2014 ANNUAL REPORT

REGIS RESOURCES LTD

ABN 28 009 174 761

REGIS RESOURCES LTD

AND ITS CONTROLLED ENTITIES

REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2014

Chairman's Report

Dear Shareholder,

Last year I wrote to you and said that Regis was well placed with its quality projects to meet the challenges an uncertain gold price environment may present.

The last 12 months has certainly been a challenge for Regis but I believe the Company has come through this period stronger and more determined to grow the business.

The flooding event in February 2014 was a defining moment for the Company. As devastating as it was, the flooding event illustrated the resilience of our people and their commitment to Regis. During this period the affected projects were able to continue milling ore and producing gold. Mining at Rosemont and Garden Well was reactivated by the end of the June 2014 quarter after a very efficient effort to pump out of the affected areas of the open pits and mine off the remaining sludge and sediment. The efforts of Regis staff and contractors in reactivating operations saw gold production for the year still reach 270,759 ounces, generating operating cash flow of $160 million.

Moolart Well again delivered strong operational performance producing 104,880 ounces of gold at a pre-royalty cash cost of $576 per ounce. The results from Moolart Well over the last 3 years make it one of the best performing and most consistent gold mines in Australia. This is both a testament to the quality of the staff and management at the mine site.

Apart from the flooding issues, Garden Well also experienced ongoing grade issues particularly in the oxide zone of the deposit. However the project delivered 137,484 ounces of gold production at a pre-royalty cash cost of $999 per ounce. The grade reconciliation is expected to improve with the updated reserve released in September 2014.

Organic growth has been a key feature of Regis' progress and this continued during the year with the completion of construction of the Rosemont Gold Mine in October 2013. The project was completed on time and in line with budget which again is a great credit to Regis' construction team which has built three plants in the last 4 years. Rosemont produced 29,695 ounces of gold for the 9 months of operations and is expected to produce in excess of 80,000 ounces of gold per annum over five years.

PHOTO: MICK WILSON

The development of Rosemont sees the total Duketon Project milling capacity rise to 10 million tonne per annum producing in excess of 320,000 ounces of gold per annum.

In July 2014, the Board announced that due to a 20% fall in the gold price since acquisition and based on an assessment of geological, operating and infrastructure parameters the Company would not be advancing to a feasibility study at the McPhillamys Gold Project in the immediate future. The board is of the view however, that this large open-pittable gold resource will in due course, even with a relatively modest increase in the gold price, deliver significant value for the company.

In spite of the challenges during the year, the Company's strong first half year cash flows facilitated the payment of the Company's maiden 15 cents per share dividend to shareholders in October 2013.

In closing, the last year has illustrated that Regis has a sound business that has weathered significant challenges. The Company has emerged from the year in a strong position to consolidate its operations and grow the business through both exploration and acquisition. I look forward to the next year and the opportunities it may bring for Regis.

Nick Giorgetta
Chairman

Highlights

CORPORATE

- Total gold production for the year of 270,759 ounces.
- Cashflow from operations for the year was $159.6 million.
- Cash and gold bullion holdings at 30 June 2014 were $14.2 million.
- Gold sales of 271,463 ounces at average sales price of A$1,460 per ounce.
- Maiden fully franked dividend of 15 cents per share ($74.7 million) paid in October 2013.
- Extension of financing facility with Macquarie Bank Limited to $70 million in a long term structure with repayments scheduled June 2015 to 2018 ($40 million drawn down as at 30 June 2014).

MOOLART WELL OPERATIONS

- Total gold production of 104,880 ounces for the year at pre-royalty cash cost of A$576 per ounce.
- Significant milestone achieved during the year with 10th tonne of gold poured.
- Record annual throughput achieved with the Moolart Well gold processing plant treating over 2.78 million tonnes of ore during the year, 39% above the design throughput rate of 2.0 million tonnes per annum.

GARDEN WELL OPERATIONS

- Total gold production of 136,184 ounces for the year at pre-royalty cash cost of A$999 per ounce.
- Operations impacted by severe rainfall event resulting in flooding of the open pit in February 2014.
- Flood pumping and remediation mining works reached practical completion by end of the financial year.
- Construction of plant expansion (Rosemont Stage 2) completed on time and under budget in June 2014.

ROSEMONT OPERATIONS AND DEVELOPMENT

- Construction of the Rosemont Gold Project completed in October 2013.
- Commercial production commenced in January 2014.
- Operations impacted by severe rainfall event resulting in flooding of the open pit in February 2014.

"MAIDEN FULLY FRANKED DIVIDEND OF 15 CENTS PER SHARE ($74.7 MILLION) PAID IN OCTOBER 2013."

ROSEMONT STAGE 1 - COMMISSIONED OCTOBER 2013

PHOTO: MICK WILSON

Corporate

REGIS PRODUCED 270,759 OUNCES OF GOLD DURING THE YEAR, CONSISTENT WITH THE PRIOR YEAR.

A first year of contribution from the Rosemont operation offset a reduction in head grade at Garden Well as mining at that operation moved from the higher grade oxide zone to the life of mine grade in the fresh rock zones.

Regis reported a profit after tax, prior to impairment charge, of $54.9 million for the 2014 financial year. Following an impairment charge of $202.7 million (net of tax) Regis achieved a net loss of $147.8 million. The impairment charge related to the Garden Well and Rosemont operations and exploration projects including McPhillamys. It was the result of a combination of factors including the major flooding event at Duketon in February 2014, operating challenges at the two mines and a fall in the gold price.

Regis sold a total of 271,463 ounces of gold during the year at an average price of A$1,460 per ounce. The gold was delivered into a mix of spot prices and forward hedging contracts. At the end of the financial year the Company had a total hedging position of 260,475 ounces, being 192,751 ounces of flat forward contracts with a delivery price of A$1,436 per ounce and 64,724 ounces of spot deferred contracts with a price of A$1,414 per ounce.

In spite of the significant challenges experienced at the Duketon operations during the year and the fall in the gold price, Regis generated an operating cashflow in 2014 of $159.6 million. The major flooding event in February 2014 at Garden Well and Rosemont significantly affected the operations of these two mines.

In response to the flooding event at the Duketon Project in February 2014 the Company extended its corporate loan facility with Macquarie Bank Limited from a limit of $20 million to $70 million. The amount of the undrawn facility at the end of the financial year was $30 million. The loan amortisation schedule requires full repayment of the debt facility by June 2018 with the scheduled first repayment due 30 June 2015.

The Company was pleased to announce during the year the addition of Frank Fergusson and Glyn Evans to the board of Regis. Frank was appointed a non-executive director in October 2013 and is an experienced gold mining industry director who has a long track record of successful operational management. Glyn joined the board in March 2014 as a non-executive director and is a geologist with over 30 years' experience in base metals and gold mining operations. Paul Thomas joined the Company as Chief Operating Officer in April 2014 replacing Morgan Hart who resigned in February 2014. Paul is a qualified metallurgist with extensive operating and development experience gained in a career of over 25 years in the mining industry.

In October 2013, the Company achieved a significant milestone paying a maiden fully franked dividend of 15 cents per share. The dividend paid of $74.7 million was in relation to the 2013 financial year.

As at 30 June 2014 Regis had $14.2 million in cash and bullion holdings.

Moolart Well Operations

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. Since commissioning in July 2010, the processing plant has consistently run at 25% above nameplate throughput design and has produced over 396,000 ounces of gold.

Operating results for the year to 30 June 2014 were as follows:

	2014	2013
Ore mined (t)	2,798,713	2,503,283
Ore milled (t)	2,781,872	2,534,292
Head grade (g/t)	1.26	1.41
Recovery (%)	93	92
Gold production (oz's)	104,880	105,753
Cash cost per ounce (A$/oz) – pre royalties	A$576	A$563
Cash cost per ounce (A$/oz) – incl royalties	A$640	A$630

Moolart Well completed another consistent year of operations producing 104,880 ounces of gold at a pre-royalty cash cost of $576 per ounce. Mining of the Lancaster oxide pit was completed in November 2013 with the bulk of production for the remainder of the year coming from the Stirling oxide pit and the laterite deposit. At the end of the financial year approximately 1.8 million tonnes of laterite ore at 1.06g/t had been exposed in the open pits ready for mining.

In 2015 Regis will be focussed on infill drilling the significant Inferred Oxide Resource at Moolart Well as part of the Company's ongoing mining inventory replacement strategy.

Gold production for the 2015 financial year at Moolart Well has been forecast at between 95,000 – 105,000 ounces at a pre-royalty cash cost of between $600 - $650 per ounce.

STIRLING SOUTH
OPEN PIT

PHOTO: NATHAN TRIPLETT

Garden Well Operations

The Garden Well Gold Project is located approximately 35 kilometres south of the Company's Moolart Well operation. The Company completed development of the Garden Well Gold Mine in September 2012 for a final capital cost of $113 million.

Operating results for the year to 30 June 2014 were as follows:

	2014	2013 10 MONTHS
Ore mined (t)	5,879,412	3,644,193
Ore milled (t)	4,715,183	3,839,125
Head grade (g/t)	1.04	1.47
Recovery (%)	87	90
Gold production (oz's)	137,484	163,260
Cash cost per ounce (A$/oz) – pre royalties	$999	$562
Cash cost per ounce (A$/oz) – incl royalties	$1,061	$626

Operations at Garden Well for the 2014 financial year produced 137,484 ounces of gold at a pre-royalty cash cost of $999 per ounce. Operations were materially impacted by a major pit flooding on 13 February 2014. The Duketon project area received rainfall of approximately 165mm between late Tuesday 11 February and early morning on Thursday 13 February and in excess of 130mm during a 14 hour period within these days. This rainfall has been estimated as a 1 in 150 year rainfall event and resulted in extensive flooding.

After 14 hours of unabated heavy rainfall, the mine's flood diversion bund on the south eastern side of the open pit was over topped by flood waters in the creek system flowing from the east-north east. Once the bund was over topped, the flood waters then eroded a section of approximately 30 metres of the bund length. This led to a major inrush of flood waters into the open pit which continued for approximately 26 hours until flows subsided to a level that permitted safe working conditions to close the breached area of the bund. Approximately 4.7 million cubic metres of water flowed in to the open pit.

The water eventually pooled in the northern portion of the pit (stages 1 – 3) and had an average depth of 45 metres. The floor of the southern portion of the pit (stage 4) located approximately 75 metres higher than the northern part of the pit as a result had minimal standing water from the flooding.

Immediately following the flooding event the flood bunding was re-established by dumping, dozing and compacting waste rock in the breached area. The breached area was also reinforced and raised by an additional four metres above its previous height.

FLOODING OF
GARDEN WELL


PHOTO: MARK CLARK

A contract was let to a third party contractor to pump out of the open pit. This work commenced in the first week of March 2014 and took approximately 3 months to complete. In May 2014 Regis commenced the process of mining the sludge and sediment on the pit floor. This operation progressed largely in accordance with plan and saw normal mining operations recommence in the area from early July 2014.

Post flood mining operations were restricted to the southern stage 4 part of the open pit and milling operations continued with a blend of ore mined from this area and from the low grade stockpiles. Despite the impact of the flooding, the processing plant treated 4.7 million tonnes of ore during the year which was 17.5% above the nameplate annual design capacity. However, the disruption to the mining schedule meant the head grade of the ore processed was affected during the period after the flooding event.

The construction of additional leaching and associated infrastructure at the Garden Well processing plant (Rosemont Stage 2) commenced in September 2013 and reached practical completion in June 2014, on time and under the $20 million capital budget. The aim of the expansion of the plant is to maximise gold recoveries for the combined Garden Well and Rosemont ore flow through the wet plant of +7mtpa. The plant expansion is expected, once fully optimised, to facilitate gold recoveries for the combined projects in the order of 91-93%.

Gold production for the 2015 financial year at Garden Well has been forecast at between 145,000 – 165,000 ounces at a pre-royalty cash cost of between $900 - $1,000 per ounce.

> "Despite the impact of the flooding, the processing plant treated 4.7 million tonnes of ore during the year which was 17.5% above the nameplate annual design capacity."

GARDEN WELL
LOOKING NORTH
- 30 JUNE 2014

PHOTO: TERRY STARK

Rosemont Development

The Rosemont Gold Project is 100% owned by Regis and is located less than 10 kilometres north west of the Garden Well Gold Project. The Rosemont gold deposit was discovered in the 1980s and was partially mined as a shallow oxide open pit by Aurora Gold Limited in the early 1990s. Reported production was 222kt at 2.65g/t for 18,600 ounces of gold.

The Rosemont deposit was designed as a hybrid project with the crushing and grinding circuit to be built at the Rosemont pit and the ore product pumped to the CIL circuit at Garden Well at the rate of approximately 1.5mtpa for leaching and gold production.

In July 2013 the company announced Stage 2 of the Rosemont development being the construction of additional leaching and associated infrastructure at the Garden Well processing plant to cater for the maximum ore flow from Rosemont.

The construction of Stage 1 of the Rosemont Gold Project achieved practical completion in October 2013 materially in line with the $55 million budget and the construction schedule. Commercial production commenced in January 2014. As described previously, Stage 2 of the development was completed in June 2014 on time and under budget.

Operating results for the year to 30 June 2014 were as follows:

	2014 (9 MONTHS)
Ore mined (t)	826,568
Ore milled (t)	1,088,722
Head grade (g/t)	0.98
Recovery (%)	87
Gold production (oz's)	29,695

Rosemont operations were also materially affected by the severe rainfall event in February 2014. Flood waters breached a flood diversion bund north of the Rosemont North open pit on 13 February 2014. This resulted in the erosion of a section of approximately 30 metres of the bunding and the inflow of approximately 620,000 cubic metres of water into the Rosemont North pit. The water had an average depth of 6.4 metres.

The flood bunding has been reinstated and bolstered by an average of 1 metre in height. The pump out of the Rosemont North pit commenced on 19 February 2014 using hire equipment and Regis piping. The pump out of the open pit was completed within a month and mining of waste was able to recommence in the North Pit late in March 2014.

The Rosemont Main pit had only minor standing water from rain that fell directly in to the pit and minor water runoff that penetrated emergency ramp bunding. Access to the main pit was available a week after the flooding and a programme of grade control drilling was undertaken to facilitate mining of ore commencing in the main pit.

A pit wall failure occurred in the eastern wall of Rosemont North pit in late March 2014. The failure was related to structural faulting and not thought to be associated with the major rain event. Access to the pit was not available for over a week while the top of the northern pit access ramp was realigned and access re-established. Ore and waste mining in the North pit is currently available through use of the interim ramp design.

Consequently gold production was significantly affected by the requirement to mill low grade and historical stockpiles (with grades between 0.35 – 0.55g/t) for extended periods when ore supplies were not available from the post flood mining schedule to the end of June 2014. Production was further affected by several days of plant shutdowns due to interrupted ore supply from the Rosemont North pit as a result of the slip and stoppages required for electrical works associated with the upgrade of the pipeline to Garden Well as part of Rosemont Stage 2 development.

Production at Rosemont has also been affected by the poor grade reconciliation in the areas mined to date. Mining of ore during the year was largely confined to the flat lying oxide area of the Rosemont North pit. Mining of this flat lying oxide zone in the North pit is almost completed. It is expected that the more vertically orientated fresh rock component of the orebody will perform more predictably.

As at 30 June 2014 only limited ore had been mined out of the Rosemont Main pit so no history of reconciliation is available. However, it is noted that the next 30 – 40 vertical metres (approx. 6 months of mining) of the ore supply in the Main pit is scheduled from the flat lying oxides so these may also be impacted to some degree by the difficulty in interpretation of this zone. This has been reflected in the guidance given for 2015 production.

Gold production for the 2015 financial year at Rosemont has been forecast at between 65,000 – 85,000 ounces at a pre-royalty cash cost of between $1,000 - $1,100 per ounce.

ROSEMONT CRUSHING CIRCUIT

PHOTO: MICK WILSON

Gold Exploration

DUKETON GOLD PROJECT

Regis controls a significant tenement package, encompassing 247 granted exploration, prospecting and mining licences covering 1,625 square kilometres and 36 general purpose and miscellaneous licences covering 1,185 square kilometres at the Duketon Gold Project.

Limited field work was conducted on exploration projects across the tenement package during the year as the Company focussed on development and operational issues at the Duketon Gold Project.

Regis' focus over the next twelve months will be aimed at infill drilling the significant inferred oxide resources at Moolart Well and the Company's satellite deposits as part of the ongoing mining inventory replacement strategy as well as regional exploration surrounding the existing mines to provide incremental ounces to the three operating mills in the district.

The Company has identified a 20 kilometre corridor north of Moolart Well that has been poorly tested for laterite and oxide gold.

A major shear structure runs through this corridor and is located under a north-south paleochannel. The Company has identified 5 high priority targets over the cross structure and shear zone deflections to test as shown on the diagram in Fig 2.

Exploration targets have also been identified south of Garden Well along the shear zone that extends to Tooheys Well as shown in the diagram in Fig 3. Significant gold intercepts have been recorded at Tooheys Well 500 metres apart. This region is poorly tested and further fieldwork is planned to be carried out in the next 12 months.

In addition the Rosemont to Baneygo trend as illustrated in Fig 4 has been poorly tested. Baneygo contains a JORC Resource of 43,000 ounces and significant gold intercepts have been found on this 20 kilometre corridor. Further drilling is planned over the next 12 months to test these targets.

