



MEETING BOOKLET

Date of Meeting	Friday, 9 November 2012
Time of Meeting	10.00 am (Perth time)
Place of Meeting	Barry Cable Room Patersons Stadium Subiaco, Western Australia

This Meeting Booklet includes the following materials:

- Explanatory Memorandum
- Notice of Annual General Meeting

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Resolution to approve the Transaction.

If you are in any doubt about how to deal with this document, you should contact your broker or your financial, legal or other professional adviser immediately.

Contents

Required actions and key dates	1
Letter from the Chairman	2
Explanatory Memorandum	3
1 AGM business	3
2 The Proposed Transaction	4
3 Additional information	9
4 Glossary	11
Annexure A – Notice of Meeting	15

Important notices

Read this Meeting Booklet

You should read this Meeting Booklet and the Independent Expert's Report in its entirety before making a decision as to how to vote at the Meeting.

Regulatory information

This Meeting Booklet is dated 10 October 2012. A copy of this Meeting Booklet and the Independent Expert's Report has been lodged with ASX.

ASX and its officers do not take any responsibility for the content of this Meeting Booklet and the Independent Expert's Report nor the merits of the proposal to which this Meeting Booklet and Independent Expert's Report relates.

Defined terms, numbers, figures and time

Capitalised terms used in this Meeting Booklet have the meanings set out in the Glossary in section 4.

All numbers are rounded unless otherwise indicated. The financial amounts in this Meeting Booklet are expressed in Australian currency unless otherwise stated.

All financial information contained in this Meeting Booklet is stated as at 30 June 2012, unless otherwise specified.

All times referred to in this Meeting Booklet are references to the time in Perth, Australia, unless otherwise stated.

Responsibility for information

The Explanatory Memorandum and Notice of Meeting have been prepared by Regis.

The Independent Expert, BDO Corporate Finance (WA) Pty Limited, has prepared, and is responsible for the Independent Expert's Report. None of the Company, its subsidiaries or their respective directors, officers, or advisers assume any responsibility for the accuracy or completeness of the information in the Independent Expert's Report, except in the case of the Company, in relation to information given by it to the Independent Expert or its directors, officers or employees for the purposes of the Independent Expert preparing the Independent Expert's Report. The Independent Expert and its directors, officers and employees are not responsible for the accuracy or completeness of any other part of this Meeting Booklet.

Do not rely on forward looking statements

Some of the statements appearing in this Meeting Booklet (including in the Independent Expert's Report) may be in

the nature of forward looking statements. All forward looking statements in this Meeting Booklet (including in the Independent Expert's Report) reflect views only as at the date of this Meeting Booklet, and generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'project', 'will', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of the Company are or may be forward looking statements.

Although the Company believes there are reasonable grounds for making the statements, you should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, both known and unknown, and assumptions. Those risks and uncertainties include factors and risks specific to the industries in which Regis operates, as well as general economic conditions, prevailing exchange rates and interest rates, the regulatory environment and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of the Company, its subsidiaries or their respective directors, officers, employees or advisers, any persons named in this Meeting Booklet with their consent, or any person involved in the preparation of this Meeting Booklet, makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place reliance on forward looking statements.

None of the Company, its subsidiaries or their respective directors, officers, employees or advisers, undertake any obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

However, any further statements made on related subjects in subsequent public disclosures or filings should be consulted.

Statements of past performance

This Meeting Booklet includes information regarding the past performance of the Company. Shareholders should be aware that past performance should not be relied upon as being indicative of future performance.

No representations other than in this Meeting Booklet

Only the information in this Meeting Booklet and Independent Expert's Report should be relied upon. No person is authorised to provide any information or to make any representation in connection with the Transaction the subject of the Transaction Resolution or the Company, which is not contained in this Meeting Booklet or Independent Expert's Report. Any information or representations not contained in this Meeting Booklet or Independent Expert's Report may not be relied upon as having been authorised by the Company in connection with the Transaction.

Electronic Meeting Booklet

This Meeting Booklet and Independent Expert's Report are also available at www.regisresources.com.au. The website and its contents do not form part of this Meeting booklet and are not to be interpreted as part of, nor incorporated into, this Meeting Booklet.

Required actions and key dates

Actions required by Shareholders

Step 1 – Read this Meeting Booklet

Shareholders should read this Meeting Booklet and Independent Expert's Report in full before voting on the Resolutions.

Step 2 – Consider and consult

Shareholders should consider all advantages, disadvantages, risks and other information regarding the Resolutions (including those related to the Transaction) in light of their own investment objectives and circumstances. Shareholders should seek independent advice if required.

Step 3 – Vote on the Resolutions

It is very important that Shareholders vote on the Resolutions. The Notice of Meeting details the Resolutions to be put to Shareholders at the Meeting. The Meeting is to be held at the Barry Cable Room, Patersons Stadium, Subiaco, Western Australia at 10.00 am (Perth time) on Friday, 9 November 2012. If Shareholders are unable to vote in person, they may vote by attorney, or by corporate representative, or by completing and returning the enclosed proxy form. Proxy forms must be received by the Registry no later than 10.00 am (Perth time) on 7 November 2012. Enclosed is a reply paid envelope addressed to the Registry.

Key dates

Event	Indicative date and time
Date of this Meeting Booklet	10 October 2012
Deadline for receipt of proxy forms or powers of attorney by the Registry	10.00 am (Perth time) 7 November 2012
Time and date for determining eligibility to vote at the Meeting	5.00 pm (Perth time) 7 November 2012
Date of Meeting	10.00 am (Perth time) Friday, 9 November 2012

All dates in the above timetable (other than the date of this Meeting Booklet) are indicative only and are subject to change. The Company reserves the right to vary these dates without prior notice including, subject to law, to extend the deadline for lodgement of proxy forms, or delay the Meeting. Any changes will be published on the Company's website at www.regisresources.com.au and announced to the ASX.

Letter from the Chairman

10 October 2012

Dear Shareholder

It is my pleasure to invite you to the Company's 2012 Annual General Meeting to be held on Friday, 9 November 2012 at 10.00 am (Perth time) in the Barry Cable Room, Patersons Stadium, Subiaco, Western Australia.

In addition to considering the AGM business set out in section 1, the Meeting has been convened to seek shareholder approval for the Company to acquire the McPhillamys Gold Project located in the Bathurst region of New South Wales, Australia. Such approval is the subject of the Transaction Resolution.

Background to the Transaction Resolution

As announced on 9 August 2012, the Company has entered into an agreement with Newmont Exploration Pty Ltd, Alkane Resources Ltd and LFB Resources NL, to purchase 100% of the McPhillamys Gold Project.

A detailed explanation of the Transaction is set out in section 2.5 of the Explanatory Memorandum.

The project has a quoted JORC compliant gold resource of 2.5 million ounces (57.4MT at 1.36g/t). The acquisition of the McPhillamys Gold Project will increase the Company's gold resource base to 9 million ounces and presents the Company with an excellent medium term development opportunity beyond the current growth projects at the Company's Duketon operations in Western Australia.

We believe the Transaction is in the best interests of Shareholders for a number of reasons including:

- the acquisition will increase the Company's gold resources to 9 million ounces;
- the Transaction has the potential to further increase the already strong production growth outlook for the Company from the Company's wholly owned Duketon Gold Project in Western Australia; and
- the Independent Expert has concluded that the acquisition of Newmont's interest in the McPhillamys Gold Project is fair and reasonable for Non-Associated Shareholders.

Shareholder approval is being sought for this Transaction to proceed.

For the reasons set out above and explained in more detail in section 2.8 of the Explanatory Memorandum, your directors unanimously recommend that Shareholders vote in favour of the Transaction Resolution. Each of your Directors intends to vote in favour of the Resolution in respect of the Shares they own or control.

Explanatory Memorandum

Please read the information in the Explanatory Memorandum carefully, as it sets out the information that is material to your decision on how to vote on the Resolutions. An Independent Expert's Report has been prepared and is included as required under ASX Listing Rule 10.1 for the purposes of the Transaction.

I look forward to welcoming you to the Annual General Meeting.

Yours faithfully

Nick Giorgetta

Chairman

Regis Resources Limited

Explanatory Memorandum

1 AGM business

1.1 Financial statements and reports

In accordance with the Constitution, the business of the Meeting will include the receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

1.2 Resolution 1 – Adoption of remuneration report

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ended 30 June 2012.

A reasonable opportunity will be provided for discussion of the remuneration report at the Meeting.

The Board recommends that Shareholders vote in favour of Resolution 1.

1.3 Resolutions 2 and 3 – Re-election of Directors

Clause 17.2 of the Constitution requires that no Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. A Director who retires under clause 17.2 of the Constitution is then eligible for re-election.

Ross Kestel and Morgan Hart retire by rotation and seek re-election as Directors pursuant to Resolutions 2 and 3.

Director	Biography
Ross Kestel Non-Executive Director <i>B.Bus, CA, AICD</i>	Mr Kestel is a Chartered Accountant and was a director of a mid tier accounting practice for over 25 years. He has acted as a director and company secretary of a number of public companies involved in mineral exploration, mining, mine services, property development, manufacturing and technology industries. Mr Kestel joined Regis in June 2009, since that time Mr Kestel has been Chairman of the Regis Audit and Risk Management Committee and Chairman of the Regis Remuneration and Nomination Committee. Mr Kestel is also a member of the Australian Institute of Company Directors.

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

Mr Ross Kestel has an interest in Resolution 2 and refrains from making any recommendation as to how Shareholders should vote on the Resolution. The remaining Directors recommend that Shareholders vote in favour of Resolution 2, and each of those Directors intends to vote all the shares controlled by him in favour of the Resolution.

Mr Morgan Hart has an interest in Resolution 3 and refrains from making any recommendation as to how Shareholders should vote on the Resolution. The remaining Directors recommend that Shareholders vote in favour of Resolution 3, and each of those Directors intends to vote all the shares controlled by him in favour of the Resolution.

2 The Proposed Transaction

2.1 Overview

The Company has agreed to acquire the McPhillamys Gold Project which is currently owned by the Orange District Joint Venture for a total acquisition price of A\$150 million.

The Orange District Joint Venture is a gold exploration joint venture between Newmont Exploration Pty Ltd (**NEPL**), a wholly owned subsidiary of Newmont Mining Corporation, and LFB Resources NL (**LFB**), a wholly owned subsidiary of Alkane Resources Ltd (**Alkane**).

Newmont is the Company's largest shareholder, holding 16.26% of the Company's issued capital.

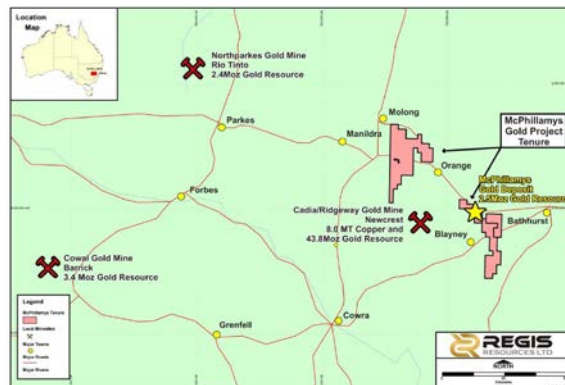
The Transaction is conditional upon, amongst other conditions, Shareholders passing the Transaction Resolution in accordance with the ASX Listing Rules.

2.2 McPhillamys Gold Project

Location and Tenure

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 three exploration permits covering 420 square kilometres in two discrete locations approximately 25 kilometres apart.



The broad gold mineralised envelope at McPhillamys is weakly associated with a similar dimensioned copper enriched zone. The copper is not believed to be of economic significance in the potential development of the project.

The deposit crops out, forming a moderate hill at around 950 metres above sea level. The mineralisation is variably oxidised with the base of oxidation varying from about 10 metres to about 55 metres below the ground surface.

Resource statement

The McPhillamys Gold Project has a quoted gold resource, at a 0.5g/t lower cut, as follows:

Resource category	Tonnes (millions)	Gold grade (g/t)	Ounces (000's)
Indicated	41.3	1.27	1,685
Inferred	16.1	1.57	815
Total	57.4	1.36	2,500

Note: Alkane has previously quoted the McPhillamys Resource using both 0.3g/t and 0.5g/t lower cut off grades and including mineralisation in an outer ore envelope. The Company has chosen to quote the resource at a 0.5g/t lower cut and excluding the outer ore envelope.

The quoted resource is drilled on a relatively broad space 100 metre x 100 metre pattern. The Company envisages the completion of an additional 22,000 metres of RC and Diamond Drilling over the next twelve months to reduce the pattern to 50 metres x 50 metres. This density of drilling is expected to be sufficient to allow the Company to estimate a maiden reserve.

Deposit metallurgy

Preliminary metallurgical studies on the McPhillamys gold deposit have indicated an expected conventional Carbon in Leach (CIL) processing recovery in the order of 85%. The deposit is partially poly-metallic in nature with zones of copper, mercury and gold tellurides impacting on the likely gold recoveries. Preliminary test work indicates that higher recoveries may be possible with finer grinding treatment. Given that the project is located in close proximity to the low cost (relative to diesel generated power) NSW grid power, finer grind options will be investigated in future metallurgical test programmes.

Infrastructure

The project is well located between the regional centres of Orange and Bathurst in Central Western New South Wales. These towns have populations in the order of 40,000 and 30,000 people respectively and accordingly it is expected that the majority of an operational workforce should be able to be sourced from the local district.

The project has close proximity to good quality roads and rail and has a range of power transmission lines running through or near the project area. The project is located on freehold farmland properties, the main properties being part of the assets to be acquired by the Company.

2.3 Orange District Joint Venture

The McPhillamys Gold Project is conducted by LFB and NEPL through the Orange District Joint Venture, which is governed by the Orange District Farmin and Joint Venture Agreement dated 21 October 2005 (as varied on 30 July 2009) (**Joint Venture Agreement**).

Alkane is an Australian minerals exploration and mining company and has been listed on the Australian Stock Exchange since 1969.

NEPL is a wholly owned subsidiary of Newmont, a major gold mining company based in Denver, Colorado and listed on the New York Stock Exchange. Up until February 2012, Newmont was listed on ASX.

As noted above, the respective participating interests of NEPL and LFB are as follows:

- NEPL – 51%; and
- LFB – 49%.

2.4 Assets of the McPhillamys Gold Project

The property to be acquired includes three exploration licences (including the gold resource), mining information, two freehold properties overlapping part of the project area.

The sale is conditional on the renewal of EL 5760 and EL 6111 for 100% of the area for a period of two years.

Joint venture tenements

Tenement	Grant date	Status	Renewal application	Registered holder
Exploration Licence 5760	10 August 2000	Renewal sought (expired 21/05/2012)	Application for renewal made on 30/04/2012 seeking 100% retention of area	LFB
Exploration Licence 6111	12 August 2003	Renewal sought		LFB
Exploration Licence 7878	9 January 2012	Renewed until 8 January 2014		NEPL

Freehold land

Land description	Certificate of title	Registered owner
Lot 1 in deposited plan 1053787	1/1053787	NEPL
Lot 10 in deposited plan 1063244	10/1063244	Alkane

Mining information

All "mining information" as that term is defined under the Joint Venture Agreement.

2.5 The acquisition

If Shareholders pass the Transaction Resolution, the Company will acquire:

- all the property of the Orange District Joint Venture which relates to the McPhillamys Gold Project, as set out in section 2.4 above; and
- all of the issued shares in LFB, which are currently owned by Alkane.

The Company will acquire NEPL's interest in the McPhillamys Gold Project directly from NEPL. The Company will acquire LFB's interests by acquiring all the issued share capital in LFB from Alkane.

The aggregate consideration will be \$150 million payable to each of NEPL and Alkane on a pro rata basis in accordance with their respective participating interests, being:

- NEPL – \$76.5 million; and
- Alkane – \$73.5 million.

The consideration will be paid by the Company via the issue of:

- 18,214,286 Shares to Newmont Capital Pty Ltd (a wholly owned subsidiary of Newmont); and
- 17,500,000 Shares to Alkane,

at \$4.20 per Share, being the amount which is the arithmetic average of the daily volume weighted average sale price of Shares sold on ASX during the 45 trading days prior to announcement of the Transaction on 8 August 2012. The total number of Shares to be issued as consideration will be 35,714,286 Shares.

The Company expects to issue the Shares to each of Newmont and Alkane on the day of and following the Meeting, but in any event will issue those Shares not later than one month after the Transaction Resolution is passed.

The proposed acquisition and share issuance is governed by the terms of the Share and Asset Sale Agreement, a summary of which is set out in section 3.1.

2.6 Explanation of shareholder approvals required

The Transaction Resolution seeks Shareholder approval for the purposes of ASX Listing Rule 10.1 and ASX Listing Rule 7.1.

No other shareholder approvals are required to implement the Transaction.

ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that if an entity acquires a "substantial asset" from a "substantial holder" which together with its associates holds 10% or more of the entity, it must be approved by the entity's shareholders, unless an exception applies or the entity obtains a waiver of the rule from ASX.

NEPL is an Associate of Newmont, which currently holds a relevant interest in 16.26% of the Company's issued capital.

An asset will be "substantial" if the consideration for its acquisition or disposal or its value exceeds 5% or more of the equity interests in the entity. The Company's current equity interests (as set out in its accounts to 30 June 2012) are \$237,934,000. The consideration payable for the acquisition of NEPL's interest in the McPhillamys Gold Project is \$76.5 million. Newmont's participating interest is therefore a substantial asset for the purposes of the ASX Listing Rules.

