348	90,000
30 June 2014	$0.4205	2,000,000
21 December 2013	$0.7665	10,000,000
29 September 2014	$1.0000	2,600,000
29 April 2015	$2.2300	1,075,000
Total		28,199,882

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Details of options granted to directors and other key management personnel during the year are set out in the remuneration report.

Shares Issued as a Result of the Exercise of Options

During the financial year, employees and executives have exercised options to acquire 620,000 fully paid ordinary shares in Regis Resources Limited at a weighted average exercise price of $0.9341 per share.

Indemnification and Insurance of Directors and Officers

The Company has entered into an Indemnity Deed with each of the directors which will indemnify them against liabilities incurred to a third party (not being the Company or any related company) where the liability does not arise out of negligent conduct including a breach of good faith. The Indemnity Deed will continue to apply for a period of 10 years after a director ceases to hold office. The Company has entered into a Director's Access and Insurance Deed with each of the directors pursuant to which a director can request access to copies of documents provided to the director whilst serving the Company for a period of 10 years after the director ceases to hold office. There are certain restrictions on the directors' entitlement to access under the deed. In addition the Company will be obliged to use reasonable endeavours to obtain and maintain insurance for a former director similar to that which existed at the time the director ceased to hold office.

The Company has, during or since the end of the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the directors, secretaries, executive officers and employees of the Company and any related bodies corporate as defined in the insurance policy. The insurance grants indemnity against liabilities permitted to be indemnified by the Company under Section 199B of the Corporations Act 2001. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

Directors' Meetings

The number of directors' meetings held (including meetings of Committees of the Board) and number of meetings attended by each of the directors of the Company during the financial year are:

	Board	Audit & Risk Committee	Remuneration & Nomination Committee
Number of meetings held:	7	2	1
NUMBER OF MEETINGS ATTENDED:			
N Giorgetta	7	2	1
M Clark	7	n/a	n/a
M Hart	7	n/a	n/a
R Kestel	7	2	1
M Okeby	7	2	1

All directors were eligible to attend all meetings held.

Committee Membership

As at the date of this report, the Company had an audit and risk committee and a remuneration and nomination committee of the board of directors.

Members acting on the committees of the board during the year were:

Audit and Risk Management Committee	Remuneration and Nomination Committee
R Kestel (Chairman)	R Kestel (Chairman)
N Giorgetta	N Giorgetta
M Okeby	M Okeby

Auditor Independence and Non-Audit Services

During the year, KPMG, the Company's auditor, also provided taxation advice over research and development credits.

KPMG received or are due to receive the following amounts for the provision of non-audit services:

	$
Tax advice	14,090

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is attached to the Directors' Report.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Financial Statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

This remuneration report for the year ended 30 June 2011 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term "executive" includes the Managing Director, executive directors, senior executives, general managers and secretaries of the Parent and the Group.

Key Management Personnel

Details of KMP including the top five remunerated executives of the Company and Group are set out below:

Directors

N Giorgetta . . . . Chairman *(non-executive)*

M Clark . . . . Managing Director

M Hart . . . . Operations Director

R Kestel . . . . Director *(non-executive)*

M Okeby. . . . . Director *(non-executive)*

Executives

J Balkau. . . . . . General Manager – Exploration

M Ertzen . . . . Development Manager

M Evans . . . . Projects Manager

T Hinkley. . . . . General Manager . . . . – Moolart Well Gold Mine

K Massey . . . . Chief Financial Officer . . . . and Company Secretary

Principles of Remuneration

Remuneration levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced key management personnel. The Remuneration and Nomination Committee's decisions on the appropriateness of remuneration packages are based on the competitive state of the employment market for different specific skill sets, independently sourced market surveys related to the resources sector and the need to incentivise personnel to meet the Group's strategic objectives.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Group and other executives. Key management personnel comprise the directors and executives of the Company and Group, included in which are the five most highly remunerated Company and Group executives.

The remuneration structures explained below are designed to attract suitably qualified candidates, reinforce the imperative to meet the strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the ability of key management personnel to influence the Group's performance; and
- the mix of cash and option incentives within each key management personnel's remuneration package.

Remuneration packages include a mix of cash and longer-term performance based incentives.

The Group's financial performance over the past five years has been as follows:

In thousands of AUD	2011	2010	2009	2008	2007
Revenue	108,651	777	524	135	284
Net profit/(loss)	36,281	(18,829)	(91,845)	(2,287)	(1,546)
Basic earnings/(loss) per share (cents)	8.54	(5.58)	(36.84)	(1.72)	(1.61)
Diluted earnings/(loss) per share (cents)	8.24	(5.58)	(36.84)	(1.72)	(1.61)
Net assets	140,278	81,784	35,969	108,357	96,390

As the Company is transitioning to production, historical earnings are not yet an accurate reflection of Company performance and cannot be used as a long term incentive measure. Consideration of the Company's earnings will be more relevant as the Company matures.

Fixed Remuneration

Fixed remuneration consists of base remuneration (including any fringe benefit tax charges related to employee benefits), as well as employer contributions to superannuation funds. The Company allows key management personnel to salary sacrifice superannuation for additional benefits (on a total cost basis).

Remuneration levels are reviewed annually by the Remuneration and Nomination Committee through a process that considers individual and overall performance of the Group. In addition, external consultants may provide analysis and advice to ensure the key management personnel's remuneration is competitive in the market place, as required.

Performance-Linked Remuneration

Performance linked remuneration includes both long-term and short term incentives and is designed to reward key management personnel for meeting or exceeding their objectives.

Short-Term incentives

Each year the Remuneration and Nomination Committee reviews the performance of the key management personnel.

Remuneration Report (Audited) (continued)

In addition, the Remuneration and Nomination Committee assess the actual performances of the Group, the separate departments and the individuals' personal performance. A cash bonus may be recommended at the discretion of the Remuneration and Nomination Committee where Group and department objectives have been met or exceeded.

The Remuneration and Nomination Committee recommends the cash incentive to be paid to the executive directors for approval by the Board.

Long-Term incentives

Options are issued under the Regis Resources Limited 2005 and 2008 Share Option Plans (the "Plans"). The objective of the Plans is to link the achievement of the Group's operational targets with the remuneration received by the key management personnel charged with meeting those targets. The total potential long term incentive available is set at a level so as to provide sufficient incentive to the KMP to achieve the operational targets such that the cost to the Group is reasonable in the circumstances.

The Plans provide for key management personnel and employees to receive a set amount of options over ordinary shares for no consideration. The ability to exercise the options is conditional upon certain criteria being met detailed as follows:

Grant date and description	Number of options outstanding at 30 June 2011	Vesting conditions	Contractual life of options
Options granted to employees on 2 November 2006	40,000	• Options vested on 31 October 2008. • These options are only exercisable if the share price increases to $1.433.	5 years
Options granted to certain key management personnel and other employees on 15 June 2007	442,500	• ⅓ of options vested on issue date. • ⅓ of options vested on 15 June 2008. • ⅓ of options vested on 4 May 2009.	5 years
Options granted to directors on 23 November 2007	142,500	• ⅓ of options vested on issue date. • ⅓ of options vested on 15 June 2008. • ⅓ of options vested on 4 May 2009.	4.6 years
Options granted to employees on 4 February 2009	90,000	• Options vested on 4 May 2009. • All of these options are now exercisable.	5 years
Options granted to key management personnel and employees on 30 June 2009	2,000,000	• ⅓ of options vested on 30 June 2010. • ⅓ of options vested on 30 June 2011. • ⅓ of options not exercisable until 30 June 2012.	5 years
Options granted to key management personnel on 21 December 2009	10,000,000	• Immediately vest	4 years
Options granted to certain key management personnel and other employees on 26 August 2010	2,600,000	• ½ of options not exercisable until 30 September 2012. • ½ of options not exercisable until 30 September 2013	4 years
Options granted to employees on 30 March 2011	1,075,000	• ½ of options not exercisable until 30 April 2013 • ½ of options not exercisable until 30 April 2014	4 years
Total options on issue	16,390,000		

Service Agreements

Mr Mark Clark, the Company's Managing Director, has a contract with the Company, with an effective date of 4 May 2009. The contract identifies the duties and obligations to be fulfilled by the Managing Director. The term is for 3 years and specifies an initial salary of $300,000 per annum before superannuation, which will be reviewed annually in accordance with the Company's policies. Following the August 2010 annual salary review, Mr Clark's salary increased to $330,000 per annum before superannuation. The contract contemplates the issue of 5,000,000 options subject to shareholder approval (approved and granted on 21 December 2009) and provides the Managing Director the opportunity to earn a performance based bonus determined by the Company.

Mr Morgan Hart, the Company's Operations Director, has a contract with the Company, with an effective date of 4 May 2009. The contract identifies the duties and obligations to be fulfilled by the Operations Director. The term is for 3 years and specifies an initial salary of $280,000 per annum before superannuation which will be reviewed annually in accordance with the Company's policies. Following the August 2010 annual salary review, Mr Hart's salary increased to $308,000 per annum before superannuation. The contract contemplates the issue of 5,000,000 options subject to shareholder approval (approved and granted on 21 December 2009) and provides the Operations Director the opportunity to earn a performance based bonus determined by the Company.

The Managing Director's and Operations Director's termination provisions are as follows:

	Notice Period	Payment in Lieu of Notice	Entitlement to Options on Termination
Employer initiated termination:			
• without reason • with reason • serious misconduct	• 3 months plus 9 months' salary • Not less than 3 months • 0 – 1 month	• 12 months • Not less than 3 months • 0 – 1 month	1 month to exercise, extendable at Board discretion
Employee initiated termination	3 months	Not specified	As above
Change of control	1 month plus 12 months' salary	Not specified	As above

The Group has entered into service contracts with each key management person. The service contract outlines the components of remuneration paid to each key management personnel but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the key management person and any changes required to meet the principles of the remuneration policy. The key management personnel are also entitled to receive on termination of employment statutory entitlements of accrued annual and long service leave, and any accrued superannuation contributions would be paid to their fund.

The Company has a Redeployment and Redundancy Policy that is applicable to all employees including executives. Under that policy, in the case of a genuine redundancy, executives would receive a payment of up to six months total remuneration package plus two weeks for each completed year of service, subject to a maximum total payment of twelve months total remuneration.

Non-Executive Directors

Total remuneration for all non-executive directors, last voted upon by shareholders at the 2007 AGM, is not to exceed $300,000 per annum. At the date of this report, non-executive directors' base fees are $230,000 per annum. Non-executive directors' fees cover all main board activities and membership of board committees. Non-executive directors do not receive any benefits on retirement. From time to time, non-executive directors may provide consulting services to the Company and in these cases they are paid consulting fees in line with industry rates.

Key Management Personnel Remuneration

Table 1: Remuneration for the year ended 30 June 2011

	Short Term			Post Employment	Long Term	Share Based Payments		
	Salary & Fees $	Cash Bonus $	Non-Monetary benefits $	Superannuation $	Long Service Leave $	Options $	Total $	Performance Related %
EXECUTIVE DIRECTORS								
M Clark	327,500	-	6,961	29,475	1,117	-	365,053	-
M Hart	305,667	-	6,316	27,510	1,042	-	340,535	-
NON-EXECUTIVE DIRECTORS								
N Giorgetta	91,743	-	-	8,257	-	-	100,000	-
R Kestel	59,625	-	-	4,541	-	-	64,166	-
M Okeby	60,869	-	-	5,478	-	-	66,347	-
OTHER KMP								
J Balkau (i)	248,662	50,000	6,316	26,880	18,854	-	350,712	14.26%
M Ertzen (ii)	218,333	20,000	6,316	21,450	723	75,633	342,455	27.93%
M Evans (ii)	247,083	150,000	-	35,738	845	113,450	547,116	48.15%
T Hinkley	219,167	-	-	19,725	725	75,633	315,250	23.99.%
K Massey	218,333	-	6,316	19,650	681	80,813	325,793	24.81%
Total	1,996,982	220,000	32,225	198,704	23,987	345,529	2,817,427	

i. Mr Balkau was awarded a cash bonus for the discovery of the Garden Well Gold Project.

ii. Mr Evans and Mr Ertzen were awarded cash bonuses for the on-time and under budget completion of the Moolart Well Gold Mine.