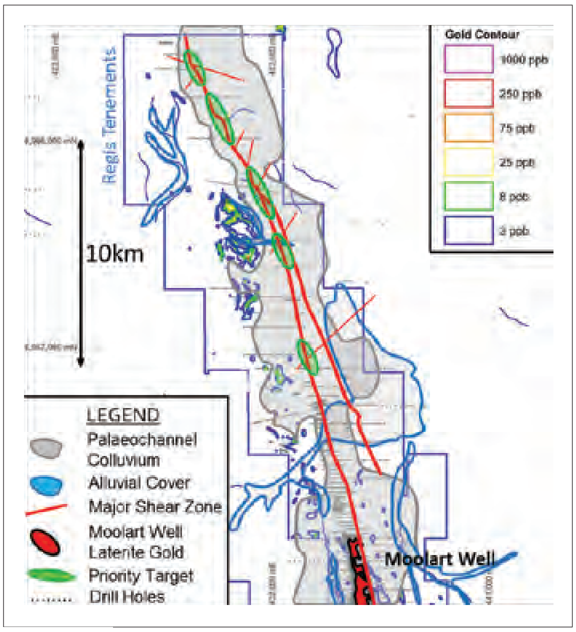

FIG 2

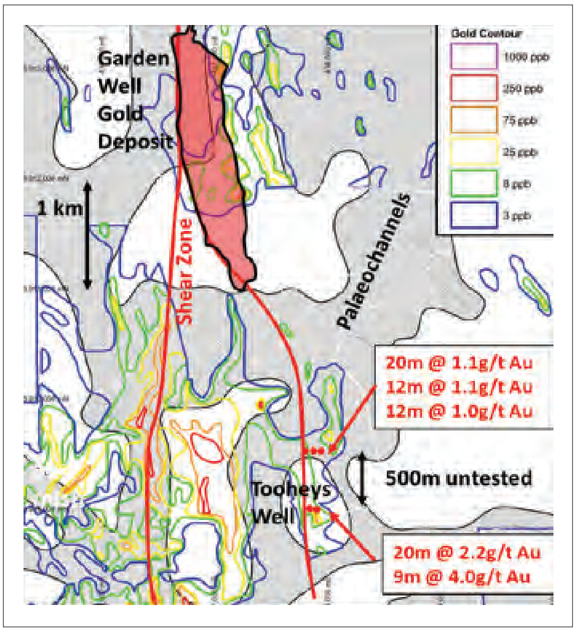

FIG 3

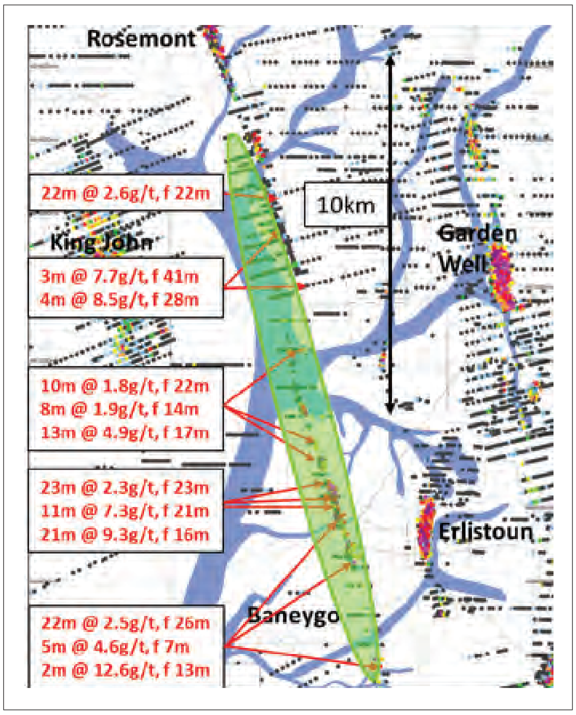

FIG 4

MCPHILLAMYS

The McPhillamys Gold Project is located approximately 35 kilometres south east of the town of Orange and 30 kilometres west of the town of Bathurst in the Central West region of New South Wales, Australia. The project is approximately 250 kilometres west of Sydney.

The project area consists of four granted exploration permits covering 477 square kilometres in two discrete locations approximately 25 kilometres apart.

The Company completed the acquisition of the McPhillamys Gold Project from Newmont Exploration Pty Ltd and Alkane Resources Limited in November 2012. No drilling was conducted at the McPhillamys Gold Project during the year as work was completed on the geological interpretations of the McPhillamys mineralised ore zone and the associated major structures and alterations. Pre-feasibility work continued on the project during the year including base line environmental studies and metallurgical test work.

In July 2014 the Company announced that the board had reviewed its strategy for the project given the sustained fall in the A$ gold price of in excess of 20% since acquisition. This review incorporated accumulated knowledge of geological, operating and infrastructure parameters, including an assessment of the current progress towards securing a long term source of process water.

Whilst this review suggests that the project remains viable at the current gold price (if infrastructure requirement issues can be solved) the board has decided that the potential return on investment does not meet its hurdle rate at the current time. Accordingly the Company does not anticipate progressing to a feasibility study process in the near term.

The Company will however continue to undertake cost effective work on the project, with a view to being in the best possible position to expedite development if and when circumstances permit. The board believes that the significant gold resource at McPhillamys will deliver real value for shareholders at some time in the future and remains an important project in the Company's portfolio.

Gold Resources

PROJECT	TYPE	CUT-OFF (G/T)	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
Garden Well	Open Pit	>0.6	-	-	-	49.6	1.13	1,807	5.6	1.14	205	55.2	1.14	2,013
Garden Well	Open Pit	0.4-0.6	-	-	-	30.0	0.50	479	3.7	0.49	58	33.7	0.50	537
Garden Well			**-**	**-**	**-**	**79.5**	**0.89**	**2,286**	**9.3**	**0.88**	**264**	**88.8**	**0.89**	**2,550**
Moolart Well	Open Pit	>0.6	3.7	1.10	130	16.2	1.03	535	8.3	0.83	221	28.1	0.98	885
Moolart Well	Open Pit	0.4-0.6	1.9	0.50	30	15.9	0.49	250	9.3	0.49	147	27.1	0.49	427
Moolart Well			**5.6**	**0.90**	**160**	**32.1**	**0.76**	**785**	**17.6**	**0.65**	**368**	**55.3**	**0.74**	**1,313**
Rosemont	Open Pit	>0.6	5.1	1.57	256	16.4	1.48	780	2.4	2.02	156	23.9	1.55	1,192
Rosemont	Open Pit	0.4-0.6	1.3	0.50	20	4.6	0.50	73	0.6	0.49	10	6.5	0.50	103
Rosemont			**6.4**	**1.35**	**277**	**21.0**	**1.27**	**853**	**3.0**	**1.70**	**166**	**30.4**	**1.33**	**1,295**
Erlistoun	Open Pit	0.5	2.3	1.92	143	3.0	1.88	179	-	-	-	5.3	1.90	322
Dogbolter	Open Pit	1.0	-	-	-	-	-	-	0.9	2.91	87	0.9	2.91	87
King John	Open Pit	1.0	-	-	-	-	-	-	0.7	3.19	72	0.7	3.19	72
Russells Find	Open Pit	1.0	-	-	-	-	-	-	0.4	3.86	55	0.4	3.86	55
Baneygo	Open Pit	0.5	-	-	-	-	-	-	0.8	1.67	43	0.8	1.67	43
Reichelts Find	Open Pit	1.0	-	-	-	0.1	3.69	17	-	-	-	0.1	3.69	17
Petra	Open Pit	2.0	-	-	-	-	-	-	0.4	3.12	42	0.4	3.12	42
McPhillamys	Open Pit	>0.6	-	-	-	48.5	1.13	1,757	2.5	1.25	101	51.0	1.13	1,858
McPhillamys	Open Pit	0.4-0.6	-	-	-	20.8	0.49	330	1.4	0.49	22	22.2	0.49	352
McPhillamys			**-**	**-**	**-**	**69.2**	**0.94**	**2,087**	**3.9**	**0.98**	**123**	**73.2**	**0.94**	**2,210**
Regis		>0.6	11.1	1.49	529	133.7	1.18	5,075	22.0	1.39	982	166.8	1.23	6,585
		0.4-0.6	3.2	0.50	51	71.2	0.49	1,132	15.1	0.49	237	89.4	0.49	1,420
		Total	**14.2**	**1.27**	**580**	**204.9**	**0.94**	**6,207**	**37.0**	**1.02**	**1,220**	**256.2**	**0.97**	**8,005**

Gold Reserves

PROJECT	TYPE	CUT-OFF (G/T)	PROVED MILLION TONNES	PROVED GRADE G/T	PROVED GOLD KOZ	PROBABLE MILLION TONNES	PROBABLE GRADE G/T	PROBABLE GOLD KOZ	TOTAL RESERVES MILLION TONNES	TOTAL RESERVES GRADE G/T	TOTAL RESERVES GOLD KOZ
Garden Well	Open Pit	>0.6	-	-	-	33.8	1.16	1,260	33.8	1.16	1,260
Garden Well	Open Pit	0.4-0.6	-	-	-	18.0	0.50	290	18.0	0.50	290
Garden Well Total			**-**	**-**	**-**	**51.8**	**0.93**	**1,551**	**51.8**	**0.93**	**1,551**
Moolart Well	Open Pit	>0.6	3.7	1.08	127	2.2	1.18	83	6.5	1.09	228
Moolart Well	Open Pit	0.4-0.6	0.8	0.50	13	1.5	0.47	22	2.3	0.48	36
Moolart Well Total			**4.5**	**0.97**	**140**	**3.7**	**0.89**	**105**	**8.2**	**0.94**	**246**
Rosemont	Open Pit	>0.6	-	-	-	10.0	1.51	484	10.0	1.51	484
Rosemont	Open Pit	0.4-0.6	-	-	-	2.8	0.50	44	2.8	0.50	44
Rosemont Total			**-**	**-**	**-**	**12.8**	**1.29**	**528**	**12.8**	**1.29**	**528**
Erlistoun		>0.5	1.3	2.34	95	1.4	2.37	108	2.7	2.36	203
Regis		>0.6	4.9	1.40	222	47.4	1.27	1,936	52.3	1.28	2,158
		0.4-0.6	0.8	0.50	13	22.3	0.50	357	23.1	0.50	370
		Total	**5.7**	**1.27**	**235**	**69.7**	**1.02**	**2,293**	**75.4**	**1.04**	**2,528**

Group JORC compliant Ore Reserves estimate updated to 75.4 million tonnes at 1.04 g/t gold for 2.53 million ounces. There has been no decrease in reserve ounces, net of mining depletion, compared to the June 2013 Ore Reserve. The reserves support robust mining schedules with higher grades in early years and long mine lives (Garden Well 10+ years, Rosemont 6+ years) with expected life of mine cash operating costs lower than cost guidance previously given for FY2015.

PHOTO: NATHAN TRIPLETT

Directors' Report

YOUR DIRECTORS SUBMIT THEIR REPORT
FOR THE YEAR ENDED 30 JUNE 2014

Directors

The directors of the Company in office since 1 July 2013 and up to the date of this report, unless otherwise stated, are:

Mr Nick Giorgetta, *(Independent Non-Executive Chairman)*

Mr Giorgetta joined the board of Regis Resources Limited in May 2009 as Non-Executive Chairman. Prior to this Mr Giorgetta was a founding director of Equigold NL. He is a metallurgist with over 40 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 24 years of 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 working at 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 Glyn Evans, *BAppSc, FAusIMM*
(Independent Non-Executive Director) – appointed 1 April 2014

Mr Evans is a geologist with over 30 years' experience in base metal and gold mining operations.

He was an executive director with ASX listed gold mining companies between 1991 and 2007. Mr Evans has a strong mine geology background, having held senior mine management positions early in his career and then ultimately managed the gold resources and reserves of both Samantha Gold NL (1987-1994) and Equigold NL (1995-2007). He also led extensive exploration programmes over his long career which culminated in significant gold discoveries including the well-known Higginsville and Chalice Mines in Western Australia and the Bonikro mine in the Ivory Coast.

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

Mr Evans is a Fellow of the Australian Institute of Mining and Metallurgy.

Mr Frank Fergusson,
(Independent Non-Executive Director)
– appointed 14 October 2013

Mr Fergusson is an experienced gold mining industry director and has a long track record of successful operational management.

His career in the gold mining industry spans over 30 years, starting at Great Victoria Gold Mine in 1983 where he was later the project's General Manager. He was Operations Manager at Samantha Gold NL from 1988 to 1994 and was an Executive Director from 1992 to 1994.

Mr Fergusson was a founding shareholder and executive director of Equigold NL from 1994 until his retirement from the role in 2006. In this executive role, Mr Fergusson was Group Operations Manager overseeing Equigold's three gold mining operations in Western Australia and Queensland.

After his retirement from Equigold in 2006, Mr Fergusson took a short term executive role at OM Holdings Limited where he undertook an independent technical review of the Company's manganese mining operations and implemented operational changes that significantly improved operational productivity and led to improved production and operating costs.

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

Mr Ross Kestel, *B.Bus, CA, AICD*
(Independent Non-Executive Director)

Mr Kestel is a Chartered Accountant and was a director of a mid-tier accounting practice for over 25 years and has a strong corporate and finance background.

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 Beadell Resources Limited.

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

» Xstate Resources Limited *(September 2006 to September 2013)*;

» Resource Star Limited *(August 2006 to November 2012)*;

» Equator Resources Limited *(June 2011 to December 2012)*;

» Jatenergy Limited *(September 2007 to May 2012)*; and

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

Mr Mark Okeby, *LLM (Independent Non-Executive Director)*

Mr Okeby has over 26 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 has been an executive and non-executive director of a number of gold producers and other resource companies and has been involved in the development of a number of resource projects and mergers and acquisitions in the resource sector.

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

Mr Morgan Hart,
(Executive Director) – resigned 25 February 2014

Mr Hart is a geologist with over 24 years of experience in the gold mining industry. He joined Regis Resources Limited in May 2009 as the Company's Chief Operating Officer.

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 Chief Operating Officer 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.

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. In October 2013, the Company paid its maiden dividend to shareholders of 15 cents per share. The dividend was fully franked.

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 and Garden Well gold mines;

» commissioning and production of gold from the Rosemont gold mine;

» construction and commissioning of the Garden Well plant expansion (Rosemont Stage 2);

» exploration, evaluation and development of gold projects in the Eastern Goldfields of Western Australia; and

» exploration and evaluation of the McPhillamys Gold Project in New South Wales.

Apart from the above, or as noted elsewhere in this report, no significant changes in the state of affairs of the Company occurred during the financial year.

Objectives

The Group's objectives are to:

- Achieve operational predictability by optimising mining and processing facilities across the Duketon Gold Project whilst maintaining a high standard of safety;
- Maximise cash flow by driving the cost base lower from steady state operations and pushing for last capacity opportunities;
- Organically increase the Reserve base of the Company by bringing satellite resource positions in to the mine plan and infill drill the significant oxide resources at Moolart Well.
- Focus on regional exploration to add incremental ounces to the three operating mills in the district;
- Reduce debt in a sensible timeframe;
- Reactivate the Company's dividend policy when appropriate; and
- Actively pursue growth opportunities

Operating and Financial Review

OVERVIEW OF THE GROUP

The Company is a leading Australian gold producer, with its head office in Perth, Western Australia. The Company operates three wholly-owned mines at the Duketon Gold Project in the Eastern Goldfields of Western Australia. The Moolart Well Gold Mine commenced operations in July 2010, the Garden Well Gold Mine commenced in August 2012 and the Rosemont Gold Mine commenced operations in October 2013.

The Group also owns the McPhillamys Gold Project, an advanced exploration project in New South Wales, 250 kilometres west of Sydney near the town of Bathurst.

FINANCIAL SUMMARY

KEY FINANCIAL DATA	2014 $'000	2013 $'000	CHANGE $	CHANGE %
FINANCIAL RESULTS				
Sales revenue	371,933	416,834	(44,901)	(10.8)
Cost of sales (excluding D&A)[i]	(224,958)	(160,572)	(64,386)	40.1
Other income	3,514	3,737	(223)	(6.0)
Corporate, admin and other costs	(8,947)	(9,077)	130	(1.4)
EBITDA[i] and impairment	141,542	250,922	(109,380)	(43.6)
Depreciation and amortisation (D&A)	(59,358)	(45,562)	(13,796)	30.3
Profit before tax and impairment[i]	79,488	203,203	(123,715)	(60.9)
Asset impairment	(289,572)	(1,396)	(288,176)	20643.0
Reported profit/(loss) after tax	(147,830)	146,506	(294,336)	(200.9)
OTHER FINANCIAL INFORMATION				
Cash flow from operating activities	124,163	244,408	(120,245)	(49.2)
Cash and cash equivalent	6,615	61,220	(54,605)	(89.2)
Net assets	321,060	538,096	(217,061)	(40.3)
Basic earnings/(loss) per share (cents per share)	(26.68)	30.65	(60.33)	(196.8)

(i) EBITDA is an adjusted measure of earnings before interest, taxes, depreciation and amortisation. Cost of sales (excluding D&A), EBITDA and Profit before tax and impairment are non-IFRS financial information and are not subject to audit. These measures are included to assist investors to better understand the performance of the business.

PERFORMANCE RELATIVE TO THE PREVIOUS FINANCIAL YEAR

Regis made an after tax loss of $147.8 million for the full year to 30 June 2014 compared to an after tax profit of $146.5 million for the previous corresponding year. The result for the year reflected an impairment of $289.6 million pre-tax against the non-current assets of the Company. The impairment predominately relates to the write-down of the carrying value of the Garden Well and Rosemont gold mines in Western Australia and the McPhillamys Gold Project in New South Wales.

SALES

Sales revenue for the year ended 30 June 2014 decreased by $44.9 million (11%) compared to the previous corresponding period. The decrease in gold revenue reflects a lower gold price achieved and a decrease in gold production from Garden Well offset by first gold production from Rosemont. Total gold production for the year was consistent with the prior period at 270,759 ounces (2013: 269,013 ounces) however the average price of gold sold was $1,460 per ounce, down 9% on the previous year's average sale price of $1,599 per ounce.

COST OF SALES

The overall increase in cost of sales to $225 million including royalties and before depreciation and amortisation largely reflects increased throughput and production associated with the commencement of operations at Rosemont and the first full year of operations at Garden Well. In addition remediation work from the flooding event in February 2014 contributed to the increase in cost of sales for the year. On a unit cost basis, total cash costs at Garden Well were $1,061 per ounce up from $626 per ounce in the previous year due predominately to lower grade ore being processed in the current year. The head grade of the ore processed up to 30 June 2014 was 1.04g/t compared to 1.47g/t in the previous year. Moolart Well total cash costs were $640 per ounce broadly in line with the previous year costs of $630 per ounce.

