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## Garden Well Gold Project

### DFS and Board Approval for Development

#### Highlights

- Completion of a Definitive Feasibility Study (DFS) in to the development of the Garden Well Gold Project shows a very robust and highly profitable project.
- Board approval granted for development.
- The plant design is based on a nominal 4.0mtpa throughput utilising a three stage crushing circuit, a scrubber and a single ball mill followed by gravity and carbon in leach circuits.
- Key operating results of the DFS include:

Total gold production	1.57 million ounces
Average annual gold production	180,000 ounces
Year 1 gold production	247,000 ounces (cash cost less than A\$400/oz)
Capital cost	A\$109 million
Cash operating cost (life of mine, pre royalties)	A\$555 per ounce

- Key financial results (at A\$1,400/oz gold price) of the DFS include:

Revenue	A\$2.2 billion
Net cash flow (after capex, before tax)	A\$1.1 billion
NPV @ 6% (after capex, before tax)	A\$750 million
IRR	143%
Payback period	7 months

- Funding of development to be sourced from internal cash-flow and extension of corporate debt facility. No issue of equity is contemplated.
- Project development to commence on site in July 2011 and commercial production forecast to commence early in the September 2012 quarter.
- Achievement of this timetable will be a remarkable achievement for Regis given that it will mean that the deposit will have transitioned from discovery drill hole to first gold production in only two and a half years.
- Development of the Garden Well Gold Project will take Regis total gold production to around 350,000 ounces for fiscal year 2012/13. This will elevate Regis in to the mid tier of world gold producers.

## Garden Well - Definitive Feasibility Study

The board of directors of Regis Resources Ltd is pleased to announce the completion of the definitive feasibility study (DFS) into the development of the Company's 100% owned Garden Well Gold Project in Western Australia. On the basis of the DFS results the board has approved development of the project, located approximately 30 kilometres south of Regis' operating Moolart Well Gold Mine.

### Operating Parameters

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

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

Mining will be conducted using truck and shovel excavation methods. Regis conducted a competitive pricing process for contract earthmoving and drill & blast services, which in April 2011 culminated in the issue of a letter of intent to award a contract to Mining and Civil Australia Limited (MACA). MACA is already supplying the same services at Moolart Well and has the machinery available to commence preproduction mining at Garden Well in September 2011 as required by the development schedule.

The plant design is based on a nominal 4.0mtpa throughput utilising a three stage crushing circuit, a scrubber and a single ball mill followed by gravity and carbon in leach circuits. The process flow sheet is attached at Appendix 1 to this announcement. This is a robust and well proven configuration, which in management's prior operating experience, has the capacity to exceed the nominal throughput rating. The recently built Moolart Well processing plant is currently operating at in excess of 2.5mtpa compared to its nameplate throughput rating of 2.0mtpa.

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

### Operating Costs

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

<b>Operating costs</b>	
<b>Cash Costs</b>	<b>A\$/oz</b>
Mining	328
Milling	195
Laboratory	2
Administration	30
<b>Total Cash Costs</b>	<b>555</b>

	<b>A\$/oz</b>
<b>Other Operating Costs</b>	
Rehabilitation	4
Royalties	72
<b>Total other operating costs</b>	<b>76</b>
<b>Total Operating Costs</b>	<b>631</b>

The cash cost of operation, at A\$555 per ounce, is \$17 per ounce (approx \$27 million gross cost) lower than the cash cost of A\$572 per ounce reported in the Company's ASX announcement of the most recent mining reserve on 31 March 2011. This is due to the necessity to spend approximately \$27 million of the operating mining costs prior to commencement of gold production in mid 2012. This early stage mining will facilitate the removal of overburden waste material in the open pit, building of an ore stockpile for start up operations and provision of suitable material for TSF construction.

## Capital Costs

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

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

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

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

## Purchase of Long Lead Capital Items

The capital cost estimate includes the purchase of new equipment and other capital items for which orders have already been placed. These items include the following:

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

These items were ordered in advance of the completion of the DFS in order to keep the development of the project on the fast track timetable targeted by Regis. The total commitment made to date on the purchase of long lead capital items is approximately \$22.9 million of which \$5.7 million had been spent by 31<sup>st</sup> May 2011.