Remuneration Report (Audited) (continued)

Table 2: Remuneration for the year ended 30 June 2010

	Short Term		Post Employment	Share Based Payments			
	Salary & Fees & Commissions $	Non-Monetary benefits $	Superannuation $	Options $	Termination Payments $	Total $	Performance Related %
EXECUTIVE DIRECTORS							
M Clark	300,000	8,207	27,000	1,885,000	-	2,220,207	84.90%
M Hart	280,000	8,207	25,200	1,885,000	-	2,198,407	85.74%
NON-EXECUTIVE DIRECTORS							
N Giorgetta	91,743	-	8,257	-	-	100,000	-
R Kestel	54,996	-	-	-	-	54,996	-
M Okeby	74,459	-	6,701	-	-	81,160	-
OTHER KMP							
J Balkau	233,945	8,207	21,055	-	-	263,207	-
M Evans	215,000	-	19,350	113,139	-	347,489	32.56%
T Hickman (i)	10,800	2,084	972	-	139,537	153,393	-
T Hinkley (ii)	187,948	-	16,915	75,633	-	280,496	26.96%
K Massey (ii)	188,487	8,207	16,964	60,341	-	273,999	22.02%
Total	**1,637,378**	**34,912**	**142,414**	**4,019,113**	**139,537**	**5,973,354**	

i. Mr Hickman resigned as CFO and Company Secretary on 16 July 2009. Mr Hickman's termination payment was calculated in accordance with the Company's Redeployment and Redundancy Policy outlined above.
ii. Mr Hinkley and Mr Massey were appointed to their roles on 10 August 2009 and 14 July 2009 respectively.

Table 3: Compensation Options - Granted and vested during the year

2011	Granted		Terms & Conditions for each Grant					Vested
	No.	Grant Date	Fair value per option at grant date $	Exercise price per option $	Expiry date	First exercise date	Last exercise date	No.
OTHER KMP								
M Ertzen	-	-	-	-	-	-	-	133,333
M Evans	-	-	-	-	-	-	-	250,000
T Hinkley	-	-	-	-	-	-	-	166,667
K Massey	50,000	26 Aug. 10	$0.6890	$1.00	29 Sep. 14	30 Sep. 12	30 Sep. 14	133,333
	50,000	26 Aug. 10	$0.7940	$1.00	29 Sep. 14	30 Sep. 13	30 Sep. 14	-
Total	**100,000**							**683,333**

2010	Granted		Terms & Conditions for each Grant					Vested
	No.	Grant Date	Fair value per option at grant date $	Exercise price per option $	Expiry date	First exercise date	Last exercise date	No.
DIRECTORS								
M Clark	5,000,000	21 Dec. 09	$0.3770	$0.7665	21 Dec. 13	21 Dec. 09	21 Dec. 13	5,000,000
M Hart	5,000,000	21 Dec. 09	$0.3770	$0.7665	21 Dec. 13	21 Dec. 09	21 Dec. 13	5,000,000
OTHER KMP								
M Evans	-	-	-	-	-	-	-	250,000
K Massey	-	-	-	-	-	-	-	133,333
T Hinkley	500,000	10 Aug. 09	$0.4538	$0.4205	30 Jun. 14	10 Aug. 10	30 Jun. 14	166,667
Total	**10,500,000**							**10,550,000**

Table 4: Value of options awarded, exercised and lapsed during the year

2011	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $
OTHER KMP			
J Balkau	-	181,838	-
T Hinkley	-	302,925	-
K Massey	74,150	-	-

The value of the options granted in the year is the fair value of the options calculated at grant date using a Black-Scholes option-pricing model.

The value of options exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

There have been no alterations to the terms and conditions of options awarded as remuneration since their award date.

Table 5: Shares issued on exercise of options (Consolidated)

30 June 2011	Shares issued No.	Paid per share (note 27) $	Unpaid per share $
OTHER KMP			
J Balkau	325,000	$1.1705	-
T Hinkley	150,000	$0.4205	-
Total	475,000		

Signed in accordance with a resolution of the directors.

Mr Mark Clark
Managing Director
Perth, 19 September 2011

KPMG

Auditor's Independence Declaration

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 audit for the financial year ended 30 June 2011 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Trevor Hart
Partner

Perth
19 September 2011

Corporate Governance Statement

The Board of Directors of Regis Resources Limited is responsible for establishing the corporate governance framework of the consolidated entity having regard to the ASX Corporate Governance Council published guidelines as well as its corporate governance principles and recommendations. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Corporate Governance Disclosures

The Board and management are committed to corporate governance and, to the extent that they are applicable to the Company, have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Securities Exchange ("ASX") Corporate Governance Council.

Principle 1: Lay solid foundations for management and oversight

The Board's role is to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders. It assumes responsibility for overseeing the affairs of the Group by ensuring that they are carried out in a professional and ethical manner and that business risks are effectively managed. The Board meets formally on a regular basis to conduct appropriate business. The primary responsibilities of the Board include the following:

- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectation and reviewing operating information to understand at all times the state of the health of the Company;
- Appointing, evaluating, rewarding and if necessary the removal of the Managing Director and senior management;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review, including approval of the annual, half yearly and quarterly reports;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
- Ensuring that appropriate audit arrangements are in place;
- Ensuring that Regis acts legally and responsibly on all matters; and
- Reporting to and advising shareholders.

A copy of the Board Charter is available on the Company's website.

Those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance are considered to be senior executives.

The role of senior executives is to progress the strategic direction provided by the Board. The matters reserved for senior executives include the following:

- To develop and recommend internal control and accountability systems for the Company and if approved, ensure compliance with such systems;
- To prepare corporate strategy and performance objectives for approval by the Board;
- To prepare systems of risk management and internal compliance and controls, codes of conduct, legal compliance and any other regulatory compliance and if approved, ensure compliance with such systems;
- To monitor employees performance, recommend appropriate resources and review and approve remuneration;
- To prepare all financial reports, tax returns, budgets and any other appropriate financial reports, meet all statutory deadlines and monitor performance against budgets;
- Prepare recommendations on acquisitions and divestments of assets;
- To implement decisions of the Board on key standards of the Company covering such areas as ethical standards, reputation and culture of the Company and influence and provide guidance for employees on these areas; and
- To protect the assets of the Company.

A copy of the matters reserved for senior executives is available on the Company's website.

The Remuneration and Nomination Committee is responsible for reviewing the performance of senior executives. In addition, the Remuneration and Nomination Committee assess the actual performances of the Group, the separate departments and the individuals' personal performance. A formal performance review was conducted in August 2010.

Principle 2: Structure the Board to add value

Directors of Regis are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment. Independent directors are non-executive directors who are not substantial shareholders of the Company and do not have any material contractual arrangements with the Company.

The following directors are considered to be independent:

Name	Position
N Giorgetta	Non-Executive Chairman
R Kestel	Non-Executive Director
M Okeby	Non-Executive Director

There are procedures in place, agreed by the Board, to enable the directors in furtherance of their duties to seek independent professional advice at the Company's expense.

Corporate Governance Statement (continued)

The term in office held by each director is as follows:

Name	Term
N Giorgetta	No set term agreed, other than per the Company's constitution
M Clark	3 years
M Hart	3 years
R Kestel	No set term agreed, other than per the Company's constitution
M Okeby	No set term agreed, other than per the Company's constitution

Remuneration and Nominations Committee

It is the Company's objective to provide maximum shareholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration and Nomination Committee links the nature and amount of executive directors' and officers' remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives;
- Attraction of high quality management to the Company; and
- Performance incentives that allow executives to share in the success of the Company.
- For full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the Remuneration Report, which is contained within the Directors' Report.

A copy of the Company's process for evaluating the performance of the Board, its committees and individual directors is on the Company's website.

There is no scheme to provide retirement benefits to non-executive directors.

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves, the Managing Director and the executive team. The Board has established a Remuneration and Nomination Committee comprising three (3) independent non-executive directors.

The members of the Remuneration and Nomination Committee at the date of this Report are:

- R Kestel (Chairman)
- N Giorgetta
- M Okeby

A copy of the Remuneration and Nomination Committee Charter is available on the Company's website.

Under the Company's Constitution, directors (other than the Managing Director) are required to retire every three years and may submit themselves for re-election. Directors appointed during the year must retire at the next Annual General Meeting of the Company and may submit themselves for re-election. The Board follows a process to select and appoint new directors as required taking into account candidates' breadth of experience, skills, integrity and willingness to devote time and effort to the Company.

Principle 3: Promote ethical and responsible decision-making

The Group operates under a Code of Conduct that sets out the ethical standards under which the Company operates when dealing with internal and external parties. This Code requires all directors, officers, employees and contractors of the Company to respect and comply with all laws and regulations and maintain a high standard of professionalism, ethics, and behaviour in the exercise of their duties. They are required to:

- not discriminate against any staff member or potential employee;
- carry out their duties in compliance with the law at all times;
- to use the Group's assets responsibly;
- to respect the confidentiality of the Group 's business dealings; and
- take responsibility for their own actions and for the consequences surrounding their own actions.

A copy of the Code of Conduct can be found at the Company's website.

It is the Group's policy to encourage directors, employees, contractors and related parties to own shares in the Company. The trading in securities policy strongly reinforces the obligations of directors and employees under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules in relation to trading in Company shares. Under the Company's Trading in Securities Policy, the acquisition and sale of Company shares by Restricted Persons are restricted 14 days prior to the release of the Company's half yearly and full year results announcements and disclosure documents offering securities in the Company, and 7 days prior to the release of the quarterly results announcement to the Australian Securities Exchange. The Company may at its discretion, notify all directors and employees that a restricted trading period is in effect which prohibits them from dealing in the Company's securities.

A copy of the Company's Trading in Securities Policy is available on the Company's website.

Principle 4: Safeguard integrity in financial reporting

The Board has established an Audit and Risk Management Committee, which operates under a Charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Management Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The Audit and Risk Management Committee comprises of the following three independent non-executive directors:

- R Kestel (Chairman)
- N Giorgetta
- M Okeby

A copy of the Audit and Risk Management Committee Charter is available on the Company's website.

The Company's policy is to appoint external auditors who clearly demonstrate independence. The performance of the external auditor is reviewed annually by the Audit and Risk Management Committee. KPMG, who are the current external auditors, have a policy of rotating the audit partner at least every 5 years.

The current lead engagement partner was appointed during the 2010 financial year.

Principle 5: Make timely and balanced disclosure

The Company has a continuous disclosure policy designed to meet its compliance obligations and to ensure that all matters, which may require announcement to the Australian Securities Exchange, are brought to the attention of directors immediately.

A copy of the continuous disclosure policy is available on the Company's website.

Principle 6: Respect the rights of shareholders

The Board ensures that shareholders are kept informed of all major developments that affect their shareholding or the Company's state of affairs through quarterly, half-yearly, annual and ad hoc reports. All shareholders are encouraged to attend the Annual General Meeting to meet the Chairman and directors and to receive the most updated report on Group activities. The external auditor of the Company will be in attendance at the Annual General Meeting to answer shareholders' questions.

The Company maintains a website at http://www.regisresources.com to provide shareholders with up to date information on the Company's activities. Shareholders may also communicate with the Company through its e-mail address enquiries@regisresources.com.

A copy of the Company's Communication with Shareholders policy can be found on the Company's website.

Principle 7: Recognise and manage risk

The Board recognises that the identification and management of risk, including calculated risk taking, is an essential part of creating long term shareholder value.

Management reports directly to the Board on the Company's key risks and is responsible, through the Managing Director, for designing, maintaining, implementing and reporting on the adequacy of the risk management and internal control systems.

The Audit and Risk Management Committee monitors the performance of the risk management and internal control systems and reports to the Board on the extent to which it believes the risks are being managed and the adequacy and comprehensiveness of risk reporting from management.

The Board must satisfy itself, on a regular basis, that risk management and internal control systems for the Company have been fully developed and implemented.

The Company has identified specific risk management areas being strategic, operational and compliance.

An internal officer is responsible for ensuring the Company complies with its regulatory obligations. Management also meets regularly to deal with specific areas of risk such as OH&S issues, environmental risk and tenement management.

The CEO and CFO also provide written assurance to the Board on an annual basis that, to the best of their knowledge and belief, the declaration provided by them in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The assurances from the CEO and CFO can only be reasonable rather than absolute due to factors such as the need for judgement and possible weaknesses in control procedures.

Any material changes in the Company's circumstances are released to the ASX and included on the Company's website. A statement of the Company's existing risk management and internal controls is available on the Company's website.

Principle 8: Remunerate fairly and responsibly

As disclosed under Principle 2, the Company has a Remuneration and Nomination Committee. The details of the directors and executives remuneration policies are provided in the Directors' Report under the heading "Remuneration Report".

