REGIS RESOURCES LIMITED

ABN 28 009 174 761

and its Controlled Entities

31 December 2010

Condensed Consolidated Interim Financial Report

Contents

CORPORATE INFORMATION

ABN 28 009 174 761

Directors

Nick Giorgetta	(Chairman)
Mark Clark	(Managing Director)
Morgan Hart	(Executive Director)
Ross Kestel	(Non Executive Director)
Mark Okeby	(Non Executive Director)

Company Secretary

Kim Massey

Registered Office & Principal Place of Business

Level 1
1 Alvan Street
SUBIACO WA 6008

Share Register

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

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

Solicitors

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

Bankers

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

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

Auditors

KPMG
235 St Georges Terrace
PERTH WA 6000

DIRECTORS' REPORT

The Directors present their report of Regis Resources Limited ("Regis" or "the Company") for the half-year ended 31 December 2010.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Nick Giorgetta – Chairman
Mark Clark – Managing Director
Morgan Hart – Executive Director
Ross Kestel- Non- Executive Director
Mark Okeby- Non-Executive Director

Review and Results of Operations

Operations - Moolart Well

Background
The Duketon Gold Project is located approximately 350 kilometres north, north-east of Kalgoorlie in Western Australia. JORC compliant reserves at the Moolart Well operation are 603,000 ounces of gold and the project is forecast to have an operating mine life in excess of six years. The Company completed development of the Moolart Well Gold Mine during the period and commenced operations in August 2010.

Production
Moolart Well Gold Mine operating results from the commencement of operations to 31 December 2010 were as follows:

	31 December 2010
Ore mined (tonnes)	810,585
Ore milled (tonnes)	755,626
Head grade (g/t)	1.46
Recovery (%)	92
Total production (ounces)	32,722

Regis completed its first full quarter of production from the Moolart Well Gold Mine in the December 2010 quarter, producing 23,851 ounces of gold at a pre-royalty cash cost of production of A$450 per ounce. The cash cost of production of $450 per ounce was positively influenced by the milling of ore at a better grade (1.68g/t) than the overall reserve grade of the Moolart Well laterites of 1.41g/t.

Mill throughput has exceeded the nameplate design of 2 million tonnes per annum at times in the period. It is expected that mill throughput will continue to increase to 2.3 – 2.4 mtpa by the end of the financial year as the blending of softer oxide ore with the laterite ore and enhanced process water supplies are implemented.

Mining
During the period from commencement of operations, 1.78 million bcm of material was mined from the Moolart Well open pits, of which 370,000 bcm was ore. This mining included a large portion of waste mining in the Lancaster pit in order to expose the oxide ore zone for blending through the mill with the harder laterite ore. Mining during the period yielded 810,585 tonnes of ore at a grade of 1.59g/t gold.

Project Development – Garden Well

Background
The Garden Well gold deposit is 100% owned by Regis and is located 35 kilometres south of the Moolart Well processing plant. The deposit was discovered in November 2009 and has been the focus of an intense drill out programme to fully define its size since that time.

Maiden Reserve and Resource
In December 2010 the Company announced a maiden JORC compliant reserve for the Garden Well Gold Deposit of 1.34 million ounces of contained gold. The breakdown of the reserve is as follows:

Category	Tonnes (Millions)	Gold Grade (g/t)	Contained Gold (Ounces)
Proven	0	0	0
Probable	27.5	1.52	1,340,000
	27.5	**1.52**	**1,340,000**

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

The maiden reserve has been estimated after completion of an open pit mining and Carbon in Leach extraction reserve study which included:

- pit optimisation using wall angles based on geotechnical drill holes, independent geotechnical advice and allowances for ramps;
- 100% mining recovery and 0% mining dilution;
- Bulk densities and metallurgical parameters from test work previously reported;
- Mining costs based on indicative contractor quotation;
- Milling and other operating costs based on current known operating costs adapted for ore type and metallurgy.