## Financial Analysis

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

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

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

## Funding

The development of the project will be funded through a combination of internal cash-flow from Regis' Moolart Well operations and an extension of the existing corporate debt facility. The board does not envisage any requirement for the Company to issue any further equity to fund the development.

## Development Timetable

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

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

The development schedule forecasts an eleven month construction period. This should see commercial gold production commencing early in the September 2012 quarter. Completion of the project development on this timetable will be a remarkable achievement for Regis given that it will mean that the deposit will have transitioned from discovery drill hole to first gold production in only two and a half years. This will be a feat rarely, if ever, matched in the Australian gold industry for a project of the size and scope of Garden Well.

## Licensing & Permitting

The Garden Well project is located on granted mining leases. Various licences are required to develop and operate the project. Applications for all required licenses and consents have been made in the timeframes, allowing for statutory processing periods, required to meet the development schedule. Two clearing permits are required for the project. The first was granted in April 2011, whilst the second has been approved by the Department of Mines and Petroleum (DMP) and is currently in the final stage of the grant process with grant expected in June 2011. A mining proposal application for approval to mine the project was submitted to the DMP in May 2011 with grant anticipated within accepted statutory timeframes. A works approval application was submitted to the Department of Environment and Conservation in March 2011 and the works approval instrument is now in the final stages of the grant process.

## Resource & Reserve Update

The DFS was based on the JORC compliant reserve announced to ASX on 31 March 2011. Regis expects to update both the resource and reserve at Garden Well in the near future to include further drill results (announced to ASX 12 April 2011) at depth since the last resource estimation.

### Regis Managing Director Mark Clark commented:

“The completion of the DFS for the Garden Well Gold Project confirms that the project is very robust and highly profitable. The internal rate of return of 143% and a capital payback of 7 months are quite remarkable. Construction will commence in earnest in the next month and the development schedule should see commencement of gold production in mid 2012. The first year of gold production of 247,000 ounces, at a cash cost of less than A\$400 per ounce, from Garden Well will take Regis total gold production to around 350,000 ounces for fiscal year 2012/13. This will elevate Regis in to the mid tier of world gold producers”

Further enquiries should be directed to Mr Mark Clark, Managing Director.

Yours sincerely

**Regis Resources Limited**



Mark Clark  
Managing Director

### Background Reserve

Garden Well was discovered in November 2009 and since that time Regis has drilled in excess of 90,000 metres of drilling at the project. The JORC compliant reserve at Garden Well is as follows:

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

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

Regis' total JORC compliant gold reserves stand at 2.5 million ounces, as detailed in Appendix 2 to this announcement.