Financial Statements

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $'000	Consolidated 2010 $'000
Gold sales		107,924	-
Interest revenue		727	777
Revenue		**108,651**	**777**
Cost of goods sold	7(a)	(64,155)	-
Gross profit		**44,496**	**777**
Other income	6	505	559
Corporate administrative expenses		(4,871)	(6,433)
Exploration and evaluation written off	17	(666)	(97)
Other expenses	7(b)	(55)	(463)
Financial guarantee liability settlement expense	30	-	(12,480)
Finance costs	7(c)	(3,128)	(692)
Profit/(loss) from continuing operations before income tax		**36,281**	**(18,829)**
Income tax expense	8	-	-
Net profit/(loss) for the period		**36,281**	**(18,829)**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the period, net of tax		**-**	**-**
Total comprehensive income for the period		**-**	**-**
Profit/(loss) attributable to members of the parent		**36,281**	**(18,829)**
Total comprehensive income attributable to members of the parent		**36,281**	**(18,829)**
Basic earnings/(loss) per share attributable to ordinary equity holders of the parent (cents per share)	9	8.54	(5.58)
Diluted earnings/(loss) per share attributable to ordinary equity holders of the parent (cents per share)	9	8.24	(5.58)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2011

	Note	Consolidated 2011 $'000	2010 $'000
CURRENT ASSETS			
Cash and cash equivalents	10	27,390	9,541
Receivables – bullion awaiting settlement	11	6,505	-
Receivables – other receivables	11	1,608	1,366
Inventories	12	4,461	40
Other current assets	13	207	121
Total current assets		**40,171**	**11,068**
NON-CURRENT ASSETS			
Financial assets held to maturity	14	1,175	1,175
Deferred mining costs	15	5,190	-
Plant and equipment	16	60,000	470
Exploration and evaluation expenditure	17	24,507	8,000
Mine properties under development	18	12,275	106,022
Mine properties	19	48,023	-
Total non-current assets		**151,170**	**115,667**
Total assets		**191,341**	**126,735**
CURRENT LIABILITIES			
Trade and other payables	20	11,887	14,609
Interest-bearing liabilities	21	19,238	10,220
Convertible notes	23	-	10,000
Provisions	22	339	54
Total current liabilities		**31,464**	**34,883**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	21	11,164	4,341
Provisions	22	8,435	5,727
Total non-current liabilities		**19,599**	**10,068**
Total liabilities		**51,063**	**44,951**
Net assets		**140,278**	**81,784**
EQUITY			
Issued capital	24	247,632	226,399
Share option reserve	25(b)	9,377	8,397
Accumulated losses	25(a)	(116,731)	(153,012)
Total equity		**140,278**	**81,784**

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated			
	Issued capital $'000	Accumulated losses $'000	Share option reserve $'000	Total equity $'000
At 1 July 2010	**226,399**	**(153,012)**	**8,397**	**81,784**
Profit for the period	-	36,281	-	36,281
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**36,281**	**-**	**36,281**
Transactions with owners in their capacity as owners:				
Share based payments expense	-	-	980	980
Shares issued, net of transaction costs	21,233	-	-	21,233
At 30 June 2011	**247,632**	**(116,731)**	**9,377**	**140,278**
At 1 July 2009	168,330	(134,183)	1,822	35,969
Loss for the period	-	(18,829)	-	(18,829)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**(18,829)**	**-**	**(18,829)**
Transactions with owners in their capacity as owners:				
Share based payments expense	-	-	6,575	6,575
Shares issued, net of transaction costs	58,069	-	-	58,069
At 30 June 2010	**226,399**	**(153,012)**	**8,397**	**81,784**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated	
	Note	2011 $'000	2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold sales		101,419	-
Payments to suppliers and employees		(51,838)	(3,496)
Interest received		667	762
Interest paid		(2,485)	(1,047)
R&D rebate received		294	305
Net cash from/(used in) operating activities	10(b)	**48,057**	**(3,476)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(2,526)	(335)
Payments for exploration and evaluation (net of rent refunds)		(17,197)	(5,098)
Acquisition of interest in tenements		-	(1,581)
Proceeds on disposal of tenements		80	10
Payments for mine properties under development		(34,184)	(55,063)
Payments for mine properties		(1,102)	-
Proceeds from security deposits		-	94
Net cash used in investing activities		**(54,929)**	**(61,973)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		9,470	58,786
Proceeds from shares to be issued		-	1,820
Payment of transaction costs		(58)	(717)
Payment of finance lease liabilities		(179)	(74)
Proceeds from borrowings		15,488	14,870
Repayment of borrowings		-	(4,370)
Net cash from financing activities		**24,721**	**70,315**
Net increase in cash and cash equivalents		17,849	4,866
Cash and cash equivalents at 1 July		9,541	4,675
Cash and cash equivalents at 30 June	10(a)	27,390	9,541

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2011

1. CORPORATE INFORMATION

The financial report of Regis Resources Limited (the "Company") for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 16 September 2011.

Regis Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Company as at and for the year ended 30 June 2011 comprise the Company and its subsidiaries (collectively referred to as the "Group").

The nature of operations and principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is prepared in Australian dollars and all values are rounded to the nearest thousand dollars ($000s) unless otherwise stated.

(b) Compliance with IFRS

The consolidated financial statements complies with Australian Accounting Standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

(c) New standards and interpretations issued but not yet effective

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2011, but have not been applied in preparing this financial report.

- AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement.* AASB 9 will become mandatory for the Group's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Group has not yet determined the potential effect of the standard.
- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2009-12 *Amendments to Australian Accounting Standards* makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. The amendments, which will become mandatory for Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. The amendments, which will become mandatory for Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2010-5 *Amendments to Australian Accounting Standards* makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments, which will become mandatory for the Group's 30 June 2012 financial statements, have no major impact on the requirements of the amended pronouncements.
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfer of Financial Assets* increases the disclosure requirements for transactions involving the transfer of financial assets. The Group has not yet determined the potential effect of the amendments, which will become mandatory for the Group's 30 June 2012 financial statements.
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* add the requirements for classifying and measuring financial liabilities to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value attributable to changes in credit risk are presented in other comprehensive income, and the remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. The Group has not yet determined the potential effect of the amendments, which will become mandatory for the Group's 30 June 2014 financial statements.

(d) Accounting policies for new transactions and events

Trade and Other Receivables

BULLION AWAITING SETTLEMENT

Bullion awaiting settlement comprises gold that has been received by the refiner prior to period end but which has not yet been delivered into a sale contract. Bullion awaiting settlement is initially recognised at fair value less costs to sell.

Plant and equipment

DEPRECIATION

Depreciation of mine specific plant and equipment is charged to the statement of comprehensive income on a unit-of-production basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is used. The unit of account is tonnes of ore milled.

Mine properties

Mine properties represents expenditure in respect of exploration, evaluation, feasibility and pre-production operating costs incurred by the Group previously accumulated and carried forward in mine properties under development in relation to areas of interest in which mining has now commenced. Mine properties are stated at cost, less accumulated depreciation and accumulated impairment losses.

AMORTISATION

Mine properties are amortised on a unit-of-production basis over the economically recoverable reserves of the mine concerned. The unit of account is tonnes of ore milled.

Deferred mining costs

Stripping costs incurred in the development of a mine before production commences are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units-of-production basis.

Stripping costs incurred subsequently during the production stage of operations are deferred to the extent that the current period strip ratio (i.e. the ratio of waste to ore) exceeds the life of mine strip ratio. Such deferred costs are then charged to the statement of comprehensive income to the extent that, in subsequent periods, the current period ratio falls short of the life of mine strip ratio. The calculated strip ratio and the remaining life of mine are reassessed by the directors annually. Changes are accounted for prospectively from the date of change.

Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

GOLD SALES

Revenue is recognised when there has been a transfer of risks and rewards from the Group to an external party, no further processing is required by the Group, quality and quantity of the goods has been determined with reasonable accuracy, the selling price is fixed or determinable, and collectability is probable. The point at which risk and rewards passes for the majority of the Group's commodity sales is upon dispatch of the gold bullion from the mine site. Adjustments are made for variations in commodity price, assay and weight between the time of dispatch and the time of final settlement.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Regis Resources Limited and its subsidiaries as at and for the year ended 30 June each year.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intragroup transactions have been eliminated in full.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising, at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition.

The Company has a 100% interest in all subsidiaries and therefore does not reflect any non-controlling interests.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment charge.

(f) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(g) Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of Regis Resources Limited and its subsidiaries is Australian dollars.

Transactions and balances

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. The Group does not hold any monetary assets or liabilities denominated in foreign currencies as at the balance date. Foreign currency gains or losses have been recognised in the profit and loss.

(h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing liabilities in current liabilities on the statement of financial position.

(i) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

(j) Inventories

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product.

Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion.

Consumable stores are valued at the lower of cost and net realisable value.

(k) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial asset has expired or when the entity transfers substantially all of the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

Subsequent measurement

HELD-TO-MATURITY INVESTMENTS

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments that are intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity such as bonds are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(l) Plant and equipment

Items of plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

The cost of acquired assets also includes (i) the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and (ii) changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Depreciation

Depreciation is charged to the statement of comprehensive income and exploration and evaluation assets on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment in current and comparative periods as follows:

- Plant and equipment . . . . : 3 - 10 years
- Fixtures and fittings . . . . : 3 - 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

(m) Exploration and evaluation assets and expenditure

Exploration and evaluation assets include the costs of acquiring licences, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditure is capitalised on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit is not larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine properties under development. No amortisation is charged during the exploration and evaluation phase.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(n) Mine properties under development

Mine properties under development represents the costs incurred in preparing mines for production and includes plant and equipment under construction, stripping and waste removal costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs will be amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

Amortisation of mine properties development expenditure will commence at the point when production from the geological area of interest commences.

(o) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the assets.

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the lease item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(p) Impairment

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Receivables with a short duration are not discounted in assessing the recoverable amount. Impairment is recognised when objective evidence is available that a loss event has occurred.

(q) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and generally paid within 30 days of recognition.

(r) Financial guarantee liabilities

Financial guarantee contracts are recognised as financial liabilities initially at their fair value as at the date of inception, and amortised to the statement of comprehensive income over the term of the contract. The fair value is determined by taking into account the probability of default by the guaranteed party over the term of the contract, the loss given default (being the proportion of the exposure that is not expected to be recovered in the event of default) and exposure at default (being the maximum loss at the time of potential default).

At each reporting date, the financial guarantee liability is re-assessed and measured at the higher of:

- the initial fair value less cumulative amortisation; or
- the amount that would be recognised in accordance with the Group's accounting policy for provisions (see Note 2(t) below).

(s) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(t) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the provision can be reliably measured. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Site restoration

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas. Typically the obligation arises when the assets are installed at the production location. The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology.

When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. This increase in the provision due to the passage of time is recognised as a finance cost in the statement of comprehensive income. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and restoration provision when incurred.

For closed sites, changes to estimated costs are recognised immediately in the statement of comprehensive income.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has already commenced or has been announced publicly. Future operating costs are not provided for.

(u) Employee benefits

Wages, salaries and annual leave

Liabilities for wages, salaries, superannuation and annual leave are recognised as employee benefits in respect of employees' services up to the reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay when the liabilities are settled and include related on-costs, such as workers compensation insurance and payroll tax.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(v) Share-based payment transactions

Equity settled transactions

Share-based compensation benefits are provided to directors, officers and employees under the Regis Resources Limited Share Option Plans, which allows participants to acquire shares of the Company, and the Regis Resources Employee Share Plan, which allows for the issue of shares in the Company to eligible employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model, further details of which are given in Note 26.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- The grant date fair value of the award;
- The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- The expired portion of the vesting period.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition or non-vesting condition is considered to vest irrespective of whether or not that market or non-vesting is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(w) Contributed equity

Ordinary shares are classified as equity. Transaction costs of an equity transaction being those directly attributable to the issue of shares or options are recognised as a deduction from equity, net of any related income tax effects.

(x) Revenue

Interest income is recognised as it accrues using the effective interest method.

(y) Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax balances are determined using the balance sheet method, which provides for temporary differences based on the carrying amounts of assets and liabilities in the statement of financial position. Any current and deferred taxes attributable to amounts recognised in equity are also recognised directly in equity.

Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and
- differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation

The Company and its wholly-owned Australian resident entities became part of a tax-consolidated group on 14 December 2006. As a consequence, all members of the tax-consolidation group are taxed as a single entity from that date. The head entity within the tax-consolidation group is Regis Resources Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the separate taxpayer within group approach by reference to the carrying amounts of assets and liabilities in the separate financial statement of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer Note 8). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which asset can be utilised.

Any subsequent period adjustment to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(z) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office ("ATO") is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(aa) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise listed options and share options granted to employees.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(a) Significant accounting judgements

Determination of mineral resources and reserves

The determination of mineral resources impacts the accounting for asset carrying values. Regis Resources Limited estimates its mineral resources in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the "JORC" Code). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in Australia.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in Australia could limit the ability of the Group to obtain tax deductions in future periods.

(b) Significant accounting estimates and assumptions

Impairment of exploration and evaluation assets

The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in an area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which the determination is made.