IMPAIRMENT OF ASSETS

Following a review of the carrying value of the non-current assets of the Group, a pre-tax impairment charge of $289.6 million was recognised for the year ended 30 June 2014. The impairment charge related to the Garden Well and Rosemont operations and exploration projects including McPhillamys. It was the result of a combination of factors including the major flooding event at Duketon in February 2014, operating challenges at the two mines and a fall in the gold price.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation charges increased by $13.8 million from the previous year due to the commencement of operations at Rosemont and the first full year of operations at Garden Well.

CASH FLOW FROM OPERATING ACTIVITIES

Cash inflow from operating activities was $124.2 million, down $120.2 million from the previous year due to a lower average sales price achieved and higher operating costs. In addition $32.0 million of income taxes were paid in relation to the fully franked dividend paid in October 2013.

Cash outflows from investing activities were $147.0 million to 30 June 2014 down $10.5 million from the previous year. Payments for the construction of Rosemont Stage 1 and Stage 2 for the year totalled $39.4 million with a further $38.5 million spent on pre-production mining. The Company spent $13.9 million during the year on exploration expenditure and a further $21.7 million on property plant and equipment which included acquiring land for the McPhillamys Gold Project.

Cash outflows from financing activities were $31.8 million for the year ended 30 June 2014 and included the Company's maiden fully franked dividend of $74.7 million paid to shareholders in October 2013. The Company drew down $40.0 million during the year from the Macquarie Bank financing facility. The draw down was associated with the disruption of operations at Garden Well and Rosemont due to the flooding event in February 2014.

GOLD FORWARD CONTRACTS

At the end of the financial year the Company had a total hedging position of 260,475 ounces, being 192,751 ounces of flat forward contracts with a delivery price of A$1,436 per ounce and 64,724 ounces of spot deferred contracts with a price of A$1,414 per ounce.

REVIEW OF OPERATIONS

Group gold production was 270,759 ounces, a slight increase of 1,746 ounces on the previous corresponding year. A review of each operation is provided below:

OPERATIONS – MOOLART WELL

Operating results for the 12 months to 30 June 2014 were as follows:

		30 JUNE 2014	30 JUNE 2013
Ore mined	Tonnes	2,798,713	2,503,283
Ore milled	Tonnes	2,781,872	2,534,292
Head grade	g/t	1.26	1.41
Recovery	%	93	92
Gold production	Ounces	104,880	105,753
Cash cost per ounce – pre royalties(i)	A$/oz	$576	$563
Cash cost per ounce – incl. royalties(i)	A$/oz	$640	$630

(i) Cash cost per ounce is calculated as costs of production relating to gold sales (Note 5(a)), excluding gold in circuit inventory movements divided by gold ounces produced. The calculation is presented both including and excluding the cost of royalties (Note 5(a)). This measure is included to assist investors to better understand the performance of the business. Cash cost per ounce is a non-IFRS measure, and where included in this report, has not been subject to review by the Group's external auditors.

Moolart Well completed another consistent year of operations producing 104,880 ounces of gold at a pre-royalty cash cost of $576 per ounce. Grade was 11% lower than the previous year however this was partially offset by a 10% higher throughput through the processing facility. Mining of the Lancaster oxide pit was completed in November 2013 with the bulk of production for the remainder of the year coming from the Stirling oxide pit and the laterite deposit. At the end of the financial year approximately 1.8 million tonnes of laterite ore at 1.06g/t had been exposed in the open pits ready for mining.

In 2015 Regis will be focussed on infill drilling the significant Inferred Oxide Resource at Moolart Well as part of the Company's ongoing mining inventory replacement strategy.

Gold production for the 2015 financial year at Moolart Well has been forecast at between 95,000 – 105,000 ounces at a pre-royalty cash cost of between $600 - $650 per ounce.

OPERATIONS – GARDEN WELL

Operating results at the Garden Well Gold Mine for the 12 months to June 2014 were as follows:

		30 JUNE 2014 (12 MONTHS)	30 JUNE 2013 (10 MONTHS)
Ore mined	Tonnes	5,879,412	3,644,193
Ore milled	Tonnes	4,715,183	3,839,125
Head grade	g/t	1.04	1.47
Recovery	%	87	90
Gold production	Ounces	137,484	163,260
Cash cost per ounce – pre royalties(i)	A$/oz	$999	$562
Cash cost per ounce – incl. royalties(i)	A$/oz	$1,061	$626

(i) Cash cost per ounce is calculated as costs of production relating to gold sales (Note 5(a)), excluding gold in circuit inventory movements divided by gold ounces produced. The calculation is presented both including and excluding the cost of royalties (Note 5(a)). This measure is included to assist investors to better understand the performance of the business. Cash cost per ounce is a non-IFRS measure, and where included in this report, has not been subject to review by the Group's external auditors.

Operations at Garden Well for the 2014 financial year produced 137,484 ounces of gold at a pre-royalty cash cost of $999 per ounce. Operations were materially impacted by a major pit flooding on 13 February 2014. The Duketon project area received rainfall of approximately 165mm between late Tuesday 11 February and early morning on Thursday 13 February and in excess of 130mm during a 14 hour period within these days. This rainfall has been estimated as a 1 in 150 year rainfall event and resulted in extensive flooding.

After 14 hours of unabated heavy rainfall, the mine's flood diversion bund on the south eastern side of the open pit was over topped by flood waters in the creek system flowing from the east-north east. Once the bund was over topped, the flood waters then eroded a section of approximately 30 metres of the bund length. This led to a major inrush of flood waters into the open pit which continued for approximately 26 hours until flows subsided to a level that permitted safe working conditions to close the breached area of the bund. Approximately 4.7 million cubic metres of water flowed in to the open pit.

The water eventually pooled in the northern portion of the pit (stages 1 – 3) and had an average depth of 45 metres. The floor of the southern portion of the pit (stage 4) located approximately 75 metres higher than the northern part of the pit as a result had minimal standing water from the flooding.

Immediately following the flooding event the flood bunding was re-established by dumping, dozing and compacting waste rock in the breached area. The breached area was also reinforced and raised by an additional four metres above its previous height.

A contract was let to a third party contractor to pump out the open pit. This work commenced in the first week of March 2014 and took approximately 3 months to complete. In May 2014 Regis commenced the process of mining the sludge and sediment on the pit floor. This operation progressed largely in accordance with plan and saw normal mining operations recommence in the area from early July 2014.

Post flood mining operations were restricted to the southern stage 4 part of the open pit and milling operations continued with a blend of ore mined from this area and from the low grade stockpiles. Despite the impact of the flood the processing plant treated 4.7 million tonnes of ore during the year which was 17.5% above the nameplate annual design capacity. However, the disruption to the mining schedule meant the head grade of the ore processed was affected during the period after the flooding event.

The construction of additional leaching and associated infrastructure at the Garden Well processing plant (Rosemont Stage 2) commenced in September 2013 and reached practical completion in June 2014, on time and under the $20 million capital budget. The aim of the expansion of the plant is to maximise gold recoveries for the combined Garden Well and Rosemont ore flow through the wet plant of +7mtpa. The plant expansion is expected, once fully optimised, to facilitate gold recoveries for the combined projects in the order of 91-93%.

Gold production for the 2015 financial year at Garden Well has been forecast at between 145,000 – 165,000 ounces at a pre-royalty cash cost of between $900 - $1,000 per ounce.

OPERATIONS – ROSEMONT

Rosemont Stage 1 construction was completed in October 2013. Stage 1 of the project has been developed as a crushing and grinding circuit at the Rosemont pit with the milled ore product pumped to the CIL circuit at Garden Well at the rate of 1.5mtpa for leaching and gold production. The project was completed on time and for a total capital cost in line with the budgeted cost of $55 million.

Commissioning of the crushing circuit and ball mill commenced in October 2013. First ore was pumped through to the Garden Well processing facility on 20 October 2013.

In July 2013 the company announced Stage 2 of the Rosemont development being the construction of additional leaching and associated infrastructure at the Garden Well processing plant to cater for the maximum ore flow from Rosemont. Stage 2 of the development was completed in June 2014 on time and under budget.

Operating results at the Rosemont Gold Mine for the 9 months of operations from the date of commissioning were as follows:

		30 JUNE 2014 (9 MONTHS)
Ore mined	Tonnes	826,568
Ore milled	Tonnes	1,088,722
Head grade	g/t	0.98
Recovery	%	87
Gold production	Ounces	29,695

Rosemont operations were also materially affected by the severe rainfall event in February 2014. Flood waters breached a flood diversion bund north of the Rosemont North open pit on 13 February 2014. This resulted in the erosion of a section of approximately 30 metres of the bunding and the inflow of approximately 620,000 cubic metres of water in to the Rosemont North pit. The water had an average depth of 6.4 metres.

The flood bunding has been reinstated and bolstered by an average of 1 metre in height. The pump out of the Rosemont North pit commenced on 19 February 2014 using hire equipment and Regis piping. The pump out of the open pit was completed within a month and mining of waste was able to recommence in the North Pit late in March 2014.

The Rosemont Main pit had only minor standing water from rain that fell directly in to the pit and minor water runoff that penetrated emergency ramp bunding. Access to the main pit was available a week after the flooding and a programme of grade control drilling was undertaken to facilitate mining of ore commencing in the main pit.

A pit wall failure occurred in the eastern wall of Rosemont North pit in late March 2014. The failure was related to structural faulting and not thought to be associated with the major rain event. Access to the pit was not available for over a week while the top of the northern pit access ramp was realigned and access re-established. Ore and waste mining in the North pit is currently available through use of the interim ramp design.

Consequently gold production was significantly affected by the requirement to mill low grade and historical stockpiles (with grades between 0.35 – 0.55g/t) for extended periods when ore supplies were not available from the post flood mining schedule to the end of June 2014. Production was further affected by several days of plant shutdowns due to interrupted ore supply from the Rosemont North pit as a result of the slip and stoppages required for electrical works associated with the upgrade of the pipeline to Garden Well as part of Rosemont Stage 2 development.

Production at Rosemont has also been affected by the poor grade reconciliation in the areas mined to date. Mining of ore during the year was largely confined to the flat lying oxide area of the Rosemont North pit. Mining of this flat lying oxide zone in the North pit is almost completed. It is expected that the more vertically orientated fresh rock component of the ore body will perform more predictably.

As at 30 June 2014 only limited ore had been mined out of the Rosemont Main pit so no history of reconciliation is available. However, it is noted that the next 30 – 40 vertical metres (approx. 6 months of mining) of the ore supply in the Main pit is scheduled from the flat lying oxides so these may also be impacted to some degree by the difficulty in interpretation of this zone. This has been reflected in the guidance given for 2015 production.

Gold production for the 2015 financial year at Rosemont has been forecast at between 65,000 – 85,000 ounces at a pre-royalty cash cost of between $1,000 - $1,100 per ounce.

GOLD EXPLORATION

DUKETON GOLD PROJECT (WA)

Regis controls a significant tenement package, encompassing 247 granted exploration, prospecting and mining licences covering 1,625 square kilometres and 36 general purpose and miscellaneous licences covering 1,185 square kilometres at the Duketon Gold Project.

Limited field work was conducted on exploration projects across the tenement package during the year as the Company focussed on development and operational issues at the Duketon Gold Project.

Regis' focus over the next twelve months will be aimed at infill drilling the significant inferred oxide resources at Moolart Well and the Company's satellite deposits as part of the ongoing mining inventory replacement strategy as well as regional exploration surrounding the existing mines to provide incremental ounces to the three operating mills in the district.

MCPHILLAMYS GOLD PROJECT (NSW)

The McPhillamys Gold Project is located approximately 35 kilometres south east of the town of Orange and 30 kilometres west of the town of Bathurst in the Central West region of New South Wales, Australia. The project is approximately 250 kilometres west of Sydney.

The project area consists of four granted exploration permits covering 477 square kilometres in two discrete locations approximately 25 kilometres apart.

The Company completed the acquisition of the McPhillamys Gold Project from Newmont Exploration Pty Ltd and Alkane Resources Limited in November 2012. No drilling was conducted at the McPhillamys Gold Project during the year as work was completed on the geological interpretations of the McPhillamys mineralised ore zone and the associated major structures and alterations. Pre-feasibility work continued on the project during the year including base line environmental studies and metallurgical test work. In July 2014 the Company announced that the board had reviewed its strategy for the project given the sustained fall in the A$ gold price of in excess of 20% since acquisition. This review incorporated accumulated knowledge of geological, operating and infrastructure parameters, including an assessment of the current progress towards securing a long term source of process water.

Whilst this review suggests that the project remains viable at the current gold price (if infrastructure requirement issues can be solved) the board has decided that the potential return on investment does not meet its hurdle rate at the current time. Accordingly the Company does not anticipate progressing to a feasibility study process in the near term.

The Company will however continue to undertake cost effective work on the project, with a view to being in the best possible position to expedite development if and when circumstances permit. The board believes that the significant gold resource at McPhillamys will deliver real value for shareholders at some time in the future and remains an important project in the Company's portfolio.

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

Subsequent to year end, 12,500 ordinary shares have been issued as a result of the exercise of employee options for proceeds of $12,500.

On 12 September 2014, 1,500,000 unlisted employee options were granted under the Regis Resources Employee Share Option Plan. The options are exercisable on or before 12 September 2017 at an exercise price of $1.55.

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 Significant Events after the Balance 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 States of Western Australia and New South Wales. 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
UNLISTED OPTIONS		
29 September 2014	$1.0000	25,000
29 April 2015	$2.2300	600,000
8 November 2015	$2.7500	575,000
8 November 2015	$3.0000	500,000
2 February 2016	$3.9300	250,000
30 June 2016	$4.0000	950,000
31 July 2017	$3.5000	1,665,000
12 September 2017	$1.5500	1,500,000
31 March 2018	$2.4000	650,000
Total		6,715,000

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, 3,959,751 ordinary shares were issued in Regis Resources Limited on the exercise of listed options at an exercise price of $0.50 and employees and executives exercised unlisted options to acquire 1,699,254 fully paid ordinary shares in Regis Resources Limited at a weighted average exercise price of $1.06 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:

	DIRECTORS' MEETINGS	AUDIT AND RISK MANAGEMENT COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE
Number of meetings held:	8	2	5
Number of meetings attended:			
N Giorgetta	8	2	5
M Clark	8	2[(i)]	1[(i)]
M Hart	4	-	-
G Evans	4	-	-
F Fergusson	5	-	2
R Kestel	8	2	5
M Okeby	8	2	5

(i) Mr Clark attended at the invitation of the Audit and Risk Management Committee and the Remuneration and Nomination Committee respectively.

All directors were eligible to attend all meetings held, except for M Hart and G Evans who were eligible to attend four directors' meetings and F Fergusson, who was eligible to attend five directors' meetings and two Remuneration and Nomination Committee meetings.

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an Audit and Risk Management 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
	F Fergusson

Directors' Interests in the Shares and Options of the Company

As at the date of this report, the interests of the directors in the shares and options of the Company were unchanged from the holdings as at 30 June 2014 as disclosed in the Remuneration Report.

Auditor Independence and Non-Audit Services

During the year KPMG, the Group auditor, did not perform any non-audit services in addition to the audit and review of the financial statements.

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.

Remuneration Report
(Audited)

This remuneration report for the year ended 30 June 2014 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.

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

Key Management Personnel

Details of KMPs of the Company and Group are set out below:

DIRECTORS

- N Giorgetta . *Chairman (non-executive)*
- M Clark. . . . . *Managing Director*
- M Hart . . . . . *Operations Director – resigned 25 February 2014*
- G Evans . . . . *Director (non-executive) – appointed 1 April 2014*
- F Fergusson. *Director (non-executive) – appointed 14 October 2013*
- R Kestel . . . . *Director (non-executive)*
- M Okeby. . . . *Director (non-executive)*

SENIOR EXECUTIVES

- J Balkau . . . . *General Manager – Exploration*
- M Evans . . . . *Chief Development Officer*
- K Massey . . . *Chief Financial Officer and Company Secretary*
- P Thomas . . *Chief Operating Officer – appointed 1 April 2014*

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.

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, short-term and longer-term performance based incentives. The executive directors hold significant personal shareholdings in the Company, which aligns their goals and objectives with those of the Company. As such, the Remuneration and Nomination Committee has decided that there is no requirement for further share-based incentives to be offered to the executive directors at this point in time.

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

IN THOUSANDS OF AUD	2014	RESTATED 2013	RESTATED 2012	2011	2010
Revenue	371,933	416,834	171,504	108,651	777
Net profit/(loss) after tax	(147,830)	146,506	68,239	36,281	(18,829)
Basic earnings/(loss) per share (cents)	(29.68)	30.65	15.51	8.54	(5.58)
Diluted earnings/(loss) per share (cents)	(29.68)	30.27	15.18	8.24	(5.58)
Net assets	321,060	538,096	235,626	140,278	81,784

* Comparative information has been restated to reflect a change in accounting policy. Refer to Note 32.

Historical and current earnings are one of a number of criteria used by the Remuneration and Nomination Committee to assess the performance of directors and executives. Other criteria used in this assessment include gold production and operating costs, safety performance, execution of development projects, exploration success, growth of business through acquisitions and effectiveness of communications with regulators, shareholders, investors and other stakeholders.

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. No external consultants were utilised during the current financial year.

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 executive directors review the performance of the key management personnel and make recommendations to the Remuneration and Nomination Committee in relation to the awarding of any short-term incentives.

In addition, the Remuneration and Nomination Committee assess the actual performance 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. No such bonuses have been recommended this year.

LONG-TERM INCENTIVES

Options are issued under the Regis Resources Limited 2008 Share Option Plan (the "Plan"). The objective of the Plan 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 Plan provides 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 the employee remaining with the Group throughout the vesting period. There are no other performance criteria that must be met.

Service Agreements

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 person 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. No service contract specifies a term of employment or entitlement to performance based incentives, except as detailed below for the Managing Director and Operations Director.