Shareholder approval is thus required for the acquisition of Newmont's interest in the McPhillamys Gold Project under ASX Listing Rule 10.1.

Further, ASX has advised that ASX Listing Rule 10.7 will apply to the Transaction, such that the Shares to be issued to Newmont Capital will be escrowed for 12 months from the later of the date of issue of the Shares and the date the holder enters into a restriction agreement (consistent with Appendix 9A of the ASX Listing Rules) with the Company in relation to those Shares.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12 month period, a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

The number of equity securities that may be issued by a company under ASX Listing Rule 7.1 without shareholder approval is not impacted by equity securities which are issued under an exception contained in ASX Listing Rule 7.2 or which have received shareholder approval.

The approval of Shareholders is being sought to provide the Company with the maximum flexibility to undertake equity raisings without the need for further shareholder approval. The requirement to obtain Shareholder approval for an

issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital. It should be noted that, notwithstanding an approval by Shareholders of the Transaction Resolution, any future equity raisings will remain subject to the 15% limit set out in ASX Listing Rule 7.1.

No decision has been made by the Board to undertake any further issue of equity securities in the event that Shareholders approve the Transaction Resolution. The Board will only decide to issue further equity securities if it considers it is in the best interests of the Company to do so. This may depend, among other things, on the capital position of the Company and conditions in domestic and international capital markets.

Voting on the Transaction Resolution

Newmont, Alkane and their Associates will not be able to vote on the Transaction Resolution.

2.7 Independent Expert's findings

The Independent Expert has found, after having regard to its advantages, disadvantages and risks, that acquisition of Newmont's interest in the McPhillamys Gold Project is **FAIR AND REASONABLE FOR NON-ASSOCIATED SHAREHOLDERS**.

2.8 Directors' recommendation

The Directors have considered the proposed Transaction and its advantages, disadvantages and risks and, subject to the Independent Expert not adversely changing its conclusions **UNANIMOUSLY RECOMMEND** that Shareholders vote in favour of the Transaction Resolution for the following reasons:

- the acquisition will increase the Company's gold resources to 9 million ounces;
- the Transaction has the potential to further increase the already strong production growth outlook for the Company from the Company's wholly owned Duketon Gold Project in Western Australia; and
- the Independent Expert has concluded that the acquisition of Newmont's interest in the McPhillamys Gold Project is fair and reasonable for Non-Associated Shareholders.

Each of the Directors intends to vote all the shares controlled by him in favour of the Transaction Resolution.

3 Additional information

3.1 Summary of Share and Asset Sale Agreement

Sale interests	Under the agreement, Regis will acquire a 100% interest free of encumbrances (other than certain permitted project encumbrances) in the assets more fully described in section 2.4. As certain of the assets are held by LFB, Regis will acquire all the shares of LFB for the purposes of acquiring title to those assets.
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Consideration	The purchase price for the above sale interests is \$150 million, which will be satisfied by the issue of the following Regis shares: • 18,214,286 Shares to Newmont; and • 17,500,000 Shares to Alkane.
Conditions precedent	The Transaction will only proceed if the Transaction Resolution is approved and each of the conditions precedent in the Share and Asset Sale Agreement are satisfied or waived. If any of the conditions precedent are not satisfied or waived by 12 November 2012 (unless specified otherwise below), the Transaction will not proceed. In addition to approval of the Transaction Resolution by Shareholders, the conditions precedent include: • foreign investment approval under the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) for the acquisition of Shares; • Ministerial approval under the <i>Mining Act 1992</i> (NSW); • approval of the Transaction by the Company's project financier; and • the written consent and approval from certain third parties under permitted encumbrances.
Termination rights	Each party has a right to terminate the agreement in the event that the conditions precedent are not satisfied or waived and the Transaction is not completed by 12 November 2012 (unless such date is extended by the parties).
Warranties	The agreement contains customary reciprocal title, capacity and solvency warranties, as well as specific warranties given by each of Alkane and Newmont in favour of the Company relating to: • the ordinary and proper carriage of the Orange District Joint Venture; and • the accuracy and non-omission of information provided for the purposes of the Company's due diligence. In addition, Alkane has provided additional warranties in relation to LFB, including in relation to LFB's solvency, compliance with the law and tax arrangements.

3.2 Competent Person Statement

The information in this Explanatory Memorandum that relates to the McPhillamys Gold Project mineral resources is based upon information compiled by Mr Richard Lewis who is a fellow of the Australasian Institute of Mining and Metallurgy. Richard Lewis is an employee of Lewis Mineral Resource Consulting Pty Ltd. Richard Lewis 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 Reporting of Exploration Results, Mineral Resources and Ore Reserves. Richard Lewis consents to the inclusion in this Explanatory Memorandum of the matters based on his information in the form and context in which it appears.

The other technical information in this Explanatory Memorandum 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 Explanatory Memorandum of the matters based on his information in the form and context in which it appears.

3.3 Publicly available information about the Company

As a listed company, the Company is subject to the ASX Listing Rules which require (subject to certain exceptions) continuous disclosure of any information, of which the Company is aware, that a reasonable person would expect to have a material effect on the price or value of Shares.

The ASX maintains files containing publicly disclosed information about all listed companies. Information disclosed to the ASX by the Company is available on the ASX's website at www.asx.com.au under 'Announcements'.

Information about the Company, including financial information and releases to the ASX, is available in electronic form from the Company's website at www.regisresources.com.au.

3.4 No other material information

Except as set out in this Meeting Booklet, so far as the Directors are aware, there is no information material to the making of a decision by a Shareholder in relation to the Transaction, which has not previously been disclosed to Shareholders.

4 Glossary

4.1 Definitions

The meanings of the terms used in this Meeting Booklet are set out below.

Term	Meaning
\$, A\$, AUD	Australian dollars.
Alkane	Alkane Resources Limited.
ASX	ASX Limited and, where the context requires, the financial market that it operates.
ASX Listing Rules	means official listing rules of ASX.
Associate	has the meaning given to that term in the ASX Listing Rules.

Term	Meaning
Closely Related Party	of a member of the Key Management Personnel means: • a spouse or child of the member; • a child of the member's spouse; • a dependent of the member or the member's spouse; • anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; • a company the member controls; or • a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Constitution	the Company's constitution, as amended from time to time.
Company	Regis Resources Limited.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	each director of the Company.
Explanatory Memorandum	the explanatory memorandum accompanying the Notice of Meeting.
Independent Expert	BDO Corporate Finance (WA) Pty Limited.
Independent Expert's Report	the report prepared by the Independent Expert dated 30 September 2012
Joint Venture Agreement	Orange District Farmin and Joint Venture Agreement dated 21 October 2005 in respect of the Orange District Joint Venture (as varied on 30 July 2009).
Key Management Personnel	has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Meeting Booklet	this booklet, comprising an Explanatory Memorandum and the Notice of Meeting.

Term	Meaning
Meeting or AGM or Annual General Meeting	the annual general meeting of the Company to consider and, if thought fit, approve the Transaction Resolution.
NEPL	Newmont Exploration Pty Ltd.
Newmont	Newmont Mining Corporation.
Non-Associated Shareholders	each Shareholder other than Newmont, Alkane and their respective Associates.
Notice of Meeting	the notice of meeting relating to the Annual General Meeting, which is contained in Annexure A.
Perth time	the local time in Perth, Australia.
Register	the register of members of the Company.
Registry	Computershare Investor Services Pty Ltd.
Resolution	means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.
Share	a fully paid ordinary share in Regis.
Share and Asset Sale Agreement	the share and asset sale agreement dated 2 October 2012 between Regis, Alkane, LFB and NEPL.
Shareholder	a person who is registered as the holder of a Share at the relevant time.
Transaction	the sale and purchase of the McPhillamys Gold Project in accordance with the Share and Asset Sale Agreement.
Transaction Resolution	Resolution 4 for the purposes of approving the Transaction.

4.2 Interpretation

In this Meeting Booklet, unless the context otherwise requires:

- Words of any gender include all genders.
- Words in the singular include the plural and vice versa.

- References to a section or Annexure are references to a section of or Annexure to this Meeting Booklet, as relevant.
- References to a person includes any company, partnership, joint venture, association, corporation, other body corporate or government agency.
- References to any legislation include all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- Headings and bold type are for convenience only and do not affect the interpretation of this Meeting Booklet.
- References to time are references to the time in Perth, Australia.

Annexure A – Notice of Meeting

Notice of Annual General Meeting

Notice is given that the annual general meeting of Shareholders will be held at Barry Cable Room, Patersons Stadium, Subiaco, Western Australia on Friday, 9 November 2012, commencing at 10.00 am (Perth time).

Ordinary business

Financial statements and reports

To receive and consider the financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

The reports referred to above are included in the 2012 Annual Report sent to those Shareholders who elected to receive a hard copy. A copy of the report is also available on our website: www.regisresources.com.au.

Resolution 1 – Adoption of remuneration report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2012."

Voting Prohibition

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report; and
- a Closely Related Party of such a member (including spouses, dependents and controlled companies).

However, a person described above may cast a vote on Resolution 1 if:

- the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- the vote is not cast on behalf of a person described above.

The Chairman, acting as proxy (by appointment or by default), is authorised to vote all undirected proxies in favour of Resolution 1.

Advisory only

The vote on this item is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Ross Kestel as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of clause 17.1 of the Constitution and for all other purposes, Ross Kestel, a Director who retires by rotation, and being eligible, is re-elected as a Director."

Resolution 3 – Re-election of Morgan Cain Hart as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of clause 17.1 of the Constitution and for all other purposes, Morgan Cain Hart, a Director who retires by rotation, and being eligible, is re-elected as a Director."

Special business

Resolution 4 – Approval of the acquisition of the McPhillamys Project

To consider and, if thought fit, pass the following resolution as an ordinary resolution of Shareholders:

"That, for the purposes of ASX Listing Rules 7.1 and 10.1 and for all other purposes, approval is given to Regis Resources Limited to perform the obligations under the Share and Asset Sale Agreement dated 2 October 2012 between the Company, Newmont Exploration Pty Ltd (**NEPL**), Alkane Resources Limited (**Alkane**) and LFB Resources NL, if the conditions in clause 2.1 of that agreement are satisfied or waived, including the acquisition of "substantial assets" from NEPL and the issue of a total of 35,714,286 fully paid ordinary shares in the issued capital of the Company in accordance with the terms of that agreement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

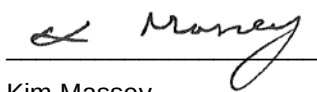
- Newmont Exploration Pty Ltd;
- Newmont Mining Corporation;
- Alkane Resources Limited;
- LFB Resources NL; and
- any Associates of the above named persons,

(each an **Excluded Person**).

However, the Company need not disregard a vote if it is cast by an Excluded Person, as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a representative of an Excluded Person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated 10 October 2012

By order of the Board



Kim Massey

Company Secretary

Information about the Meeting

Meeting Booklet

This Notice of Meeting should be read in conjunction with the Meeting Booklet of which this notice forms part. The Meeting Booklet contains important information to assist you in determining how to vote on the Resolutions.

Capitalised terms used in this notice, unless otherwise defined, have the same meaning as set out in the Glossary in section 4 of the Meeting Booklet.

Majority required

The Resolutions are ordinary resolutions. The Resolutions will not be passed unless more than 50% of the votes cast by Shareholders entitled to vote on the Resolutions are in favour of each Resolution.

Entitlement to vote

The time for determining eligibility to vote at the Meeting is 5.00pm (Perth time) on 7 November 2012.

Only those Shareholders entered on the Register at that time will be entitled to attend and vote at the meeting, either in person, by proxy or attorney, or in the case of a corporate Shareholder, by a body corporate representative.

Voting procedure

The Resolution will be decided on a show of hands, unless a poll is demanded. If the Resolution is decided on a show of hands, every person present who is a registered holder of Shares or a proxy, attorney or representative of such person has one vote.

If a poll is demanded, every person present who is a registered holder of Shares or a proxy, attorney or representative of such person will have one vote for each fully paid Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative.

How to vote

If you are a registered holder of Shares and you are entitled to vote at the meeting, you may vote by:

- attending and voting in person;
- appointing a proxy to attend and vote on your behalf using the proxy form that accompanied this Meeting Booklet;
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend the meeting and vote on your behalf, using a certificate of appointment of body corporate representative.

Voting by proxy

For the appointment of proxy to be effective for the meeting, an original or certified copy of your completed proxy form and power of attorney or other authority (if any) must be received by the Company by 10.00 am (Perth time) on 7 November 2012. Any proxy form received after this deadline (including at the Meeting) will be invalid.

If the Chairman is to act as your proxy in relation to Resolution 1 (Adoption of remuneration report), whether by appointment or by default, and you have not given directions on how to vote by marking the appropriate box in the voting directions section of the proxy form, the proxy form expressly directs and authorises the Chairman to cast your vote “for”

Resolution 1. This express authorisation is included because without it the Chairman would be precluded from casting your votes, as this resolution is connected with the remuneration of Key Management Personnel.

Subject to the above requirements being met, the Chairman will vote all undirected proxies in respect of Resolutions 1 to 4 in favour of the relevant Resolution.

Jointly held securities

If you hold Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the meeting only the vote of the holder whose name appears first on the Register will be counted.

Attendance

If you or your proxies, attorneys or representative plan to attend the meeting, please arrive at the venue at least 10 minutes before the scheduled time for commencement of the meeting so that your shareholding can be checked against the Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

Lodgement of proxies and other documents

Proxy forms, power of attorneys or other authorities may be submitted to the Company in any of the following ways:

- 1 **By post** to the Registry:
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne, VIC 3001
- 2 **By fax** to the Registry:
(+61 3) 9473 2555 (outside Australia) or 1300 850 505 (within Australia)
- 3 **Online** at:
www.investorvote.com.au

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 RRL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am (WST) Wednesday 7 November 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Regis Resources Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Regis Resources Limited to be held at Barry Cable Room, Patersons Stadium, Subiaco, Western Australia on Friday, 9 November 2012 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2 below.

STEP 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of remuneration report	☐	☐	☐
2 Re-election of Ross Kestel as a Director	☐	☐	☐
3 Re-election of Morgan Cain Hart as a Director	☐	☐	☐
4 Approval of the acquisition of the McPhillamys Project	☐	☐	☐

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

REGIS RESOURCES LIMITED
Independent Expert's Report

**BDO has concluded that the
Transaction is fair and reasonable
to Shareholders**

30 September 2012

Financial Services Guide

30 September 2012

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (“we” or “us” or “ours” as appropriate) has been engaged by Regis Resources Limited (“Regis”) to provide an independent expert’s report on the proposal to acquire the McPhillamys Gold Project for consideration of 35,714,286 shares in Regis. You will be provided with a copy of our report as a retail client because you are a shareholder of Regis.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee for this engagement is approximately \$65,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Regis for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution*Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service (“FOS”). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	1
3.	Scope of the Report	3
4.	Outline of the Transaction	4
5.	Profile of Regis Resources Limited	5
6.	McPhillamys Project	12
7.	Economic analysis	12
8.	Industry analysis	13
9.	Valuation approach adopted	16
10.	Valuation of Regis Resources Limited	18
11.	Valuation of the consideration	40
12.	Valuation of the McPhillamys Project	40
13.	Is the Transaction fair?	41
14.	Is the Transaction reasonable?	42
15.	Conclusion	44
16.	Sources of information	44
17.	Independence	44
18.	Qualifications	45
19.	Disclaimers and consents	45
	Appendix 1 – Glossary of Terms	48
	Appendix 2 – Valuation Methodologies	50
	Appendix 3 – Discount Rate calculation	52
	Appendix 4 - Independent Valuation Report prepared by Aurel Consulting	57

30 September 2012

The Directors
Regis Resources Limited
Level 1, 1 Alvan Street
Subiaco WA 6008

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 9 August 2012, Regis Resources Limited ("**Regis**" or "**the Company**") announced it had executed a letter of agreement to acquire the McPhillamys Gold Project ("**McPhillamys Project**") from joint venture owners, Newmont Exploration Pty Ltd (51%) ("**Newmont Exploration**") and Alkane Resources Limited (49%) ("**Alkane**"). The announced consideration to be paid is \$150 million to be satisfied by the issue of Regis shares based on an issue price of \$4.20 per share. Therefore a total of 35,714,286 Regis shares are to be issued as consideration.

Newmont Exploration is a subsidiary of Newmont Mining Corporation ("**Newmont Mining**"), a substantial shareholder of Regis who holds 16.3% of the Company's current issued capital. The issue of Regis shares as consideration for the McPhillamys Project will result in the issue of shares to a substantial shareholder.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Regis have requested that BDO Corporate Finance (WA) Pty Ltd ("**BDO**") prepare an independent expert's report ("**our Report**") to express an opinion as to whether or not the acquisition of the McPhillamys Project for consideration of 35,714,286 shares in Regis ("**the Transaction**") is fair and reasonable to the non associated shareholders of Regis ("**Shareholders**").

Our Report is prepared pursuant to Australian Securities Exchange ("**ASX**") Listing Rule 10.1 and is to be included in the Explanatory Memorandum for Regis in order to assist the Shareholders in their decision whether to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ("**ASIC**"), Regulatory Guide 111 ("**RG 111**"), 'Content of Expert's Reports' and Regulatory Guide 112 ("**RG 112**") 'Independence of Experts'.