Restoration obligations

The Group assesses site restoration liabilities annually. The provision recognised is based on an assessment of the estimated cost of closure and reclamation of the areas using internal information concerning environmental issues in the exploration and previously mined areas, together with input from various environmental consultants, discounted to present value. Significant estimation is required in determining the provision for site restoration as there are many factors that may affect the timing and ultimate cost to rehabilitate sites where mining and/or exploration activities have previously taken place. These factors include future development/exploration activity, changes in the cost of goods and services required for restoration activity and changes to the legal and regulatory framework. These factors may result in future actual expenditure differing from the amounts currently provided.

Share-based payments

The Group is required to use assumptions in respect of the fair value models used in determining share-based payments to employees in accordance with the requirements of AASB 2 *Share–based payment*. Further information regarding share-based payments and the assumptions used is set out in Note 26. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Deferred mining costs

The Group defers mining costs incurred during the production stage of its operations which are calculated in accordance with the accounting policy described above. Changes in an individual mine's design will generally result in changes to the life-of-mine waste to ore ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of mine ratio even if they do not affect the mine's design. Changes to the life of mine are accounted for prospectively.

Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product based on prevailing spot metals process at the reporting date, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage. Stockpile tonnages are verified by periodic surveys.

4. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

The Group's exposure to movements in the gold price, which it manages through the use of gold forward contracts, is discussed at note 31(f).The gold forward sale contracts do not meet the criteria of financial instruments for accounting purposes on the basis that they meet the normal purchase/sale exemption because physical gold will be delivered into the contract.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Management Committee is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit Risk

The Group has determined that it currently has no significant exposure to credit risk as at reporting date.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Group's reputation.

The Group uses daily and monthly cash forecasting monitoring cash flow requirements. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

- Interest rate risk: The Group is exposed to interest rate risk through its secured project loan facility with Macquarie Bank Limited ("MBL"), which attracts a variable interest rate. The Group constantly analyses its interest rate exposure and considers the cost of equity financing as an alternative to debt.
- Foreign currency risk: The Group is occasionally exposed to foreign currency risk when long lead items are purchased in a currency other than Australian dollars. The Group maintains all of its cash in Australian dollars and does not currently hedge these purchases.
- Equity price risk: The Group does not have any exposure to movements in equity prices.

5. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and his management team (the chief operating decision makers, or "CODMs") in assessing performance and in determining the allocation of resources.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the CODMs to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), exploration and evaluation assets relating to areas of interest where an economically recoverable reserve is yet to be delineated, head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, conduct exploration and evaluation activities and develop mine properties.

The Group currently has two reportable segments which comprise the Duketon Gold Project being the Moolart Well Gold Mine and the Garden Well Gold Project. At 30 June 2011, development of the Garden Well Gold Project was subject to receipt of final permitting approvals and extension of the Macquarie Bank Limited ("MBL") debt facility. As such this segment is not yet earning revenues or incurring costs from operations, nor has the balance of capitalised exploration and evaluation expenditure related to this segment been transferred to mine properties under development. Final permitting approvals and extension of the MBL debt facility for the Garden Well Gold Project have been received subsequent to year end.

Operations commenced at the Moolart Well Gold Mine in August 2010, as such there is no comparative financial information for segment revenue and results.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 2 to the accounts and in the prior period. There have not been any inter-segment transactions in the current or prior years.

Unallocated items

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest revenue and finance costs;
- Corporate administrative costs;
- Exploration and evaluation expenditure on areas of interest prior to the definition of a reserve and determination of the technical feasibility and commercial viability.

The following table presents financial information for reportable segments for the years ended 30 June 2011 and 30 June 2010:

	Continuing Operations			
	Moolart Well Gold Mine $'000	Garden Well Gold Project $'000	Unallocated $'000	Total $'000
30 June 2011				
SEGMENT REVENUE				
Sales to external customers	107,924	-	-	107,924
Other revenue	-	-	727	727
Total segment revenue	**107,924**	**-**	**727**	**108,651**
Total revenue per the statement of comprehensive income				**108,651**
Interest expense	-	-	2,795	2,795
Exploration and evaluation expenditure written off	-	-	666	666
Depreciation and amortisation	18,965	-	150	19,115
Depreciation capitalised to exploration projects				(63)
Total depreciation and amortisation recognised in the statement of comprehensive income				**19,052**
SEGMENT PROFIT				
Segment net operating profit /(loss) before tax	43,769	-	(7,488)	36,281
SEGMENT ASSETS				
Segment assets	123,769	12,275	55,297	191,341
Capital expenditure	19,998	12,275	17,848	50,121
30 June 2010				
SEGMENT ASSETS				
Segment assets	106,022	-	20,713	126,735
Capital expenditure	65,302	-	8,770	74,072

6. OTHER INCOME

	Consolidated 2011 $'000	Consolidated 2010 $'000
R&D rebate	434	305
Exploration rent refunds	12	254
Net profit on sale of tenements	59	-
	505	**559**

7. EXPENSES

(a) Cost of goods sold

	Consolidated 2011 $'000	Consolidated 2010 $'000
Costs of production	40,622	-
Royalties	4,568	-
Depreciation of mine plant and equipment	10,748	-
Amortisation of development costs	8,217	-
	64,155	**-**

(b) Other expenses

	Consolidated 2011 $'000	Consolidated 2010 $'000
Additional provision for restoration	-	440
Net loss on sale of tenement	-	18
Gold swap fees	32	-
Exploration license application fees	20	5
Other	3	-
	55	**463**

(c) Finance costs

	Consolidated 2011 $'000	Consolidated 2010 $'000
Interest expense	2,795	510
Unwinding of discount on provisions	333	182
	3,128	**692**

(d) Depreciation, impairment and amortisation included in the statement of comprehensive income

	Consolidated 2011 $'000	Consolidated 2010 $'000
Depreciation expense	10,898	325
Amortisation expense	8,217	-
Less: Amounts capitalised to exploration projects	(63)	(305)
Depreciation and amortisation charged to the statement of comprehensive income	**19,052**	**20**

(e) Lease payments and other expenses included in the statement of comprehensive income

	Consolidated 2011 $'000	Consolidated 2010 $'000
Minimum lease payments – operating lease	465	386
Less: Amounts capitalised to exploration projects	(107)	(131)
Recognised in the statement of comprehensive income	**358**	**255**

(f) Employee benefits expense

	Consolidated 2011 $'000	Consolidated 2010 $'000
Wages and salaries	9,056	5,038
Defined contribution superannuation expense	816	434
Share-based payments expense	980	4,095
Employee bonuses	413	-
Other employee benefits expense	549	313
	11,814	**9,880**
Less: Amounts capitalised to exploration projects	(2,379)	(1,869)
Less: Amounts capitalised to mine properties under development	(1,141)	(2,762)
Employee benefits expense recognised in the statement of comprehensive income	**8,294**	**5,249**

8. INCOME TAX

(a) The major components of income tax expense are:

	Consolidated 2011 $'000	Consolidated 2010 $'000
CURRENT INCOME TAX		
Current income tax expense/(benefit)	4,334	(4,464)
DEFERRED INCOME TAX		
Relating to the origination and reversal of temporary differences	7,003	3,805
Adjustment in respect of income tax of previous years	(72)	-
Income tax losses recognised	(11,265)	-
Income tax losses not brought to account because their realisation is not regarded as probable	-	659
Income tax (benefit)/expense reported in the statement of comprehensive income	**-**	**-**

(b) A reconciliation between tax expense and the product of accounting loss before tax multiplied by the Group's applicable income tax rate is as follows:

	Consolidated 2011 $'000	Consolidated 2010 $'000
Accounting profit/(loss) before income tax	**36,281**	**(18,829)**
At the Group's statutory income tax rate of 30% (2010: 30%)	10,884	(5,648)
Impairment of exploration and evaluation expenditure	200	29
R&D rebate receivable	(42)	-
Financial guarantee liability settlement expense	-	3,744
Share-based payments	294	1,160
Unwinding of discount on provisions	-	54
Other non-deductible items	1	2
Adjustment in respect of income tax of previous years	(72)	-
Income tax losses recognised to offset income tax expense	(11,265)	-
Deferred tax assets not brought to account as their realisation is not regarded as probable	-	659
Income tax reported in the statement of comprehensive income	**-**	**-**

(c) Deferred income tax

	Note	Consolidated 2011 $'000	Consolidated 2010 $'000
Deferred income tax at 30 June relates to the following:			
DEFERRED TAX LIABILITIES			
Accrued interest receivable		28	10
Diesel fuel rebate receivable		107	-
Bullion awaiting settlement		1,142	-
Consumable inventories		343	-
Plant and equipment		828	47
Deferred mining costs		1,557	-
Exploration and evaluation assets		7,368	2,400
Mine properties under development		-	13,665
Mine properties		14,407	-
Recognition of losses to offset future taxable income		(25,780)	(16,122)
		-	-
DEFERRED TAX ASSETS			
Accruals		272	136
Provision for long service leave		17	-
Provisions for rehabilitation		2,615	1,734
Section 40-880 deductions		426	668
Losses available to offset against future taxable income	(i)	34,904	36,845
Recognition of losses to offset deferred tax liability		(25,780)	(16,122)
Deferred tax assets not brought to account as their realisation is not regarded as probable		(12,454)	(23,261)
Net deferred tax assets/(liabilities)		-	-

(i) Tax losses are available to carry forward indefinitely. The Group has recognised a deferred income tax asset in relation to these losses only to the extent that they offset deferred tax liabilities. Realisation of the balance of these losses is not regarded as probable.

(d) Unrecognised temporary differences

At 30 June 2011 there are no unrecognised temporary differences associated with the Group's investment in subsidiaries (2010: $nil).

(e) Tax consolidation

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, have entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) will be at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement will provide for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

9. EARNINGS PER SHARE

The following reflects income and share data used in the calculation of basic and diluted earnings per share.

(a) Earnings used in calculating earnings per share

	Consolidated 2011 $'000	Consolidated 2010 $'000
Net profit/(loss) attributable to ordinary equity holders of the parent	36,281	(18,829)

(b) Weighted average number of shares

	No. Shares Thousands	No. Shares Thousands
Weighted average number of ordinary shares	424,879	320,836
Adjustment for bonus element in rights issue completed during the year ended 30 June 2010	-	16,355
Weighted average number of ordinary shares used in calculating basic earnings per share	424,879	337,191
EFFECT OF DILUTION:		
Share options	15,676	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**440,555**	**337,191**

As the options outstanding at 30 June 2010 would have reduced the loss per share from continuing operations on conversion, the potential ordinary shares were not considered dilutive.

(c) Information on the classification of securities

(i) Options

Options granted to employees (including KMP) as described in Note 26 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These options have not been included in the determination of basic earnings per share.

10. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the statement of financial position and cash flow statement

	Consolidated 2011 $'000	Consolidated 2010 $'000
Cash at bank and in hand	27,390	9,541

At 30 June 2011, the Group did not have any undrawn committed borrowing facilities available (2010: $30.13 million available). Subsequent to balance date the Company signed an agreement with Macquarie Bank Limited to extend the existing financing facility to cover the funding requirements for the development of the Garden Well Gold Project. Refer to Notes 21 and 34.

(b) Reconciliation of net profit/(loss) after income tax to cash flows used in operations

	Consolidated 2011 $'000	2010 $'000
Net profit/(loss) for the year	**36,281**	**(18,829)**
ADJUSTMENTS FOR:		
Unwinding of discount on provisions	333	182
Borrowing costs capitalised to qualifying asset	(134)	(621)
Transaction costs recognised against interest-bearing liabilities	-	(796)
Amortisation of transaction costs recognised against interest-bearing liabilities	323	-
Financial guarantee settlement expense	-	12,480
Exploration expenditure written off	666	97
Exploration rent refunds	(12)	-
Share based payments	939	3,868
Net (profit)/loss on disposal of assets	(53)	18
Depreciation and amortisation	19,052	20
CHANGES IN ASSETS AND LIABILITIES		
(Increase)/decrease in receivables	(6,964)	(542)
(Increase)/decrease in inventories	(4,155)	-
(Increase)/decrease in other current assets	(18)	(29)
(Increase)/decrease in deferred mining costs	(4,857)	-
Increase/(decrease) in trade and other payables	6,641	461
Increase/(decrease) in provisions	15	215
Net cash used in operating activities	**48,057**	**(3,476)**

(c) Non-cash financing and investing activities

During the year ended 30 June 2011, the Company exercised its right to settle its convertible note liability through the issue of shares (refer Note 23).

During the year ended 30 June 2010, the Company entered into a hire purchase arrangement for the construction of its main diesel storage facility at the Moolart Well gold mine (refer Note 21).