Mr Mark Clark, the Company's Managing Director, is employed under a fixed term contract, with the following significant terms:

» An initial term of 3 years from 4 May 2009, which was extended for a further 3 years effective from 4 May 2012;

» Fixed remuneration of $550,000 per annum (2013: $550,000) subject to annual review; and

» Opportunity to earn a performance based bonus determined by the Company.

Subsequent to the end of the financial year, the Board completed its annual review of the Managing Director's remuneration and decided to make no changes.

Mr Morgan Hart, the Company's former Operations Director, was employed under a fixed term contract, with the following significant terms:

» An initial term of 3 years from 4 May 2009, which was extended for a further 3 years effective from 4 May 2012;

» Fixed remuneration of $535,000 per annum (2013: $535,000) subject to annual review; and

» Opportunity to earn a performance based bonus determined by the Company.

Each key management person, except as specified below, is subject to a notice period of 1 month which the Company may pay in part or full of the required notice period. 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. In the case of a genuine redundancy, executives would receive their statutory entitlements based on completed years of service.

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	3 months	Up to 3 months	1 month to exercise, extendable at Board discretion
- with reason	Not less than 3 months	Not less than 3 months	
- serious misconduct	0 – 1 month	0 – 1 month	
Employee initiated termination	3 months	Not specified	As above
Change of control	1 month plus 12 months' salary	Not specified	As above

Mr Hart received three month's pay in lieu of notice upon his resignation.

Mr Paul Thomas, the Company's Chief Operating Officer, is employed under a contract with the following termination provisions:

	NOTICE PERIOD	PAYMENT IN LIEU OF NOTICE	ENTITLEMENT TO OPTIONS ON TERMINATION
Employer initiated termination:			
- with or without reason	3 months	Up to 3 months	1 month to exercise, extendable at Board discretion
- serious misconduct	0 – 1 month	0 – 1 month	
Employee initiated termination	3 months	Not specified	As above
Change of control	1 month plus 12 months' salary	Not specified	As above

Mr Kim Massey, the Company's Chief Financial Officer and Company Secretary is entitled to 1 months' notice plus 12 months' salary in the event of a change of control.

Non-Executive Directors

Total remuneration for all non-executive directors, last voted upon by shareholders at the 2011 AGM, is not to exceed $500,000 per annum. At the date of this report, total non-executive directors' base fees are $414,000 per annum. Non-executive directors' fees cover all main board activities and membership of board committees. Non-executive directors do not receive performance-related compensation and are not provided with any retirement benefits, apart from statutory superannuation. 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.

Subsequent to the end of the financial year, the Board completed its review of the non-executive directors' base fees and decided to make no changes.

Key Management Personnel Remuneration

TABLE 1: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2014

	SHORT TERM		POST EMPLOYMENT	LONG TERM	SHARE-BASED PAYMENT			
2014	SALARY & FEES	NON-MONETARY BENEFITS*	SUPER-ANNUATION	LONG SERVICE LEAVE	OPTIONS	TERMINATION PAYMENTS	TOTAL	PERFORMANCE RELATED
	$	$	$	$	$	$	$	%
EXECUTIVE DIRECTORS								
M Clark	550,000	4,853	50,875	26,657	-	-	632,385	-
M Hart(i)	356,667	3,640	32,992	-	-	233,910	627,209	-
NON-EXECUTIVE DIRECTORS								
G Evans(ii)	18,250	-	1,688	-	-	-	19,938	-
F Fergusson(iii)	51,708	-	4,783	-	-	-	56,491	-
N Giorgetta	110,000	-	10,175	-	-	-	120,175	-
R Kestel	85,000	-	7,863	-	-	-	92,863	-
M Okeby	73,000	-	6,753	-	-	-	79,753	-
OTHER KMP								
J Balkau	295,000	4,853	27,288	8,970	36,808	-	372,919	9.87%
M Evans	305,000	4,853	28,212	14,924	49,077	-	402,066	12.21%
T Hinkley(iv)	225,000	-	20,813	6,704	36,808	-	289,325	12.72%
K Massey	290,000	4,853	26,825	14,059	51,282	-	387,019	13.25%
P Thomas(v)	100,000	1,213	9,250	-	-	-	110,463	-
B Wyatt(vi)	225,000	-	20,813	950	212,503	-	459,266	46.27%
Total	**2,684,625**	**24,265**	**248,330**	**72,264**	**386,478**	**233,910**	**3,649,872**	**-**

* *Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.*
(i) *Mr Hart resigned from his position as Operations Director on 25 February 2014.*
(ii) *Mr G Evans was appointed as Non-Executive Director on 1 April 2014.*
(iii) *Mr Fergusson was appointed as Non-Executive Director on 14 October 2013.*
(iv) *Due to a senior management restructure on 1 April 2014, Mr Hinkley ceased to be classified as a KMP.*
(v) *Mr Thomas commenced with the Company on 1 April 2014 in the role of Chief Operating Officer.*
(vi) *Due to a senior management restructure on 1 April 2014, Mr Wyatt ceased to be classified as a KMP.*

TABLE 2: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2013

	SHORT TERM		POST EMPLOYMENT	LONG TERM	SHARE-BASED PAYMENT		
2013	SALARY & FEES	NON-MONETARY BENEFITS*	SUPER-ANNUATION	LONG SERVICE LEAVE	OPTIONS	TOTAL	PERFORMANCE RELATED
	$	$	$	$	$	$	%
EXECUTIVE DIRECTORS							
M Clark	550,000	6,065	49,500	11,407	-	616,972	-
M Hart	535,000	5,033	48,150	11,116	-	599,299	-
NON-EXECUTIVE DIRECTORS							
N Giorgetta	110,000	-	9,900	-	-	119,900	-
R Kestel	85,000	-	7,650	-	-	92,650	-
M Okeby	73,000	-	6,570	-	-	79,570	-
OTHER KMP							
J Balkau	290,000	5,033	26,100	6,022	-	327,155	-
M Evans(iii)	300,000	295,774	27,000	5,824	-	628,598	45.96%
T Hinkley	283,750	-	25,538	3,074	-	312,362	-
K Massey	275,000	5,033	24,750	5,160	22,504	332,447	6.77%
R Smith(i)	241,667	-	21,750	426	219,288	483,131	45.39%
B Wyatt(ii)	48,333	-	4,350	92	70,117	122,892	57.06%
Total	**2,791,750**	**316,938**	**251,258**	**43,121**	**311,909**	**3,714,976**	

* *Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.*

(i) *Mr Smith ceased his position as General Manager – Garden Well Gold Mine on 1 May 2013.*

(ii) *Mr Wyatt was appointed to the position of General Manager – Garden Well Gold Mine on 1 May 2013.*

(iii) *Mr Evans was awarded a non-cash bonus for the on-time and on-budget completion of the Garden Well Gold Mine.*

TABLE 3: COMPENSATION OPTIONS - GRANTED AND VESTED DURING THE YEAR

	GRANTED		TERMS & CONDITIONS FOR EACH GRANT					VESTED	
2014	NO.	GRANT DATE	FAIR VALUE PER OPTION AT GRANT DATE	EXERCISE PRICE PER OPTION	EXPIRY DATE	FIRST EXERCISE DATE	LAST EXERCISE DATE	NO.	% VESTED DURING THE YEAR
OTHER KMP									
J Balkau	37,500	19/8/2013	$1.488	$3.50	31/7/2017	31/7/2015	31/7/2017	-	-
J Balkau	37,500	19/8/2013	$1.941	$3.50	31/7/2017	31/7/2016	31/7/2017	-	-
M Evans	50,000	19/8/2013	$1.488	$3.50	31/7/2017	31/7/2015	31/7/2017	-	-
M Evans	50,000	19/8/2013	$1.941	$3.50	31/7/2017	31/7/2016	31/7/2017	-	-
T Hinkley[i]	50,000	19/8/2013	$1.488	$3.50	31/7/2017	31/7/2015	31/7/2017	-	-
T Hinkley[i]	50,000	19/8/2013	$1.941	$3.50	31/7/2017	31/7/2016	31/7/2017	-	-
K Massey	50,000	19/8/2013	$1.488	$3.50	31/7/2017	31/7/2015	31/7/2017	-	-
K Massey	50,000	19/8/2013	$1.941	$3.50	31/7/2017	31/7/2016	31/7/2017	-	-
K Massey	-	26/8/2010	$0.794	$1.00	29/9/2014	30/9/2013	29/9/2014	50,000	50%
B Wyatt[ii]	-	27/10/2011	$1.169	$3.00	08/11/2015	08/11/2013	08/11/2015	250,000	50%
Total	**375,000**							**300,000**	

(i) Mr Hinkley ceased to be classified as a KMP from 1 April 2014
(ii) Mr Wyatt ceased to be classified as a KMP from 1 April 2014

TABLE 4: VALUE OF OPTIONS AWARDED, EXERCISED AND LAPSED DURING THE YEAR

2014	VALUE OF OPTIONS GRANTED DURING THE YEAR $	VALUE OF OPTIONS EXERCISED DURING THE YEAR $	VALUE OF OPTIONS LAPSED DURING THE YEAR $	REMUNERATION CONSISTING OF SHARE OPTIONS FOR THE YEAR %
OTHER KMP				
J Balkau	128,588	-	-	9.87%
M Evans	171,450	914,875	-	12.21%
T Hinkley[i]	171,450	-	-	12.72%
K Massey	171,450	290,000	-	13.25%
Total	**642,938**	**1,204,875**	**-**	

(i) Mr Hinkley ceased to be classified as a KMP from 1 April 2014.

There were 375,000 options granted to key management personnel during the year. Refer to Table 3 above.

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.

No options were forfeited during the current or prior year due to performance criteria not being achieved.

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

2014	SHARES ISSUED NO.	PAID PER SHARE $	UNPAID PER SHARE $
OTHER KMP			
M Evans	250,000	$0.4205	-
K Massey	75,124	$1.0000	-
Total	**325,124**		

TABLE 6: OPTION HOLDINGS OF KEY MANAGEMENT PERSONNEL

The movement during the reporting period, by number of options over ordinary shares in Regis Resources Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	HELD AT START OF PERIOD 1 JULY 2013	GRANTED AS REMUNER-ATION	OPTIONS EXERCISED	NET CHANGE OTHER	HELD AT END OF PERIOD 30 JUNE 2014	VESTED AT 30 JUNE 2014		
						TOTAL	EXERCISABLE	NOT EXERCISABLE
EXECUTIVES								
J Balkau	-	75,000	-	-	75,000	-	-	-
M Evans	250,000	100,000	(250,000)	-	100,000	-	-	-
T Hinkley(i)	-	100,000	-	(100,000)	-	-	-	-
K Massey(ii)	100,000	100,000	(100,000)	-	100,000	-	-	-
B Wyatt(iii)	500,000	-	-	(500,000)	-	-	-	-
Total	**850,000**	**375,000**	**(350,000)**	**(600,000)**	**275,000**	**-**	**-**	**-**

(i) Mr Hinkley ceased to be classified as a KMP from 1 April 2014. "Net change other" represents the number of options held at this date.
(ii) Mr Massey exercised options using the cashless exercise mechanism as described in Note 21(b).
(iii) Mr Wyatt ceased to be classified as a KPM from 1 April 2014. "Net change other" represents the number of options held at this date.

TABLE 7: SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

	HELD AT 1 JULY 2013	ON EXERCISE OF OPTIONS	NET CHANGE OTHER	HELD AT 30 JUNE 2014
DIRECTORS				
N Giorgetta	20,529,671	-	1,000,000	21,529,671
M Clark	9,460,000	-	-	9,460,000
G Evans(i)	-	-	3,507,814	3,507,814
F Fergusson(ii)	-	-	5,003,957	5,003,957
M Hart(iii)	9,389,210	-	(9,389,210)	-
M Okeby	1,200,000	-	-	1,200,000
OTHER KMP				
J Balkau	1,525,464	-	-	1,525,464
M Evans	613,188	250,000	-	863,188
T Hinkley(iv)	852,500	-	(852,500)	-
K Massey	85,925	75,124	-	161,049
Total	**43,655,958**	**325,124**	**(729,939)**	**43,251,143**

(i) Mr G Evans was appointed non-executive director on 1 April 2014. "Net change other" represents the number of shares held at this date
(ii) Mr Fergusson was appointed non-executive director on 14 October 2013. "Net change other" represents the number of shares held at this date.
(iii) Mr Hart ceased being a director on 25 February 2014. "Net change other" represents the number of shares held at this date.
(iv) Mr Hinkley ceased to be classified as a KMP on 1 April 2014. "Net change other" represents the number of shares held at this date.

In all other instances, "Net change other" relates to on-market purchases and sales of shares.

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.

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 years.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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 their related parties.

Signed in accordance with a resolution of the directors.

Mr Mark Clark
Managing Director

Perth, 19 September 2014

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 2014 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 2014

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 delegated to 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 review the actual performances of the Group and assess the senior executive's appraisal of separate departments and individuals' personal performance. The Remuneration and Nomination Committee ratify remuneration recommendations by senior executives. A formal performance review was conducted in July 2014.

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	Independent Non-Executive Chairman
G Evans	Independent Non-Executive Director
F Fergusson	Independent Non-Executive Director
R Kestel	Independent Non-Executive Director
M Okeby	Independent 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.

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
G Evans	No set term agreed, other than per the Company's constitution
F Fergusson	No set term agreed, other than per the Company's constitution
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

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.

REMUNERATION AND NOMINATION COMMITTEE

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 four 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

» F Fergusson

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.

The Chairman of the Board is responsible for the evaluation of the Board and, when deemed appropriate, Board committees and individual Directors. Performance evaluation of the Board is carried out by means of ongoing review by the Chairman with reference to the composition of the Board and its suitability to carry out the Company's objectives.

The Chair may carry out the review by various means including, but not limited to:

» Meeting with and interviewing each Board member;

» Consultation with the Remuneration and Nomination Committee;

» Circulation of internal review tools such as formal questionnaires and reports; and

» Outsourcing to independent specialist consultants.

A review of the Board's performance for the financial year ending 30 June 2014 was conducted by the Chairman in August 2014.

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.

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

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;

» take responsibility for their own actions and for the consequences surrounding their own actions;

» not seek, accept or provide gratuities to obtain or retain a business advantage that is not legitimately due; and

» not participate in party politics and must not make payments to political parties.

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

The Company has established a Diversity Policy which commits Regis to workplace diversity and recognises the benefits arising from employee and Board diversity. Our policy is to recruit and manage on the basis of qualification and performance; regardless of gender, age, nationality, race, religious beliefs, cultural background or sexuality.

In addition to recruitment practices, Regis is committed to a range of other strategies to assist with improving diversity, including:

» the provision of suitable working arrangements for employees undertaking maternity and paternity leave and the ongoing engagement with these employees during this period;

» maintaining a workplace culture that supports difference and that enables each staff member to fully contribute to the best of their ability; and

» internal reporting procedures to ensure the Board is continually aware of gender diversity statistics within the organisation.

During the period, the following measurable objective on gender diversity was set and pursued by the Board:

» at least one woman must be included in any short-list of potential candidates for a position as a non-executive director.

The breakdown of gender within the Company is as follows:

	WOMEN	MEN	TOTAL	FEMALE REPRESENTATION
Board of Directors	0	6	6	0%
Other Key Management Personnel	0	4	4	0%
Other Employees	57	204	261	23%
Total	57	214	271	22%

The Company also has a Securities Trading Policy, a copy of which is located on the Company's website. The key element of the policy is that directors and employees must not deal in any security of the Company whilst in possession of inside information. In addition Restricted Persons as defined by the policy are prohibited from buying or selling Company securities within:

» one week prior to the release of the Company's quarterly reports;

» two weeks prior to the release of the Company's half year financial results;

» two weeks prior to the release of the Company's full year financial results; and

» two weeks prior to the release of a disclosure document offering securities in the Company.

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 Regis 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 Regis 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".

The Board reviewed and updated the Company's Corporate Governance Policies on 27 June 2014 to ensure compliance with the third edition of the ASX Corporate Governance Council's recommendations. These amendments take effect from 1 July 2014.