### Resource

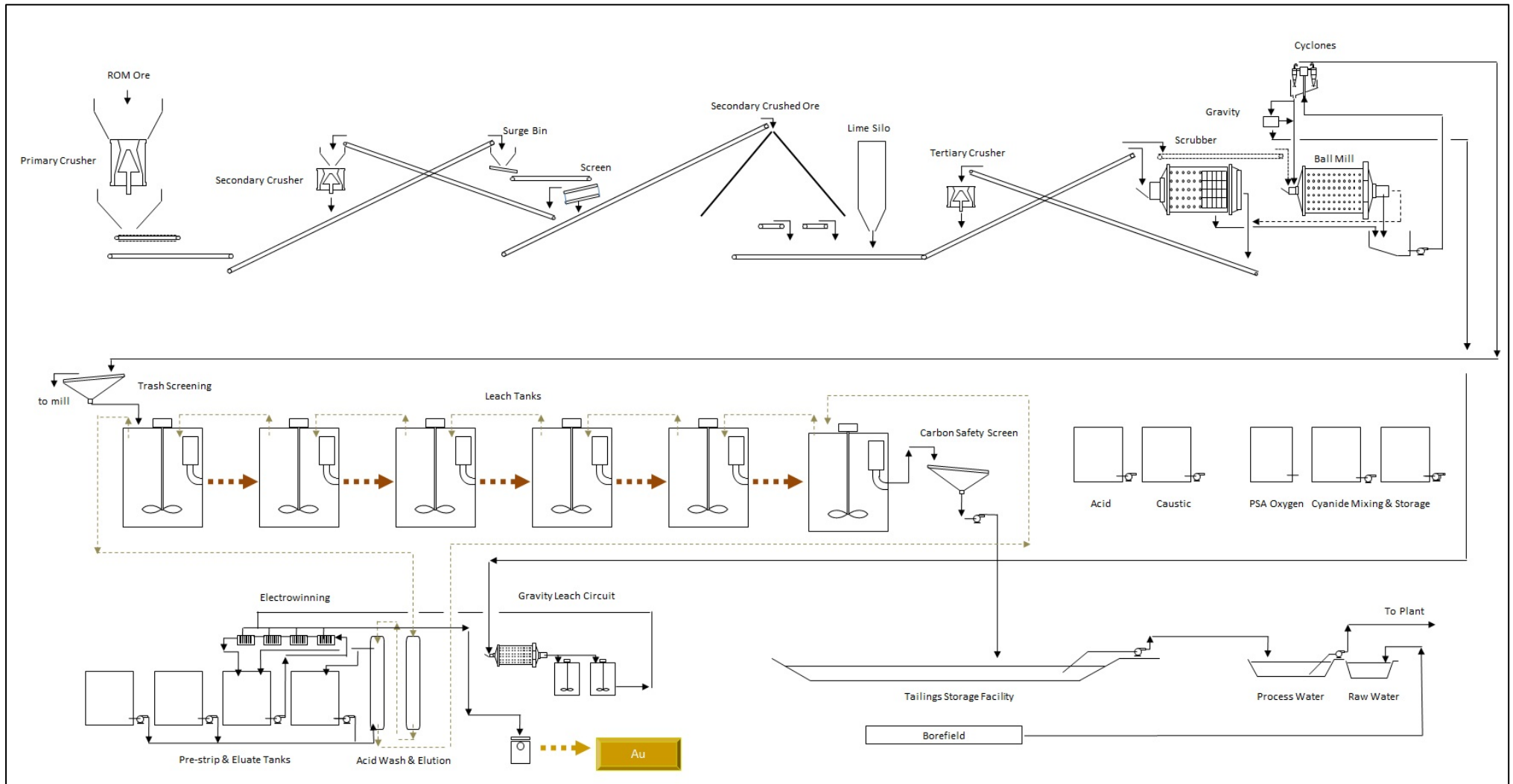
The JORC compliant resource (inclusive of reserves) for the Garden Well Gold Deposit is 2.14 million ounces of contained gold. The resource was estimated by independent geological consultants SRK Consulting using the Ordinary Kriging estimation technique on a block size of 20 m x 20 m x 5 m. Uniform conditioning was used to estimate the proportion of the kriged panel estimate above the 0.5 g/t Au cut-off using a selective mining unit (SMU) size of 5 m x 5 m x 2.5 m. The breakdown of the resource is as follows:

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

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

Regis' total JORC compliant gold resources stand at 5.8 million ounces, as detailed in Appendix 3 to this announcement.