11. RECEIVABLES (CURRENT)

	Consolidated 2011 $'000	2010 $'000
Bullion awaiting settlement	**6,505**	**-**
OTHER RECEIVABLES		
GST receivable (net)	985	1,278
Diesel fuel rebate receivable	356	-
R&D rebate receivable	141	-
Interest receivable	95	35
Other	31	53
	1,608	**1,366**

Balances within receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

(a) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

12. INVENTORIES (CURRENT)

		Consolidated 2011 $'000	Consolidated 2010 $'000
AT COST			
Ore stockpiles		811	-
Gold in circuit		1,307	-
Bullion on hand		1,201	-
Consumable stores		1,142	40
		4,461	**40**

13. OTHER CURRENT ASSETS

		Consolidated 2011 $'000	Consolidated 2010 $'000
Prepayments		207	121

14. FINANCIAL ASSETS HELD TO MATURITY (NON-CURRENT)

		Consolidated 2011 $'000	Consolidated 2010 $'000
Term deposits	(i)	1,175	1,175

(i) Term deposits are held as security against rehabilitation performance bonds and office lease commitments. Term deposits earn a fixed rate of interest which at year end was 5.66% (2010: 5.21%).

(a) Fair value

Term deposits generally have a maturity between 60 and 90 days (2010: 60 to 90 days) but are classified as non-current as they are required to secure obligations existing beyond 12 months. Due to the underlying short-term nature of term deposits, their carrying value is assumed to approximate fair value.

15. DEFERRED MINING COSTS (NON-CURRENT)

		Consolidated 2011 $'000	Consolidated 2010 $'000
Deferred mining costs		5,190	-

These costs represent prepaid mining expenses deferred in accordance with the accounting policy disclosed in Note 2(d).

16. PLANT AND EQUIPMENT (NON-CURRENT)

(a) Reconciliation of carrying amounts at the beginning and end of the period

		Consolidated						
		Leasehold Improvements $'000	Plant and equipment $'000	Furniture and Equipment $'000	Fixtures and fittings $'000	Buildings and Infrastructure $'000	Capital WIP $'000	Total $'000
At 1 July 2010 net of accumulated depreciation		-	312	-	5	-	153	470
Additions		367	957	88	-	1,118	291	2,821
Depreciation expense		(48)	(8,100)	(61)	-	(2,689)	-	(10,898)
Transfers from mine properties under development	18	-	50,582	-	-	17,030	-	67,612
Transfers		153	(154)	130	-	24	(153)	-
Disposals		-	-	-	(5)	-	-	(5)
At 30 June 2011 net of accumulated depreciation		**472**	**43,597**	**157**	**-**	**15,483**	**291**	**60,000**
AT 30 JUNE 2011								
Cost		520	52,125	451	-	18,819	291	72,206
Accumulated depreciation		(48)	(8,528)	(294)	-	(3,336)	-	(12,206)
Net carrying amount		**472**	**43,597**	**157**	**-**	**15,483**	**291**	**60,000**
At 1 July 2009 net of accumulated depreciation		-	625	-	7	-	-	632
Additions		-	233	-	-	-	153	386
Depreciation expense		-	(323)	-	(2)	-	-	(325)
Transfers to mine properties under development	18	-	(223)	-	-	-	-	(223)
At 30 June 2010 net of accumulated depreciation		**-**	**312**	**-**	**5**	**-**	**153**	**470**
AT 1 JULY 2009								
Cost		-	1,604	-	20	-	-	1,624
Accumulated depreciation		-	(979)	-	(13)	-	-	(992)
Net carrying amount		**-**	**625**	**-**	**7**	**-**	**-**	**632**
AT 30 JUNE 2010								
Cost		-	1,614	-	20	-	153	1,787
Accumulated depreciation		-	(1,302)	-	(15)	-	-	(1,317)
Net carrying amount		**-**	**312**	**-**	**5**	**-**	**153**	**470**

(b) Assets pledged as security

Macquarie Bank Limited ("MBL") holds a first ranking, registered fixed and floating charge over all of the assets of Regis Resources Limited and its wholly-owned subsidiary, Duketon Resources Pty Limited as security for the debt facility provided by MBL to fund construction of the Duketon Gold Project, which comprises the Moolart Well Gold Mine and the Garden Well Gold Project. Refer to Note 21.

17. EXPLORATION AND EVALUATION ASSETS (NON-CURRENT)

	Note	Consolidated 2011 $'000	Consolidated 2010 $'000
Balance at 1 July		8,000	38,219
Acquisition of mining lease		-	1,581
Expenditure for the period		17,194	6,803
Write-offs to the statement of comprehensive income		(666)	(97)
Disposal of tenements		(21)	(28)
Transferred to mine properties under development	18	-	(38,478)
Balance at 30 June		**24,507**	**8,000**

The ultimate recoupment of costs carried forward is dependent upon the successful development and commercial exploitation, or alternatively the sale of the respective areas at an amount at least equivalent to the carrying value.

(a) Assets pledged as security

Macquarie Bank Limited ("MBL") holds a first ranking, registered fixed and floating charge over all of the assets of Regis Resources Limited and its wholly-owned subsidiary, Duketon Resources Pty Limited as security for the debt facility provided by MBL to fund construction of the Duketon Gold Project. Refer to Note 21.

18. MINE PROPERTIES UNDER DEVELOPMENT (NON-CURRENT)

(a) Duketon Gold Project

	Note	Consolidated 2011 $'000	Consolidated 2010 $'000
Balance at beginning of period		106,022	-
Capitalised borrowing costs		133	664
Construction expenditure – Moolart Well Gold Mine		11,508	53,575
Harmony royalty termination expense		-	4,125
Pre-production expenditure capitalised		2,581	6,938
Rehabilitation provision recognised		701	2,019
Transferred (to)/from plant and equipment	16	(67,612)	223
Transferred from exploration and evaluation assets	17	-	38,478
Transferred to mine properties	19	(53,333)	-
Construction expenditure – Garden Well Gold Project		12,275	-
Balance at end of period		**12,275**	**106,022**

(b) Assets pledged as security

Macquarie Bank Limited ("MBL") holds a first ranking, registered fixed and floating charge over all of the assets of Regis Resources Limited and its wholly-owned subsidiary, Duketon Resources Pty Limited as security for the debt facility provided by MBL to fund construction of the Duketon Gold Project, which comprises the Moolart Well Gold Mine and the Garden Well Gold Project. Refer to Note 21.

19. MINE PROPERTIES (NON-CURRENT)

(a) Duketon Gold Project

		Consolidated	
		2011 $'000	2010 $'000
Balance at beginning of period		-	-
Transferred from mine properties under development	18	53,333	-
Additions		2,907	-
Amortisation of expense		(8,217)	-
Balance at end of period		**48,023**	**-**

20. TRADE AND OTHER PAYABLES (CURRENT)

		Consolidated	
		2011 $'000	2010 $'000
Trade payables		5,154	7,113
Accrued expense		4,355	4,995
Employee entitlements		557	238
Other payables		1,821	2,263
		11,887	**14,609**

(a) Fair value

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

21. INTEREST-BEARING LIABILITIES

		Consolidated	
		2011 $'000	2010 $'000
CURRENT			
Secured bank loan	(a)(b)	18,974	10,000
Finance lease liabilities		264	220
		19,238	**10,220**
NON-CURRENT			
Secured bank loan	(a)(b)	11,164	4,118
Finance lease liabilities		-	223
		11,164	**4,341**

Notes to the Financial Statements (continued)
FOR THE YEAR ENDED 30 JUNE 2011

(a) Secured bank loan

The secured bank loan is provided by Macquarie Bank Limited to fund the development of the Duketon Gold Project, which comprises the Moolart Well Gold Mine and the Garden Well Gold Project. The loan attracts a variable interest rate which ranged between 8.17% and 8.57% in the current year (2010: 8.04% to 8.53%). Other key terms and conditions of the loan as per the original facility agreement dated 10 February 2010 were as follows :

- Facility limit – Tranche 1		$40 million	
- Maturity date – Tranche 1		28 June 2013	
- Facility limit – Tranche 2		$5 million	
- Maturity date – Tranche 2		30 June 2014	

The first principal repayment of $10 million was required on 30 June 2011, however an amended repayment schedule was agreed to on 30 June 2011 to defer the first repayment until 8 July 2011 and reduce the value in proportion to the amount of the facility drawn to $7,589,521. This repayment was not required to be made due to the approval of the extension to this facility to cover the funding requirements for the development of the Garden Well Gold Project. Refer to Note 34.

(b) Assets pledged as security

The facility is secured by:

- » a first ranking, registered fixed and floating charge over all of the assets of Regis Resources Limited and its wholly-owned subsidiary Duketon Resources Pty Limited;
- » a first ranking, registered Mining Act (WA) mortgage over the Company's interest in the Duketon Gold Project tenements;
- » a fixed charge over the Proceeds Account and Gold Account; and
- » satisfactory security over Regis' rights under key project documents.

(c) Fair values

The carrying amount of the Group's current and non-current borrowings approximate their fair value.

22. PROVISIONS

		Consolidated	
		2011 $'000	2010 $'000
CURRENT			
Rehabilitation	22(a)	339	54
NON-CURRENT			
Long service leave	22(b)	57	-
Rehabilitation	22(a)	8,378	5,727
		8,435	**5,727**

(a) Provision for rehabilitation

		Consolidated 2011 $'000	2010 $'000
Balance at 1 July		5,781	3,139
Provisions made during the year		2,605	2,460
Provisions reversed during the year		(2)	-
Unwinding of discount		333	182
Balance at 30 June		**8,717**	**5,781**

Nature and purpose of provision for rehabilitation

The nature of rehabilitation activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas. Typically the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the liability is increased for the change in present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation cost estimates will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

(b) Provision for long service leave

Refer to Note 2(u) for the relevant accounting policy and a discussion of the significant estimates and assumptions applied in the measurement of this provision.

(c) Provision for restructure

		Consolidated 2011 $'000	2010 $'000
Balance at 1 July		-	225
Provisions made during the year		-	-
Provisions utilised during the year		-	(225)
Balance at 30 June		**-**	**-**

Nature & purpose of provision for restructuring

A provision for restructure was recognised at 30 June 2009 as a result of the move in the Group's corporate office from Melbourne to Perth. The balance represented bona fide redundancy payments payable to non-relocating Melbourne staff.

23. CONVERTIBLE NOTE LIABILITY (CURRENT)

		Consolidated 2011 $'000	2010 $'000
10,000,000 convertible notes issued at $1		-	10,000

(a) Terms and conditions

The convertible notes were issued by the Company on 26 March 2010 as partial consideration required to settle its financial guarantee liability (see Note 30).

On 30 September 2010, the Company elected to convert the notes into ordinary shares in settlement of the liability. In consideration of the early conversion of the note by the Company, Newmont Mining Finance Pty Ltd (the counterparty to the notes) terminated all remaining equity participation rights in relation to the Duketon Gold Project that it held pursuant to an agreement dated 14 December 2005.

24. CONTRIBUTED EQUITY

	Consolidated	
	2011 $'000	2010 $'000
Ordinary shares – issued and fully paid	247,632	226,399

The holders of ordinary shares are entitled to receive dividends as declared from time to time and, on a poll, are entitled to one vote per share at meetings of the Company. The Company does not have authorised capital or par value in respect of its issued shares.

	No. shares Thousands	$'000
MOVEMENT IN ORDINARY SHARES ON ISSUE		
At 1 July 2009	243,649	168,330
Issued for cash	120,333	50,540
Issued on exercise of options	3,245	530
Issued on exercise of warrants	27,557	7,716
Transaction costs	-	(717)
At 30 June 2010	**394,784**	**226,399**
Issued on exercise of options	8,530	5,783
Issued on exercise of warrants	19,668	5,507
Issued on exercise of convertible note	9,091	10,000
Transaction costs	-	(57)
At 30 June 2011	**432,073**	**247,632**

Capital management

The Board's policy in relation to capital management is to regularly and consistently monitor future cash flows against expected expenditures for a rolling period of up to 12 months in advance. The Board determines the Group's need for additional funding by way of either share issues or loan funds depending on market conditions at the time. The Board defines working capital in such circumstances as its excess liquid funds over liabilities, and defines capital as being the ordinary share capital of the Company.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

25. ACCUMULATED LOSSES AND RESERVES

(a) Accumulated losses

		Consolidated	
		2011 $'000	2010 $'000
At 1 July		(153,012)	(134,183)
Net profit/(loss) for the year		36,281	(18,829)
At 30 June		**(116,731)**	**(153,012)**

(b) Share option reserve

		Consolidated	
		2011 $'000	2010 $'000
At 1 July		8,397	1,822
Share-based payments – employees	26	980	4,095
Share-based payments – others	26	-	2,480
At 30 June		**9,377**	**8,397**

(c) Nature and purpose of reserves

The share option reserve is used to record the value of share-based payments provided to employees, including KMP, as part of their remuneration, as well as non-employees

26. SHARE-BASED PAYMENTS

(a) Recognised share-based payments expense

	Consolidated	
	2011 $'000	2010 $'000
Expense arising from equity-settled share-based payment transactions with employees for services received during the year	980	4,095
Expense arising from equity-settled share-based payment transactions with others	-	2,480
Total expense arising from share-based payment transactions	**980**	**6,575**

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during the current or prior years.