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of the McPhillamys Project compares to the value of 35,714,286 Regis shares to be issued as consideration;
- The position of Shareholders should the Transaction not proceed; and
- Other factors which we consider relevant to Shareholders in their assessment of the Transaction.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to Shareholders.

2.4 Fairness

In section 13 we determined how the Transaction consideration of 35,714,286 Regis shares compares to the value of the McPhillamys Project, as detailed hereunder.

	Ref	Low \$ (million)	Preferred \$ (million)	High \$ (million)
Value of Regis shares offered as consideration	Section 11	150	156	163
Value of the McPhillamys Gold Project	Section 12	151	168	176

The above pricing indicates that, in the absence of any other relevant information, the Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 14 of this report, in terms of both:

- advantages and disadvantages of the Transaction; and
- alternatives, including the position of Shareholders if the Transaction does not proceed.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.2	The Transaction is fair	14.3	Dilution of existing Shareholders' interest
14.2	No reduction in cash		
14.2	The McPhillamys Project strengthens Regis's long term growth pipeline		

Other key matters we have considered include:

Section	Description
14.1	The consequences of not approving the Transaction

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the last audited accounts.

Based on 30 June 2012 audited accounts, 5% of Regis's equity interest is \$11.9 million. It is our opinion that the potential value of the McPhillamys Project exceeds 5% or more of Regis's current equity interest.

ASX Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or a 'substantial holder' of the listed entity. Newmont Mining, the parent company of Newmont Exploration, is considered a substantial shareholder of Regis because it holds a relevant interest in more than 10% of the total votes attaching to Regis's voting securities. As at the date of this report, Newmont Mining holds an interest of 16.3%.

Listing Rule 10.10.2 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded in respect of the transaction.

Accordingly, an independent experts' report is required for the Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Regis.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by the ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Transaction to be a control transaction as Newmont Mining's effective interest will only increase from 16.3% to 18.8%. As such, we have used RG 111 as a guide for our analysis but have considered the Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states that where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the asset being acquired. Here, the 35,714,286 Regis shares are the financial benefit being offered by the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in section 3.2 we do not consider that the Transaction is a control transaction. As such, we have not included a premium for control when considering the value of Regis shares.

RG 111 states that when consideration is in the form of scrip then the expert should consider this value on a minority interest basis.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of the McPhillamys Project and the value of the 35,714,286 Regis shares (excluding a premium for control) to be issued as consideration (fairness – see section 13 "Is the Transaction Fair?"); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Transaction, after reference to the value derived above (reasonableness – see section 14 "Is the Transaction Reasonable?").

A Valuation Engagement is defined by APES 225 as follows:

"an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time."

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

On 9 August 2012, Regis announced it had executed a letter of agreement to acquire the McPhillamys Project from joint venture owners, Newmont Exploration (51%) and Alkane (49%). Newmont Exploration is a subsidiary of Newmont Mining, a substantial shareholder of Regis.

The consideration payable to Newmont Exploration and Alkane will be satisfied by the issue of 35,714,286 Regis shares based on an announced value of \$150 million at an issue price of \$4.20 per share, being the 45 trading day VWAP of Regis shares ended on the date of the letter of agreement, 8 August 2012.

The property to be acquired includes three exploration licenses (including the gold resource), mining information, two freehold properties overlapping part of the project area and other minor plant and equipment.

Further information on the McPhillamys Project can be found in section 6 of this report and in appendix 4.

5. Profile of Regis Resources Limited

5.1 History

Regis Resources Limited is a gold production and exploration company. The Company was incorporated in May 1986 and listed on the ASX in February 1987. The Company's key interests lie in its 100% owned Duketon Gold Project which includes the Moolart Well Gold Mine Project ("**Moolart Well Project**") and the Garden Well Gold Project ("**Garden Well Project**").

On 7 September 2012, the board of Regis announced a profit after tax of \$68.2 million for the 2012 financial year, reflecting a full year of operations at the Moolart Well Project.

The current directors and senior management of Regis are:

Nick Giorgetta – Non-executive Chairman

Mark Clark – Managing Director

Ross Kestel – Non-executive Director

Mark Okeby – Non-executive Director

Morgan Hart – Executive Director

Kim Massey – CFO & Company Secretary

5.2 Projects

Moolart Well Project

The mine is located within the Duketon Gold Project, approximately 350 kilometres north, north – east of Kalgoorlie, Western Australia. The Moolart Well deposit was discovered in 2001.

The Moolart Well deposit is a large oxide gold deposit sitting within a deeply weathered Archaean ultramafic-mafic volcanic sequence above the base of weathering at about 70m vertical depth.

Open pit mining at Moolart Well is conducted by conventional truck and shovel selective mining methods within a laterite zone with oxide material mined via several deeper pits within the initial laterite pit area.

Infrastructure at Moolart Well includes a processing plant, power station, laboratory, office facilities, borefield, air strip and a 130 man camp.

The Moolart Well processing plant is a standard carbon in leach (CIL) gold extraction plant with a nameplate design capacity of 2.0Mtpa for blended laterite and oxide ores. Since commissioning, the plant has performed at 25% above nameplate capacity. The site is powered by a diesel generated power station.

The Company completed development of the Moolart Well Project in the September 2010 quarter.

The Moolart Well Project began production during the 2011 financial year and completed its first full year of production for the year ended 30 June 2012, producing 105,413 ounces of gold. The remaining life of mine at Moolart Well is approximately 5 years however the Company has advised us that it is confident it can extend the life of mine with resource conversion currently being undertaken in the oxide resources.

Garden Well Project

The Garden Well Project is a shear hosted Archaean orogenic gold deposit located 100 kilometres north of Laverton in the Duketon Greenstone Belt in Western Australia and is 35 kilometres south of the Moolart Well Project processing plant.

The Definitive Feasibility Study for the development of the project was completed in the June 2011 quarter. The results from the feasibility study and proposed work plan and timing were released to the market on 16 June 2011 in which the Company announced that it expects an average production of 180,000 ounces per annum over a mine life of 9 years. Development of the Garden Well Project commenced on site in July 2011.

In August 2012, Regis announced practical completion on the construction of the Garden Well Project with the successful commissioning of the plant. The Garden Well Project was completed on time and materially in line with the \$109 million construction budget. Regis announced on 6 September 2012 that the Company had completed its first gold pour and shipment at the Garden Well Project.

Other Projects

Regis's other projects in the Duketon Gold Project include; Rosemont, Erlistoun and Satellite Deposits. Regis holds approximately 70% of the Collurabbie block under mineral licence or licence application.

Rosemont Gold Project

The Rosemont Gold Project ("**Rosemont Project**") is 100% owned by Regis and is located within 10 kilometres north west of the Garden Well Gold Project.

The Rosemont Project has the following reserves:

- Probable reserves of 8.7 million tonnes at 1.73 grams/tonne for 487,000 ounces.

The Rosemont Project has the following resources (see Aurel's report in appendix 4):

- Indicated resources of 14.6 million tonnes at 1.68 grams per tonne for 793,000 ounces; and
- Inferred resources of 6.7 million tonnes at 1.3 grams per tonnes for 285,000 ounces.

The Company is currently finalising a Definitive Feasibility Study ("**DFS**") into the development of the Rosemont Project. Construction on the Rosemont Project is expected to commence in December 2012 with first production scheduled for the September 2013 quarter.

Erlistoun Gold Project

The Erlistoun Gold Project ("**Erlistoun Project**") is located 7 kilometres from the Garden Well Project.

The Erlistoun Project has the following reserves and resources:

- Proven reserves of 1.3 million tonnes at 2.34 grams/tonne for 95,000 ounces.
- Probable reserves of 1.4 million tonnes at 2.37 grams/tonne for 108,000 ounces.
- Measured resources of 2.3 million tonnes at 1.92 grams per tonne for 143,000 ounces.
- Indicated resources of 3 million tonnes at 1.88 grams per tonne for 179,000 ounces.

The ore mined at the Erlistoun Project will be processed at the Garden Well mill.

Please see Aurel's report in appendix 4 for further details.

5.3 Historical Balance Sheet

Regis Resources Limited - Statement of Financial Position	Audited as at 30-Jun-12 \$'000	Audited as at 30-Jun-11 \$'000	Audited as at 30-Jun-10 \$'000
CURRENT ASSETS			
Cash and cash equivalents	1,353	27,390	9,541
Gold bullion awaiting settlement	8,313	6,505	-
Trade and other receivables	2,686	1,608	1,366
Inventory	4,016	4,461	40
Financial assets held to maturity	10	-	-
Other current assets	387	207	121
TOTAL CURRENT ASSETS	16,765	40,171	11,068
NON-CURRENT ASSETS			
Financial assets held to maturity	-	1,175	1,175
Deferred mining costs	10,555	5,190	-
Plant and equipment	55,487	60,000	470
Exploration and evaluation expenditure	29,293	24,507	8,000
Mine properties under development	167,919	12,275	106,022
Mine properties	38,461	48,023	-
TOTAL NON-CURRENT ASSETS	301,715	151,170	115,667
TOTAL ASSETS	318,480	191,341	126,735
CURRENT LIABILITIES			
Trade and other payables	28,276	11,887	14,609
Interest bearing liabilities	4,883	19,238	10,220
Convertible notes	-	-	10,000
Provisions	684	339	54
TOTAL CURRENT LIABILITIES	33,843	31,464	34,883
NON-CURRENT LIABILITIES			
Interest bearing liabilities	25,194	11,164	4,341
Deferred tax liability	6,510	-	-
Provisions	14,999	8,435	5,727
TOTAL NON-CURRENT LIABILITIES	46,703	19,599	10,068
TOTAL LIABILITIES	80,546	51,063	44,951
NET ASSETS	237,934	140,278	81,784
EQUITY			
Issued capital	275,010	247,632	226,399
Reserves	11,416	9,377	8,397
Accumulated losses	(48,492)	(116,731)	(153,012)
TOTAL EQUITY	237,934	140,278	81,784

Source: Regis Resources Ltd's 2012 & 2011 Annual Reports

Cash decreased from \$27.4 million as at 30 June 2011 to \$1.4 million as at 30 June 2012. Operating cashflow from the Moolart Well Gold Mine for FY2012 was \$102.2 million. The cash balance decreased in spite of this operating cashflow due to the payment of \$123.8 million on construction and pre-production mining at the Garden Well Project during the year.

Non-current financial assets held to maturity decreased from \$1.18 million to nil as at 30 June 2012, primarily due to the withdrawal of term deposits to supplement cash flow for operations.

Mine properties under development have increased by \$155.6 million from 30 June 2011 to 30 June 2012, primarily due to the pre-production expenditure and construction expenditure at the Garden Well Project.

Deferred mining costs are prepaid mining expenses relating to deferred waste, deferred grade control and deferred drill and blast expenses. This increased from \$5.2 million as at 30 June 2011 to \$10.6 million as at 30 June 2012.

Mine properties represent expenditure in respect of exploration, evaluation, feasibility and pre-production operating costs incurred in relation to areas of interest in which mining has now commenced.

The increase in non-current interest bearing liabilities relates to a performance bond facility whereby Macquarie Bank Limited provides performance bonds in relation to statutory environmental obligations on certain tenements and guarantees in relation to office lease equipment. At the year end, the performance bond facility limit was \$20 million and the amount utilised was \$14,331,410.

During the year, 16,917,000 shares were issued upon the exercise of options and 4,038,364 shares were issued to terminate a royalty over the Garden Well Project.

5.4 Historical Statement of Comprehensive Income

Regis Resources Limited - Statement of Comprehensive Income	Audited as at 30-Jun-12 \$'000	Audited as at 30-Jun-11 \$'000	Audited as at 30-Jun-10 \$'000
Revenue			
Gold sales	170,355	107,924	-
Interest revenue	1,149	727	777
Total revenue	171,504	108,651	777
Costs of goods sold	(85,778)	(64,155)	-
Gross profit	85,726	44,496	777
Other income	1,658	505	559
Expenditure			
Investor and corporate costs	(1,998)	(912)	-
Personnel costs	(2,906)	(2,181)	-
Share based payment expense	(2,039)	(980)	-
Occupancy costs	(463)	(607)	-
Other corporate and administrative expenses	(784)	(191)	(6,433)
Exploration and evaluation written off	(786)	(666)	(97)
Other expenses	(268)	(55)	(463)
Financial guarantee liability settlement expense	-	-	(12,480)
Financial costs	(3,391)	(3,128)	(692)
Profit/(loss) from continuing operations before income tax	74,749	36,281	(18,829)
Income tax expense	(6,510)	-	-
Net profit/(loss) for the period	68,239	36,281	(18,829)

Source: Regis Resources Ltd's 2012 & 2011 Annual Reports

Revenue from gold sales increased by \$62.4 million for the year ended 30 June 2012 compared to the prior financial year as a result of the higher gold production and the higher realised gold price of \$1,574 per ounce compared with \$1,402 per ounce in the prior year.

The Company's profit result of \$68.2 million was up 88% on the prior year, reflecting the first full year of operations at the Moolart Well Gold Mine in 2012.

5.5 Capital Structure

The share structure of Regis as at the date of this report is outlined below:

	Number
Total ordinary shares on issue	454,111,268
Top 20 shareholders	347,885,959
Top 20 shareholders - % of shares on issue	76.61%

Source: Regis Management

The ordinary shares held by the most significant shareholders as at the date of this report are detailed below:

Name	Number of Shares Held	Percentage of Issued Shares
Newmont Capital Pty Ltd	73,908,223	16.28%
HSBC Custody Nominees (Australia) Limited	64,776,282	14.26%
JP Morgan Nominees Australia Limited	43,822,068	9.65%
National Nominees Limited	40,580,840	8.94%
Citicorp Nominees Pty Limited	22,151,331	4.88%
Subtotal	245,238,744	54.00%
Others	208,872,524	46.00%
Total ordinary shares on Issue	454,111,268	100.00%

Source: Regis Management

The range of shares held in Regis as at the date of this report is as follows:

Range of Shares Held	Number of Shareholders	Number of Shares	Percentage of Issued Shares
1 - 1,000	1,703	773,852	0.17%
1,001 - 5,000	1,792	4,917,906	1.08%
5,001 - 10,000	667	5,157,684	1.14%
10,001 - 100,000	732	22,079,896	4.86%
100,001 - and over	185	421,181,930	92.75%
TOTAL	5,079	454,111,268	100.00%

Source: Regis Management

As at the date of this report, the following Regis listed options were on issue:

Number of Listed Options	Expiry Date	Exercise Price (\$)	Cash raised if exercised
1,085,663	31-Oct-12	1.00	\$1,085,663
5,595,958	31-Jan-14	0.50	\$2,797,979
6,681,621			\$3,883,642

Source: Regis Management

As at the date of this report, the following Regis unlisted options were on issue:

Number of Unlisted Options	Expiry Date	Exercise Price (\$)	Cash raised if exercised
90,000	4-Feb-14	0.1348	\$12,132
2,600,000	29-Sep-14	1.00	\$2,600,000
750,000	30-Jun-14	0.4205	\$315,375
950,000	29-Apr-15	2.23	\$2,118,500
575,000	8-Nov-15	2.75	\$1,581,250
500,000	8-Nov-15	3.00	\$1,500,000
250,000	2-Feb-16	3.93	\$982,500
1,285,000	30-Jun-16	4.00	\$5,140,000
7,000,000			\$14,249,757

Source: Regis Management

6. McPhillamys Project

The McPhillamys Project is located approximately 35 kilometres south east of the town of Orange in the Central West region of New South Wales.

The project area consists of three granted exploration permits covering 420 square kilometres in two discrete locations approximately 25 kilometres apart.

Please see Aurel's report in appendix 4 for further details.

Regis Development Plans

Regis' plans for the McPhillamys Project, as announced on 9 August 2012, are outlined below.

The immediate focus after completion of the acquisition will be a drilling program to increase the density of drilling on the McPhillamys gold resource to a level that will allow estimation of an updated JORC compliant resource and ultimately a maiden reserve. The drilling will also focus on the very sparsely drilled near surface areas of the deposit. It is estimated that there is at least 12 months of work to complete this drilling and resource update.

Regis will simultaneously commence studies and work aimed at satisfying the numerous technical requirements for completion of a definitive feasibility study ("DFS") in to the potential development of an open pit mining, carbon in leach extraction project at McPhillamys. The pre feasibility work is expected to take approximately two years to complete.

A DFS is likely to take a further 12 months to complete. Assuming that the DFS confirms a viable gold project at McPhillamys, Regis would then move to commence development of an operation.

7. Economic analysis

Having picked up in the early months of 2012, growth in the world economy has since softened. Current assessments are that global GDP will grow at no more than average pace in 2012, with risks to the outlook still on the downside. Economic activity in Europe is contracting, while growth in the United States is only modest. Growth in China remained reasonably robust in the first half of this year, albeit well below the exceptional pace seen in recent years. Some recent indicators have been weaker, which has added to uncertainty about near-term growth. Around Asia generally, growth is being dampened by the more moderate Chinese expansion and the weakness in Europe.

Markets for key natural resources are adjusting accordingly. Some commodity prices of importance to Australia have fallen sharply in recent weeks. The terms of trade peaked a year ago and have declined significantly since then, though they remain historically high.

Financial markets have responded positively over the past couple of months to signs of progress in addressing Europe's financial problems and expectations for further progress are high. Low appetite for risk has seen long-term interest rates faced by highly rated sovereigns, including Australia, remain at exceptionally low levels. Nonetheless, capital markets remain open to corporations and well-rated banks, and Australian banks have had no difficulty accessing funding, including on an unsecured basis. Share markets have generally risen over the past couple of months, on very light volumes.