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	CONSOLIDATED 2014 $'000	RESTATED* 2013 $'000
Gold sales		371,232	416,117
Interest revenue		701	717
Revenue		371,933	416,834
Cost of goods sold	5(a)	(284,316)	(206,134)
Gross profit		87,617	210,700
Other income	4	3,514	3,737
Investor and corporate costs		(1,271)	(1,265)
Personnel costs		(3,737)	(3,869)
Share-based payment expense		(2,519)	(2,616)
Occupancy costs		(513)	(498)
Other corporate administrative expenses		(733)	(454)
Impairment of non-current assets	3	(289,572)	(1,396)
Other expenses	5(b)	(174)	(375)
Finance costs	5(c)	(2,696)	(2,157)
Profit/(loss) before tax		(210,084)	201,807
Income tax benefit/(expense)	6	62,254	(55,301)
Profit/(loss) from continuing operations		(147,830)	146,506
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		(147,830)	146,506
Total comprehensive income/(loss) attributable to members of the parent		(147,830)	146,506
Basic earnings/(loss) per share attributable to ordinary equity holders of the parent (cents per share)	7	(29.68)	30.65
Diluted earnings/(loss) per share attributable to ordinary equity holders of the parent (cents per share)	7	(29.68)	30.27

* *Comparative information has been restated to reflect the adoption of Interpretation 20 Stripping Costs in the Production Phase of a Surface mine. Refer Note 32 for details.*

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

Consolidated Balance Sheet

AS AT 30 JUNE 2014

		CONSOLIDATED	
			RESTATED*
	NOTE	2014 $'000	2013 $'000
CURRENT ASSETS			
Cash and cash equivalents	8	6,615	61,220
Gold bullion awaiting settlement	9	7,605	19,640
Receivables	10	3,863	4,359
Current tax assets		27,080	-
Inventories	11	43,045	15,154
Financial assets held-to-maturity		148	154
Other current assets		1,242	1,323
Total current assets		89,598	101,850
NON-CURRENT ASSETS			
Property, plant and equipment	12	212,020	166,186
Exploration and evaluation expenditure	13	105,788	204,644
Mine properties under development	14	14,235	62,301
Mine properties	15	38,668	129,423
Deferred tax assets	6	6,363	-
Total non-current assets		377,074	562,554
Total assets		466,672	664,404
CURRENT LIABILITIES			
Trade and other payables	16	59,825	41,495
Interest-bearing liabilities	17	5,714	10
Provisions	18	3,288	295
Total current liabilities		68,827	41,800
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	17	34,286	-
Deferred tax liabilities	6	-	60,821
Provisions	18	42,499	23,687
Total non-current liabilities		76,785	84,508
Total liabilities		145,612	126,308
Net assets		321,060	538,096
EQUITY			
Issued capital	19	431,304	428,358
Share option reserve	20(b)	16,551	14,032
Retained profits/(accumulated losses)	20(a)	(126,795)	95,706
Total equity		321,060	538,096

* *Comparative information has been restated to reflect the adoption of Interpretation 20 Stripping Costs in the Production Phase of a Surface mine. Refer Note 32 for details.*

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 2014

	CONSOLIDATED			
	ISSUED CAPITAL	SHARE OPTION RESERVE	RETAINED PROFITS/ (ACCUMULATED LOSSES)	TOTAL EQUITY
	$'000	$'000	$'000	$'000
At 1 July 2013	428,358	14,032	95,706	538,096
Loss for the period	-	-	(147,830)	(147,830)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(147,830)	(147,830)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:				
Share-based payments expense	-	2,519	-	2,519
Dividends paid	-	-	(74,671)	(74,671)
Shares issued, net of transaction costs	2,946	-	-	2,946
At 30 June 2014	431,304	16,551	(126,795)	321,060
As at 1 July 2012	275,010	11,416	(48,492)	237,934
Changes in accounting policies (Note 32)	-	-	(2,308)	(2,308)
At 1 July 2012 (Restated*)	275,010	11,416	(50,800)	235,626
Profit for the period	-	-	146,506	146,506
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	146,506	146,506
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:				
Share-based payments expense	-	2,616	-	2,616
Shares issued, net of transaction costs	153,348	-	-	153,348
At 30 June 2013	428,358	14,032	95,706	538,096

* *Comparative information has been restated to reflect the adoption of Interpretation 20 Stripping Costs in the Production Phase of a Surface mine. Refer Note 32 for details.*

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 2014

	NOTE	CONSOLIDATED 2014 $'000	RESTATED* 2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold sales		385,542	404,790
Payments to suppliers and employees		(232,142)	(161,675)
Option premium income		2,949	2,363
Interest received		862	560
Interest paid		(1,604)	(1,646)
Proceeds from rental income		10	16
Income tax paid		(32,009)	-
Other income		555	-
Net cash from operating activities	8(b)	124,163	244,408
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(21,709)	(12,780)
Payments for exploration and evaluation (net of rent refunds)		(13,881)	(30,229)
Payments for exploration assets (net of cash)		(50)	(5,049)
Payments for held-to-maturity investments		(5)	(20)
Proceeds on disposal of held-to-maturity investments		10	-
Payments for mine properties under development		(77,992)	(81,318)
Payments for mine properties		(33,407)	(28,142)
Net cash used in investing activities		(147,034)	(157,538)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,020	3,413
Payment of transaction costs		(73)	(68)
Payment of dividends		(74,671)	-
Proceeds from borrowings		39,990	-
Repayment of borrowings		-	(30,348)
Net cash used in financing activities		(31,734)	(27,003)
Net increase/(decrease) in cash and cash equivalents		(54,605)	59,867
Cash and cash equivalents at 1 July		61,220	1,353
Cash and cash equivalents at 30 June	8(a)	6,615	61,220

* *Comparative information has been restated to reflect the adoption of Interpretation 20 Stripping Costs in the Production Phase of a Surface mine. Refer Note 32 for details.*

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 2014

1. CORPORATE INFORMATION

The financial report of Regis Resources Limited (the "Company") for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 19 September 2014.

Regis Resources Limited is a for-profit 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 2014 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. 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 mine, which incorporates the Rosemont gold mine.

Commercial operations commenced at the Rosemont gold mine in January 2014.

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 31 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 2014 and 30 June 2013:

	CONTINUING OPERATIONS			
	MOOLART WELL GOLD MINE	GARDEN WELL GOLD MINE	UNALLOCATED	TOTAL
	$'000	$'000	$'000	$'000
30 JUNE 2014				
SEGMENT REVENUE				
Sales to external customers	154,056	217,176	-	371,232
Other revenue	-	-	701	701
Total segment revenue	154,056	217,176	701	371,933
Total revenue per the statement of comprehensive income				371,933
Interest expense	-	-	1,351	1,351
Impairment of non-current assets	-	205,559	84,013	289,572
Depreciation and amortisation	26,085	33,284	223	59,592
Depreciation capitalised				(111)
Total depreciation and amortisation recognised in the statement of comprehensive income				59,481
SEGMENT RESULT				
Segment net operating profit/(loss) before tax	63,220	(182,668)	(90,636)	(210,084)
SEGMENT ASSETS				
Segment assets	80,045	219,552	167,075	466,672
Capital expenditure	14,025	122,142	21,574	157,741
30 JUNE 2013 – RESTATED*				
SEGMENT REVENUE				
Sales to external customers	166,011	250,106	-	416,117
Other revenue	-	-	717	717
Total segment revenue	166,011	250,106	717	416,834
Total revenue per the statement of comprehensive income				416,834
Interest expense	-	-	1,183	1,183
Impairment of non-current assets	-	-	1,396	1,396
Depreciation and amortisation	21,411	24,151	274	45,836
Depreciation capitalised				(177)
Total depreciation and amortisation recognised in the statement of comprehensive income				45,659
SEGMENT RESULT – RESTATED*				
Segment net operating profit/(loss) before tax	84,962	125,017	(8,172)	201,807
SEGMENT ASSETS – RESTATED*				
Segment assets	93,946	289,922	280,536	664,404
Capital expenditure	20,209	113,704	156,820	290,733

3. IMPAIRMENT OF NON-CURRENT ASSETS

At each reporting date, the Group assesses whether there is any indication that an asset, or group of assets, may be impaired. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. Total impairment losses recognised in the statement of other comprehensive income for the year were as follows:

		CONSOLIDATED	
		2014 $'000	RESTATED 2013 $'000
Exploration and evaluation assets	13,(a)	84,013	1,396
Mine properties	(b)	205,559	-
		289,572	1,396

(A) EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets are tested for impairment by area of interest where indicators of impairment exist. An impairment expense is recognised when the carrying amount exceeds the recoverable amount.

An impairment loss of $608,000 (2013: $1,396,000) has been recognised in relation to tenements that were surrendered, relinquished or expired during the year.

Regional WA exploration and evaluation assets, which reflect the cost of greenfields exploration programmes completed over a number of years, were impaired where a resource or reserve was yet to be defined, and where the Group has no immediate plans to incur substantive expenditure on further exploration activity. The impairment reflects the Group's current strategy of focussing the bulk of the exploration effort at Duketon on bringing projects with known resources into the mine plan for treatment at either the Garden Well or Moolart Well processing plants.

The Group also assessed the carrying value of exploration and evaluation assets related to McPhillamys at 30 June 2014 for impairment. Regis completed the acquisition of McPhillamys in October 2012 by the issue of 35.7 million shares in Regis to the vendors. This, along with the cost of exploration activities to the current year end, saw the project carried at a value of $157,257,000 prior to impairment.

The Group has reviewed its strategy for this project given a fall in the A$ gold price of in excess of 20% since acquisition. This review incorporated accumulated knowledge of geological, operating and infrastructure parameters, including an assessment of the current progress towards securing a long term source of process water. Whilst this review suggest the project remains viable at the current gold price (if infrastructure requirement issues can be solved) the Group does not anticipate progressing to a feasibility study process in the near term, however cost effective exploration work will continue with a view to being in the best possible position to expedite development if and when circumstances permit.

In assessing the recoverable amount for both Regional WA and McPhillamys exploration and evaluation assets, the Group considered implied valuations per resource ounce of comparable projects and, in the case of McPhillamys, the original independent expert's valuation conducted at the time of acquisition adjusted for the decrease in the gold price, which resulted in an impairment charge of $83,405,000.

(B) MINE PROPERTIES

Impairment testing requires assets to be grouped together into the smallest group that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGUs"). The smallest group of assets that generates cash inflows for the Group is defined by the location of the gold processing facility that produces saleable material. Thus, the Moolart Well gold mine represents one CGU and the Garden Well gold mine, which incorporates Rosemont ore production, represents another.

Ongoing grade control reconciliation issues and the flood event in February 2014 combined to drive up unit costs on the back of lower production at Garden Well and Rosemont and represent indicators of impairment. Consequently, the Group was required to assess the recoverable amount of the Garden Well CGU at 30 June 2014.

Impairment testing – Methodology

Impairment is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount of the Garden Well CGU has been determined based on its value in use ("VIU").

Value in use is determined by estimating the future cash flows that the entity expects to derive from each CGU and then discounting those cash flows to net present value ("NPV"), using a pre-tax discount rate that reflects current market assessments of the time value of money, and the risks specific to the asset or CGU. The pre-tax discount rate applied to the cash flow projections is 11.5%.

Significant judgements and assumptions are required in making estimates for VIU calculations. This is particularly so in the assessment of long life assets, such as Garden Well which has a LOM plan that extends for over 10 years. It should be noted that CGU valuations are subject to variability in key assumptions including, but not limited to, long-term gold prices, discount rates, production and operating costs. An adverse change in one or more of the assumptions used to estimate VIU could result in a reduction in a CGUs recoverable amount.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from planning process documents, including life of mine ("LOM") plans and one-year budgets. The 2015 budget and LOM plans for Garden Well and Rosemont were developed in the context of the current market environment and outlook for these operations as provided in the 2015 guidance announced in May 2014. As a result, the Group's latest plans reflect reduced grade and hence gold production levels and operating cost reduction initiatives

Impacts

The Group conducted carrying value analysis and recognised non-current asset impairments of $205,559,000, as summarised in the table below:

GARDEN WELL CGU	CARRYING VALUE $'000	IMPAIRMENT LOSS $'000	RECOVERABLE AMOUNT $'000
Property, plant and equipment	173,497	-	173,497
Mine properties – pre-strip	101,593	(100,148)	1,445
Mine properties – deferred waste	14,252	(14,050)	202
Mine properties – other	92,570	(91,361)	1,209
Rehabilitation provisions	(32,377)	-	(32,377)
Total	349,535	(205,559)	143,976

The recoverable amount of the Group's other CGU at Moolart Well was not calculated as no indicators of impairment were present during the year. Moolart Well was unaffected by the flood event in February 2014 and substantially met all budgeted production and cost targets during the year.

		CONSOLIDATED	
			RESTATED
	NOTE	2014 $'000	2013 $'000

4. OTHER INCOME

	NOTE	2014 $'000	2013 $'000
Realised gain on gold options	(i)	2,949	2,363
Movement in rehabilitation provision		-	1,354
Legal settlement		555	-
Exploration rent refunds		-	4
Rental income		10	16
		3,514	3,737

(i) During the financial year, the Group sold gold call options for 65,000 ounces with a weighted average exercise price of A$1,419/oz (2013: 50,000oz at A$1,600/oz). The options expired unexercised and the above gains reflect the premiums received.

5. EXPENSES

(A) COST OF GOODS SOLD

	2014 $'000	2013 $'000
Costs of production	208,471	143,174
Royalties	16,487	17,398
Depreciation of mine plant and equipment	30,415	24,718
Amortisation of development costs	28,943	20,844
	284,316	206,134

(B) OTHER EXPENSES

	2014 $'000	2013 $'000
Gold swap fees	124	123
Business development	-	204
Exploration license application fees	10	48
Movement in rehabilitation provision	40	-
	174	375

(C) FINANCE COSTS

	2014 $'000	2013 $'000
Interest expense	1,351	1,183
Other borrowing costs	439	515
Unwinding of discount on provisions	906	459
	2,696	2,157

(D) DEPRECIATION AND AMORTISATION

	2014 $'000	2013 $'000
Depreciation expense	30,649	24,992
Amortisation expense	28,943	20,844
Less: Amounts capitalised	(111)	(177)
Depreciation and amortisation charged to the statement of comprehensive income	59,481	45,659

(E) LEASE PAYMENTS AND OTHER EXPENSES INCLUDED IN THE STATEMENT OF COMPREHENSIVE INCOME

	2014 $'000	2013 $'000
Minimum lease payments – operating lease	346	342
Less: Amounts capitalised	(104)	(103)
Recognised in the statement of comprehensive income	242	239

	CONSOLIDATED	
	2014 $'000	RESTATED 2013 $'000
(F) EMPLOYEE BENEFITS EXPENSE		
Wages and salaries	30,945	22,241
Defined contribution superannuation expense	2,734	1,946
Share-based payments expense	2,519	2,616
Employee bonuses	-	467
Other employee benefits expense	1,990	1,937
	38,188	29,207
Less: Amounts capitalised	(7,861)	(7,237)
Employee benefits expense recognised in the statement of comprehensive income	30,327	21,970

6. INCOME TAX

(A) THE MAJOR COMPONENTS OF INCOME TAX EXPENSE ARE:

CURRENT INCOME TAX		
Current income tax expense	5,139	-
Adjustment in respect of income tax of previous years	(209)	-
DEFERRED INCOME TAX		
Relating to the origination and reversal of temporary differences	(67,406)	55,077
Adjustment in respect of income tax of previous years	222	224
Income tax (benefit)/ expense reported in the statement of comprehensive income	(62,254)	55,301

(B) A RECONCILIATION BETWEEN TAX EXPENSE AND THE PRODUCT OF ACCOUNTING PROFIT BEFORE TAX MULTIPLIED BY THE GROUP'S APPLICABLE INCOME TAX RATE IS AS FOLLOWS:

Accounting (loss)/profit before income tax	(210,085)	201,807
At the Group's statutory income tax rate of 30% (2013: 30%)	(63,025)	60,542
Deductible exploration acquired	-	(6,253)
Share-based payments	756	785
Other non-deductible items	3	3
Adjustment in respect of income tax of previous years	12	224
Income tax (benefit)/expense reported in the statement of comprehensive income	(62,254)	55,301

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

(C) DEFERRED INCOME TAX

Deferred income tax at 30 June relates to the following:

	CONSOLIDATED 2014 $'000	RESTATED 2013 $'000
DEFERRED TAX LIABILITIES		
Receivables	735	3,039
Inventories	-	1,197
Exploration and evaluation expenditure	9,921	39,578
Mine properties under development	-	5,667
Mine properties	11,600	41,278
Gross deferred tax liabilities	22,256	90,759
Set off of deferred tax assets	(22,256)	(29,938)
Net deferred tax liabilities	-	60,821
DEFERRED TAX ASSETS		
Inventories	5,008	-
Property, plant and equipment	9,112	5,633
Trade and other payables	894	671
Provisions	13,593	7,195
Expenses deductible over time	12	807
Tax losses carried forward	-	15,632
Gross deferred tax assets	28,619	29,938
Set off of deferred tax assets	(22,256)	(29,938)
Unrecognised tax losses	-	-
Net deferred tax assets	6,363	-
Reconciliation of deferred tax, net:		
Opening balance at 1 July – net deferred tax assets/(liabilities)	(60,821)	(5,520)
Income tax benefit/(expense) recognised in profit or loss	67,184	(55,301)
Closing balance at 30 June – net deferred tax assets/(liabilities)	6,363	(60,821)

(D) UNRECOGNISED TEMPORARY DIFFERENCES

At 30 June 2014 there are no unrecognised temporary differences associated with the Group's investment in subsidiaries (2013: $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 provides 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.

		CONSOLIDATED	
		2014 $'000	RESTATED 2013 $'000

7. EARNINGS PER SHARE

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

		2014 $'000	RESTATED 2013 $'000
(A) EARNINGS USED IN CALCULATING EARNINGS PER SHARE			
Net profit/(loss) attributable to ordinary equity holders of the parent		(147,830)	146,506
		NO. SHARES THOUSANDS	NO. SHARES THOUSANDS
(B) WEIGHTED AVERAGE NUMBER OF SHARES			
Weighted average number of ordinary shares used in calculating basic earnings per share		498,047	477,988
EFFECT OF DILUTION:			
Share options	(c)	-	6,033
Weighted average number of ordinary shares adjusted for the effect of dilution		498,047	484,021

As the options outstanding at reporting date would reduce the loss per share from continuing operations on conversion, the potential ordinary shares are not considered dilutive.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between reporting date and the date of completion of these financial statements.

(C) INFORMATION ON THE CLASSIFICATION OF SECURITIES

OPTIONS

Options granted to employees (including KMP) as described in the Remuneration Report 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.

8. CASH AND CASH EQUIVALENTS

	2014 $'000	RESTATED 2013 $'000
(A) CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET AND CASH FLOW STATEMENT		
Cash at bank and on hand	6,615	41,220
Short-term deposits	-	20,000
Total cash and cash equivalents	6,615	61,220

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates

At 30 June 2014, the Group had $30 million of undrawn, committed borrowing facilities available (2013: nil). Refer to Note 17.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

	CONSOLIDATED	
	2014 $'000	RESTATED 2013 $'000
(B) RECONCILIATION OF NET PROFIT AFTER INCOME TAX TO CASH FLOWS USED IN OPERATIONS		
Net (loss)/profit for the year	(147,830)	146,506
ADJUSTMENTS FOR:		
Impairment of non-current assets	289,572	1,396
Unwinding of discount on provisions	906	459
Borrowing costs capitalised to qualifying asset	-	(97)
Amortisation of transaction costs recognised against interest-bearing liabilities	-	287
Exploration rent refunds	-	(4)
Share-based payments	2,519	2,616
Depreciation and amortisation	59,481	45,659
CHANGES IN ASSETS AND LIABILITIES		
(Increase)/decrease in receivables	14,675	(12,670)
(Increase)/decrease in inventories	(24,621)	(4,607)
(Increase)/decrease in other current assets	186	(933)
(Increase)/decrease in current tax assets	(27,080)	-
Increase/(decrease) in trade and other payables	23,375	11,766
Increase/(decrease) in deferred tax liabilities/assets	(67,184)	55,301
Increase/(decrease) in provisions	164	(1,271)
Net cash from operating activities	124,163	244,408

(C) NON-CASH FINANCING AND INVESTING ACTIVITIES

There were no non-cash financing or investing activities during the year ended 30 June 2014.