(b) Employee share option plan (ESOP)

In October 2008, the Company updated the Regis Resources Limited 2008 Share Option Plan (the "Plan") which allows directors, officers and employees to purchase shares in the Company.

The objective of the Plan is to assist in the recruitment, reward, retention and motivation of eligible persons of the Group. Under the Plan, the board or remuneration committee may issue to eligible employees options to acquire shares in the future at an exercise price fixed by the board or remuneration committee on grant of the options.

The vesting of all options is subject to service conditions being met whereby the recipient must meet the eligible employee criteria as defined in the Plan.

(c) Summary of options granted

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2011		2010	
	No.	WAEP	No.	WAEP
Outstanding at the beginning of the year	18,425,000	$0.7260	6,336,000	$0.4244
Granted during the year	3,700,000	$1.3574	15,500,000	$0.7348
Forfeited during the year	(25,000)	$1.0000	(166,000)	$1.0163
Exercised during the year (i)(ii)	(5,620,000)	$0.7258	(3,245,000)	$0.1643
Expired during the year	(90,000)	$1.1705	-	-
Outstanding at the end of the year	**16,390,000**	**$0.8596**	**18,425,000**	**$0.7260**
Exercisable at the end of the year	**11,998,333**	**$0.7326**	**16,506,667**	**$0.7153**

(i) The balance of options exercised in the current year includes 5 million options exercised by Newmont with an exercise price of $0.70 as discussed further in Note 30(a).
(ii) The weighted average share price at the date of exercise was $1.65 (2010: $0.54).

(d) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2011 is 2.7 years (2010: 3.4 years).

(e) Range of exercise prices

The range of exercise prices for options outstanding at the end of the year was $0.1348 to $2.23 (2010: $0.1348 to $1.1705).

(f) Weighted average fair value

The weighted average fair value of options granted during the year was $0.9548 (2010: $0.4179).

(g) Option pricing model

The fair value of the equity-settled share options granted under the ESOP is estimated as at the date of grant using a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the years ended 30 June 2011 and 30 June 2010:

	2011 ESOP	2010 Newmont Options	2010 ESOP
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	108.7% - 115.1%	58.3%	99.3% - 113%
Risk free interest rate (%)	4.32 – 5.05%	4.95%	4.74% - 6.25%
Expected life of the option (years)	2 – 3 years	2 years	3 years
Option exercise price ($)	$1.00 - $2.23	$0.7000	$0.4500 - $0.7665
Weighted average share price at grant date ($)	$1.14 - $2.25	$1.0200*	$0.6238

** At the date of entering into the agreement with Newmont (see note 30(a)), these options were out of the money.*

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

27. KEY MANAGEMENT PERSONNEL

(a) Compensation for key management personnel

		Consolidated 2011 $	Consolidated 2010 $
Short-term employee benefits		2,249,207	1,672,290
Post-employment benefits		198,704	142,414
Long-term employee benefits		23,987	-
Termination benefits		-	139,537
Share-based payment		345,529	4,019,113
Total compensation		**2,817,427**	**5,973,354**

Regis Resources Limited has applied the option to transfer KMP disclosures required by AASB 124 *Related Party Disclosures* paragraphs Aus 25.4 to Aus 25.7.2 to the Remuneration Report section of the Directors' Report. These transferred disclosures have been audited.

(b) Option holdings of key management personnel

	Held at start of period				Held at end of period	Vested at 30 June 2011		
	1 July 2010	Granted as remuneration	Options exercised	Net change other	30 June 2011	Total	Exercisable	Not exercisable
DIRECTORS								
M Clark	5,000,000	-	-	-	5,000,000	5,000,000	5,000,000	-
M Hart	5,000,000	-	-	-	5,000,000	5,000,000	5,000,000	-
EXECUTIVES								
J Balkau	727,500	-	(325,000)	-	402,500	402,500	402,500	-
M Ertzen*	-	-	-	500,000	500,000	333,333	333,333	-
M Evans	750,000	-	-	-	750,000	500,000	500,000	-
T Hinkley	500,000	-	(150,000)	-	350,000	183,333	183,333	-
K Massey	400,000	100,000	-	-	500,000	266,666	266,666	-
Total	12,377,500	100,000	(475,000)	500,000	12,502,500	11,685,832	11,685,832	-

** Mr Ertzen was not classified as a KMP at 30 June 2010. "Net Change Other" represents the number of options held at the date of becoming a KMP.*

(b) Option holdings of key management personnel (continued)

	Held at start of period				Held at end of period	Vested at 30 June 2010		
	1 July 2009	Granted as remuneration	Options exercised	Net change other	30 June 2010	Total	Exercisable	Not exercisable
DIRECTORS								
M Clark	-	5,000,000	-	-	5,000,000	5,000,000	5,000,000	-
M Hart	-	5,000,000	-	-	5,000,000	5,000,000	5,000,000	-
EXECUTIVES								
J Balkau	1,457,500	-	(730,000)	-	727,500	727,500	402,500	325,000
T Hinkley**	-	500,000	-	-	500,000	166,667	166,667	-
M Evans*	-	-	-	750,000	750,000	250,000	250,000	-
K Massey**	-	-	-	400,000	400,000	133,333	133,333	-
T Hickman^	725,000	-	(725,000)	-	-	-	-	-
Total	2,182,500	10,500,000	(1,455,000)	1,150,000	12,377,500	11,227,500	10,952,500	325,000

* *Mr Evans was not classified as a KMP at 30 June 2009. "Net Change Other" represents the number of options held at the date of becoming KMPs.*

** *Mr Hinkley and Mr Massey were appointed on 10 August 2009 and 14 July 2009 respectively. "Net Change Other" represents the number of options held at the date of becoming KMPs.*

^ *Mr Hickman resigned on 16 July 2009.*

(c) Shareholdings of key management personnel

Shares held in Regis Resources Limited (number) directly, indirectly or beneficially by each KMP

	Held at 1 July 2010	On exercise of options	Net change other	Held at 30 June 2011
DIRECTORS				
N Giorgetta*	18,529,671	-	2,000,000	20,529,671
M Clark	9,460,000	-	-	9,460,000
M Hart	9,389,210	-	-	9,389,210
M Okeby	1,200,000	-	-	1,200,000
OTHER KMP				
J Balkau	823,415	325,000	339,871	1,488,486
M Ertzen^	-	-	1,540,900	1,540,900
M Evans	913,188	-	(200,000)	713,188
T Hinkley	802,500	150,000	(100,000)	852,500
K Massey	42,857	-	(26,191)	16,666
Total	41,160,841	475,000	3,554,580	45,190,421

"Net Change Other" relates to on-market purchases and sales of shares.

^ *Mr Ertzen was not classified as a KMP at 30 June 2010. "Net Change Other" represents the number of shares held at the date of becoming a KMP.*

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	Held at 1 July 2009	On exercise of options	Net change other	Held at 30 June 2010
DIRECTORS				
N Giorgetta	7,586,659	-	10,943,012	18,529,671
M Clark	5,252,726	-	4,207,274	9,460,000
M Hart	4,131,171	-	5,258,039	9,389,210
M Okeby	-	-	1,200,000	1,200,000
OTHER KMP				
J Balkau	93,415	730,000	-	823,415
M Evans*	-	-	913,188	913,188
T Hickman (resigned, 16 Jul. 09)^	-	725,000	(725,000)	-
T Hinkley (appointed, 10 Aug. 09)*	-	-	802,500	802,500
K Massey (appointed, 14 Jul. 09)*	-	-	42,857	42,857
Total	17,063,971	1,455,000	22,641,870	41,160,841

"Net Change Other" relates to on-market purchases of shares except as noted below.

* *"Net Change Other" represents the number of shares held at the date of appointment as KMP, net of on-market purchases or disposals.*

^ *"Net Change Other" represents the number of shares held at the date of ceasing to be a KMP.*

All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(d) Loans to key management personnel and their related parties

There were no loans made to any director, key management personnel and/or their related parties during the current or prior year.

(e) Other key management personnel transactions

Other than the ordinary accrual of personnel expenses at balance date, there are no other amounts receivable from and payable to key management personnel and other related parties.

28. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The consolidated financial statements include the financial statements of Regis Resources Limited and the subsidiaries listed in the following table:

		% Equity Interest		Investment $'000	
Name	Country of Incorporation	2011	2010	2011	2010
Duketon Resources Pty Ltd	Australia	100%	100%	30,575	30,575
Artane Minerals NL	Australia	100%	100%	-	-
Rosemont Gold Mines Pty Ltd	Australia	100%	100%	-	-
				30,575	30,575

(b) Ultimate parent

Regis Resources Limited is the ultimate Australian parent entity and the ultimate parent entity of the Group.

(c) Transactions with related parties

A loan is made by the Company to Duketon Resources and represents the subsidiary's share of payments for exploration and evaluation expenditure on commercial joint ventures existing between the Company and Duketon Resources. The loan outstanding between the Company and Duketon Resources has no fixed date of repayment and is non-interest bearing. As at 30 June 2011, the balance of the loan receivable from Duketon was $6,622,304 (2010: $4,925,730).

29. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Regis Resources Limited, at 30 June 2011. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2011 $'000	2010 $'000
Current assets	40,171	11,068
Non-current assets	147,088	111,705
Total assets	**187,259**	**122,773**
Current liabilities	31,231	34,844
Non-current liabilities	16,823	7,097
Total liabilities	**48,054**	**41,941**
Contributed equity	247,632	226,399
Share option reserve	9,377	8,397
Accumulated losses	(117,804)	(153,964)
Total equity	**139,205**	**80,832**
Net profit/(loss) for the year	36,160	(18,330)
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the year	**36,160**	**(18,330)**

The parent entity has not guaranteed any loans of its subsidiaries.

There are no contingent assets or liabilities of the Group or parent entity at 30 June 2011 as disclosed at Note 32.

All capital commitments disclosed at Note 31 are commitments incurred by the parent entity, except for $1,895,004 (2010: $2,690,034) of the exploration expenditure commitments.

30. FINANCIAL INSTRUMENTS

(a) Financial guarantee liabilities

30 June 2011

The Group does not hold any financial guarantee liabilities.

30 June 2010

On 15 February 2010, the Company executed formal documentation with Newmont Mining Finance Pty Ltd ("Newmont") as agreed under a heads of agreement entered into on 9 November 2009, and on 26 March 2010 shareholder approval of the documentation was obtained. This agreement resolved Regis' position as a guarantor of a loan owing from a third party to Newmont and to restructure the securities held by Newmont over the Company's assets in connection with the guarantee.

A total expense of $12.48 million was recognised in the statement of comprehensive income for the year ended 30 June 2010 in respect of settlement of the above financial guarantee liability. The components of this expense comprise the following

	As at 26 March 2010 $'000
Fair value of convertible notes	10,000
Fair value of options	2,480
Total financial guarantee settlement expense	**12,480**

(b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments:

30 June 2011 ($'000)	Carrying amount	Contractual cash-flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Trade and other payables	11,330	(11,330)	(11,330)	-	-	-	-
Finance lease liabilities	264	(297)	(149)	(148)	-	-	-
Secured loan	30,138	(33,430)	(8,779)	(12,324)	(12,327)	-	-
Total	**41,732**	**(45,057)**	**(20,258)**	**(12,472)**	**(12,327)**	**-**	**-**

30 June 2010 ($'000)	Carrying amount	Contractual cash-flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Trade and other payables	14,371	(14,371)	(14,371)	-	-	-	-
Finance lease liabilities	443	(520)	(124)	(148)	(248)	-	-
Convertible notes*	10,000	(10,000)	-	(10,000)	-	-	-
Secured loan**	14,118	(19,366)	14,367	(11,246)	(16,690)	(5,797)	-
Total	**38,932**	**(44,257)**	**(128)**	**(21,394)**	**(16,938)**	**(5,797)**	**-**

* At the Company's election, the convertible note liability was settled through the issue of a variable number of Regis' ordinary shares on 30 September 2010. This was the Company's intended settlement date at the time of issuing the prior year financial report.

** Included in the contractual cash flows are actual additional draw downs of $15 million under the secured loan facility that have occurred subsequent to year end but prior to finalisation of the financial report to fund the completion of the Duketon Gold Project construction.