Key results of the reserve study include:

Physical	
Total pit volume (bcm)	46,238,197
Stripping ratio – tonnes (waste:ore)	2.85
Ore (tonnes)	27,531,631
Gold grade (g/t)	1.52
Contained gold - ounces	1,341,021
Milling recovery	95%
Recovered gold (ounces)	1,273,621
Operating Costs & Surplus	
Mining cost (A$/tonne)	A$13.54
Milling cost (A$/tonne)	A$9.25
Administration cost (A$/tonne)	A$1.40
Total operating cost per tonne (A$/tonne)*	**A$24.19**
Total operating cost per ounce (A$/oz)*	**A$523**
Operating surplus (pre royalties and tax)#	A$608 million

* before royalties # using a gold price of A$1,000/oz

This reserve has been estimated to a maximum depth below surface of 215 metres and over 95% of the contained gold is within 180 metres of surface. The pit optimisation was completed using a A$1,000 per ounce gold price.

In October 2010 the Company released a maiden JORC compliant resource for the Garden Well Gold Deposit of 1.21 million ounces of contained gold. The resource has subsequently been updated in December 2010 to 1.85 million ounces of gold and again in February 2011 to 2.14 million ounces of gold. The resource estimate has been done 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 SMU size of 5 m x 5 m x 2.5 m. The updated Resource is as follows:

Category	Tonnes (Millions)	Gold Grade (g/t)	Contained Gold (Ounces)
Indicated	39.5	1.39	1,760,000
Inferred	9.5	1.23	375,800
	49.0	**1.36**	**2,135,900**

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

This Resource has been estimated to a maximum depth below surface of 300 metres and 90% of the contained gold is within 220 metres of surface.

Development Update
During the period Regis commenced the work required to form the basis of the Definitive Feasibility Study (DFS) in to the development of the Garden Well Gold Project.

A major suite of metallurgical testing was completed and reported during the half-year in relation to the Garden Well Gold Project. The programme of gold extraction and processing comminution test work was conducted on a representative selection of diamond drilling core and reverse circulation drill samples.

The programme was designed to assess the following metallurgical characteristics of the Garden Well ore:

- Gold leaching characteristics of oxide, transitional and fresh ore types.
- Gravity separation character of the ore.
- Bond Ball Mill Work index of fresh ultramafic ore (predominant fresh ore type).
- Bond Abrasion Index of the fresh ultramafic ore.
- Bond Impact Crushing Work Index of the fresh ultramafic ore.

The programme returned very favourable results, including:

- Gold leach extraction test work indicating high recoverable gold through cyanidation, with 24 hour recoveries averaging 95.3% (weighted average by resource ore types) at a 150 µm grind size.
- High gravity gold recovery averaging 54.0% (weighted average by resource ore types) at a 150 µm grind size.
- Very low abrasion index of 0.057 Ai (g).
- Fresh rock ball bond mill work index medium to low at 13.6 kWh/tonne.
- Very soft crusher work index of 4.9 kWh/tonne.

Surveys and reports were also completed in relation to the archaeological and environmental requirements for the development of the Garden Well project. Additional studies were completed across the fields of mining, geochemistry, pit wall stability, hydrogeology, tailings storage facility design and processing plant design for use in the DFS and statutory approvals process.

Exploration

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

Regis completed the following drilling at the Garden Well deposit during the 6 months to 31 December 2010:

Drilling Type	6 months to 31 December 2010
Aircore	120 holes for 7,493 metres
RC	99 holes for 22,185 metres
Diamond	15 holes for 4,398 metres
Total	**242 holes for 34,076 metres**

The Garden Well deposit remains open along strike to the south and at depth for the entire length of the known mineralisation. Additional RC drilling is planned to test the southern extent of mineralisation and further deep diamond drilling is planned to determine the down-dip extent of fresh rock gold mineralisation to a vertical depth of 300 to 350 metres. Both the RC and diamond drilling programmes commenced in late January 2011.