During the year ended 30 June 2013, the Company completed the acquisition of the McPhillamys Gold Project for a consideration of $150 million, settled through the issue of 35,714,286 shares.

9. GOLD BULLION AWAITING SETTLEMENT (CURRENT)

Gold bullion awaiting settlement	7,605	19,640

At balance date, gold bullion awaiting settlement comprised 5,209 ounces at a weighted average realisable value of $1,460.00/oz (2013: 13,782 ounces at $1,424.98/oz).

(A) FAIR VALUE AND CREDIT RISK

Due to the short-term nature of the bullion awaiting settlement, the carrying value is assumed to approximate fair value.

The maximum exposure to credit risk is the fair value.

	CONSOLIDATED 2014 $'000	RESTATED 2013 $'000

10. RECEIVABLES (CURRENT)

	2014 $'000	Restated 2013 $'000
GST receivable	2,286	3,282
Fuel tax credit receivable	939	738
Interest receivable	10	170
Dividend trust account	477	-
Other receivables	151	169
	3,863	4,359

Balances within receivables do not contain impaired assets and are not past due.
It is expected that the above 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.

11. INVENTORIES (CURRENT)

	2014 $'000	Restated 2013 $'000
Ore stockpiles	20,874	6,119
Gold in circuit	13,721	4,836
Bullion on hand	5,697	2,087
Consumable stores	2,753	2,112
	43,045	15,154

$15,580,000 of inventory is held at net realisable value (2013: nil). During the year, $13,616,000 (2013: nil) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of goods sold.

12. PROPERTY, PLANT AND EQUIPMENT (NON-CURRENT)

(A) RECONCILIATION OF CARRYING AMOUNTS AT THE BEGINNING AND END OF THE PERIOD

	CONSOLIDATED						
	FREEHOLD LAND	LEASEHOLD IMPROVEMENTS	PLANT AND EQUIPMENT	FURNITURE AND EQUIPMENT	BUILDINGS AND INFRASTRUCTURE	CAPITAL WIP	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2013 net of accumulated depreciation	5,028	518	111,197	357	44,389	4,697	166,186
Additions	10,294	4	7,151	246	2,998	3,455	24,148
Depreciation expense	-	(71)	(21,366)	(162)	(9,050)	-	(30,649)
Transfers from mine properties under development	-	-	41,924	-	10,832	-	52,756
Transfers	1,166	30	358	285	2,716	(4,555)	-
Movement in rehab provisions	-	-	(2,562)	-	2,141	-	(421)
Disposals	-	-	-	-	-	-	-
At 30 June 2014 net of accumulated depreciation	16,488	481	136,702	726	54,026	3,597	212,020
AT 30 JUNE 2014							
Cost	16,488	721	191,393	1,357	74,309	3,597	287,865
Accumulated depreciation	-	(240)	(54,691)	(631)	(20,283)	-	(75,845)
Net carrying amount	16,488	481	136,702	726	54,026	3,597	212,020

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. Refer to Note 17.

	FREEHOLD LAND	LEASEHOLD IMPROVEMENTS	PLANT AND EQUIPMENT	FURNITURE AND EQUIPMENT	BUILDINGS AND INFRASTRUCTURE	CAPITAL WIP	TOTAL
At 1 July 2012 net of accumulated depreciation	-	518	35,770	128	18,653	418	55,487
Additions	5,028	70	4,962	284	4,148	4,539	19,031
Depreciation expense	-	(70)	(17,236)	(96)	(7,590)	-	(24,992)
Transfers from mine properties under development	-	-	87,641	-	29,019	-	116,660
Transfers	-	-	60	41	159	(260)	-
Disposals	-	-	-	-	-	-	-
At 30 June 2013 net of accumulated depreciation	5,028	518	111,197	357	44,389	4,697	166,186
AT 30 JUNE 2013							
Cost	5,028	687	146,443	826	59,207	4,697	216,888
Accumulated depreciation	-	(169)	(35,246)	(469)	(14,818)	-	(50,702)
Net carrying amount	5,028	518	111,197	357	44,389	4,697	166,186

13. EXPLORATION AND EVALUATION ASSETS (NON-CURRENT)

(A) RECONCILIATION OF MOVEMENTS DURING THE YEAR

		CONSOLIDATED 2014 $'000	CONSOLIDATED RESTATED 2013 $'000
Balance at 1 July		204,644	29,293
Expenditure for the period		11,083	31,184
Acquisition of tenements		50	-
Acquisition of McPhillamys mining information		-	149,680
Impairment	3	(84,013)	(1,396)
Transferred to mine properties under development	14	-	(4,117)
Transferred to mine properties	15	(25,976)	-
Balance at 30 June		105,788	204,644

(B) CARRYING VALUE BY AREA OF INTEREST

	2014 $'000	RESTATED 2013 $'000
Moolart Well CGU	8,062	7,022
Garden Well CGU	49	21,924
Duketon Gold Project satellite deposits	6,148	5,218
Regional WA exploration	1,507	15,857
McPhillamys	90,022	154,623
	105,788	204,644

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.

		CONSOLIDATED	
		2014 $'000	RESTATED 2013 $'000

14. MINE PROPERTIES UNDER DEVELOPMENT (NON-CURRENT)

Balance at beginning of period		62,301	167,919
Capitalised borrowing costs		-	97
Transferred from exploration and evaluation assets	13	-	4,117
Pre-production expenditure capitalised		21,488	32,497
Rehabilitation provision recognised		-	7,918
Construction expenditure		32,134	46,249
Transferred to plant and equipment	12	(52,756)	(116,660)
Transferred to mine properties	15	(48,932)	(79,836)
Balance at end of period		14,235	62,301

(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. Refer to Note 17.

15. MINE PROPERTIES (NON-CURRENT)

Balance at beginning of period		129,423	45,718
Transferred from mine properties under development	14	48,932	79,836
Transferred from exploration and evaluation expenditure	13	25,976	-
Additions		68,839	24,713
Amortisation expense		(28,943)	(20,844)
Impairment expense	3	(205,559)	-
Balance at end of period		38,668	129,423

16. TRADE AND OTHER PAYABLES (CURRENT)

Trade payables	31,998	17,374
Accrued expenses	20,707	16,825
Employee entitlements	2,282	1,653
Other payables	4,838	5,643
	59,825	41,495

(A) FAIR VALUE

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

17. INTEREST-BEARING LIABILITIES

CURRENT			
Secured bank loan	(a)(b)	5,714	10
NON-CURRENT			
Secured bank loan	(a)(b)	34,286	-

(A) SECURED BANK LOAN

The Macquarie Bank Limited ("MBL") debt facility has been provided in one tranche for $70 million of which $40 million was drawn at 30 June 2014. The maturity date is 29 June 2018 with the first principal repayment due on 30 June 2015.

The loan attracts a variable interest rate which ranged between 5.120% and 6.781% in the current year (2013: 6.575% to 6.920%).

The debt facility also incorporates a performance bond facility whereby MBL provides performance bonds in relation to statutory environmental obligations on certain tenements and guarantees in relation to office lease commitments. At year end, the performance bond facility limit was $30 million (2013: $20 million) and the amount used was $26,886,000 (2013: $19,398,000). Performance bonds are not required to be cash-backed until 30 June 2016.

(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 amounts of the Group's current and non-current borrowings approximate their fair value.

18. PROVISIONS

		CONSOLIDATED	
		2014 $'000	RESTATED 2013 $'000
CURRENT			
Dividends		477	-
Rehabilitation	(a)	2,811	295
		3,288	295
NON-CURRENT			
Long service leave	(b)	457	247
Rehabilitation	(a)	42,042	23,440
		42,499	23,687

(A) PROVISION FOR REHABILITATION

	2014 $'000	2013 $'000
Balance at 1 July	23,735	15,552
Provisions made during the year	20,406	9,131
Provisions used during the year	(194)	(53)
Provisions reversed during the year	-	(1,354)
Unwinding of discount	906	459
Balance at 30 June	44,853	23,735

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 re-vegetation 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 31(x) for the relevant accounting policy and a discussion of the significant estimates and assumptions applied in the measurement of this provision.

19. ISSUED CAPITAL

	CONSOLIDATED	
	2014 $'000	RESTATED 2013 $'000
Ordinary shares – issued and fully paid	431,304	428,358

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 '000s	$'000
MOVEMENT IN ORDINARY SHARES ON ISSUE			
At 1 July 2012		453,028	275,010
Issued on exercise of options		5,343	3,413
Issued for non-cash transactions	8(c)	35,714	150,000
Transaction costs		-	(65)
At 30 June 2013		494,085	428,358
Issued on exercise of options		5,659	3,019
Transaction costs		-	(73)
At 30 June 2014		499,744	431,304

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.

	Note	CONSOLIDATED 2014 $'000	RESTATED 2013 $'000

20. RETAINED PROFITS/(ACCUMULATED LOSSES) AND RESERVES

(A) RETAINED PROFITS/(ACCUMULATED LOSSES)

		2014 $'000	2013 $'000
At 1 July		95,706	(50,800)
Dividends paid		(74,671)	-
Net profit/(loss) for the year		(147,830)	146,506
At 30 June		(126,795)	95,706

(B) SHARE OPTION RESERVE

	Note	2014 $'000	2013 $'000
At 1 July		14,032	11,416
Share-based payments	21	2,519	2,616
At 30 June		16,551	14,032

(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.

21. SHARE-BASED PAYMENTS

(A) RECOGNISED SHARE-BASED PAYMENTS EXPENSE

	2014 $'000	2013 $'000
Expense arising from equity-settled share-based payment transactions with employees for services received during the year	2,519	2,616
Total expense arising from share-based payment transactions	2,519	2,616

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)

The Company has one ESOP, being the Regis Resources Limited 2008 Share Option Plan (the "Plan").

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 and Nomination Committee may issue to eligible employees options to acquire shares in the future at an exercise price fixed by the board or Remuneration and Nomination Committee on grant of the options.

The Plan includes a cashless exercise mechanism which enables the holder, at their election, to exercise their vested options not by way of payment of the applicable exercise price, but rather by choosing to receive the positive difference between the exercise price and share price at exercise in shares, with the number of shares allocated based on the share price at exercise.

The cashless exercise mechanism:

» does not change the fundamental entitlements of option holders;

» leaves an option holder who chooses to exercise their options in a cashless manner in the same economic position as if they had exercised all of their options, paid the relevant total exercise price, and disposed of the number of shares equal in value to that total exercise price; and

» results in less shares being issued upon exercise of 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

(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:

	2014		2013	
	NO.	WAEP	NO.	WAEP
Outstanding at the beginning of the year	5,131,146	$2.4046	6,700,000	$1.9477
Granted during the year	2,730,000	$3.1575	300,000	$4.0000
Forfeited during the year	(560,000)	$3.5313	(80,000)	$4.0000
Exercised during the year (i)	(1,963,646)	$1.0588	(1,788,854)	$0.8896
Outstanding at the end of the year	5,337,500	$3.1666	5,131,146	$2.4046
Exercisable at the end of the year	1,815,000	$3.0123	852,500	$1.3519

(i) The weighted average share price at the date of exercise was $3.89 (2013: $5.19).

(D) WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE

The weighted average remaining contractual life for the share options outstanding as at 30 June 2014 is 2.3 years (2013: 2.0 years).

(E) RANGE OF EXERCISE PRICES

The range of exercise prices for options outstanding at the end of the year was $1.00 to $4.00 (2013: $0.1348 to $4.00).

(F) WEIGHTED AVERAGE FAIR VALUE

The weighted average fair value of options granted during the year was $1.5081 (2013: $1.9738).

(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 2014 and 30 June 2013:

	2014 ESOP	2013 ESOP
Dividend yield (%)	0 - 3.72	0
Expected volatility (%)	66.04 – 82.29	63.61 – 80.09
Risk free interest rate (%)	2.61 – 3.02	2.24 – 2.53
Expected life of the option (years)	2 – 3 years	2 – 3 years
Option exercise price ($)	2.40 – 3.50	4.00
Weighted average share price at grant date ($)	2.28 – 4.03	4.11 – 4.54

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.

22. 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:

NAME	COUNTRY OF INCORPORATION	% EQUITY INTEREST 2014	% EQUITY INTEREST 2013	INVESTMENT $'000 2014	INVESTMENT $'000 2013
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%	-	-
LFB Resources NL	Australia	100%	100%	44,110	73,941
				74,685	104,516

(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 2014, the balance of the loan receivable was $8,366,000 (2013: $15,205,000).

A loan is made by the Company to LFB Resources and represents the subsidiary's share of payments for exploration and evaluation expenditure. The loan outstanding between the Company and LFB Resources has no fixed date of repayment and is non-interest bearing. As at 30 June 2014, the balance of the loan receivable was $23,875,000 (2013: $10,805,000).

	2014 $	2013 $
(D) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL		
(i) Key management personnel compensation		
Key management personnel compensation is comprised of the following:		
Short-term employee benefits	2,708,890	3,108,688
Post-employment benefits	248,330	251,258
Long-term employee benefits	72,264	43,121
Termination benefits	233,910	-
Share-based payment	386,478	311,909
Total compensation	3,649,872	3,714,976

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

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 their related parties.

(iii) Other transactions with key management personnel

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

23. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Regis Resources Limited, at 30 June 2014.
The information presented here has been prepared using consistent accounting policies as presented in Note 31

	2014 $'000	RESTATED 2013 $'000
Current assets	89,399	101,660
Non-current assets	406,455	569,674
Total assets	495,854	671,334
Current liabilities	68,764	41,738
Non-current liabilities	74,657	82,469
Total liabilities	143,421	124,207
Contributed equity	431,304	428,358
Share option reserve	16,551	14,032
Retained profits/accumulated losses	(95,422)	104,737
Total equity	352,433	547,127
Net profit/(loss) for the year	(125,488)	148,576
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(125,488)	148,576

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 2014 as disclosed at Note 27.

All capital commitments disclosed at Note 26 are commitments incurred by the parent entity, except for $1,958,000 (2013: $1,073,000) of the exploration expenditure commitments, and $35,000 of the operating lease commitments (2013: $50,000).

24. 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 26(e). 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.

25. FINANCIAL INSTRUMENTS

(A) FINANCIAL GUARANTEE LIABILITIES

As at 30 June 2014, the Group did not have any financial guarantee liabilities (2013: Nil).

(B) LIQUIDITY RISK

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

30 JUNE 2014 ($'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	57,543	(57,543)	(57,543)	-	-	-	-
Secured loan	40,000	(45,558)	(530)	(7,286)	(13,235)	(24,507)	-
Total	97,543	(103,101)	(58,073)	(7,286)	(13,235)	(24,507)	-

30 JUNE 2013 ($'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	39,842	(39,842)	(39,842)				
Secured loan	10	(10)	(10)	-	-	-	-
Total	39,852	(39,852)	(39,852)	-	-	-	-

(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 2014 $'000	CONSOLIDATED 2013 $'000
FIXED RATE INSTRUMENTS		
Financial assets	6,757	61,223
Financial liabilities	-	-
	6,757	61,223
VARIABLE RATE INSTRUMENTS		
Financial liabilities	(40,000)	(10)

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 decrease of 50 basis points in interest rates at the reporting date would decrease net loss by $46,000 (2013: nil). This analysis assumes that all other variables remain constant.

26. COMMITMENTS

(A) OPERATING LEASE COMMITMENTS – GROUP AS LESSEE

The Group leases office premises in Perth, WA and Blayney, NSW under normal commercial lease arrangements. The Perth lease is for a period of 5 years beginning 1 May 2010. The Group is under no legal obligation to renew the lease once the lease term has expired. The Blayney lease is for a period of 3 years beginning 22 February 2013 with an option to renew for a further 3 years.

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

	CONSOLIDATED 2014 $'000	CONSOLIDATED 2013 $'000
Within one year	289	334
Between one and five years	14	303
Total minimum lease payments	303	637

(B) 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. 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 2014, at the current contract price, the Group had commitments to purchase electricity for the remaining term of $3,178,000 (30 June 2013: $4,680,000)

On 23 June 2011, the Group entered into an agreement with Pacific Energy (KPS) Pty Ltd ("KPS") for the supply of electricity to the Garden Well Gold Mine. The terms of this agreement commit the Group to purchasing a fixed amount of electricity per month for 5 years from 1 September 2012 (the "Effective Date") at a price which will be reviewed annually. The agreement was amended, effective 1 October 2013, to incorporate Rosemont Gold Mine's power requirements. As at 30 June 2014, at the current contract price, the Group had commitments to purchase electricity for the remaining term of $14,837,000 (30 June 2013: $11,700,000).

(C) 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	
	2014 $'000	2013 $'000
Within one year	2,917	1,522

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.