(c) Interest rate risk

Profile

At the reporting date the interest rate profile of the Company's and the Group's interest-bearing financial instruments was:

	Consolidated	
	2011 $'000	2010 $'000
FIXED RATE INSTRUMENTS		
Financial assets	28,562	10,716
Financial liabilities	(264)	(443)
	28,298	**10,273**
VARIABLE RATE INSTRUMENTS		
Financial liabilities	(30,138)	(14,118)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change at reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would decrease net profit by $121,721 (2010: no impact on profit as all interest expense (associated entirely with the secured loan liability) is being capitalised to the qualifying asset). This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2010.

31. COMMITMENTS

(a) Operating lease commitments – Group as lessee

The Group leases office premises in Perth under normal commercial lease arrangements (2010: Melbourne and Perth). The lease is for a period of 5 years beginning 1 May 2010 (2010: lease periods ranged from 3 to 5 years). The Group is under no legal obligation to renew the lease once the lease term has expired.

Future minimum rentals payable under non-cancellable operating leases at 30 June are as follows:

		Consolidated	
		2011 $'000	2010 $'000
Within one year		286	555
Between one and five years		873	1,140
Total minimum lease payments		**1,159**	**1,695**

(b) Finance lease commitments – Group as lessee

The Group has entered into a hire purchase contract for the main diesel storage facility to be constructed at the Duketon Gold Project. The contract expires in June 2012 and ownership of the storage facility passes to the Group once all contractual payments have been made.

		Consolidated	
		2011 $'000	2010 $'000
Within one year		297	272
Between one and five years		-	248
Total minimum lease payments		**297**	**520**
Less amounts representing finance charges		(33)	(77)
Present value of minimum lease payments		**264**	**443**
Included in the financial statements as:			
Current interest-bearing liabilities	21	264	220
Non-current interest-bearing liabilities	21	-	223
Total included in interest-bearing liabilities		**264**	**443**

(c) Contractual commitments

On 19 January 2010, the Group entered into an agreement with Pacific Energy (KPS) Pty Ltd ("KPS") for the supply of electricity to the Moolart Well Gold Mine (part of the Duketon Gold Project). The terms of this agreement commit the Group to purchasing a fixed amount of electricity per month for six years from 7 July 2010 (the "Effective Date") at a price which will be reviewed annually. As at 30 June 2011, at the current contract price, the Group had commitments to purchase electricity for the remaining term of $7,800,000 (30 June 2010: nil).

(d) Exploration expenditure commitments

Exploration expenditure commitments represent tenement rentals and expenditure requirements that may be required to be met under the relevant legislation should the Group wish to retain tenure on all current tenements in which the Group has an interest.

The terms and conditions under which the Group retains title to its various mining tenements oblige it to meet tenement rentals and minimum levels of exploration expenditure as gazetted by the Department of Mining and Petroleum ("DMP"), Western Australia, as well as Local Government rates and taxes.

The exploration commitments of the Group, not provided for in the consolidated financial statements and payable are as follows:

		Consolidated	
		2011 $'000	2010 $'000
Within one year		2,495	3,902

The tenement commitments shown above represent the minimum required to be spent on all granted tenements as at reporting date. Actual expenditure will vary as a result of ongoing management of the tenement portfolio including reductions and relinquishment of tenements not considered prospective, in whole or in part.

Tenement commitments are shown gross of exemptions that are likely to be available in the ordinary course of business as the financial impact of potential exemptions cannot be measured reliably in advance.

(e) Duketon Gold Project capital expenditure commitments

The outstanding capital commitments relating to the Duketon Gold Project at 30 June 2011 are:

		Consolidated	
		2011 $'000	2010 $'000
Moolart Well – within 1 year		351	3,427
Garden Well - within 1 year		17,227	-
		17,578	3,427

(f) Physical gold delivery commitments

Commodity price risk

The Group is exposed to movements in the gold price. As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financier, the Group enters into gold forward contracts to manage the gold price of a proportion of anticipated sales of gold. It is management's intention to settle each contract through physical delivery of gold.

The counterparty to the gold forward contracts is Macquarie Bank Limited ("MBL"). The gold forward sale contracts disclosed below do not meet the criteria of financial instruments for accounting purposes on the basis that they meet the normal purchase/sale exemption because physical gold will be delivered into the contract. Accordingly, the contracts will be accounted for as sale contracts with revenue recognised once the gold has been delivered to MBL or its agent.

30 June 2011	Gold for physical delivery ounces	Contracted gold sale price $/oz	Value of committed sales $'000	Mark-to-market $'000
WITHIN ONE YEAR				
- Spot deferred contracts	91,497	1,421.64	130,076	2,168
- Fixed forward contracts	48,000	1,340.00	64,320	(4,675)
BETWEEN ONE AND FIVE YEARS				
- Fixed forward contracts	58,750	1,340.00	78,725	(9,883)
	198,247		**273,121**	**(12,390)**
Spot gold price used to calculate mark-to-market				$1,398.147/oz

30 June 2010	Gold for physical delivery ounces	Contracted gold sale price $/oz	Value of committed sales $'000	Mark-to-market $'000
WITHIN ONE YEAR				
- Spot deferred contracts	40,000	1,403.43	56,137	(2,998)
- Fixed forward contracts	43,250	1,340.00	57,955	(7,795)
BETWEEN ONE AND FIVE YEARS				
- Fixed forward contracts	106,750	1,340.00	143,045	(29,354)
	190,000		**257,137**	**(40,147)**
Spot gold price used to calculate mark-to-market				$1,477.384/oz

32. CONTINGENCIES

As at 30 June 2011, the Group does not have any contingent assets or liabilities (30 June 2010: nil).

33. AUDITOR'S REMUNERATION

		Consolidated 2011 $	Consolidated 2010 $
AUDIT SERVICES			
KPMG Australia			
Audit and review of financial statements		166,180	92,000
OTHER SERVICES			
Other assurance services		-	-
Taxation compliance services		14,090	20,000
Total auditor's remuneration		**180,270**	**112,000**

34. SUBSEQUENT EVENTS

Garden Well Funding

On 22 July 2011, the Company signed an agreement with Macquarie Bank Limited to extend the existing financing facility to cover the funding requirements for the development of the Garden Well gold project. The key features of the facility are as follows:

- » Debt facility of $80 million (previously $45 million of which $30 million is drawn down at year end);
- » Hedging facility of up to 300,000 ounces of gold; and
- » Performance bond facility of $15 million (previously $5 million)

The debt facility has been provided in two tranches. The first tranche is for $60 million of which $30 million is already drawn at year end for the development of the Moolart Well gold project. The maturity date of tranche one is 31 December 2014. The second tranche is for $20 million and is effectively a standby facility which has a maturity date of 30 December 2015 (if drawn).

Forward Contract Restructure

On 6 July 2011, the Company restructured its gold forward contracts with Macquarie Bank Limited such that 12,000 ounces of spot deferred and 48,000 ounces of fixed forward contracts, all with forward prices of $1,340 per ounce and maturities within the next 12 months, were replaced with 60,000 ounces of fixed forward contracts with a forward price of $1,460.25 per ounce and maturities between December 2013 and December 2014.

Exercise of Options

Subsequent to year end, 1,280,962 ordinary shares have been issued as a result of the exercise of listed options for net proceeds of $1,763,981.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature which in the opinion of the directors of the Group, has significantly affected or is likely to significantly affect:

- » the operations of the Group
- » the results of those operations, or
- » the state of affairs of the Group

in future financial years.

Directors' Declaration

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

1. In the opinion of the directors:

   (a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Company and the consolidated entity 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 30 June 2011 and of its performance for the financial year ended on that date; and

      (ii) Complying with Accounting Standards 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.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2011.

3. The directors draw attention to Note 2(b) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

On behalf of the board.

Mr Mark Clark

Managing Director

Perth, 19 September 2011

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

Report on the financial report

We have audited the accompanying financial report of Regis Resources Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 34 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement whether due to fraud or error. In note 2(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Independent Auditor's Report (continued)

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2 (b).

Report on the Remuneration report

We have audited the Remuneration Report included in pages 10 to 17 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Regis Resources Limited for the year ended 30 June 2011, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Trevor Hart
Partner

Perth
19 September 2011

GRANTED TENEMENTS

Tenement	Interest	Tenement	Interest	Tenement	Interest	Tenement	Interest
COLLURABBIE AREA		E38/1101	100%	L38/116	100%	M38/413	Earning 70%
E38/1104	100%	E38/1133	100%	L38/126	100%	M38/414	Earning 70%
E38/1938	100%	E38/1193	100%	L38/127	100%	M38/415	Earning 70%
E38/1939	80%	E38/1260	100%	L38/128	100%	M38/488	100%
E38/1940	75%	E38/1282	100%	L38/129	100%	M38/498	100%
E38/1941	75%	E38/1335	100%	L38/131	100%	M38/499	100%
E38/1942	90%	E38/1371	100%	L38/133	100%	M38/500	100%
E38/1943	90%	E38/1406	100%	L38/134	100%	M38/515	100%
E38/1944	100%	E38/1566	100%	L38/135	100%	M38/589	97%
E38/1945	100%	E38/1689	100%	L38/136	100%	M38/590	97%
E38/1946	100%	E38/1735	100%	L38/137	100%	M38/600	70%
E38/1947	100%	E38/1758	100%	L38/138	100%	M38/601	70%
E38/1948	100%	E38/1914	100%	L38/139	100%	M38/630	100%
E38/2298	100%	E38/1952	100%	L38/140	100%	M38/802	100%
M38/903	90%	E38/1953	100%	L38/141	100%	M38/837	100%
M38/904	90%	E38/1954	100%	L38/142	100%	M38/889	97%
M38/925	90%	E38/1955	100%	L38/143	100%	M38/939	100%
P38/3354	100%	E38/1956	100%	L38/155	100%	M38/940	100%
P38/3355	100%	E38/1957	100%	L38/156	100%	M38/943	100%
P38/3356	100%	E38/1988	100%	L38/170	100%	M38/1091	80%
P38/3357	100%	E38/1989	100%	L38/181	100%	M38/1092	100%
P38/3358	80%	E38/1990	100%	L38/182	100%	M38/1096	100%
P38/3359	80%	E38/1991	100%	L38/184	100%	M38/1247	100%
P38/3360	80%	E38/1992	100%	L38/189	100%	M38/1249	100%
P38/3361	80%	E38/1994	100%	L38/190	100%	M38/1250	100%
P38/3362	80%	E38/1995	100%	L38/191	100%	M38/1251	100%
P38/3363	80%	E38/1996	100%	L38/192	100%	P37/7324	50%
P38/3364	90%	E38/1997	51%	L38/193	100%	P37/7325	50%
P38/3365	90%	E38/1999	70%	L38/194	100%	P38/2800	100%
P38/3366	90%	E38/2001	100%	M38/114	100%	P38/2801	100%
P38/3367	100%	E38/2002	51%	M38/237	100%	P38/2802	100%
P38/3368	75%	E38/2003	100%	M38/250	100%	P38/2803	100%
P38/3369	75%	E38/2004	Earning 70%	M38/262	100%	P38/2804	100%
P38/3370	75%	E38/2005	80%	M38/283	100%	P38/2805	100%
P38/3372	100%	E38/2006	100%	M38/292	100%	P38/2995	100%
P38/3373	100%	E38/2243	100%	M38/302	100%	P38/3339	100%
P38/3375	80%	E40/223	50%	M38/303	100%	P38/3340	100%
P38/3835	100%	G38/26	100%	M38/316	100%	P38/3341	100%
DUKETON AREA		L38/20	100%	M38/317	100%	P38/3342	100%
E38/961	100%	L38/26	100%	M38/319	100%	P38/3343	100%
E38/965	100%	L38/29	100%	M38/341	100%	P38/3351	100%
E38/1001	100%	L38/30	100%	M38/343	100%	P38/3376	100%
E38/1046	100%	L38/47	100%	M38/344	100%	P38/3377	100%
E38/1074	100%	L38/49	100%	M38/352	100%	P38/3378	100%
E38/1096	100%	L38/73	100%	M38/354	100%	P38/3379	100%
E38/1098	100%	L38/85	100%	M38/407	100%	P38/3407	Earning 70%

Tenement Information (continued)

GRANTED TENEMENTS (continued)