Moolart Well

During the period Regis drilled 29,871 metres (250 holes) of an extensive ongoing RC drill programme designed to test for extensions to and infill of the known mineralisation in and around the oxide gold resources associated with the Moolart Well Gold project. Drilling was completed (1st pass spacing 25m x 50m) at Wellington, Wellington North, Blenheim, Halifax, Mosquito and commenced at the Boston prospect

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

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

Results

Consolidated net profit after tax for the half-year was $13,523,656 (2009: net loss of $16,985,379). The increase was largely due to the following events:

- Commencement of production from the Duketon Gold Project which generated a gross operating profit of $17,255,307; and
- Settlement of the financial guarantee in the prior year with no comparable expense in the current period to date.

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on the following page and forms part of the Directors' Report for the half-year ended 31 December 2010.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Mark Clark
Managing Director
Perth, 16 March 2011

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.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Regis Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the financial half-year ended 31 December 2010 there have been:

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

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

KPMG

KPMG

Trevor Hart
Partner

Perth

16 March 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2010

	Note	Consolidated 31 December 2010 $'000	Consolidated 31 December 2009 $'000
Gold sales		42,481	-
Interest revenue		236	180
Revenue		**42,717**	**180**
Cost of goods sold	4	(25,225)	-
Gross profit		**17,492**	**180**
Other income – R&D rebate		294	305
Corporate administrative expenses		(2,543)	(5,027)
Exploration and evaluation written off		(226)	-
Other		(19)	(4)
Financial guarantee liability settlement expense		-	(11,700)
Finance costs	4	(1,474)	(739)
Profit/(loss) from continuing operations before income tax		13,524	(16,985)
Income tax expense		-	-
Net profit/(loss) for the period		13,524	(16,985)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		13,524	(16,985)
Profit/(loss) attributable to members of the parent		13,524	(16,985)
Total comprehensive income attributable to members of the parent		13,524	(16,985)
Basic profit/(loss) per share attributable to ordinary equity holders of the parent (cents per share)		3.23	(6.52)
Diluted profit/(loss) per share attributable to ordinary equity holders of the parent (cents per share)		3.12	(6.52)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Note	Consolidated 31 December 2010 $'000	Consolidated 30 June 2010 $'000
Current assets			
Cash and cash equivalents		13,098	9,541
Receivables	6	9,477	1,366
Inventory	7	4,371	40
Other current assets		392	121
Total current assets		27,338	11,068
Non-current assets			
Financial assets held to maturity		1,175	1,175
Plant and equipment	8	64,161	470
Exploration and evaluation expenditure	9	16,422	8,000
Mine properties under development	10	-	106,022
Deferred mining costs		1,875	-
Mine properties	11	50,544	-
Total non-current assets		134,177	115,667
Total assets		161,515	126,735
Current liabilities			
Trade and other payables		8,973	14,609
Interest-bearing liabilities	12	10,245	10,220
Convertible note		-	10,000
Provisions	13	78	54
Total current liabilities		19,296	34,883
Non-current liabilities			
Interest-bearing liabilities	12	19,931	4,341
Provisions	13	6,564	5,727
Total non-current liabilities		26,495	10,068
Total liabilities		45,791	44,951
Net assets		115,724	81,784
Equity			
Issued capital	14	246,386	226,399
Share option reserve		8,826	8,397
Accumulated losses		(139,488)	(153,012)
Total equity		115,724	81,784

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2010

	Consolidated			
	Issued capital $'000	Accumulated losses $'000	Share option reserve $'000	Total equity $'000
At 1 July 2010	226,399	(153,012)	8,397	81,784
Share based payments expense	-	-	429	429
Shares issued, net of transaction costs	19,987	-	-	19,987
Total comprehensive income for the half-year, net of tax	-	13,524	-	13,524
At 31 December 2010	246,386	(139,488)	8,826	115,724
At 1 July 2009	168,330	(134,183)	1,822	35,969
Share based payments expense	-	-	3,997	3,997
Shares issued, net of transaction costs	52,910	-	-	52,910
Total comprehensive income for the half-year, net of tax	-	(16,985)	-	(16,985)
At 31 December 2009	221,240	(151,168)	5,819	75,891