In Australia, most indicators available suggest growth has been running close to trend, led by very large increases in capital spending in the resources sector. Consumption growth was also quite firm in the first half of the year, though some of that strength was temporary. Labour market data have shown moderate

employment growth, even with job shedding in some industries, and the rate of unemployment has thus far remained low.

Inflation remains low, with underlying measures near 2% over the year to June, and headline CPI inflation lower than that. The introduction of the carbon price is starting to affect consumer prices in the current quarter, and this will continue over the next couple of quarters. The Reserve Bank of Australia's assessment is that inflation will be consistent with the target over the next one to two years. Maintaining low inflation will, however, require growth in domestic costs to remain contained as the effects of the earlier exchange rate appreciation wane.

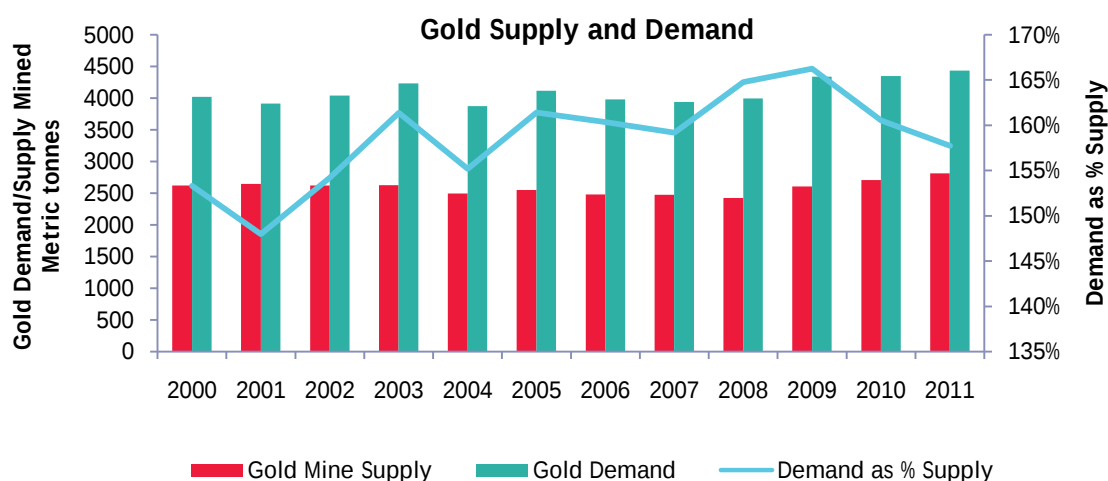
As a result of the sequence of earlier decisions, interest rates for borrowers are a little below their medium-term averages. The impact of those changes is still working its way through the economy, but dwelling prices have firmed a little and business credit has picked up this year. The exchange rate has declined over the past month or two, though it has remained higher than might have been expected, given the observed decline in export prices and the weaker global outlook.

Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision 4 September 2012

8. Industry analysis

Gold is both a commodity and an international store of monetary value. Once mined, gold continues to exist indefinitely, often melted down and recycled to produce alternative or replacement products. This characteristic means that gold demand is supported by both mine production and gold recycling.

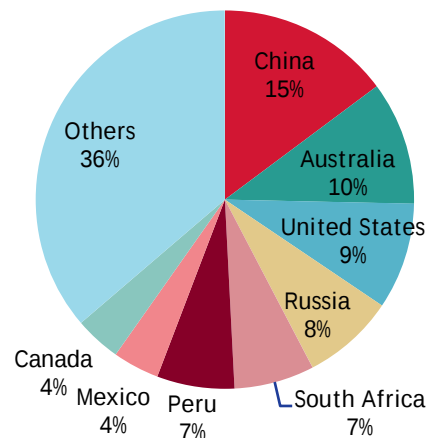
As illustrated in the chart below, gold mine production was approximately 2,812 metric tonnes in 2011 and gold consumption was 4,436 metric tonnes. Demand for gold has consistently exceeded supply over the last 10 years, and the escalated level of economic and financial uncertainty during the past 24 months has caused investors to move capital from risky assets to gold assets, which are perceived to be a good store of monetary value. As a result, total gold demand increased by 8% between 2009 and 2011, with demand as a percentage of supply remaining at over 150% for the same period.



Source: Bloomberg and BDO Analysis

Until the late 1980's, South Africa produced approximately half of the total gold produced. More recently however, gold production has become geographically segmented, as shown in the chart below, with production dominated by China and Australia.

Production by Country - YTD August 2012



Source: Bloomberg and BDO Analysis

Gold prices

The price of gold fluctuates on a daily basis depending on global demand and supply factors. The price trend over the last two years is reflective of weak global economic conditions driving demand. As can be seen in the graph below, the value of gold peaked at US\$1,900 per ounce on 5 September 2011. This peak was largely caused by the recent debt market crisis in Europe, but it was also driven by the Standard and Poor's downgrade of the US credit rating. This sent global stock markets tumbling and a flood of investors towards safer havens such as gold. Prices contracted in December 2011 reaching a low of US\$1,545 per ounce, however 2012 has seen the gold price recover reaching US\$1,639 on 22 August 2012.

Gold prices are forecast to fall over the next three years to approximately US\$1,400 per ounce in 2016. Nevertheless, growth in global money supply, U.S dollar depreciation and overall uncertainty in global financial markets may continue to drive investors toward using precious metals as a store of value. This could be further fuelled by the rapidly increasing appetite for precious metals from China.

Gold Spot Price



Source: Bloomberg, Consensus Economics and BDO Analysis

Recent gold transactions

The emergence of a new generation of mid-tier miners and the resurgent gold price has been driving the increase in the number of announced gold acquisitions in 2012. In August 2012, Zijin Mining Group announced that it had made a cash offer to acquire its remaining 83.02% share in Norton Gold Fields Ltd for \$198 million.

Recently, four large deals have been announced to the market:

- On 29 June 2012 it was announced that Allied Gold Mining Plc and St Barbara Ltd had reached an agreement in which the two companies would merge, worth \$594 million.
- On 6 August 2012, Silver Lake Resources announced it planned to merge with Integra Mining Ltd in a deal worth \$417 million
- On 19 September 2012, CGA Mining Limited and B2Gold Corp announced they had entered into a Merger Implementation Agreement to combine the two companies. The transaction is estimated to be valued at approximately C\$1.1 billion.
- On 20 September 2012, Focus Minerals Limited announced it had entered into an agreement with Shandong Gold International Mining Corporation Limited, under which Shandong Gold agreed to subscribe to new fully paid shares to raise \$227.5 million.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings (“**FME**”)
- Discounted cash flow (“**DCF**”)
- Quoted market price basis (“**QMP**”)
- Net asset value (“**NAV**”)
- Market based assessment

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. A summary of each of these methodologies is outlined in Appendix 2.

9.1. Valuation of Regis Resources Limited

In our assessment of the value of a Regis share, we have chosen to employ the following methodologies:

- **Quoted Market Price Basis: primary methodology**

The QMP basis is a relevant methodology to consider because Regis’ shares are listed on the ASX. This means there is a regulated and observable market where Regis’ shares can be traded. However, in order for QMP to be considered appropriate, the company’s shares should be liquid and the market should be fully informed as to Regis’ activities.

Under RG 111.58, if the market price of the securities offered as consideration is used as a measure of value, the expert should consider, among other things, the depth of the market for those securities and the volatility of the market price. We have considered these factors in section 10.1.

- **Sum-of-parts: secondary methodology**

We have estimated the fair market value of Regis by aggregating the estimated fair market value of its underlying assets and liabilities. In determining the fair market value of its underlying assets, we have used the sum-of-parts basis of the fair market value of the Company’s projects and other assets (including net cash).

We have assessed that the most appropriate methodology in valuing the Moolart Well Project, the Garden Well Project, the Erlistoun Project and the Rosemont Project is the DCF method for the following reasons:

- The Company has completed cash flow projections on the life of mine for all four projects;
- The Moolart Well Project is in production and has historical information available which form a reasonable basis for forecast cash flows;
- The Garden Well Project has commenced production and recently achieved its first gold pour;
- The majority of the capital expenditure has been incurred for both the Moolart Well Project and the Garden Well Project, so no further external funding is required;
- The Erlistoun Project and the Rosemont Project both have JORC compliant reserves; and
- The Moolart Well, Garden Well, Erlistoun and Rosemont Projects have finite lives (although can be extended from the current estimated life of mine) and are suited to applying the DCF approach.

We have instructed Aurel Consulting (“**Aurel**”) to provide an independent valuation of Regis’s other exploration assets in accordance with the Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (“**the Valmin Code**”) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“**JORC Code**”).

Aurel has provided a valuation of the exploration potential of the Garden Well Project and the Rosemont Project, not included in the DCF’s, by applying a dollar per ounce value based on a comparable transaction database.

Aurel has also assessed the inferred material at the Moolart Project that has a potential for conversion to reserves, at the end of the current mine life;

We are satisfied with the valuation methodologies adopted by Aurel which are in accordance with industry practices and in accordance with the requirements of the Valmin Code.

A copy of Aurel’s report is attached in Appendix 4.

Under the sum-of-parts methodology, the value of the Moolart Well Project, Garden Well Project, Erlistoun Project and the Rosemont Project are added together before applying a NAV multiple due to gold mining companies consistently trading at a market capitalisation greater than their DCF value. We then adjust the value of the mineral assets for other key assets and liabilities of the Company to arrive at the overall value of Regis.

The value of a Regis share derived under the sum-of-parts method is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of that company. However, if the Transaction is approved Newmont Exploration and Alkane will become minority holders in Regis, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations and value of that company. Therefore, we deduct a minority discount in order to arrive at the value of a Regis share on a non-control basis.

9.2. Valuation of the McPhillamys Project

We have instructed Aurel to provide an independent market valuation of the McPhillamys Project.

Aurel has used the following methods in its valuation:

- Comparable market transactions; and
- A review of exploration transactions on similar gold and gold/copper projects in Australia.

We are satisfied with the valuation methodologies adopted by Aurel which are in accordance with industry practices and in accordance with the requirements of the Valmin Code.

A copy of Aurel’s report is attached in Appendix 4.

10. Valuation of Regis Resources Limited

10.1. Quoted Market Prices for Regis Securities

As our primary methodology to assess the value of Regis we have relied on the quoted market price for a Regis share.

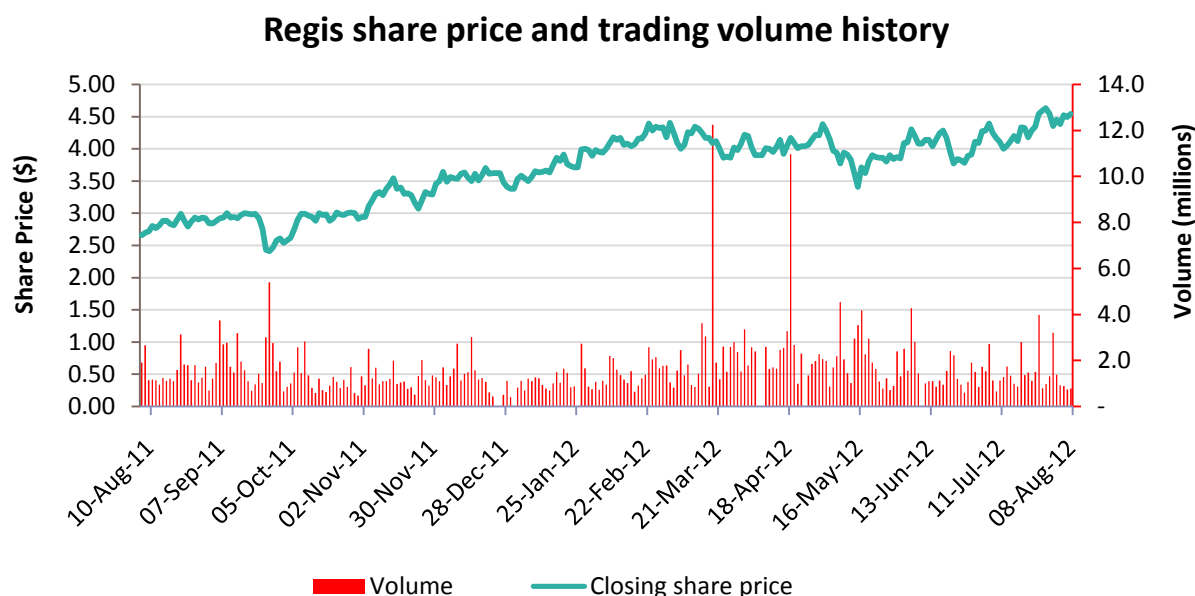
The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

As stated in section 3.2, we do not consider that the Transaction is a control transaction and as such, we have not included a premium for control when considering the value of Regis shares.

Minority interest value

Our analysis of the quoted market price of a Regis share is based on the pricing prior to the announcement of the Transaction. This is because the value of a Regis share after the announcement may include the affects of any change in value as a result of the Transaction. However, we have considered the value of a Regis share following the announcement when we have considered reasonableness in section 14.

Information on the Transaction was announced to the market on 9 August 2012. Therefore, the following chart provides a summary of the share price movement over the 12 months to 8 August 2012 which was the last trading day prior to the announcement.



Source: Bloomberg and BDO analysis

The daily price of Regis's shares from 8 August 2011 to 8 August 2012 has ranged from a low of \$2.34 on 27 September 2011 to a high of \$4.68 on 30 July 2012.

High volumes of shares were traded on 21 March 2012 and 19 April 2012. The high volume traded on 21 March 2012 may be attributable to two directors selling 10 million options to Euroz Securities. On 18 April 2012, the Company presented to investors at the European Gold Forum in Switzerland which may have lead to the increased trading on 19 April 2012.

The share price has increased steadily over the 12 month period shown above, closing at \$4.54 on 8 August 2012.

During this period a number of announcements were made to the market. The key announcements are set out below:

		Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$	movement	\$	movement
25/07/2012	Quarterly Activities and Cashflow Report	4.340	▲ 1%	4.340	▲ 7%
5/07/2012	Strong drill results at Rosemont north of current pit design	4.280	▲ 0%	4.280	▼ -1%
5/07/2012	Drilling confirms mineralisation continues at Garden Well	4.280	▲ 0%	4.280	▼ -1%
26/04/2012	Quarterly Activities and Cashflow Report	4.060	▲ 0%	4.060	▲ 4%
1/03/2012	Half Yearly Report and Accounts	4.180	▼ -3%	4.180	▲ 2%
30/01/2012	Quarterly Activities and Cashflow Report	4.000	▲ 0%	4.000	▼ -1%
25/11/2011	Regis Upgrades Resources and Reserves	3.200	▲ 4%	3.200	▲ 4%
25/10/2011	Quarterly Activities and Cashflow Report	2.980	▼ -1%	2.980	▲ 1%
20/09/2011	Regis Records Maiden Profit	2.980	▼ 0%	2.980	▼ -7%

To provide further analysis of the market prices for a Regis share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 8 August 2012.

Share Price per unit	8-Aug-12	10 Days	30 Days	60 Days	90 Days
Closing price	\$4.540				
Weighted average price		\$4.457	\$4.337	\$4.219	\$4.073

The above weighted average prices are prior to the date of the announcement of the Transaction, to avoid the influence of any increase in price of Regis shares that has occurred since the Transaction was announced.

An analysis of the volume of trading in Regis shares for the twelve months to 8 August 2012 is set out below:

	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$4.490	\$4.590	785,920	0.17%
10 Days	\$4.270	\$4.680	10,219,587	2.25%
30 Days	\$3.960	\$4.680	31,250,585	6.89%
60 Days	\$3.740	\$4.680	58,726,747	12.95%
90 Days	\$3.340	\$4.680	101,558,207	22.40%
180 Days	\$3.340	\$4.680	236,902,521	52.25%
1 Year	\$3.060	\$4.680	419,247,804	92.47%

This table indicates that Regis's shares display a high level of liquidity, with 92.47% of the Company's current issued capital being traded in a twelve month period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Regis we consider the shares to have a deep market due to the large volume of shares being traded consistency throughout the twelve month period. We have also assessed the volatility of Regis shares prior to the announcement of the Transaction in order to determine whether the value of the shares can be considered relevant. Our analysis, obtained from Bloomberg, indicates that Regis shares had a relatively low level of volatility over the year prior to the announcement of the Transaction. This, together with the fact that we consider there to be a deep market for Regis shares, indicates that the quoted market price of Regis shares can be considered to be a reliable measure. We have analysed the movements of Regis' share price following the announcement of the Transaction in section 14.

Our assessment is that a range of values for Regis shares based on market pricing, after disregarding post announcement pricing, is between \$4.20 and \$4.55 with a preferred value of \$4.38.

	Low	Mid	High
	\$	\$	\$
Quoted market price value	4.20	4.38	4.55

10.2. Sum-of-parts valuation of Regis

We elected to use the DCF approach in valuing the Moolart Well Project, the Garden Well Project, the Rosemont Project and the Erlistoun Project (“**the Projects**”). The DCF approach estimates the fair market value by discounting the future cash flows arising from the project to their net present value. Performing a DCF valuation requires the determination of the following:

- The expected future cash flows that the project is expected to generate; and
- An appropriate discount rate to apply to the cash flows of the project to convert them to present value equivalent.