Tenement	Interest
P38/3408	Earning 70%
P38/3409	Earning 70%
P38/3410	Earning 70%
P38/3411	Earning 70%
P38/3412	Earning 70%
P38/3413	Earning 70%
P38/3414	Earning 70%
P38/3415	Earning 70%
P38/3416	Earning 70%
P38/3417	Earning 70%
P38/3418	Earning 70%
P38/3419	Earning 70%
P38/3420	Earning 70%
P38/3421	Earning 70%
P38/3422	Earning 70%
P38/3423	Earning 70%
P38/3424	Earning 70%
P38/3425	Earning 70%
P38/3426	Earning 70%
P38/3427	51%
P38/3428	51%
P38/3429	51%
P38/3430	51%
P38/3431	100%
P38/3433	100%
P38/3436	100%
P38/3437	100%
P38/3438	100%
P38/3439	100%
P38/3440	100%
P38/3441	100%
P38/3442	100%
P38/3443	100%
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P38/3477	100%
P38/3478	100%
P38/3480	100%
P38/3481	100%
P38/3482	100%
P38/3485	100%
P38/3486	100%
P38/3487	100%
P38/3508	100%
P38/3509	100%
P38/3510	100%
P38/3511	100%
P38/3512	100%
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P38/3561	100%
P38/3562	100%
P38/3563	100%
P38/3564	100%
P38/3566	80%
P38/3567	80%
P38/3568	80%
P38/3571	100%
P38/3572	100%
P38/3574	100%
P38/3576	70%
P38/3577	70%
P38/3578	70%
P38/3579	70%
P38/3580	100%
P38/3581	100%
P38/3582	51%
P38/3584	100%
P38/3602	100%
P38/3603	100%
P38/3604	100%
P38/3605	100%
P38/3606	100%
P38/3607	100%
P38/3629	51%
P38/3630	51%
P38/3631	51%
P38/3632	51%
P38/3633	51%
P38/3634	51%
P38/3635	51%
P38/3636	51%
P38/3639	100%
P38/3640	100%
P38/3644	100%
P38/3645	100%
P38/3646	100%
P38/3647	100%
P38/3648	100%
P38/3649	100%
P38/3650	100%
P38/3651	100%
P38/3652	100%
P38/3741	100%
P38/3742	100%
P38/3814	100%
P38/3815	100%
P38/3816	100%
P38/3836	100%
P38/3838	100%
P38/3877	100%
P38/3878	100%
P38/3879	100%
P38/3906	100%
P38/3914	100%
P38/3928	100%
P38/3941	100%
P38/3944	100%

TENEMENTS UNDER APPLICATION

Tenement	Interest
DUKETON AREA	
L38/201	100%
L38/202	100%
L38/203	100%
L38/204	100%
P38/3953	100%
P38/3954	100%

As at 21 September 2011 the following information applied:

1. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders disclosed in substantial shareholder notices to the Company:

Name	Number of Fully Paid Ordinary Shares held
Newmont Capital Pty Ltd	69,869,859

2. SECURITIES

(a) FULLY PAID ORDINARY SHARES

The number of holders of fully paid ordinary shares in the Company is 4,232. On a show of hands every holder of fully paid ordinary shares present or by proxy, shall have one vote. Upon a poll, each share shall have one vote. The distribution of holders of fully paid ordinary shares is as follows:

Category		Number of shareholders	No of shares
Holding between	1-1,000 Shares	1,099	459,508
Holding between	1,001 - 5,000 Shares	1,390	4,093,037
Holding between	5,001 - 10,000 Shares	648	5,150,583
Holding between	10,001-100,000 Shares	891	28,034,487
Holding more than	100,001 Shares	204	396,119,826
Holding less than	A marketable parcel	335	9,785

The Company's fully paid ordinary shares are quoted on the Australian Securities Exchange using the code RRL.

Australian Securities Exchange Information (continued)

The top 20 shareholders are as follows:

Name	Number of Fully Paid Ordinary shares held	Percentage interest
Newmont Capital Pty Limited	69,869,859	16.10
JP Morgan Nominees Australia Limited	39,278,197	9.05
National Nominees Limited	33,353,274	7.69
Citicorp Nominees Pty Limited	30,435,756	7.02
HSBC Custody Nominees (Australia) Limited	28,558,578	6.58
Mr Ross Francis Stanley	17,000,000	3.92
Rollason Pty Ltd	13,389,671	3.09
SHL Pty Ltd <S H Lee Family A/c>	10,017,087	2.31
Zero Nominees Pty Ltd	9,617,060	2.22
Mr Mark John Clark	8,711,112	2.01
Mr Morgan Cain Hart	8,438,098	1.94
Rollason Pty Ltd <Giorgetta Super Plan A/c>	7,140,000	1.65
JP Morgan Nominees Australia Limited <Cash Income A/c>	5,841,161	1.35
Mutual Investments Pty Ltd <Mitchell Family Account>	5,500,000	1.27
Newmont Mining Finance Pty Ltd	4,326,687	1.00
Mr Robertson McLennan Mitchell & Mrs Karen Joy Mitchell	4,024,350	0.93
Piama Pty Ltd <Fena Superannuation Plan A/c>	3,798,401	0.88
William Taylor Nominees Pty Ltd	3,717,534	0.86
Cogent Nominees Pty Limited	3,678,429	0.85
Laguna Bay Capital Pty Ltd	3,500,000	0.81
Total	310,195,254	71.50

(b) Options maturing 31 January 2014 over fully paid ordinary shares

The number of holders of options maturing 31 January 2014 over fully paid ordinary shares issued by the Company is 109. Optionholders may attend and speak at general meetings of the Company. However, they do not have an entitlement to vote upon the business before the meeting either by show of hands or by poll. The distribution of holders of options is as follows:

Category		Number of optionholders	No of options
Holding between	1-1,000 Options	39	29,612
Holding between	1,001 - 5,000 Options	20	60,950
Holding between	5,001 - 10,000 Options	16	136,145
Holding between	10,001-100,000 Options	22	663,116
Holding more than	100,001 Options	12	5,311,893
Holding less than	A marketable parcel	9	712

The Company's options maturing on 31 January 2014 over fully paid ordinary shares are quoted on the Australian Securities Exchange using the code RRLO.

The top 20 optionholders are as follows:

Name	Number of Options held	Percentage interest
Dalkeith Resources Pty Ltd <Dalkeith Resources S/F A/C>	1,333,000	21.49
Meerkat Nominees Pty Ltd <Rose Super Fund A/C>	1,200,000	19.35
Goffacan Pty Ltd	1,098,941	17.72
Mr Arthur David Thomas Dingle & Mrs Valerie Jean Dingle <Arvale Super Fund A/C>	323,014	5.21
HSBC Custody Nominees (Australia) Limited – GSCO ECA	300,000	4.84
Third Reef Pty Ltd <Back Reef A/C>	200,000	3.22
Goffacan Pty Ltd <KMM Family A/C>	190,000	3.06
Roslyndale Nominees Pty Ltd	171,000	2.76
Farrah Group Pty Ltd <Farrah Group Unit A/C>	157,850	2.55
Merrill Lynch (Australia) Nominees Pty Limited	123,088	1.98
Mr Joseph Howard Davenport	110,000	1.77
Various Holdings Pty Ltd <Dam Super Fund Account>	105,000	1.69
Mr Neil James Gill & Mrs Noelene Faye Gill <Gill Super Fund A/C>	80,000	1.29
Bart Superannuation Pty Limited <4F Investments Superfund A/C>	62,500	1.01
Buckingham Investment Financial Services Pty Ltd <Lennox Head Property A/C>	55,700	0.90
Mrs Jane Elizabeth Cannon	55,000	0.89
Mrs Kristine Louise Berry	50,000	0.81
Mr John Stephen Nitschke	50,000	0.81
Mr Chris Robert Cannon	35,000	0.56
CR Investments Pty Ltd	31,250	0.50
Total	5,731,343	92.42

(c) Options maturing 30 April 2012 over fully paid ordinary shares

The number of holders of options maturing 30 April 2012 over fully paid ordinary shares issued by the Company is 89. Optionholders may attend and speak at general meetings of the Company. However, they do not have an entitlement to vote upon the business before the meeting either by show of hands or by poll. The distribution of holders of options is as follows:

Category		Number of optionholders	No of options
Holding between	1-1,000 Options	53	27,660
Holding between	1,001 - 5,000 Options	9	20,749
Holding between	5,001 - 10,000 Options	4	34,958
Holding between	10,001-100,000 Options	19	600,244
Holding more than	100,001 Options	4	1,143,000
Holding less than	A marketable parcel	48	22,760

The Company's options maturing on 30 April 2012 over fully paid ordinary shares are quoted on the Australian Securities Exchange using the code RRLOA.

Australian Securities Exchange Information (continued)

The top 20 optionholders are as follows:

Name	Number of Options held	Percentage interest
Dalkeith Resources Pty Ltd	766,000	41.94
Mr David Walker	150,000	8.21
Mr Simon Hammer	122,000	6.68
Mr Peter Morton Copeland	105,000	5.75
Mrs Fiona McQuade-Huebner	75,000	4.11
Judge Street Pty Ltd <Barakate Family A/C>	62,742	3.43
Mr Erwin John Clayton	45,000	2.46
Mr George Edwy Erskine Dent	40,600	2.22
Buckingham Investment Financial Services Pty Ltd <Lennox Head Property A/C>	40,000	2.19
Mr Scott Gilchrist	38,839	2.13
Mr Charles William Perrignon & Mrs Catherine Margaret Perrignon <Perrignon Family S/Fund A/C>	35,000	1.92
Mr Scott Peter Gilchrist	30,692	1.68
Brave Heart Investments Pty Ltd	30,000	1.64
Trifern Pty Ltd <Super Fund A/C>	30,000	1.64
UOB Kay Hian Private Limited <Clients A/C>	28,051	1.54
HSBC Custody Nominees (Australia) Limited – GSCO ECA	25,000	1.37
Merrill Lynch (Australia) Nominees Pty Ltd	25,000	1.37
Mr Stephen Grainger	23,245	1.27
HSBC Custody Nominees (Australia) Limited	20,315	1.11
Brave Heart Investments P/L	15,000	0.82
Total	1,707,484	93.48

(d) Options maturing 31 October 2012 over fully paid ordinary shares

The number of holders of options maturing 31 October 2012 over fully paid ordinary shares issued by the Company is 63. Optionholders may attend and speak at general meetings of the Company. However, they do not have an entitlement to vote upon the business before the meeting either by show of hands or by poll. The distribution of holders of options is as follows:

Category		Number of optionholders	No of options
Holding between	1-1,000 Options	41	21,410
Holding between	1,001 - 5,000 Options	8	23,605
Holding between	5,001 - 10,000 Options	1	8,000
Holding between	10,001-100,000 Options	10	420,779
Holding more than	100,001 Options	3	2,804,000
Holding less than	A marketable parcel	14	1,410

The Company's options maturing on 31 October 2012 over fully paid ordinary shares are quoted on the Australian Securities Exchange using the code RRLOB.

The top 20 optionholders are as follows:

Name	Number of Options held	Percentage interest
Dalkeith Resources Pty Ltd <Dalkeith Resources S/F A/C>	1,125,000	34.32
Meerkat Nominees Pty Ltd <Rose Super Fund A/C>	1,125,000	34.32
Mr William Edward Mander	554,000	16.90
Fernwaye Pty Ltd <Folie Staff Super Fund A/C>	100,000	3.05
Goffacan Pty Ltd	100,000	3.05
ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/C>	38,013	1.16
Ms Barbara St Clair Matheson	35,766	1.09
HSBC Custody Nominees (Australia) Limited-GSCO ECA	30,000	0.92
Merrill Lynch (Australia) Nominees Pty Limited	30,000	0.92
Mr Stephen Grainger	25,000	0.76
Mr Joseph Howard Davenport	22,000	0.67
Hans Spring Super Co Pty Ltd <Hans Spring Super Fund A/C>	20,000	0.61
Various Holdings Pty Ltd <Dam Super Fund Account>	20,000	0.61
UBS Nominees Pty Ltd	8,000	0.24
C C D Services Pty Ltd	5,000	0.15
The Trust Company (Superannuation) Limited <AMG – Noel A Donovan A/C>	3,905	0.12
Mr Robert Mossell & Mrs Denise Elizabeth Mossel	3,200	0.10
Ms Janelle Louise Bartlett	3,000	0.09
Tryon International Pty Ltd <Tryon Super Fund A/C>	3,000	0.09
Mr Ward Davenport	2,000	0.06
Total	3,252,884	99.24

(e) Unlisted Options

Unlisted options over fully paid ordinary shares	No. on issue	No. of option holders
Expiry 31 October 2011	40,000	1
Expiry 15 June 2012	585,000	3
Expiry 4 February 2014	90,000	1
Expiry 30 June 2014	2,000,000	4
Expiry 29 September 2014	2,600,000	24
Expiry 21 December 2013	10,000,000	2
Expiry 29 April 2015	950,000	7

Optionholders may attend and speak at general meetings of the Company. However, they do not have an entitlement to vote upon the business before the meeting either by show of hands or by poll

Notes

REGIS RESOURCES LTD