CONSOLIDATED STATEMENT OF CASH FLOW

For the half-year ended 31 December 2010

	Note	Consolidated 31 December 2010 $'000	Consolidated 31 December 2009 $'000
Cash flows from operating activities			
Receipts from gold sales		34,087	-
Payments to suppliers and employees		(20,719)	(1,725)
Interest received		227	103
Interest paid		(1,326)	(464)
R&D rebate received		294	305
Net cash from/(used in) operating activities		12,563	(1,781)
Cash flows from investing activities			
Acquisition of plant and equipment		(1,140)	(66)
Payments for exploration and evaluation (net of rent refunds)		(8,502)	(2,596)
Acquisition of interest in tenements		-	(1,051)
Payments for mine development		(22,958)	(15,649)
Proceeds from/(payments for) security deposits		-	94
Net cash used in investing activities		(32,600)	(19,268)
Cash flows from financing activities			
Proceeds from issue of shares		8,224	53,591
Payment of transaction costs		(57)	(655)
Proceeds from borrowings		15,488	8,650
Payment of finance lease liabilities		(61)	-
Net cash from financing activities		23,594	61,586
Net increase in cash and cash equivalents		3,557	40,537
Cash and cash equivalents at 1 July		9,541	4,675
Cash and cash equivalents at 31 December		13,098	45,212

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2010

1. REPORTING ENTITY

Regis Resources Limited (the "Company") is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2010 comprise the Company and its subsidiaries (collectively referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended 30 June 2010 are available upon request from the Company's registered office or at www.regisresources.com.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2010 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provided as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with any public announcements made by Regis Resources Limited during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in accounting policy

The following amending Standards have been adopted from 1 July 2010. Adoption of these Standards did not have any effect on the financial position or performance of the Group.

- AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in AASB 5. The disclosure requirements of other Accounting Standards only apply if specifically required for such non-current assets or discontinued operations.

- AASB 107 *Statement of Cash Flows*: States that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will not currently impact the presentation of any transactions of the Group.

- AASB 136 *Impairment of Assets*: The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 before aggregation for reporting purposes. The amendment has no impact on the Group.

- AASB Interpretation 17 *Distribution of Non-cash Assets to Owners*: This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either the financial position of the performance of the Group.

The Group has not elected to early adopt any new standards or amendments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2010

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

Accounting policies for new transactions and events

Trade and Other Receivables

Bullion awaiting settlement

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

Plant and equipment

Depreciation

Depreciation of mine specific plant and equipment is charged to the income statement 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.

Mine properties

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

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bring the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. All expenditure incurred prior to commencement of production from each mine property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements or mineable reserve development.

Amortisation

Mine properties are amortised on a unit-of-production basis over the economically recoverable reserves of the mine concerned.

Deferred mining costs

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

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

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.

Significant accounting estimates and assumptions for new transactions and events

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 is it located. These calculations require the use of estimates and assumptions.

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

3. 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.

3. SEGMENT INFORMATION (CONTINUED)

The Group currently has one reportable segment, being the Duketon Gold Project.

The following table presents revenue and profit information for reportable segments for the half-years ended 31 December 2010 and 31 December 2009:

	Continuing Operations		
	Duketon Gold Project $'000	Unallocated $'000	Total $'000
Half-year ended 31 December 2010			
Segment revenue			
Sales to external customers	42,481	-	42,481
Other revenue	-	236	236
Total segment revenue	42,481	236	42,717
Total revenue per the statement of comprehensive income			42,717
Segment result			
Segment result	17,256	(3,732)	13,524

Segment assets

Total assets have increased by 27.4% since the last annual report. Segment assets as at 31 December 2010 are as follows:

Segment operating assets	128,913	32,602	161,515

Half-year ended 31 December 2009

Segment revenue and result

At 31 December 2009 the Group's only segment, the Duketon Gold Project, was under development and consequently was not yet earning any revenues or incurring non-capitalised expenses.