(D) DUKETON GOLD PROJECT CAPITAL EXPENDITURE COMMITMENTS

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

Within 1 year	128	3,193

(E) 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

30 JUNE 2014	GOLD FOR PHYSICAL DELIVERY OUNCES	CONTRACTED GOLD SALE PRICE $/OZ	VALUE OF COMMITTED SALES $'000	MARK-TO-MARKET $'000
Within one year				
- Spot contracts	20,000	1,400.00	28,000	(156)
- Spot deferred contracts*	47,724	1,419.68	67,753	566
- Fixed forward contracts	22,917	1,402.35	32,138	(832)
- Fixed forward contracts	24,000	1,460.25	35,046	921
Between one and five years				
- Fixed forward contracts	45,834	1,402.35	64,275	(2,839)
- Fixed forward contracts	100,000	1,453.50	145,350	(4,279)
	260,475		372,562	(6,619)
Spot gold price used to calculate mark-to-market				$1,407.825/oz

30 JUNE 2013				
Within one year				
- Spot deferred contracts*	5,840	1,474.80	8,613	743
- Fixed forward contracts	24,000	1,460.25	35,046	1,911
Between one and five years				
- Fixed forward contracts	68,751	1,402.35	96,413	(2,660)
- Fixed forward contracts	24,000	1,460.25	35,046	1,445
	122,591		175,118	1,439
Spot gold price used to calculate mark-to-market				$1,347.536/oz

* *The contracted gold sale price disclosed for spot deferred contracts reflects a weighted average of a range of contract prices. The range of prices at the end of the year was from $1,400.32/oz to $1,460.25/oz (2013: $1,451.76/oz to $1,481.20/oz).*

27. CONTINGENCIES

As at 30 June 2014, the Group did not have any contingent assets or liabilities (30 June 2013: nil).

28. AUDITOR'S REMUNERATION

	CONSOLIDATED 2014 $	2013 $
AUDIT SERVICES		
KPMG Australia		
Audit and review of financial statements	194,988	194,988
OTHER SERVICES		
Other assurance services		
Taxation compliance services	-	12,261
Total auditor's remuneration	194,988	207,249

29. DIVIDENDS

	CONSOLIDATED	
	2014 $'000	2013 $'000
DECLARED AND PAID DURING THE YEAR:		
Dividends on ordinary shares		
Final franked dividend for 2013: 15 cents per share (2012: nil)	74,671	-
PROPOSED BY THE DIRECTORS AFTER BALANCE DATE BUT NOT RECOGNISED AS A LIABILITY AT 30 JUNE:		
Dividends on ordinary shares		
Final dividend for 2014: nil (2013: 15 cents per share)	-	74,427
DIVIDEND FRANKING ACCOUNT		
Amount of franking credits available to shareholders of Regis Resources Limited for subsequent financial years	-	-

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

30. SUBSEQUENT EVENTS

Subsequent to year end, 12,500 ordinary shares have been issued as a result of the exercise of employee options for proceeds of $12,500.

On 12 September 2014, 1,500,000 unlisted employee options were granted under the Regis Resources Employee Share Option Plan. The options are exercisable on or before 12 September 2017 at an exercise price of $1.55.

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.

31. 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 comply with Australian Accounting Standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

(c) Changes in accounting policy

The Group has adopted the following new and revised accounting standards, amendments and interpretations as of 1 July 2013:

» AASB 10 – Consolidated Financial Statements

» AASB 11 – Joint Arrangements

» AASB 12 – Disclosure of Interests in Other Entities

» AASB 13 – Fair Value Measurement

» AASB 119 – Employee Benefits

» AASB 124 – Related Party Disclosures

» Interpretation 20 – Stripping Costs in the Production Phase of a Surface Mine

With the exception of Interpretation 20, the adoption of these new and revised standards did not have a material impact on the Group's financial statements. The impact on the Group's financial statements from the adoption of Interpretation 20 is described in Note 32.

(d) 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 2014, but have not been applied in preparing this financial report.

» Interpretation 21 *Levies* confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.

» AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-financial Assets* amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.

» *Annual Improvements to IFRSs 2010-2012 Cycle* sets out amendments in International Financial Reporting Standards (IFRS) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard:

- IFRS 2 – Clarifies the definition of Vesting 'conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.

- IFRS 3 – Clarifies the classification requirements for contingent consideration in a business combination by removing all references to IAS 37.

- IFRS 8 – Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.

- IAS 16 & IAS 38 – Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.
- IAS 24 – Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of IAS 24 from KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

» AASB 1031 *Materiality* is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.

» AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial* Instruments contains three main parts and makes amendments to a number Standards and Interpretations.

- Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.
- Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.
- Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.

» Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*. IAS 16 and IAS 38 both establish the principal for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

» IFRS 15 *Revenue from Contracts with Customers* establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 supersedes:

(a) IAS 11 Construction Contracts

(b) IAS 18 Revenue

(c) IFRIC 13 Customer Loyalty Programmes

(d) IFRIC 15 Agreements for the Construction of Real Estate

(e) IFRIC 18 Transfers of Assets from Customers

(f) SIC-31 Revenue – Barter Transactions Involving Advertising Services

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

(a) Step 1: Identify the contract(s) with a customer

(b) Step 2: Identify the performance obligations in the contract

(c) Step 3: Determine the transaction price

(d) Step 4: Allocate the transaction price to the performance obligations in the contract

(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Early application of the standard is permitted.

(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. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that 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 balance sheet 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 balance sheet.

(i) 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.

(j) Receivables

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

(k) 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.

(l) 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.

(m) Derivatives
The Group uses derivative financial instruments such as gold call options to manage the risk associated with commodity price fluctuations.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently measured at fair value. The fair value of derivative financial instruments that are traded on an active market is determined using appropriate valuation techniques.

Changes in fair value are recognised in the statement of comprehensive income, net of any transaction costs.

(n) Property, plant and equipment
Items of property, 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 property, 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 of mine specific plant and equipment and buildings and infrastructure 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.

Depreciation of non-mine specific plant and equipment 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 - 20 years

» Fixtures and fittings: 3 - 20 years

» Leasehold improvements: 10 years

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

DERECOGNITION

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

(o) 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.

(p) Deferred stripping costs

Stripping costs incurred during the production phase are generally considered to create two benefits, being either the production of inventory in the period or improved access to ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the production stripping costs are incurred and the benefit is improved access to the ore body in the future, the costs are recognised as a non-current asset, referred to as a "production stripping asset", provided that the component of the ore body to which access has been improved can be identified and the associated costs measured reliably.

The amount of stripping costs deferred is based on the extent to which the current period cost per tonne of inventory produced (ore mined) exceeds the expected cost per tonne for the life of the identified component.

A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity, and is identified based on the mine plan. The identification of specific components will vary between mines as a result of both the geological characteristics and location of the ore body. The financial considerations of the mining operations may also impact the identification and designation of a component.

The identification of components is necessary for both the measurement of costs at initial recognition and subsequent depreciation of the production stripping asset.

The expected cost per tonne is a function of an individual mine's design and therefore changes to that design will generally result in changes to the expected cost. Changes in other technical or economic parameters that impact reserves will also have an impact on the expected costs per tonne for each identified component. Changes in the expected cost per tonne are accounted for prospectively from the date of change.

The production stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of the ore body.

The production stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a unit of production basis. Economically recoverable reserves are used to determine the expected useful life of the identified component. The production stripping asset is then carried at cost less depreciation and any impairment losses.

The production stripping asset is included in Mine Properties. These costs form part of the total investment in the relevant cash generating unit to which they relate, which is reviewed for impairment in accordance with the Group's impairment accounting policy.

(q) 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.

(r) 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 amortisation 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.

(s) 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

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.

(t) 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.

(u) 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.

(v) 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 as part of finance costs in the period incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(w) Provisions

A provision is recognised in the balance sheet 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 REHABILITATION

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 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 assets are installed at the production location. The provision is the best estimate of the present value of the expenditure required to settle the rehabilitation 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 rehabilitation provision when incurred.

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

(x) Employee benefits

SHORT-TERM BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

LONG-TERM BENEFITS

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and, where applicable, prior periods plus related on costs; that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on national government bonds that have maturity dates approximating the terms of the Group's obligations.

(y) 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 21.

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.

(z) 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.

(aa) 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.

INTEREST

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

(ab) Income and other taxes

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 balance sheet. 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 6). 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.

OTHER TAXES

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 balance sheet.

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.

(ac) 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.

32. IMPACT OF ADOPTING INTERPRETATION 20

The Group has adopted Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* as of 1 July 2013.

In open pit mining operations, it is necessary to remove overburden and other waste materials in order to access ore from which minerals can be extracted economically. The process of removing overburden and waste materials is referred to as stripping. The Group capitalises pre-production stripping costs incurred during the development of a mine (or pit) as a part of the investment in construction of the mine. These costs are subsequently amortised over the life of the mine (or pit) on a units of production basis. This accounting treatment is unchanged by the implementation of Interpretation 20, which specifies the accounting for production stripping only.

The Group's accounting policy for production stripping costs for the financial year ended 30 June 2013 and previous financial reporting periods, was to defer costs where this was the most appropriate basis for matching the costs against the related economic benefits and where the effect was material. Stripping costs were 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 were then charged to the statement of comprehensive income to the extent that, in subsequent periods, the current period ratio fell below the life of mine strip ratio. No production stripping liabilities were recognised. The life of mine strip ratio was based on economically recoverable reserves and was subject to annual review by the directors.

The Group's accounting policy under Interpretation 20 has been revised as follows:

Stripping costs incurred during the production phase are generally considered to create two benefits, being either the production of inventory in the period or improved access to ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the production stripping costs are incurred and the benefit is improved access to the ore body in the future, the costs are recognised as a non-current asset, referred to as a "production stripping asset", provided that the component of the ore body to which access has been improved can be identified and the associated costs measured reliably.

The amount of stripping costs deferred is based on the extent to which the current period cost per tonne of inventory produced (ore mined) exceeds the expected cost per tonne for the life of the identified component.

A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity, and is identified based on the mine plan. The identification of specific components will vary between mines as a result of both the geological characteristics and location of the ore body. The financial considerations of the mining operations may also impact the identification and designation of a component.

The identification of components is necessary for both the measurement of costs at initial recognition and subsequent depreciation of the production stripping asset.

The expected cost per tonne is a function of an individual mine's design and therefore changes to that design will generally result in changes to the expected cost. Changes in other technical or economic parameters that impact reserves will also have an impact on the expected costs per tonne for each identified component. Changes in the expected cost per tonne are accounted for prospectively from the date of change.

The production stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of the ore body.

The production stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a unit of production basis. Economically recoverable reserves are used to determine the expected useful life of the identified component. The production stripping asset is then carried at cost less depreciation and any impairment losses.

The production stripping asset is included in Mine Properties. These costs form part of the total investment in the relevant cash generating unit to which they relate, which is reviewed for impairment in accordance with the Group's impairment accounting policy.

TRANSITION

Interpretation 20 is required to be applied prospectively from the beginning of the earliest period presented, which is 1 July 2012.

Production stripping costs which had been capitalised up to 30 June 2012 using the Group's previous policy could only be carried forward if there remained an identifiable component of the ore body to which the opening carried forward balance could be associated. Given the way in which production stripping costs had been previously accumulated and capitalised, and the way in which the components of the mine have been identified under Interpretation 20, it was determined that $3,298,000 (pre-tax) of the opening production stripping asset of $10,555,000 was to be written off via opening retained earnings.

Prior to the adoption of Interpretation 20, the Group disclosed the production stripping assets as part "Deferred Mining Costs". On adoption, these assets were reclassified as part of "Mine Properties".

The tables below show the effect of the change in accounting policy on individual lines affected in each of the financial statements presented. Line items that have not been affected have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EXTRACT)

The Interpretation 20 restatement impact to total comprehensive income reflects the net impact of the change in production stripping costs capitalised and the depreciation charged for the period.

	AS REPORTED 30 JUNE 2013 $'000	NET PROFIT INCREASE/ (DECREASE) $'000	RESTATED 30 JUNE 2013 $'000
Cost of goods sold	(207,247)	1,113	(206,134)
Gross profit	**209,587**	**1,113**	**210,700**
Profit before tax	200,694	1,113	201,807
Income tax expense	(54,967)	(334)	(55,301)
Total comprehensive income for the period	**145,727**	**779**	**146,506**
Basic earnings per share (cents)	30.49		30.65
Diluted earnings per share (cents)	30.11		30.27

The Group has determined that it is not practicable to quantify the impact for the year ended 30 June 2014 under the pre-implementation approach.

CONSOLIDATED BALANCE SHEET (EXTRACT)

	AS REPORTED 1 JULY 2012 $'000	INCREASE/ (DECREASE) $'000	RESTATED 1 JULY 2012 $'000
Deferred mining costs	10,555	(10,555)	-
Mine properties	38,461	7,257	45,718
Total non-current assets	**301,715**	**(3,298)**	**298,417**
Deferred tax liabilities	6,510	(990)	5,520
Net assets	**237,934**	**(2,308)**	**235,626**
Retained profits	(48,492)	(2,308)	(50,800)
Total equity	**237,934**	**(2,308)**	**235,626**

	AS REPORTED 30 JUNE 2013 $'000	INCREASE/ (DECREASE) $'000	RESTATED 30 JUNE 2013 $'000
Deferred mining costs	12,192	(12,192)	-
Mine properties	119,416	10,007	129,423
Total non-current assets	**564,739**	**(2,185)**	**562,554**
Deferred tax liabilities	61,477	(656)	60,821
Net assets	**539,625**	**(1,529)**	**538,096**
Retained profits	97,235	(1,529)	95,706
Total equity	**539,625**	**(1,529)**	**538,096**

CONSOLIDATED STATEMENT OF CASH FLOWS (EXTRACT)

Prior to the adoption of Interpretation 20, all cash outflows associated with production stripping were disclosed as operating activities. Subsequently, the cash outflows associated with the initial recognition of the production stripping asset have been reclassified to investing activities, while the cash flows that were initially recognised as part of the cost of inventory produced in that period remain classified as operating cash flows.

	AS REPORTED 30 JUNE 2013 $'000	INCREASE/ (DECREASE) $'000	RESTATED 30 JUNE 2013 $'000
Net cash provided by operating activities	241,278	3,130	244,408
Net cash used in investing activities	(154,408)	(3,130)	(157,538)
Net cash used in financing activities	(27,003)	-	(27,003)
Net increase in cash and cash equivalents	**59,867**	**-**	**59,867**

The Group has determined that it is not practicable to quantify the impact for the year ended 30 June 2014 under the pre-implementation approach.

33. 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 ORE RESERVES

The determination of mineral resources and ore reserves impacts the accounting for asset carrying values. Regis Resources Limited estimates its mineral resources and ore reserves in accordance with the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012* (the "JORC" Code). The information on mineral resources and ore reserves 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 and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, 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 balance sheet. 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.

REHABILITATION OBLIGATIONS

The Group assesses site rehabilitation 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 rehabilitation 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 21. 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 average mining cost. 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.

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 2014 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 2014.
3. The directors draw attention to Note 31(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 2014

Independent Auditor's Report

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 balance sheet as at 30 June 2014, 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 33 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 31(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.

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 2014 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 31(b).

Report on the remuneration report

We have audited the Remuneration Report included in pages 29 to 37 of the directors' report for the year ended 30 June 2014. 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 2014, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Trevor Hart
Partner

Perth

19 September 2014

Tenement Information

GRANTED TENEMENTS

TENEMENT	% INTEREST	TENEMENT	% INTEREST	TENEMENT	% INTEREST	TENEMENT	% INTEREST
COLLURABBIE AREA		L38/47	100%	M38/319	100%	P38/3407	Earning 70%
E38/1939	80%	L38/49	100%	M38/341	100%	P38/3408	Earning 70%
E38/2298	100%	L38/73	100%	M38/343	100%	P38/3409	Earning 70%
E38/2681	100%	L38/85	100%	M38/344	100%	P38/3410	Earning 70%
E38/2682	100%	L38/126	100%	M38/352	100%	P38/3411	Earning 70%
E38/2683	100%	L38/127	100%	M38/354	100%	P38/3412	Earning 70%
E38/2779	90%	L38/128	100%	M38/407	100%	P38/3413	Earning 70%
E38/2830	100%	L38/129	100%	M38/413	Earning 70%	P38/3414	Earning 70%
E38/2870	100%	L38/131	100%	M38/414	Earning 70%	P38/3415	Earning 70%
E38/2871	100%	L38/133	100%	M38/415	Earning 70%	P38/3416	Earning 70%
		L38/135	100%	M38/488	100%	P38/3417	Earning 70%
DUKETON AREA		L38/136	100%	M38/498	100%	P38/3418	Earning 70%
E38/961	100%	L38/137	100%	M38/499	100%	P38/3419	Earning 70%
E38/1046	100%	L38/140	100%	M38/500	100%	P38/3420	Earning 70%
E38/1096	100%	L38/141	100%	M38/515	100%	P38/3421	Earning 70%
E38/1689	100%	L38/143	100%	M38/589	97%	P38/3422	Earning 70%
E38/1952	100%	L38/155	100%	M38/590	97%	P38/3423	Earning 70%
E38/1954	100%	L38/156	100%	M38/600	70%	P38/3424	Earning 70%
E38/1955	100%	L38/170	100%	M38/601	70%	P38/3425	Earning 70%
E38/1956	100%	L38/182	100%	M38/630	100%	P38/3426	Earning 70%
E38/1957	100%	L38/184	100%	M38/802	100%	P38/3427	51%
E38/1988	100%	L38/191	100%	M38/837	100%	P38/3428	51%
E38/1989	100%	L38/192	100%	M38/889	97%	P38/3429	51%
E38/1990	100%	L38/193	100%	M38/939	100%	P38/3430	51%
E38/1991	100%	L38/194	100%	M38/940	100%	P38/3439	100%
E38/1992	100%	L38/201	100%	M38/943	100%	P38/3440	100%
E38/1994	100%	L38/202	100%	M38/1091	80%	P38/3441	100%
E38/1995	100%	L38/203	100%	M38/1092	100%	P38/3442	100%
E38/1997	97%	L38/204	100%	M38/1096	100%	P38/3443	100%
E38/1999	70%	L38/216	100%	M38/1247	100%	P38/3444	100%
E38/2001	100%	L38/217	100%	M38/1249	100%	P38/3445	100%
E38/2003	100%	L38/221	100%	M38/1250	100%	P38/3446	100%
E38/2004	Earning 70%	L38/222	100%	M38/1251	100%	P38/3447	100%
E38/2005	80%	L38/226	100%	M38/1257	100%	P38/3448	100%
E38/2243	100%	M38/114	100%	M38/1258	100%	P38/3449	100%
E38/2723	100%	M38/237	100%	M38/1259	100%	P38/3450	100%
E38/2808	100%	M38/250	100%	M38/1260	70%	P38/3451	100%
E38/2809	100%	M38/262	100%	M38/1261	100%	P38/3452	100%
E38/2810	100%	M38/283	100%	M38/1262	100%	P38/3453	100%
E38/2832	100%	M38/292	100%	M38/1263	100%	P38/3454	100%
E38/2833	100%	M38/302	100%	M38/1264	100%	P38/3455	100%
E38/2857	100%	M38/303	100%	M38/1265	100%	P38/3456	100%
L38/20	100%	M38/316	100%	P38/3377	100%	P38/3457	100%
L38/29	100%	M38/317	100%	P38/3378	100%	P38/3458	100%