A cash flow model for each of the Projects was prepared by Regis (“**Moolart Model**”, “**Garden Well Model**”, “**Rosemont Model**” and “**Erlistoun Model**”, collectively “**the Models**”). The Models estimate the future cash flows expected from gold production at the Projects based on determined JORC compliant reserves. The Models depict projections of nominal, post-tax cash flows over the life of mine on an annual basis.

The Models were prepared based on:

- Estimates of production profile, operating costs and sustaining capital expenditure.

Moolart Model: the Moolart Model is based on the current reserves and the remaining life of mine of four years and adjusted to include the inferred material at the Moolart Project that has a potential for conversion to reserves at the end of the current mine life. The conversion increased the life of mine to eight years. For further details, please see section 10.2.1 and Aurel’s report in appendix 4 for full details on the potential conversion of the remaining resources to reserves.

Garden Well Model: the Garden Well Model is based on the current reserves and life of mine of nine years. The additional exploration potential has been valued by Aurel on a \$/ounce of resource basis and is not included in the DCF. For further details, please see section 10.2.2 and Aurel’s report in appendix 4.

Erlistoun Model: the Erlistoun Model is based on the current reserves and the estimated life of mine of three years. The ore to be mined at the Erlistoun Project will be processed at the Garden Well mill. The remaining resource is not considered economically viable at this time and cannot be included in the valuation.

Rosemont Model: the Rosemont Model is based on the current reserves and an estimated life of mine of six years. The additional exploration potential has been valued by Aurel on a \$/ounce of resource basis and is not included in the DCF. For further details, please see section 10.2.4 and Aurel’s report in appendix 4.

The Model’s have been adjusted to reflect any changes to the technical assumptions as a result of Aurel’s review and any changes to the economic and other input assumptions from our research.

The main assumptions underlying the Models include:

- Mining and production volumes
- Commodity prices
- Operating costs
- Sustaining capital expenditure
- Foreign exchange rates

- Royalties
- Discount rate.

Limitations

BDO did not perform an audit or review of the forecasts in accordance with the Australian Auditing Standards and accordingly we do not express any opinion on the reliability of the forecasts, the reasonableness of the underlying assumptions or their achievability.

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

Revenue assumptions

Revenue has been estimated as the product of annual saleable gold and the forecast gold prices. The Models have been based on forecast gold prices and exchange rates.

Appointment of a technical expert

Aurel, an independent mining expert, was engaged to prepare a report providing;

- a technical assessment on the reasonableness of the resources used in the preparation of life of mine for the Moolart Model and the Garden Well Model.
- the inferred material that has a potential for conversion to reserves, at the end of the current mine life, to extend the current life of mine for the Moolart Model;
- A valuation of Garden Well's resources, not already converted to reserves and included in the Garden Well Model; and
- A valuation of Rosemont's resources, not already converted to reserves and included in the Rosemont Model.

A copy of Aurel's report is included in Appendix 4.

Economic assumptions

Inflation

We have applied an inflation rate to convert the forecast real costs into nominal terms.

In our assessment of the inflation rate, we have considered forecasts prepared by economic analysts and other publicly available information including broker consensus to arrive at our inflation rate assumptions. From our analysis, target inflation is in the range of 2% to 3% which is consistent with the Reserve Bank of Australia's target inflation rate range. We have adopted an inflation rate of 3% to convert the cash flows expressed in real terms to nominal terms.

Foreign exchange rate

All commodity prices are stated in United States Dollars (“**USD**”) and the projections in the Models are in Australian Dollars (“**AUD**”). USD to AUD conversions were undertaken using the following foreign exchange rate assumptions:

Period	AUD:USD
FY2013	1.000
FY2014	0.950
FY2015	0.920
FY2016	0.895
FY2017 onwards	0.888

Source: Bloomberg

Royalties and tax

Royalties

Royalties of 4.5% are included in all four Models. Royalties are based on 4.5% of the gold price (in AUD) per ounce. 2.5% is payable to the West Australian State Government and 2% is paid to Franco Nevada Corporation.

Corporate tax

The Models assume a corporate tax rate of 30% over the period of the forecasts, after taking into account any tax losses carried forward.

DCF Valuation – Discount rate

We have selected a nominal after tax discount rate in the range of 8% to 10% to discount the forecasts to their present value.

In selecting this range of discount rates we considered the following:

- The rates of return for comparable listed Australian gold companies;
- The risk profile of Regis as compared to other listed Australian gold companies;
- The debt to equity ratio of Regis; and
- Regis’s current cost of debt as advised by management

Details on our discount rate determination are provided in Appendix 3.

Commodity prices

In obtaining projected gold prices we have considered:

- Historical spot and forward prices from Bloomberg;
- Most recent Consensus Economics price forecasts; and
- Regis's current hedging contract in place.

Based on our analysis, we adopted the following projected gold prices (in nominal terms):

Period	Gold (US\$/0z)
FY2013	1,850
FY2014	1,575
FY2015	1,450
FY2016*	1,400
FY2017 onwards	1,325

Source: Consensus Economics & Bloomberg

*In FY2016 in the Moolart Model and the Garden Well Model, we have adopted the price of US\$1,627 per ounce. Regis currently has a hedging contract in place that will be utilised when the gold price falls below US\$1,500 per ounce, which is forecast to be FY2016. Approximately 270,000 ounces have been hedged by Regis. The production in FY2016 for the Moolart Project and the Garden Well Project totals approximately 270,000 ounces which is why we have applied the hedged price to the Moolart and Garden Well Models only, in FY2016. The gold price in the Moolart Model and the Garden Well Model reverts to the pricing in the table above in FY2017 and beyond.

10.2.1. Valuation of the Moolart Well Project

DCF Valuation - Future cash flows

The Moolart Well Project model

We undertook the following analysis on the Moolart Model:

- Appointed Aurel as the technical expert to assess the reasonableness of the resources used in the preparation of the life of mine as well as expand the life of mine to include processing the inferred material that has a potential for conversion to reserves, at the end of the current mine life;
- Reviewed the production forecasts for the Moolart Well Project, including the grade and recovery assumptions;
- Conducted independent research on certain economic and other inputs such as commodity prices, foreign exchange rates, inflation and discount rate applicable to the future cash flows of the Moolart Well Project;

- Held discussions with Regis's management regarding the preparation of the forecasts in the Moolart Model and its views;
- Assessed the reasonableness of key assumptions and inputs to the Moolart Model by reference to past performance and costs; and
- Adjusted the Moolart Model to reflect any changes to the technical assumptions as a result of Aurel's review and any changes to the economic and other input assumptions from our research.

Mining physicals

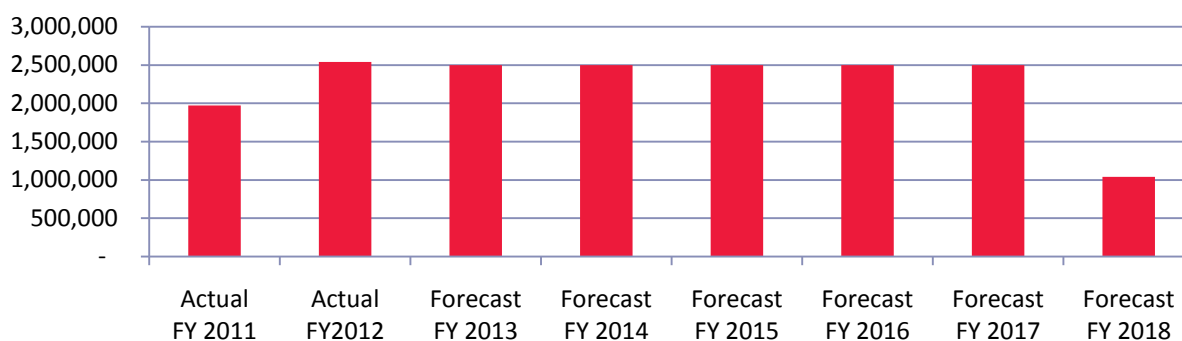
The Moolart Well Project has an estimated life of mine of six years. The Moolart Well Project has been producing for the past two financial years with the mine expected to produce until the end of financial year ("FY") 2016.

The life of mine has been extended by approximately two years based on Aurel's assessment of the inferred material that has a potential for conversion to reserves, at the end of the current mine life.

The graph below shows the actual tonnes of gold milled for FY2011 and FY2012, as well as the forecast tonnes of gold to be milled annually over the remaining life of mine. The tonnes to be milled in FY2017 and FY2018 includes the extension of the life of mine based on the inferred resource to reserve conversion.

We note that the forecasts for FY2013 to FY2015 are in line with the actual results for FY2012, with the estimated amount to be milled tapering off at the end of the mine's life.

Moolart Well - gold milled (tonnes)



Source: Moolart Model

Aurel provided us with the production schedule below which is based on the Moolart Model with adjustments made to the life of mine to incorporate the inferred resource to reserve conversion.

Moolart Well Project	Actual FY2011	Actual FY2012	Forecast FY2013	Forecast FY2014	Forecast FY2015	Forecast FY2016	Forecast FY2017	Forecast FY2018
Tonnes milled	1,972,179	2,541,158	2,496,600	2,496,600	2,496,600	2,496,600	2,496,600	1,040,000
Grade (gram/tonne)	1.39	1.39	1.42	1.42	1.43	1.50	1.63	1.63
Recovery (%)	91%	93%	92%	92%	92%	92%	92%	92%
Production (ounces)	80,577	105,472	105,174	105,053	105,472	110,769	120,370	50,142

Operating costs

Mining costs included in the Moolart Model consist of mining, milling, laboratory and administration costs.

We have reviewed the forecast operating costs per ounce in the Moolart Model, as shown below, and compared them to the actual operating costs per ounce.

Moolart Well Project	Actual FY2011	Actual FY2012	Forecast FY2013	Forecast FY2014	Forecast FY2015	Forecast FY2016	Forecast FY2017	Forecast FY2018
Operating costs (\$/ounce)	545	512	540	557	462	415	428	441

Regis advised us that the operating costs per ounce in FY2015 and FY2016 are lower than FY2011 – FY2014 due to significantly less waste material forecast to be moved and using less drill and blast as the Company will be mining softer material than in the prior years.

We note that the forecast operating costs per ounce in FY2013 and FY2014 are consistent with the historical cost per ounce and therefore we consider them to be reasonable forecasts. We have inflated the FY2016 operating costs at 3% per annum going forward to incorporate the costs over the two year extension of the life of mine.

Sustaining capital expenditure

The initial capital expenditure for the Moolart Well Project has already been incurred. The Moolart Model includes sustaining capital expenditure on an annual basis broken into four categories being; borefield/throughflow dam works, trails dam, rehabilitation and other maintenance.

The table below shows the annual actual and forecast sustaining capital expenditure over the life of mine:

Moolart Well Gold Mine	Actual FY2011	Actual FY2012	Forecast FY2013	Forecast FY2014	Forecast FY2015	Forecast FY2016	Forecast FY2017	Forecast FY2018
Borefield/ throughflow dam works	748,663	2,371,634	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Tails Dam	11,757	2,253,323	1,252,925	167,242	-	-	-	-
Rehabilitation	750	-	500,000	500,000	500,000	500,000	500,000	500,000
Other maintenance	579,050	2,183,665	500,000	500,000	500,000	500,000	500,000	500,000
Total sustaining capital expenditure	1,340,220	6,808,622	3,252,925	2,167,242	2,000,000	2,000,000	2,000,000	2,000,000

We have been advised by Regis that the sustaining capital expenditure in FY2012 includes greater expenses for the Borefield and Tails Dam due to expenditure that was necessary to get the Moolart Well Project into steady production. They have advised us that the same level of expenditure will not be required going forward.

Included in 'Other maintenance' in FY2012 is a one-off expense of \$1.4 million to bitumise the airstrip.

We consider the sustaining capital expenditure forecasts over the life of mine to be reasonable when taking into consideration the historical expenses and managements explanations regarding the increase in expenditure in FY2012.

We have assumed that the sustaining capital expenditure in FY2017 and FY2018 remains consistent with the two prior years.

Corporate Costs

For the year ended 30 June 2012, corporate costs for Regis totalled approximately \$6 million. We have allocated the corporate costs in the Moolart Model based on management's best estimate. Regis advised us that as at 30 June 2012, approximately 40% of the Company's corporate costs were attributable to the Moolart Well Project.

We have apportioned 40% of the corporate costs to the Moolart Model, being \$2.5 million annually before inflation.

DCF Valuation - sensitivities

The estimated value of the Moolart Project is derived under the DCF approach. Our valuation is most sensitive to changes in the forecast gold prices and exchange rate. We have therefore included an analysis to consider the value of the Moolart Project under various pricing scenarios and in applying:

- A change of +/- 10% to commodity prices
- A change of +/- 10% to exchange rate
- A discount rate in the range of 5% to 11%.

The following table sets out the valuation outcomes from our DCF analysis.

Sensitivity analysis		
Flex	NPV (\$m)	NPV (\$m)
	Commodity Price	Exchange rates
-10%	353.0	450.3
-8%	363.4	440.5
-6%	373.8	431.1
-4%	384.2	422.1
-2%	394.7	413.4
0%	405.1	405.1
2%	415.5	397.1
4%	425.9	389.4
6%	436.3	382.0
8%	446.7	374.9
10%	457.1	368.0

Source: BDO Analysis

Discount rate sensitivity							
Discount rate (%)	5.0%	6.0%	7.0%	8.0%	9.0%	10.0%	11.0%
NPV (\$m)	440.5	428.2	416.4	405.1	394.3	384.0	374.1

Source: BDO Analysis

Considering the valuation outcomes above, we estimate the fair market value of the Moolart Project to be in the range of \$370 million to \$430 million, with a preferred value of \$405 million.

	Low	Preferred	High
Summary of assessment - Moolart Well Project	\$ (millions)	\$ (millions)	\$ (millions)
DCF value of the Moolart Well Project	370.0	405.0	430.0

10.2.2. Valuation of the Garden Well Project

DCF Valuation - Future cash flows

The Garden Well Project model

We undertook the following analysis on the Garden Well Model:

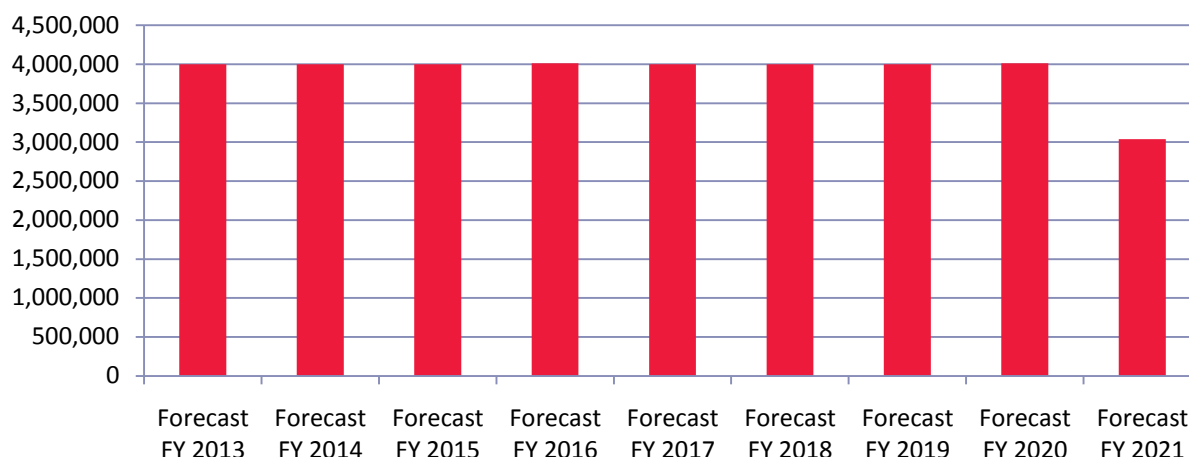
- Appointed Aurel as the technical expert to assess the reasonableness of the resources used in the preparation of the life of mine and value the exploration potential not included in the DCF;
- Reviewed the Garden Well Model to assess the reasonableness and provide sensitivities around the following inputs;
 - o Grade;
 - o Recovery;
 - o Basis operating expense per ounce; and
 - o Sustaining capital expenditure.
- Conducted independent research on certain economic and other inputs such as gold prices, foreign exchange rates, inflation and discount rate applicable to the future cash flows of the Garden Well Project;
- Held discussions with Regis's management regarding the preparation of the forecasts in the Garden Well Model and its views; and
- Adjusted the Garden Well Model to reflect any changes to the technical assumptions as a result of Aurel's review and any changes to the economic and other input assumptions from our research.

Mining physicals

The Garden Well Project has an estimated life of mine of nine years. The Garden Well Mine has been in production for nine months. On 6 September 2012, Regis announced the first gold pour and shipment from the Garden Well Mine.

The graph below shows the forecast tonnes of gold to be milled annually over the life of mine. We have assumed that the life of mine will not be extended as all the currently known resources have been included in the model. However we have been advised that the deposit remains open at depth and along strike which will enable further exploration.