Segment assets

Segment assets as at 31 December 2009 were as follows:

Segment operating assets	56,538	51,179	107,717

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2010

	Note	Consolidated 6 months ended 31 December 2010 $'000	6 months ended 31 December 2009 $'000
4. EXPENSES			
(a) Cost of goods sold			
Costs of production		16,861	-
Royalties		1,616	-
Depreciation of mine plant and equipment		3,626	-
Amortisation of development costs		3,122	-
		25,225	-
(b) Finance costs			
Borrowing costs		1,314	654
Unwinding of discount on provisions		160	85
		1,474	739

5. INCOME TAX

The Group has recognised previously unrecognised tax losses sufficient to offset tax expense on the net profit for the half-year to 31 December 2010; accordingly no net income tax expense has been recognised.

	Note	Consolidated 31 December 2010 $'000	30 June 2010 $'000
6. RECEIVABLES			
Bullion awaiting settlement		8,394	-
GST receivable		690	1,278
Other		393	88
		9,477	1,366
7. INVENTORIES			
At cost			
Ore stockpiles		1,141	-
Gold in circuit		1,591	-
Bullion on hand		282	-
Consumable stores		1,357	40
		4,371	40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2010

	Note	Consolidated 31 December 2010 $'000	30 June 2010 $'000
8. PLANT AND EQUIPMENT			
Balance at beginning of period		470	632
Transferred from/(to) Mine Properties Under Development	10	66,724	(223)
Additions		1,050	386
Disposals		(5)	-
Depreciation expense		(4,078)	(325)
Balance at end of period		64,161	470
9. EXPLORATION AND EVALUATION ASSETS			
Balance at beginning of period		8,000	38,219
Acquisition of mining lease		-	1,581
Expenditure for the period		8,644	6,803
Write-offs to the income statement		(222)	(97)
Disposal of tenements		-	(28)
Transferred to Mine Properties Under Development	10	-	(38,478)
Balance at end of period		16,422	8,000
10. MINE PROPERTIES UNDER DEVELOPMENT			
Duketon Gold Project			
Balance at beginning of period		106,022	-
Transferred from Plant and Equipment		-	223
Capitalised borrowing costs		133	664
Transferred from Exploration and Evaluation Assets	9	-	38,478
Construction expenditure		10,620	53,575
Harmony royalty termination		-	4,125
Pre-production expenditure for the period		2,914	6,938
Rehabilitation provision recognised		701	2,019
Transferred to plant and equipment	8	(66,724)	-
Transferred to mine properties	11	(53,666)	-
Balance at end of period		-	106,022
11. MINE PROPERTIES			
Duketon Gold Project			
Balance at beginning of period		-	-
Transferred from mine properties under development	10	53,666	-
Amortisation expense		(3,122)	-
Balance at end of period		50,544	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2010

	Note	Consolidated 31 December 2010 $'000	 30 June 2010 $'000
12. INTEREST-BEARING LIABILITIES			
Current			
Secured bank loan		10,000	10,000
Finance lease liabilities		245	220
		10,245	10,220
Non-current			
Secured bank loan		19,794	4,118
Finance lease liabilities		137	223
		19,931	4,341
13. PROVISIONS			
Provision for Rehabilitation			
Balance at beginning of period		5,781	3,139
Provisions made during the period		701	2,460
Provisions reversed during the period		-	-
Unwinding of discount		160	182
Balance at end of period		6,642	5,781
Current		78	54
Non-Current		6,564	5,727
Total		6,642	5,781

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2010

	6 months ended 31 December 2010	
	No. of shares	$'000
14. ISSUED CAPITAL		
On issue at 1 July	394,784	226,399
Issued on exercise of options	6,511	4,537
Issued on exercise of warrants	19,668	5,507
Issued on exercise of convertible note	9,091	10,000
Transaction costs	-	(57)
On issue at 31 December	430,054	246,386

15. SHARE-BASED PAYMENTS

During the six months ended 31 December 2010, the Group issued the following share-based payments:

Options Granted to Employees

On 26 August 2010, employees of the Company were granted 2,625,000 options under the Regis Resources Limited 2008 Employee Share Option Plan. The options have the following terms and conditions:

- 50% vest on 30 September 2012
- 50% vest on 30 September 2013
- Expiry date of all options is 30 September 2014.