## Appendix 1 - Garden Well Process Plant Flow Sheet



## Qualification Statement

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

## APPENDIX 2 JORC COMPLIANT GOLD RESERVES

Project	Proven			Probable			Total			Cut-off Grade g/t
	million tonnes	grade g/t	gold koz	million tonnes	grade g/t	gold koz	million tonnes	grade g/t	gold koz	
<b>Garden Well</b>				<b>35.3</b>	<b>1.46</b>	<b>1,660</b>	<b>35.3</b>	<b>1.46</b>	<b>1,660</b>	<b>0.60</b>
<b>Moolart Well</b>										
Laterite	9.5	1.44	437	0.6	0.98	19	10.1	1.41	455	0.50
Oxide	1.2	1.85	71	1.2	2.02	77	2.4	1.94	148	0.50
<b>Total Moolart Well</b>	<b>10.7</b>	<b>1.48</b>	<b>508</b>	<b>1.8</b>	<b>1.66</b>	<b>96</b>	<b>12.5</b>	<b>1.51</b>	<b>603</b>	
<b>Erlistoun</b>	<b>1.3</b>	<b>2.34</b>	<b>95</b>	<b>1.4</b>	<b>2.37</b>	<b>108</b>	<b>2.7</b>	<b>2.36</b>	<b>203</b>	<b>0.70</b>
<b>Total Reserves</b>	<b>12.0</b>	<b>1.56</b>	<b>603</b>	<b>38.5</b>	<b>1.51</b>	<b>1,864</b>	<b>50.5</b>	<b>1.52</b>	<b>2,466</b>	

Notes – all reserves other than Garden Well and Erlistoun quoted at 30/6/10.

Tonnes and Ounces are rounded, rounding errors may occur.

MT = million tonnes, g/t = gold grade in grams per tonne, koz = thousands of ounces.

### APPENDIX 3 JORC COMPLIANT GOLD RESOURCES (INCLUSIVE OF RESERVES)

Project	Measured			Indicated			Inferred			Total Resources			Cut-off Grade g/t
	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	
<b>Garden Well</b>				<b>39.5</b>	<b>1.39</b>	<b>1,760</b>	<b>9.5</b>	<b>1.23</b>	<b>376</b>	<b>49.0</b>	<b>1.36</b>	<b>2,136</b>	<b>0.50</b>
<b>Moolart Well</b>													
Laterite	9.8	1.45	459	1.0	0.90	29	0.3	0.88	8	11.1	1.39	496	0.50
Oxide	1.2	1.85	71	3.9	1.52	192	6.7	1.45	314	11.9	1.51	577	0.80
Sulphide							2.4	1.37	108	2.4	1.37	108	1.00
Low Grade	4.0	0.42	54	13.9	0.47	212	48.5	0.50	774	66.4	0.49	1,040	0.30
<b>Total Moolart Well</b>	<b>15.0</b>	<b>1.21</b>	<b>584</b>	<b>18.8</b>	<b>0.72</b>	<b>433</b>	<b>58.0</b>	<b>0.65</b>	<b>1,204</b>	<b>91.8</b>	<b>0.75</b>	<b>2,220</b>	
<b>Erlistoun</b>	<b>2.3</b>	<b>1.92</b>	<b>143</b>	<b>3.0</b>	<b>1.88</b>	<b>179</b>				<b>5.3</b>	<b>1.90</b>	<b>321</b>	<b>0.50</b>
<b>Satellite Deposits</b>													
Dogbolter							0.9	2.91	87	0.9	2.91	87	1.00
Rosemont							14.7	1.72	815	14.7	1.72	815	1.00
King John							0.7	3.18	72	0.7	3.18	72	1.00
Russells Find							0.4	3.84	55	0.4	3.84	55	1.00
Baneygo							0.8	1.70	43	0.8	1.70	43	0.50
Reichelts Find				0.1	3.69	17				0.1	3.69	17	1.00
Petra							0.4	3.12	42	0.4	3.12	42	2.00
<b>Total Satellite Deposits</b>				<b>0.1</b>	<b>3.69</b>	<b>17</b>	<b>17.9</b>	<b>1.94</b>	<b>1,114</b>	<b>18.0</b>	<b>1.95</b>	<b>1,131</b>	
<b>Total</b>	<b>17.3</b>	<b>1.31</b>	<b>727</b>	<b>61.4</b>	<b>1.21</b>	<b>2,389</b>	<b>85.4</b>	<b>0.98</b>	<b>2,694</b>	<b>164.1</b>	<b>1.10</b>	<b>5,810</b>	
<b>Regis share</b>												<b>5,788</b>	

Notes – all resources other than Garden Well and Erlistoun quoted at 30/6/10.

Tonnes and Ounces are rounded, rounding errors may occur.

MT = million tonnes, g/t = gold grade in grams per tonne, koz = thousands of ounces