Garden Well Gold Mine - gold milled (tonnes)



Source: Garden Well Model

The table below shows the forecast tonnes milled, grade and recovery assumptions in the Garden Well Model:

Garden Well Project	Forecast FY2013	Forecast FY2014	Forecast FY2015	Forecast FY2016	Forecast FY2017	Forecast FY2018	Forecast FY2019	Forecast FY2020	Forecast FY2021
Tonnes milled	4,000,079	4,000,079	4,000,079	4,011,038	4,000,079	4,000,079	4,000,079	4,011,038	3,038,281
Grade (grams/tonne)	2.02	1.49	1.65	1.31	1.28	1.29	1.34	1.36	1.42
Recovery (%)	95%	95%	95%	95%	95%	95%	95%	95%	95%
Production (ounce)	246,798	182,585	201,641	160,649	156,507	157,688	164,098	166,444	131,635

We note the following:

- The total tonnes milled over the life of mine is consistent with the DFS (“**June 2011 DFS**”) announced by the Company in June 2011, being approximately 35 million tonnes;
- The average grade over the life of mine is 1.46 grams per tonne which is consistent with the June 2011 DFS;
- The recovery rate of 95% is consistent with the June 2011 DFS. The recovery percentage is 3% higher than the Moolart Well Mine. Regis advised us that metallurgical testing at Garden Well indicated that on a coarse grind, recovery at the Garden Well Mine will be higher than the recovery at the Moolart Well Mine. We have provided a sensitivity analysis around the recovery rate.

Operating costs

Operating costs consist of mining, milling, laboratory and administration costs.

We have reviewed the forecast operating costs per ounce in the Garden Well Model as shown below:

Garden Well Project	Forecast FY2013	Forecast FY2014	Forecast FY2015	Forecast FY2016	Forecast FY2017	Forecast FY2018	Forecast FY2019	Forecast FY2020	Forecast FY2021
Operating cost (\$/ounce)	373	535	463	582	641	731	762	654	342

We have been advised by Regis that the operating costs in FY2013 are forecast to be lower than the following years due to the high grade ore that is to be processed. Regis advises that the fluctuations in costs are predominantly due to the variations in strip ratios. The strip ratios are expected to be higher in

FY2018 and FY2019. Mining rates increase the deeper Regis mine which is another reason for the costs increasing over the life of mine.

We note that the forecast operating costs are in line with, or higher than, the operating costs per ounce at the Moolart Well Project.

We consider the forecasts in the Garden Well Model to be reasonable given both the Garden Well Project and the Moolart Well Project are mining for gold on tenements that are within close proximity to each other and possess similar geological characteristics.

Sustaining capital expenditure

The initial capital expenditure for the Garden Well Gold Project has already been incurred. The Garden Well Model includes sustaining capital expenditure on an annual basis broken into four categories being; Borefield/throughflow dam works, Tails dam, rehabilitation and other maintenance.

The table below shows the forecast sustaining capital expenditure over the life of mine:

Garden Well Gold Mine	Forecast FY2013	Forecast FY2014	Forecast FY2015	Forecast FY2016	Forecast FY2017	Forecast FY2018	Forecast FY2019	Forecast FY2020	Forecast FY2021
Borefield/ throughflow dam works	1,000,020	1,000,020	1,000,020	1,002,759	1,000,020	1,002,759	1,000,020	1,002,759	759,570
Tails Dam	3,050,200	4,331,800	-	-	-	-	-	-	-
Rehabilitation	637,740	637,740	637,740	639,487	637,740	639,487	637,740	639,487	484,398
Other maintenance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total sustaining capital expenditure	5,687,960	6,969,560	2,637,760	2,642,246	2,637,760	2,642,246	2,637,760	2,642,246	2,243,968

We consider the forecast sustaining capital expenditure figures over the life of mine to be reasonable when compared to the sustaining capital expenditure for the Moolart Well Project.

In the first two years of production, the total expense is forecast to be \$5.7 million and \$6.9 million which are similar to the \$6.8 million spent on the Moolart Well Project in its second year of production.

The forecasts for FY2015 to FY2021 average \$2.6 million which is greater than the average expenditure on the Moolart Well Project of \$2.4 million, after the initial two years of production.

Corporate Costs

For the year ended 30 June 2012, corporate costs for Regis totalled approximately \$6 million. We have allocated the corporate costs in the Garden Well Model based on management's best estimate. Regis advised us that as at 30 June 2012, approximately 40% of the Company's corporate costs were attributable to the Garden Well Project.

We have apportioned 40% of the corporate costs to the Garden Well Model, being \$2.5 million annually before inflation.

DCF Valuation - sensitivities

The estimated value of the Garden Well Project is derived under the DCF approach. Our valuation is most sensitive to changes in the forecast gold prices, exchange rate, grade, recovery, operating expenses and sustaining capital expenditure. We have therefore included an analysis to consider the value of the Garden Well Project under various pricing scenarios and in applying:

- A change of +/- 10% to commodity prices
- A change of +/- 10% to exchange rate
- A change of +/- 10% to grade of the gold

- A change of +/- 10% to recovery percentage
- A change of +/- 10% to operating expense
- A change of +/- 10% to sustaining capital expenditure
- A discount rate in the range of 5% to 11%.

The following table sets out the valuation outcomes from our DCF analysis.

Sensitivity analysis						
Flex	NPV (\$m)	NPV (\$m)	NPV (\$m)	NPV (\$m)	NPV (\$m)	NPV (\$m)
	Commodity Price	Exchange rates	Grade	Recovery	Operating expense	Sustaining capital expenditure
-10%	686.9	840.8	729.4	N/A	851.9	811.0
-8%	711.4	833.9	745.4	N/A	843.4	810.7
-6%	735.9	827.4	761.4	N/A	834.9	810.3
-4%	760.4	821.1	777.4	775.7	826.4	810.0
-2%	784.9	815.1	793.4	792.5	817.9	809.7
0%	809.4	809.4	809.4	809.4	809.4	809.4
2%	833.9	803.8	825.4	826.2	800.9	809.1
4%	858.4	798.5	841.4	N/A	792.4	808.7
6%	882.8	793.4	857.4	N/A	783.9	808.4
8%	907.3	788.4	873.3	N/A	775.4	808.1
10%	931.8	783.7	889.3	N/A	766.9	807.8

Source: BDO Analysis

Discount rate sensitivity							
Discount rate (%)	5.0%	6.0%	7.0%	8.0%	9.0%	10.0%	11.0%
NPV (\$m)	900.1	867.9	837.8	809.4	782.6	757.4	733.6

Source: BDO Analysis

Considering the valuation outcomes above, we estimate the fair market value of the Garden Well Project, based on reserves only, to be in the range of \$740 million to \$880 million, with a preferred value of \$810 million.

	Low	Preferred	High
Summary of assessment - Garden Well Project	\$ (millions)	\$ (millions)	\$ (millions)
DCF value of the Garden Well Project	740.0	810.0	880.0

Exploration potential valuation

We have instructed Aurel to provide an independent valuation of the exploration potential at the Garden Well Project.

Aurel has valued the exploration potential by applying a dollar per ounce value based on a comparable transaction database, resulting in a preferred value of \$147.2 million.

	Low	Preferred	High
Aurel's independent valuation	\$ (millions)	\$ (millions)	\$ (millions)
Value of the exploration potential at the Garden Well Project	88.32	147.2	206.08

See Aurel's full report in appendix 4.

Valuation conclusion

	Low	Preferred	High
Summary of assessment - Garden Well Project	\$ (millions)	\$ (millions)	\$ (millions)
DCF value of the Garden Well Project	740.00	810.00	880.00
Value of the Garden Well Project's exploration potential	88.32	147.20	206.08
Total value of the Garden Well Project	828.32	957.20	1,086.08

We estimate the fair market value of the Garden Well Project to be in the range of \$828 million to \$1,086 million, with a preferred value of \$957 million.

10.2.3. Valuation of the Erlistoun Project

DCF Valuation - Future cash flows

The Erlistoun Project model

The Erlistoun Project is located 7 kilometres from the Garden Well Project. The Erlistoun Project has an announced proven reserve of 1.259 million tonnes at 2.34 grams/tonne for 203,000 ounces.

The Erlistoun Project has an estimated three year life of mine and the ore will be transferred to the Garden Well mill for processing. As a result of using the Garden Well mill, the Erlistoun Model has no forecast capital expenditure. Regis expect to start producing at the Erlistoun Project in FY2014.

DCF Valuation - sensitivities

The estimated value of the Erlistoun Project is derived under the DCF approach. Our valuation is most sensitive to changes in the forecast gold prices, exchange rate, grade, recovery and operating expenses. We have therefore included an analysis to consider the value of the Erlistoun Project under various pricing scenarios and in applying:

- A change of +/- 10% to commodity prices
- A change of +/- 10% to exchange rate
- A change of +/- 10% to grade of the gold
- A change of +/- 10% to recovery percentage
- A change of +/- 10% to operating expense

- A discount rate in the range of 5% to 11%.

The following table sets out the valuation outcomes from our DCF analysis.

Flex	Sensitivity analysis				
	NPV (\$m)	NPV (\$m)	NPV (\$m)	NPV (\$m)	NPV (\$m)
	Commodity Price	Exchange rates	Grade	Recovery	Operating expense
-10%	56.5	83.4	62.3	N/A	75.7
-8%	59.1	80.3	63.7	N/A	74.4
-6%	61.6	77.4	65.1	N/A	73.1
-4%	64.2	74.6	66.5	N/A	71.8
-2%	66.7	71.9	67.9	67.8	70.6
0%	69.3	69.3	69.3	69.3	69.3
2%	71.8	66.8	70.7	70.7	68.0
4%	74.4	64.4	72.0	72.2	66.7
6%	76.9	62.1	73.4	N/A	65.4
8%	79.5	59.8	74.8	N/A	64.1
10%	82.0	57.7	76.2	N/A	62.9

Source: BDO Analysis

Discount rate sensitivity							
rate (%)	5.0%	6.0%	7.0%	8.0%	9.0%	10.0%	11.0%
NPV (\$m)	75.2	73.2	71.2	69.3	67.4	65.7	64.0

Source: BDO Analysis

Considering the valuation outcomes above, we estimate the fair market value of the Erlistoun Project, to be in the range of \$65 million to \$75 million, with a preferred value of \$70 million.

	Low	Preferred	High
Summary of assessment - Erlistoun Project	\$ (millions)	\$ (millions)	\$ (millions)
DCF value of Erlistoun Project	65.0	70.0	75.0

10.2.4. Valuation of the Rosemont Project

DCF Valuation - Future cash flows

The Rosemont Project model

Regis has prepared the Rosemont Model based on their most current JORC compliant reserve statement.

Regis expects to start production on the Rosemont Project in FY2014. The Rosemont Project is estimated to have a life of mine of six years.

Ore from Rosemont will be milled at the Rosemont mine site and then the ore slurry will be piped to tanks at Garden Well.

The total cost of the Rosemont mill is \$40m which is included in the Rosemont Model in FY2013.

DCF Valuation - sensitivities

The estimated value of the Rosemont Project is derived under the DCF approach. Our valuation is most sensitive to changes in the forecast gold prices, exchange rate, grade, recovery, operating expenses and sustaining capital expenditure. We have therefore included an analysis to consider the value of the Rosemont Project under various pricing scenarios and in applying:

- A change of +/- 10% to commodity prices
- A change of +/- 10% to exchange rate
- A change of +/- 10% to grade of the gold
- A change of +/- 10% to recovery percentage
- A change of +/- 10% to operating expense (including sustaining capital expenditure)
- A discount rate in the range of 5% to 11%.

The following table sets out the valuation outcomes from our DCF analysis.

Flex	Sensitivity analysis				
	NPV (\$m)	NPV (\$m)	NPV (\$m)	NPV (\$m)	NPV (\$m)
	Commodity Price	Exchange rates	Grade	Recovery	Operating expense
-10%	134.9	207.7	149.5	N/A	185.7
-8%	141.8	199.3	153.4	N/A	182.4
-6%	148.7	191.4	157.4	N/A	179.2
-4%	155.6	183.7	161.4	161.0	175.9
-2%	162.5	176.4	165.4	165.2	172.6
0%	169.4	169.4	169.4	169.4	169.4
2%	176.3	162.6	173.3	173.5	166.1
4%	183.1	156.1	177.3	N/A	162.8
6%	190.0	149.8	181.3	N/A	159.6
8%	196.9	143.8	185.3	N/A	156.3
10%	203.8	138.0	189.3	N/A	153.0

Source: BDO Analysis

Discount rate sensitivity							
Discount rate (%)	5.0%	6.0%	7.0%	8.0%	9.0%	10.0%	11.0%
NPV (\$m)	193.9	185.2	177.1	169.4	162.0	155.1	148.6

Source: BDO Analysis

Considering the valuation outcomes above, we estimate the fair market value of the Rosemont Project, based on reserves only, to be in the range of \$150 million to \$190 million, with a preferred value of \$170 million.

	Low	Preferred	High
Summary of assessment - Rosemont Project	\$ (millions)	\$ (millions)	\$ (millions)
DCF value of the Rosemont Project	150.00	170.00	190.00

Exploration potential valuation

We have instructed Aurel to provide an independent valuation of the exploration potential at the Rosemont Project.

Aurel has valued the exploration potential by applying a dollar per ounce value based on a comparable transaction database, resulting in a preferred value of \$36.37 million.

	Low	Preferred	High
Aurel's independent valuation	\$ (millions)	\$ (millions)	\$ (millions)
Value of the Rosemont's North lode exploration potential	28.86	36.37	40.13

See Aurel's full report in appendix 4.

Valuation conclusion

	Low	Preferred	High
Summary of assessment - Rosemont Project	\$ (millions)	\$ (millions)	\$ (millions)
DCF value of the Rosemont Project	150.00	170.00	190.00
Value of the Rosemont's North lode exploration potential	28.86	36.37	40.13
Total value of the Rosemont Project	178.86	206.37	230.13

We estimate the fair market value of the Rosemont Project to be in the range of \$178.86 million to \$230.13 million, with a preferred value of \$206.37 million.

10.2.5. Other Exploration Assets

Regis's other exploration assets are not considered to have a material value. We therefore have not included them in our sum-of-parts valuation.

10.2.6. NAV multiple

The value per share of gold mining companies is often lower than the value of the trading price per share when valued using the DCF valuation methodology.

It is common practice to apply a NAV multiple to the DCF value to arrive at the value of a company.

Possible reasons for a difference between the DCF value per share and the traded price are:

- The potential upside at existing operating or development sites that would allow for an extension of the life of mine and higher volumes, outside of the announced reserve and resource;
- The potential for actual gold prices exceeding the long-term forecast prices used in the DCF valuations;
- Gold being perceived as a safe asset investment; and
- The value attributable to the strong management of a company.

We have analysed a number of broker reports reporting on ASX listed gold companies with their main operations in Australia. The broker reports indicated that NAV multiples range between 0.85 and 1.53.

In determining an appropriate NAV multiple to apply to Regis, we have had regard to:

- Regis' low volatility and stable history as a producing gold company;
- Regis' low risk profile. Regis currently has only 2% of debt and going forward will be funded via cashflows from operations; and
- Regis has a strong and stable management team.

Based on the results of our analysis, we consider a NAV multiple of 1.4 to be appropriate for valuing Regis.

Regis Resources Limited	Low	Preferred	High
Summary of assessment	\$ (millions)	\$ (millions)	\$ (millions)
DCF value of the Moolart Well Project	370.00	405.00	430.00
DCF value of the Garden Well Project	740.00	810.00	880.00
Value of the Garden Well Project's exploration potential	88.32	147.20	206.08
DCF value of the Erlistoun Project	65.00	70.00	75.00
DCF value of the Rosemont Project	150.00	170.00	190.00
Value of the Rosemont Northern lode exploration potential	28.86	36.37	40.13
Value of mineral assets	1,442.18	1,638.57	1,821.21
NAV multiple	1.40	1.40	1.40
Total value of Regis's mineral assets	2,019.05	2,294.00	2,549.69

10.2.7. Other Assets and Liabilities

Other assets and liabilities represent the assets and liabilities which have not been specifically adjusted. From review of these other assets and liabilities, outlined in the table below, we do not believe that there is a material difference between their book value and their market value. The table below represents a summary of the assets and liabilities identified:

Regis Resources Limited - Statement of Financial Position		Audited as at 30-Jun-12	Value of other assets & liabilities as at
	Note	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents		1,353	1,353
Gold bullion awaiting settlement		8,313	8,313
Trade and other receivables		2,686	2,686
Inventory		4,016	4,016
Financial assets held to maturity		10	10
Other current assets		387	387
TOTAL CURRENT ASSETS		16,765	16,765
NON-CURRENT ASSETS			
Deferred mining costs	(a)	10,555	-
Plant and equipment	(b)	55,487	1,461
Exploration and evaluation expenditure	(a)	29,293	-
Mine properties under development	(a)	167,919	-
Mine properties	(a)	38,461	-
TOTAL NON-CURRENT ASSETS		301,715	1,461
TOTAL ASSETS		318,480	18,226
CURRENT LIABILITIES			
Trade and other payables		28,276	28,276
Interest bearing liabilities		4,883	4,883
Provisions	(c)	684	-
TOTAL CURRENT LIABILITIES		33,843	33,159
NON-CURRENT LIABILITIES			
Interest bearing liabilities		25,194	25,194
Deferred tax liability	(d)	6,510	-
Provisions	(c)	14,999	131
TOTAL NON-CURRENT LIABILITIES		46,703	25,325
TOTAL LIABILITIES		80,546	58,484
NET ASSETS		237,934	(40,258)

Note:

- (a) The value of Regis's exploration, evaluation and development expenditure has been reflected through our valuations of the Company's Projects under sections 10.2.1 and 10.2.2 and has been excluded in the valuation of other assets and liabilities.
- (b) Plant and equipment relating to the Moolart Well Project has been excluded from the other assets and liabilities as it forms an integral part of the Moolart Well Project. The plant and equipment remaining

in the other assets balance relate to leasehold improvements, furniture and equipment and capital work in progress.