The fair value of services received in return is based on the fair value of the share options granted, as measured using the Black-Scholes option pricing formula. The inputs used to calculate the fair value of these options are set out below.

Grant date	26 August 2010
Share price at grant date	$1.14
Exercise price	$1.00
Expected dividends	0%
Risk-free interest rate	4.32% - 4.35%
Expected volatility	108.65%
Expected life	2 - 3 years
Fair value per option at grant date	$0.689 - $0.794

In the half-year ended 31 December 2010, share-based payments expense of $266,000 has been recognised in the statement of comprehensive income in relation to these options.

	Consolidated As at 31 December 2010 $'000	Consolidated As at 30 June 2010 $'000
16. COMMITMENTS AND CONTINGENCIES		
The only changes to the commitments and contingencies disclosed in the most recent financial report are specified below.		
(a) Operating Lease Commitments		
The Group leases premises in Melbourne and Perth under normal commercial lease arrangements. Non-cancellable operating lease rentals are payable as follows:		
Within one year	308	555
Between one and five years	992	1,140
	1,300	1,695
(b) Exploration Expenditure Commitments		
Exploration expenditure commitments represent tenement rentals and expenditure commitments 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 exploration commitments of the Group, not provided for in the interim financial report and payable:		
Within 1 year	3,391	3,902

The tenement commitments shown above represent the minimum required to be spent on all granted tenements as at balance sheet 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.

(c) Capital Commitments

At 31 December 2010, the Group had commitments of $435,000 (30 June 2010: $3,427,000) relating to the Duketon Gold Project.

(d) Contractual Commitments

On 19 January 2010, the Group entered into an agreement with Pacific Energy (KPS) Pty Ltd for the supply of electricity to the Duketon Gold Project. The terms of this agreement commit the Group to purchasing a fixed amount of electricity per month for six years from 7 July 2010 at a price which will be reviewed annually. At 31 December 2010, at the current contract price, the Group had commitments to purchase electricity for the remaining term of $8,710,000 (30 June 2010: $nil).

16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

(e) Physical gold delivery commitments

	Gold for physical delivery	Contracted gold sale price	Value of committed sales
31 December 2010	**ounces**	**$**	**$'000**
Within one year			
- Spot deferred contracts	35,043	1,391.04	48,746
- Fixed forward contracts	48,000	1,340.00	64,320
Between one and five years			
- Fixed forward contracts	82,750	1,340.00	110,885
	165,793		223,951
Fair value of physical gold delivery commitments			(19,575)

	Gold for physical delivery	Contracted gold sale price	Value of committed sales
30 June 2010	**ounces**	**$**	**$'000**
Within one year			
- Spot deferred contracts	40,000	1,403.43	56,137
- Fixed forward contracts	43,250	1,340.00	57,955
Between one and five years			
- Fixed forward contracts	106,750	1,340.00	143,045
	190,000		257,137
Fair value of physical gold delivery commitments			(40,147)

The Group has no other gold sale commitments.

(f) Contingent Assets and Liabilities

The Group does not have any material contingent assets or liabilities (30 June 2010: nil).

17. DIVIDENDS PAID OR PROVIDED FOR

There were no dividends paid or provided for during the period.

18. SUBSEQUENT EVENTS

There have been no events subsequent to balance date that would significantly affect the amounts reported in the consolidated financial statements as at and for the half-year ended 31 December 2010.

DIRECTORS' DECLARATION

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

In the opinion of the directors:

(a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001,* including:

  (i) giving a true and fair view of the financial position as at 31 December 2010 and the performance for the half-year ended on that date of the consolidated entity; and

  (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

(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.

On behalf of the board

Mark Clark
Managing Director
Perth, 16 March 2011

KPMG

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

Report on the financial report

We have reviewed the accompanying interim financial report of Regis Resources Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2010, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year period ended on that date, notes 1 to 18 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 half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Regis Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Regis Resources Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Trevor Hart
Partner

Perth

16 March 2010