TENEMENT	% INTEREST
P38/3459	100%
P38/3460	100%
P38/3461	100%
P38/3462	100%
P38/3463	100%
P38/3464	100%
P38/3465	100%
P38/3466	100%
P38/3467	100%
P38/3468	100%
P38/3469	100%
P38/3470	100%
P38/3471	100%
P38/3472	100%
P38/3473	100%
P38/3474	100%
P38/3475	100%
P38/3476	100%
P38/3478	100%
P38/3480	100%
P38/3481	100%
P38/3485	100%
P38/3486	100%
P38/3487	100%
P38/3508	100%
P38/3509	100%
P38/3510	100%
P38/3511	100%
P38/3513	100%
P38/3514	100%
P38/3515	100%
P38/3528	100%
P38/3529	100%
P38/3530	100%
P38/3531	100%
P38/3532	100%
P38/3535	100%
P38/3536	100%
P38/3538	100%
P38/3539	100%
P38/3542	100%
P38/3543	100%
P38/3544	100%
P38/3545	100%

TENEMENT	% INTEREST
P38/3547	100%
P38/3548	100%
P38/3549	100%
P38/3550	100%
P38/3551	100%
P38/3557	100%
P38/3571	100%
P38/3576	70%
P38/3577	70%
P38/3578	70%
P38/3579	70%
P38/3580	100%
P38/3581	100%
P38/3582	97%
P38/3584	100%
P38/3602	100%
P38/3604	100%
P38/3605	100%
P38/3606	100%
P38/3607	100%
P38/3629	97%
P38/3630	97%
P38/3631	97%
P38/3632	97%
P38/3633	97%
P38/3634	97%
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P38/3877	100%
P38/3878	100%
P38/3879	100%
P38/3906	100%
P38/3928	100%
P38/3941	100%
P38/3942	100%
P38/3943	100%
P38/3944	100%
P38/3949	100%
P38/3950	100%

TENEMENT	% INTEREST
P38/3953	100%
P38/3996	100%
P38/3997	100%
P38/3998	100%
P38/4027	100%
P38/4038	100%
P38/4039	100%
P38/4040	100%
P38/4052	100%
P38/4053	100%
P38/4054	100%
P38/4059	100%
P38/4060	100%
P38/4061	100%
P38/4062	100%
P38/4063	100%
P38/4073	100%
P38/4074	100%
P38/4075	100%
P38/4076	100%
P38/4104	100%

MCPHILLAMYS

EL5760	100%
EL6111	100%
EL7878	100%
EL8120	100%

TENEMENTS UNDER APPLICATION

DUKETON AREA

E38/2955	51%
E38/2972	100%
E38/2977	100%
P38/4124	100%
P38/4147	100%

ASX Additional Information

As at 12 September 2014 the following information applied:

1. SECURITIES

(A) FULLY PAID ORDINARY SHARES

The number of holders of fully paid ordinary shares in the Company is 6,739. 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	NUMBER OF SHARES
Holding between	1 - 1,000 Shares	2,052	958,643
Holding between	1,001 - 5,000 Shares	2,510	6,991,464
Holding between	5,001 - 10,000 Shares	941	7,515,186
Holding between	10,001 - 100,000 Shares	1,075	31,509,187
Holding more than	100,001 Shares	161	452,782,115
		6,739	499,756,595
Holding less than	A marketable parcel	816	91,244

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

The top 20 shareholders are as follows:

NAME	NUMBER OF FULLY PAID ORDINARY SHARES HELD	PERCENTAGE INTEREST
Newmont Capital Pty Limited	97,212,729	19.45
HSBC Custody Nominees (Australia) Limited	83,737,199	16.76
Citicorp Nominees Pty Limited	45,875,089	9.18
National Nominees Limited	40,134,198	8.03
J P Morgan Nominees Australia Limited	32,837,690	6.57
Rollason Pty Ltd <Giorgetta Super Plan A/C>	15,140,000	3.03
SHL Pty Ltd <S H Lee Family A/C>	10,017,087	2.00
Mr Ross Francis Stanley	10,000,000	2.00
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	8,747,443	1.75
Mr Mark John Clark	8,711,112	1.74
BNP Paribas Noms Pty Ltd <DRP>	6,122,915	1.23
Mutual Investments Pty Ltd <Mitchell Family Account>	5,570,000	1.11
Rollason Pty Ltd	5,389,671	1.08
Zero Nominees Pty Ltd	5,110,800	1.02
Laguna Bay Capital Pty Ltd	3,050,000	0.61
Alkane Resources Ltd	3,015,000	0.60
Mutual Investments Pty Ltd <Mitchell Super Fund A/C>	3,012,179	0.60
Mr Ross Francis Stanley <Ross Francis Stanley A/C>	3,000,000	0.60
Piama Pty Ltd <Fena Superannuation Plan A/C>	2,998,401	0.60
RBC Investor Services Australia Nominees Pty Limited <Bkcust A/C>	2,710,467	0.54
	392,391,980	78.50

(B) UNLISTED OPTIONS

UNLISTED OPTIONS OVER FULLY PAID ORDINARY SHARES	NUMBER OF OPTION HOLDERS	NUMBER OF OPTIONS
Expiry 29 September 2014	1	25,000
Expiry 29 April 2015	6	600,000
Expiry 8 November 2015	3	1,075,000
Expiry 2 February 2016	1	250,000
Expiry 30 June 2016	28	950,000
Expiry 31 July 2017	35	1,665,000
Expiry 12 September 2017	1	1,500,000
Expiry 31 March 2018	3	650,000

Option holders 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.

2. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders disclosed in substantial shareholder notices to the Company:

NAME	NUMBER OF FULLY PAID ORDINARY SHARES HELD
Newmont Capital Pty Ltd	97,212,729
JCP Investment Partners Ltd	39,113,441

3. MINERAL RESOURCES AND ORE RESERVES

Regis Resources Limited releases its Annual Statement of Mineral Resources and Ore Reserve estimates and Explanatory Notes as of 30 June each year. The Statement for the period ending 30 June 2014 was released on 9 September 2014, and can be found on Regis' website at www.regisresources.com. This section of the Annual Report includes relevant information set out in that Statement.

The JORC compliant Group Mineral Resources (inclusive of Ore Reserves) as at 30 June 2014 are estimated at 256 million tonnes at 0.97g/t Au for 8.01 million ounces of gold compared with the estimate at 30 June 2013 of 281 million tonnes at 1.10g/t Au for 9.96 million ounces of gold.

The change in the Group Mineral Resources is primarily the result of:

» depletion by mining;

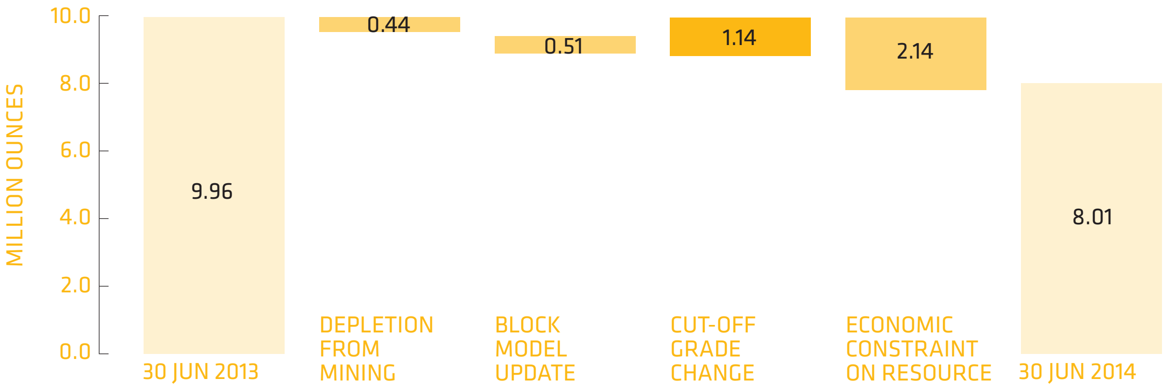
» the inclusion of further drilling results;

» the application of updated parameters to block models;

» modification and categorisation of cut-off grades; and

» the application of economic constraints.

GROUP MINERAL RESOURCE



With the exception of the Duketon satellite deposits, all other Mineral Resources are now constrained by Whittle open pit shells developed with operating costs and a long term gold price assumption of A$2,000 per ounce for the purpose of satisfying "reasonable prospects for eventual extraction" (JORC 2012). Previously the Mineral Resources were not formally economically constrained. This has resulted in the declassification of 2.14Moz of resources, 0.86Moz of which was low grade and deeper fresh rock mineralisation at Moolart Well.

The other significant changes to the Group Mineral Resources occurred at Garden Well, Rosemont and McPhillamys where respective mine knowledge and an increase in drill hole density has allowed block model parameters including cut-off grades (upper and lower) to be updated and revised where required.

	JUNE 2014			JUNE 2013		
CATEGORY	TONNES (Mt)	GRADE (g/t)	OUNCES (koz)	TONNES (Mt)	GRADE (g/t)	OUNCES (koz)
MOOLART WELL						
Measured	5.6	0.90	160	5.6	1.22	219
Indicated	32.1	0.76	785	28.0	0.79	708
Inferred	17.6	0.65	368	62.1	0.59	1,182
Total	**55.3**	**0.74**	**1,313**	**95.7**	**0.69**	**2,109**
GARDEN WELL						
Measured	-	-	-	0.4	0.82	9
Indicated	79.5	0.89	2,286	75.6	1.08	2,632
Inferred	9.3	0.88	264	10.4	1.02	341
Total	**88.8**	**0.89**	**2,550**	**86.4**	**1.07**	**2,982**
ROSEMONT						
Measured	6.4	1.35	277	-	-	-
Indicated	21.0	1.27	853	18.9	1.64	996
Inferred	3.0	1.70	166	14.3	1.60	737
Total	**30.4**	**1.33**	**1,295**	**33.2**	**1.62**	**1,733**
MCPHILLAMYS						
Measured	-	-	-	-	-	-
Indicated	69.2	0.94	2,087	41.3	1.27	1,685
Inferred	3.9	0.98	123	16.1	1.57	815
Total	**73.2**	**0.94**	**2,210**	**57.4**	**1.36**	**2,500**
OTHER						
Measured	2.3	1.92	143	2.3	1.92	143
Indicated	3.1	1.97	196	3.1	1.97	196
Inferred	3.2	2.83	299	3.2	2.83	299
Total	**8.6**	**2.31**	**638**	**8.6**	**2.31**	**638**

Note: Data is reported to significant figures, rounding errors may occur.

The JORC compliant Group Ore Reserves as at 30 June 2014 are estimated at 75.4 million tonnes at 1.04g/t Au for 2.53 million ounces (Moz) of gold compared with the estimate at 30 June 2013 of 65.7 million tonnes at 1.39g/t Au for 2.92Moz of gold.

The change in the Group Ore Reserves is primarily the result of:

» depletion by mining;

» the inclusion of further drilling results;

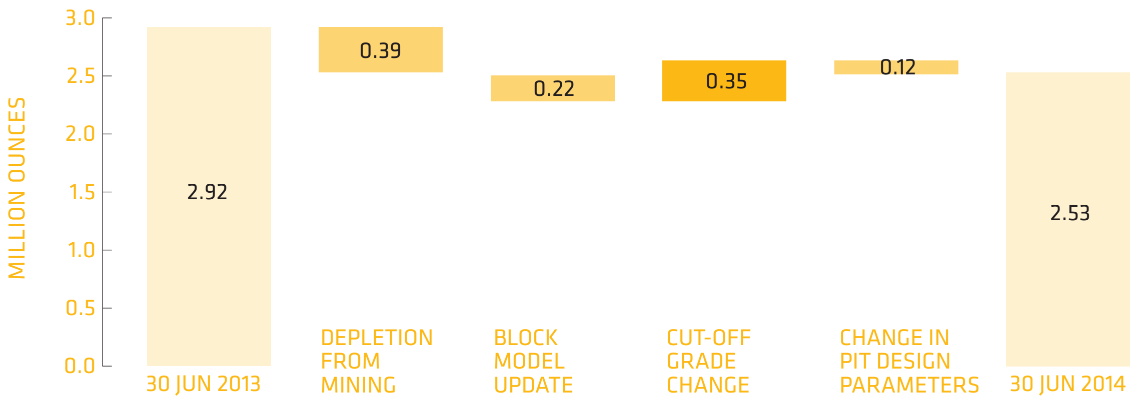
» the application of updated parameters to block models;

» modification and categorisation of cut-off grades;

» economic constraints applied to the Mineral Resources (as above); and

» the review of current pit design parameters including revenue, costs, metallurgical and geotechnical performance of mining projects to date.

GROUP ORE RESERVE



The largest change to the Group Ore Reserves was the mining depletion at the three operating projects (0.39Moz). At Garden Well and Rosemont mine performance knowledge and an increase in drill hole density allowed block model parameters to be refined reducing the resource by 0.22Moz, whilst the change to a lower (0.4g/t) cut-off grade added 0.35Moz. The 0.4-0.6g/t and >0.6g/t classifications for these deposits now allow for improved optimisation of staged pit shells and mining schedules.

	JUNE 2014			JUNE 2013		
CATEGORY	TONNES (Mt)	GRADE (g/t)	OUNCES (koz)	TONNES (Mt)	GRADE (g/t)	OUNCES (koz)
MOOLART WELL						
Proved	4.5	0.97	140	4.8	1.30	197
Probable	3.7	0.89	105	4.6	1.25	181
Total	**8.2**	**0.94**	**246**	**9.4**	**1.27**	**378**
GARDEN WELL						
Proved	-	-	-	0.4	0.82	9
Probable	51.8	0.93	1,551	41.2	1.26	1,670
Total	**51.8**	**0.93**	**1,551**	**41.6**	**1.26**	**1,679**
ROSEMONT						
Proved	-	-	-	-	-	-
Probable	12.8	1.29	528	12.0	1.72	664
Total	**12.8**	**1.29**	**528**	**12.0**	**1.72**	**664**
OTHER						
Proved	1.3	2.34	95	1.3	2.34	95
Probable	1.4	2.37	108	1.4	2.37	108
Total	**2.7**	**2.36**	**203**	**2.7**	**2.36**	**203**

Note: Data is reported to significant figures, rounding errors may occur.

Regis has put in place governance arrangements and internal controls with respect to its estimates of Mineral Resources and Ore Reserves and the estimation process, including:

» oversight and approval of each annual statement by responsible senior officers;

» establishment of internal procedures and controls to meet JORC Code 2012 compliance in all external reporting;

» independent review of new and materially changed estimates;

» annual reconciliation with internal planning to validate reserve estimates for operating mines; and

» board approval of new and materially changed estimates.

COMPETENT PERSONS STATEMENT

The information in this report that relates to the Mineral Resources or Ore Reserves listed in the table below is based on work compiled by the person whose name appears in the same row. Each of these persons, other than Mr Williamson and Mr Johnson, is a full-time employee of Regis Resources Limited. Mr Williamson is a director and full-time employee of Mining Resources Pty Ltd and Mr Johnson is a full-time employee of MPR Geological Consultants Pty Ltd. Each person named in the table below are Members of The Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and have sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code 2012. It is noted that the Duketon satellite deposits were previously disclosed under JORC Code 2004 requirements and have not been updated to JORC Code 2012 requirements. Each person named in the table below consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

ACTIVITY	COMPETENT PERSON	INSTITUTE
Moolart Well Resource	Jarrad Price	Australasian Institute of Mining and Metallurgy
Moolart Well Reserve	Jon Bayley	Australasian Institute of Mining and Metallurgy
Garden Well Resource	Nic Johnson	Australian Institute of Geoscientists
Garden Well Reserve	Glenn Williamson	Australasian Institute of Mining and Metallurgy
Rosemont Resource	Nic Johnson	Australian Institute of Geoscientists
Rosemont Reserve	Jon Bayley	Australasian Institute of Mining and Metallurgy
Erlistoun Resource	Jens Balkau	Australasian Institute of Mining and Metallurgy
Erlistoun Reserve	Glenn Williamson	Australasian Institute of Mining and Metallurgy
Dogbolter Resource	Jens Balkau	Australasian Institute of Mining and Metallurgy
King John Resource	Jens Balkau	Australasian Institute of Mining and Metallurgy
Russells Find Resource	Jens Balkau	Australasian Institute of Mining and Metallurgy
Baneygo Resource	Jens Balkau	Australasian Institute of Mining and Metallurgy
Reichelts Find Resource	Jens Balkau	Australasian Institute of Mining and Metallurgy
Petra Resource	Jens Balkau	Australasian Institute of Mining and Metallurgy
McPhillamys Resource	Nic Johnson	Australian Institute of Geoscientists
Group Mineral Resources & Ore Reserves	Glenn Williamson	Australasian Institute of Mining and Metallurgy

FORWARD LOOKING STATEMENTS

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

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

REGIS RESOURCES LTD

Directors
Nick Giorgetta
(Independent Non-Executive Chairman)
Mark Clark
(Managing Director)
Frank Fergusson
(Independent Non-Executive Director)
Ross Kestel
(Independent Non-Executive Director)
Mark Okeby
(Independent Non-Executive Director)
Glyn Evans
(Independent Non-Executive Director)

Company Secretary
Kim Massey

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

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

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

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

Auditors
KPMG
235 St Georges Terrace
PERTH WA 6000