- (c) The provisions relating to rehabilitation have been excluded from the other assets and liabilities as it has been included in our valuations of the Company's projects.
- (d) We have excluded the deferred tax liability as the liability has been incorporated in the DCF models.

10.2.8. Shares on Issue

In determining a valuation per share for Regis, we applied the number of Regis shares on issue at the date of this report, being 454,111,268.

10.2.9. Sum-of-parts valuation for Regis Resources

Regis Resources Limited	Low	Preferred	High
Summary of assessment	\$ (millions)	\$ (millions)	\$ (millions)
DCF value of the Moolart Well Project	370.00	405.00	430.00
DCF value of the Garden Well Project	740.00	810.00	880.00
Value of the Garden Well Project's exploration potential	88.32	147.20	206.08
DCF value of the Eristoun Project	65.00	70.00	75.00
DCF value of the Rosemont Project	150.00	170.00	190.00
Value of the Rosemont Northern lode exploration potential	28.86	36.37	40.13
Value of mineral assets	1,442.18	1,638.57	1,821.21
NAV multiple	1.40	1.40	1.40
Total value of Regis's mineral assets	2,019.05	2,294.00	2,549.69
Other assets	18.23	18.23	18.23
Other liabilities	(58.48)	(58.48)	(58.48)
Value of Regis	1,978.79	2,253.74	2,509.44
Number of Regis shares on issue	454,111,268	454,111,268	454,111,268
Value of a Regis share on a control basis	4.36	4.96	5.53

Minority discount

The value of a Regis share derived under the sum-of-parts method is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of that company. However, if the Transaction is approved Newmont Exploration and Alkane will become minority holders in Regis, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations and value of that company.

In order to provide a comparison to our value of a Regis share determined under the QMP method, which reflects a minority basis, to our value of a Regis share under the sum-of-parts method, we must adjust our sum-of-parts value to reflect a minority interest. Therefore, we have adjusted our valuation of a Regis share to reflect a minority interest holding as shown below:

We have applied a minority discount of between 20% and 26%. This range has been determined as the inverse of a control premium as calculated in our control premium study below.

Our control premium study is based on observed premiums paid by acquirers of gold mining companies listed on the ASX since 2006. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (A\$m)	Average Control Premium
2012	1	-	-
2011	11	56.45	52.31
2010	19	933.80	60.30
2009	17	259.82	20.52
2008	13	153.19	28.54
2007	15	169.29	24.74
2006	15	64.39	10.37
Median		161.24	26.64
Mean		272.82	32.80

Source: Bloomberg & BDO analysis

Based on the results above, we consider the long term control premium paid for gold mining companies is in the order of 25% to 35%. Therefore, the minority discount is calculated to be between 20% and 26%, being the inverse of a control premium.

	Low	Preferred	High
Minority interest value of a Regis share	\$	\$	\$
Value of a Regis share on a control basis	4.36	4.96	5.53
Minority discount	26.0%	23.0%	20.0%
Value of a Regis share on a minority interest basis	3.22	3.82	4.42

We consider the value of a Regis share using the sum-of-parts method and on a minority interest basis to be between \$3.22 and \$4.42 with a preferred value of \$3.82.

10.3. Assessment of Regis's value

The results of the valuations performed are summarised in the table below:

	Low	Preferred	High
	\$	\$	\$
QMP method (section 10.1)	4.20	4.38	4.55
Sum-of- parts method (minority interest) (section 10.2)	3.22	3.82	4.42

We consider the quoted market price of Regis to be the most reliable measure to value a Regis share due to the shares being highly liquid, consistently trading large volumes of shares and a low volatility.

Based on the results above we consider the value of a Regis share to be between \$4.20 and \$4.55, with a preferred value of \$4.38.

11. Valuation of the consideration

The consideration payable to Newmont Exploration and Alkane will be satisfied by the issue of 35,714,286 Regis shares based on \$150 million at an issue price of \$4.20 per share, being the 45 trading day VWAP of Regis shares ended on the date of the letter of agreement, 8 August 2012.

For the purpose of our assessment of the value of the consideration, we have used the value of a Regis share derived in section 10.3.

	Low	Preferred	High
	\$	\$	\$
Value of a Regis share (section 10.3)	4.20	4.38	4.55
Value of the consideration: 35,714,286 Regis shares	150,000,001	156,428,573	162,500,001

12. Valuation of the McPhillamys Project

We have instructed Aurel Consulting to prepare an independent market valuation of the McPhillamys Project being acquired by Regis.

Aurel has applied the comparable transaction methodology in its valuation of the McPhillamys Project which we consider to be appropriate and in accordance with the Valmin Code. Aurel's full valuation report can be found at Appendix 4.

Aurel valued the McPhillamys Project to be between \$150.8 million and \$175.9 million with a preferred value of \$167.6 million, as shown in the table below:

	Low	Preferred	High
	\$ (million)	\$ (million)	\$ (million)
McPhillamys Gold Project			
McPhillamys Resource	149.9	166.4	174.4
McPhillamys Exploration	0.9	1.2	1.5
Total value of the McPhillamys Gold Project	150.8	167.6	175.9

13. Is the Transaction fair?

The comparison between the value of the consideration offered by Regis and the value of the McPhillamys Project is shown below:

	Ref	Low \$ (million)	Preferred \$ (million)	High \$ (million)
Value of Regis shares offered as consideration	Section 11	150.0	156.4	162.5
Value of the McPhillamys Gold Project	Section 12	150.8	167.6	175.9

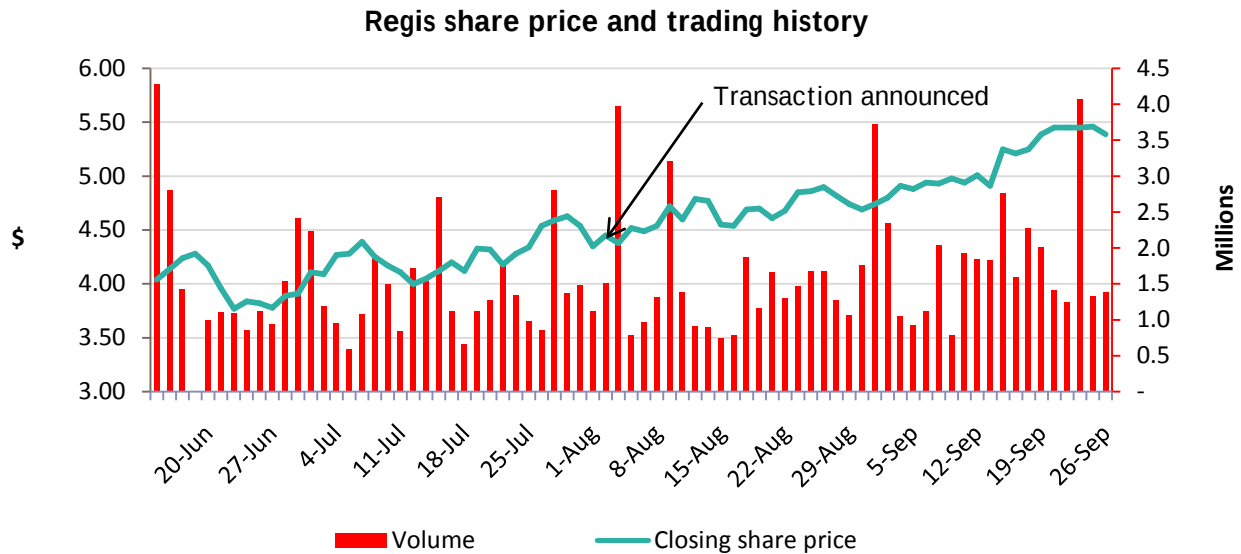
We note from the table above that the preferred value of the consideration offered by Regis is less than the preferred value of the McPhillamys Project. Therefore, we consider that the Transaction is fair for Shareholders.

14. Is the Transaction reasonable?

14.1 Consequences of not approving the Transaction

Potential decline in share price

We have analysed movements in Regis's share price since the Transaction was announced. A graph of Regis's share price since the announcement is set out below.



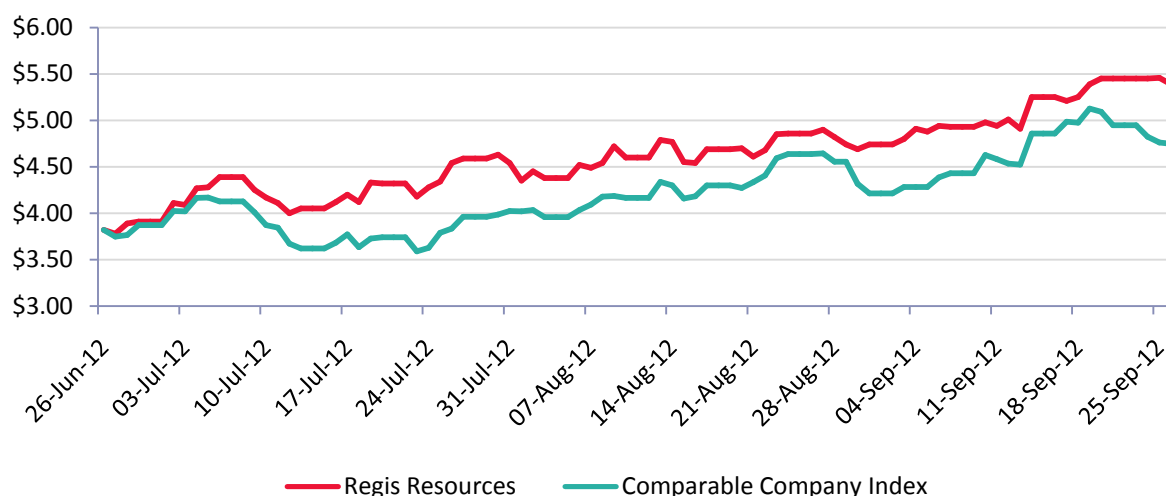
Source: Bloomberg

On the day following the announcement of the Transaction, Regis' share price closed 4% higher. Since the announcement, Regis' share price has continued to rise and on 26 September 2012 closed at a price of \$5.39.

We have analysed Regis's share price over a three month period to 26 September 2012 compared to an index comprised of the following comparable gold companies; St Barbara Limited, Alacer Gold Corporation, Medusa Mining Limited, Newcrest Mining Limited, Silver Lake Resources Limited and Perseus Mining Limited.

The graph below shows that the trend of the comparable companies' index has been an upward trend over the past two month period to 26 September 2012. This analysis suggests that the total increase in the Regis share price since the date of the announcement on 9 August 2012 may not be wholly attributable to the announcement itself.

Regis vs Comparable Company Index



Given the above analysis, it is possible that if the Transaction is not approved, then Regis' share price may decline but not necessarily to pre-announcement levels.

14.2 Advantages of approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

Advantage	Description
The Transaction is fair	As set out in section 13 the Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
No reduction in cash	Regis is issuing shares as consideration for the McPhillamys Project meaning that the Company will acquire the project whilst retaining its cash to use for other purposes such as investing in projects. During the June quarter, the Company undertook significant exploration activities on various projects within the Duketon Gold Project including the southern area of Garden Well and the northern area of Rosemont.
The McPhillamys Project strengthens Regis' long term growth pipeline	Regis' development plans for the McPhillamys Project are to commence a drilling programme that is expected to take at least 12 months. Regis also plans to undertake studies aimed at completing a DFS which is expected to take approximately 24 months. The Moolart Well Project has a remaining life of mine of 4 years. If Regis progress to development of the McPhillamys Project, it will strengthen its long term position post mining at the Moolart Well Project.

14.3 Disadvantages of approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Dilution of existing Shareholders interest	Existing Shareholders interest will be diluted upon the issue of approximately 35.7 million shares as consideration for McPhillamys Project. 35.7 million shares represents 7.88% of the current issued capital.

15. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of Regis.

16. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Regis Resources Ltd for the years ended 30 June 2012 and 30 June 2011;
- Draft Share and Asset Sale Agreement between Newmont Exploration Pty Ltd, Alkane Resources Ltd, LFB Resources NL and Regis resources Ltd;
- Independent Valuation Report of Regis's other mineral assets and the McPhillamys Project dated September 2012 performed by Aurel Consulting;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Regis.

17. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$65,000 (excluding GST and reimbursement of out of pocket expenses). Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Regis in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Regis, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Regis and any of their respective associates with reference to ASIC Regulatory Guide 112 "Independence of Experts". In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Regis and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Regis, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Regis and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

18. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 200 public company independent expert's reports under the Corporations Act or ASX Listing Rules. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia..

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 14 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

19. Disclaimers and consents

This report has been prepared at the request of Regis for inclusion in the Explanatory Memorandum which will be sent to all Regis Shareholders. Regis engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether the issue of approximately 35.7 million shares in Regis as consideration for the acquisition of the McPhillamys Project is fair and reasonable for Shareholders.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference

thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

BDO Corporate Finance (WA) Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit or review of Regis in accordance with standards issued by the Auditing and Assurance Standards Board. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the McPhillamys Project. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by Regis and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. BDO Corporate Finance (WA) Pty Ltd disclaims any possible liability in respect of these forecasts. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Regis, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Regis and the McPhillamys Project.

The valuer engaged for the mineral asset valuation, Aurel Consulting, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.



Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrawes'.

Sherif Andrawes

Director

A handwritten signature in black ink, appearing to read 'Adam Myers'.

Adam Myers

Director

APPENDIX 1 - GLOSSARY OF TERMS

Reference	Definition
The Act	The Corporations Act
Alkane	Alkane Resources Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Au	Gold
AUD	Australian dollars
Aurel	Aurel Consulting
BDO	BDO Corporate Finance (WA) Pty Ltd
The Company	Regis Resources Limited
DCF	Discounted Future Cash Flows
DFS	Definitive feasibility study
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
FY	Financial year
JORC	Joint Ore Reserves Committee
Km	Kilometre
McPhillamys Project	McPhillamys Gold Project
NAV	Net Asset Value
Newmont Exploration	Newmont Exploration Pty Ltd, a subsidiary of Newmont Mining
Newmont Mining	Newmont Mining Corporation
Oz	Ounce
QMP	Quoted market price



Regis	Regis Resources Limited
Our Report	This Independent Expert's Report prepared by BDO
RG111	Content of expert reports (March 2011)
RG112	Independence of experts (March 2011)
Shareholders	Shareholders of Regis
The Transaction	The proposal to issue 35,714,286 Regis shares as consideration for the McPhillamys Gold Project.
USD	American dollars
VALMIN	Code for the technical assessment and valuation of mineral and petroleum assets and securities for independent expert reports
VWAP	Volume Weighted Average Price

APPENDIX 2 - VALUATION METHODOLOGIES

Methodologies commonly used for valuing assets and businesses are as follows:

1 **Net asset value (“NAV”)**

Asset based methods estimate the market value of an entity’s securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity’s valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity’s value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity’s assets are liquid or for asset holding companies.

2 **Quoted Market Price Basis (“QMP”)**

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

3 **Capitalisation of future maintainable earnings (“FME”)**

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("**EBIT**") or earnings before interest, tax, depreciation and amortisation ("**EBITDA**"). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ("DCF")

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

APPENDIX 3 - DISCOUNT RATE CALCULATION

Determining the correct discount rate, or cost of capital, for a business requires the identification and consideration of a number of factors that affect the returns and risks of a business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model (“**CAPM**”) is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business’ weighted average cost of capital (“**WACC**”) the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM

$$K_e = R_f + \beta \times (R_m - R_f)$$

Where:

K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
β	= equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

The risk free rate is normally approximated by reference to a long term government bond with a maturity equivalent to the timeframe over which the returns from the assets are expected to be received. Having regard to the period of the operations we have used the current yield to maturity on the 5 year Commonwealth Government Bond which was 2.49% per annum as at 5 September 2012.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice.

We have noted that the current market risk premium is 8%. This has been sourced from Bloomberg. The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate is dependent on the ten year government bond rates. For the purpose of our report we have adopted a market risk premium of 6 to 8 percent.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market as a whole. A beta greater than one implies that an investment's return will outperform the market's average return in a rising market and underperform the market's average return in a falling market. On the other hand, a beta less than one implies that the business' performance compared to that of a business whose beta is greater than one will provide an inverse relationship in terms of the market's average return.

Equity betas are normally either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and hence derived from the historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors which make the operating risk of the investment project greater or less risky than comparable listed companies when assessing the equity beta for an investment project.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. Thus, a more valid analysis of betas can be achieved by "ungearing" the equity beta (B_a) by applying the following formula:

$$B_a = B / (1 + (D/E \times (1-t)))$$

In order to assess the appropriate equity beta for the Projects we have taken two steps:

- a) We have had regard to the equity beta of Regis. The geared beta below has been calculated using weekly data over a two-year period.

Company	Market Capitalisation (\$)	Geared Beta (B)	Gross Debt/Equity (%)	Ung geared Beta (B_a)
Regis Resources Ltd	2,221,672,607	1.02	16%	0.92

- b) We have had regard to the equity betas of listed companies involved in similar activities in similar industry sectors. The geared betas below have been calculated using weekly data over a two-year period.

Company	Market Capitalisation (\$)	Geared Beta (B)	Gross Debt/Equity (%)	Ung geared Beta (B_a)
Newcrest Mining Ltd	19,584,000,000	1.02	16%	0.92
St Barbara Limited	529,131,226	0.94	1%	0.94
Saracen Mineral Holdings Ltd	246,848,480	1.25	1%	1.24
Tanami Gold Ltd	229,796,753	0.96	28%	0.80

Ramelius Resources Ltd	131,286,453	1.05	2%	1.04
Rand Mining Ltd	22,207,043	1.16	6%	1.11
Mean	3,457,211,659	1.06	8.9%	1.01
Median	238,322,617	1.04	4.3%	0.99
Weighted Average				0.92

Selected Beta (B)

In selecting an appropriate Beta for the Project, we have considered the similarities between the Project and the comparable companies selected above. The comparable similarities and differences noted are:

- the comparable companies' mining and exploration assets have varying risk profiles depending on the maturity of the assets and the stages and location of production;
- several companies having been producing for a considerable time period;
- several comparable companies are still in the prefeasibility and evaluation stage; and
- several companies above have been the subject of significant corporation actions.

Having regard to the above we consider that an appropriate ungeared beta to apply to the Projects is between 0.90 and 0.95. Regis has started production at its Garden Well Project. This means that Regis has two mines that are producing. We consider it reasonable that a forward looking ungeared beta for Regis will reflect that of the Company's peers.

We understand that the current capital structure of Regis reflects approximately 2% debt and 98% equity. We consider it reasonable to assume that the shareholders of Regis determine their required rate of return, for a particular Company project, by viewing the risks associated with the Company's portfolio of assets as a whole. The Company advised us that they expect to have minimal or no debt on the balance sheet going forward now that Regis has two producing mines. Therefore we have regear the project beta to 0.90 to 0.95.

Cost of Equity

On this basis we have assessed the cost of equity to be:

Input	Value Adopted	
	Low	High
Risk free rate of return	2.49%	2.49%
Equity market risk premium	6.00%	8.00%
Beta (geared)	0.90	0.95
Cost of Equity	7.89%	10.09%

Weighted Average Cost of Capital

The WACC represents the market return required on the total assets of the undertaking by debt and equity providers. WACC is used to assess the appropriate commercial rate of return on the capital invested in the business, acknowledging that normally funds invested consist of a mixture of debt and equity funds.

Accordingly, the discount rate should reflect the proportionate levels of debt and equity relative to the level of security and risk attributable to the investment.

In calculating WACC there are a number of different formulae which are based on the definition of cash flows (i.e., pre-tax or post-tax), the treatment of the tax benefit arising through the deductibility of interest expenses (included in either the cash flow or discount rate), and the manner and extent to which they adjust for the effects of dividend imputation. The commonly used WACC formula is the post-tax WACC, without adjustment for dividend imputation, which is detailed in the below table.

CAPM

$$\text{WACC} = \frac{E}{E+D} K_e + \frac{D}{E+D} K_d (1 - t)$$

Where:

- K_e = expected return or discount rate on equity
- K_d = interest rate on debt (pre-tax)
- T = corporate tax rate
- E = market value of equity
- D = market value of debt
- $(1 - t)$ = tax adjustment

Gearing

Before WACC can be determined, the proportion of funding provided by debt and equity (i.e., gearing ratio) must be determined. The gearing ratio adopted should represent the level of debt that the asset can reasonably sustain (i.e., the higher the expected volatility of cash flows, the lower the debt levels which can be supported). The optimum level of gearing will differentiate between assets and will include:

- the variability in earnings streams;
- working capital requirements;
- the level of investment in tangible assets; and
- the nature and risk profile of the tangible assets.

As described earlier, we understand the capital structure of Regis to be made up of approximately 2% debt and 98% equity. We have been informed by the Company that the current cost of debt for Regis is 7.04%.

Calculation of WACC

Based on the above inputs we have calculated the WACC to be between 8.00% and 10.50%.

WACC	Value Adopted	
	Low	High
Cost of equity, K_e	7.89%	10.09%
Cost of debt, K_d	7.04%	7.04%
Proportion of equity $((E/(E+D))$	98%	98%
Proportion of debt $((D/(E+D))$	2%	2%
Weighted average cost of capital	7.83%	9.99%

Company Name	Description
Newcrest Mining Ltd	Newcrest Mining Limited is a gold mining, exploration and production company. The Company's exploration projects include Telfer and Boddington which are located in Western Australia. The Company also is developing and exploring at the Cadia Hill and Ridgeway projects in New South Wales and the Gosowong project in Indonesia.
St Barbara Limited	St. Barbara Limited is a gold exploration and production company. The Company's exploration projects include its Southern Cross and Leonora Operations which are located in Western Australia.
Saracen Mineral Holdings Ltd	Saracen Mineral Holdings Ltd. explores for and produces gold. The Company produces gold from its Carosue Dam mine located northeast of Kalgoorlie, Western Australia.
Tanami Gold NL	Tanami Gold NL acquires, explores for and produces gold in central Western Australia and the Northern Territory. The Company's prospects include Highland Rocks, the West Australian Joint Venture and Harts Range.
Ramelius Resources Ltd	Ramelius Resources Limited is a gold exploration and production company with exploration activities focused in Western Australia. The Company also explores for base metals.
Rand Mining Ltd	Rand Mining Ltd. explores for and produces gold through its exploration projects in Western Australia.



APPENDIX 4 - INDEPENDENT VALUATION REPORT PREPARED BY AUREL CONSULTING

Valuation: McPhillamys, NSW and material exploration and resource assets of Regis Resources

Report Prepared for

BDO Corporate Finance



Report Prepared by

Aurel Consulting

Aurel Consulting

Project ID: Regis201201

September 2012

Valuation: McPhillamys, NSW and material exploration and resource assets of Regis Resources

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September 2012

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Peter Williams; Brett Gossage

Executive Summary

BDO Corporate Finance Pty Ltd (BDO) has been engaged by Regis Resources Ltd (RRL) to prepare an Independent Expert's Report ("BDO Report") in relation to the proposed acquisition of the McPhillamys Gold Project from Newmont Mining Corporation and Alkane Resources Ltd ("Acquisition"). The BDO Report will provide an opinion to Regis shareholders and as such it will be a public document.

BDO has in turn asked Aurel Consulting (Aurel) to provide:

- An independent market valuation of the McPhillamys Gold Project which is to be acquired by Regis under the Acquisition,
- An independent market valuation of the other exploration and evaluation assets held by RRL, exclusive of the Moolart Well Gold Mine, the Garden Well Gold Project and other Ore Reserves which will be valued independently, though should include all other material exploration and evaluation assets held by Regis,
- An assessment on the reasonableness of the resources used in the preparation of the financial models used to value the Moolart Well Gold Mine, the Garden Well Gold Mine, the Rosemont Gold Project and the Erlistoun Gold Project
- An assessment of the potential conversion of identified resources at Moolart Well, not in the life of mine plan, to future reserves.

This report (the Aurel report) contains Aurel's opinion on the current market value of the material assets, as outlined above. The report has been prepared to the standard of the Valmin Code, which is binding on authors of technical valuation reports who are members of the Australian Institute of Mining and Metallurgy (AusIMM). This valuation has been undertaken over a three week period from August to September 2012. The valuation date is the 9th of August 2012.

Valuation Results

The *McPhillamys Gold Project* has been valued as an advanced exploration project with a significant additional exploration tenement package which has been valued as a greenfields exploration package. The methods used to determine a market value for McPhillamys was comparable market transactions for mid-sized gold projects (>\$50M and less than \$500M), and a review of exploration transactions on similar gold and gold – copper projects in Australia.

The *RRL exploration and evaluation assets* fall into five parts as outlined below:

- Advanced exploration assets and Inferred Resources not in the mine plans adjacent to Moolart Well, Garden Well and Rosemont
- Satellite resources to the Moolart Well and Garden Well deposits
- The Duketon Central Project comprising exploration tenements in the western section of the Duketon Greenstone Belt
- The Moolart Well project, comprising all tenements held in the Eastern Duketon Belt and Erlistoun greenstone belts, but excluding mining leases at Moolart Well and Garden Well.
- The Collurabbie project area located north of the Duketon Belt, prospective for nickel and to a lesser extent gold, including the Collurabbie prospect.

Of these assets, Aurel has been advised by BDO that the latter three exploration project areas and the satellite resources do not have a material value relative the mining and near-mine assets, and are therefore not reported further in this report.

Valuation methods:

Aurel has used other transactions that have occurred over the last two years as the basis for determining a market value for the resources held by RRL.

The McPhillamys exploration valuation was undertaken using two methods:

- The comparable transaction method, utilising recent joint venture arrangements to determine a market value for the projects on a \$/area basis.
- The multiple of exploration expenditure method, where an assessment of the value generated (or destroyed) by past exploration is applied to the total exploration expenditure over recent years.

These latter methods were also used by Aurel to assess the RRL exploration packages. The RRL near mine exploration areas were valued using the comparable transactions technique, with ranges determined by the assessment of the exploration targets in both areas.

Recommendations

The market value of the McPhillamys gold deposit in central western NSW lies between \$150.8 M and \$175.9 M.

Table ES-1: Summary Valuation of the McPhillamys Project, NSW

	Low (A\$M)	Preferred (A\$M)	High (A\$M)
McPhillamys Resource	149.9	166.4	174.4
McPhillamys Exploration	0.90	1.20	1.50
Sub-Total	150.8	167.6	175.9

The market value estimates for RRL's material exploration and evaluation assets are summarised in Table 7-2 below.

Table ES-2: Summary Valuation of the RRL Material Exploration assets

Exploration Projects	Low (A\$M)	Preferred (A\$M)	High (A\$M)
Rosemont North Lode	28.86	36.37	40.13
Garden Well Southern extension	88.32	147.2	206.08
Sub-Total	117.18	183.57	246.21

Table of Contents

Executive Summary	ii
Disclaimer.....	vii
1 Introduction and Scope of Report.....	1
1.1 Standard of the Report.....	1
1.2 Work programme	1
1.3 Statement of Independence	1
1.4 Representation.....	2
1.5 Indemnities.....	2
1.6 Consents	2
2 Location and Access.....	3
2.1 RRL tenements	3
2.2 McPhillamys Tenements.....	3
3 McPhillamys.....	5
3.1 Geology of McPhillamys Area	5
3.2 Geological Model	9
3.3 McPhillamys Resources.....	9
3.3.1 Drilling.....	10
3.3.2 QA/QC and data verification.....	11
3.3.3 Estimation methodology	11
3.3.4 Resource Classification.....	12
3.3.5 Density.....	12
3.3.6 Summary Comments.....	12
4 RRL Resources and near mine exploration	14
4.1 Garden Well	14
4.1.1 Mineral Resources	14
4.1.2 Garden Well Exploration Potential	15
4.2 Moolart Well	16
4.2.1 Mineral Resource	16
4.2.2 Moolart Well Inferred Resources and near mine Exploration potential.....	17
4.3 Erlistoun	20
4.4 Rosemont.....	21
4.5 Satellite Resources	23
5 McPhillamys Valuation.....	25
5.1 McPhillamys Deposit.....	25
5.1.1 Comparable Transactions	25
5.2 Valuation model	26
5.3 Exploration Assets	27

5.3.1	Comparable Transactions	27
5.3.2	Valuation Model.....	30
6	RRL Near-mine exploration valuation.....	31
6.1	Methodology.....	31
6.2	Rosemont Northern lode	31
6.3	Garden Well Exploration Potential	32
6.4	Moolart Well Inferred Resources not in the mine plan	32
7	Conclusions and Recommendations.....	33
8	References reviewed.....	34

List of Tables

Table ES-1: Summary Valuation of the McPhillamys Project, NSW	iii
Table ES-2: Summary Valuation of the RRL Material Exploration assets	iii
Table 2-1: Tenement details, McPhillamys project.....	4
Table 3-1: The Regis announcement in relation to the acquisition of McPhillamys	10
Table 3-2: Identified Mineral Resources at McPhillamys as at 5 July 2010	13
Table 4-1: Garden Well Project Mineral Resource Report	15
Table 4-2: Moolart Well Project, Mineral Resource by Resource Category and material type (current 31 July 2012)	18
Table 4-3: Rosemont Project Mineral Resource Report.....	18
Table 4-4: Oxide/Transitional Resources distributed by individual deposits	19
Table 4-5: Conversion of Oxide Resource to Reserves – historical (Nominal drill spacing 25 x 25 m)	20
Table 4-6: Recommended conversion of on-stream Inferred Resources (Nominal drill spacing 50 x 50 m) ..	20
Table 4-7: Erlistoun Project, Mineral Resource by Resource Category	21
Table 4-8: Rosemont Southern Area Resources	23
Table 4-9: Rosemont Northern Lode Exploration Target Range (cut-off 0.65 g/t)	23
Table 4-10: 2012 RRL Resources statement – satellite deposits	24
Table 5-1: Valuation ranges (A\$/oz) derived from the transaction data	26
Table 5-2: Lixian Resources	26
Table 5-3: Valuation of McPhillamys deposit.....	27
Table 5-4: Results of analysis of transactions sorted by value, grey outliers removed	27
Table 5-5: Comparable transactions for determining a market benchmark for the McPhillamys deposit	28
Table 5-6: Comparable exploration transactions over the 2 years before the valuation date.	29
Table 5-7 McPhillamys exploration valuation	30
Table 6-1: Recent valuations – Australian operations (Grant Samuel – AMC Consultants).....	31
Table 6-2: Valuation parameters combining data from Table 5-5 and Table 6-1.....	31
Table 6-3: Rosemont North Lode Valuation	31
Table 6-4: Garden Well Exploration Target	32
Table 6-5: Project assessment inclusive of Inferred Resources	32
Table 7-1: Summary Valuation of the McPhillamys Project, NSW	33
Table 7-2: Summary valuation of the RRL material exploration and evaluation assets.....	33

List of Figures

Figure 2-1: Location of the McPhillamys project, New South Wales.....	3
Figure 3-1: Stratigraphy at McPhillamys deposit.....	5
Figure 3-2 Drilling, extent and type cross section through Mc Phillamys.....	6
Figure 3-3: Stratigraphy in the McPhillamys area (EL 6111 and EL 5760)	7
Figure 3-4: Aurel model of McPhillamys.....	9
Figure 3-5: McPhillamys Drill pattern, looking NE	10
Figure 3-6: Section 6292350N, showing drilling method from proximal surface collar points.....	11
Figure 4-1: Long section through drilling south of Garden Well	16

Disclaimer

The opinions expressed in this Report have been based on the information supplied to Aurel Consulting (Australasia) Pty Ltd (Aurel) by Regis Resources Ltd (RRL). The opinions in this Report are provided in response to a specific request from RRL to do so. Aurel has exercised all due care in reviewing the supplied information. Whilst Aurel has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. Aurel does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of Aurel's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which Aurel had no prior knowledge nor had the opportunity to evaluate.

1 Introduction and Scope of Report

BDO Corporate Finance Pty Ltd (BDO) has been engaged by Regis Resources Ltd (RRL) to prepare an Independent Expert's Report ("BDO Report") in relation to the proposed acquisition of the McPhillamys Gold Project from Newmont Mining Corporation and Alkane Resources Ltd ("Acquisition"). The BDO Report will provide an opinion to Regis shareholders and as such it will be a public document.

BDO has in turn asked Aurel Consulting (Aurel) to provide:

- An independent market valuation of the McPhillamys Gold Project which is to be acquired by Regis under the Acquisition,
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- An assessment on the reasonableness of the resources used in the preparation of the financial models used to value the Moolart Well Gold Mine, the Garden Well Gold Mine, the Rosemont Gold Project and the Erlistoun Gold Project
- An assessment of the potential conversion of identified resources at Moolart Well, not in the life of mine plan, to future reserves.

BDO will rely on and refer to the Aurel valuations above in the BDO Report, and we will append a copy of the Aurel report, or a summary of the Aurel report, to the BDO Report.

1.1 Standard of the Report

This Report has been prepared to the standard of, and is considered by Aurel to be, a Technical Valuation Report under the guidelines of the VALMIN Code. The VALMIN Code is the code adopted by the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG) and the standard is binding upon all AusIMM and AIG members. The VALMIN Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves.

1.2 Work programme

The valuation has been undertaken between the 24th August 2012 and 26th September 2012.

1.3 Statement of Independence

Neither Aurel nor any of the authors of this Report have any material present or contingent interest in the outcome of this Report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of Aurel.

Aurel has no prior association with RRL in regard to the mineral assets that are the subject of this Report, with the following exceptions:

- Peter Williams was an author and Competent Person for a previous valuation of the assets in March 2010.
- Brett Gossage has prepared Resource reports for RRL for Rosemont and Garden Well as Competent Person for those resources.

Aurel has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence.

Aurel's fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of the Report.

1.4 Representation

RRL has represented in writing to Aurel that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

1.5 Indemnities

As recommended by the VALMIN Code, RRL has provided Aurel with an indemnity under which Aurel is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from Aurel's reliance on information provided by RRL or to RRL not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

1.6 Consents

BDO will rely on and refer to the Aurel valuations above in the BDO Report, and we will append a copy of the Aurel report, or a summary of the Aurel report, to the BDO Report.

Aurel consents to this Report being included, in full, in the BDO Report, in the form and context in which the technical assessment and valuation is provided, and not for any other purpose.

Aurel provides this consent on the basis that the technical assessments expressed in the Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report.

2 Location and Access

2.1 RRL tenements

RRL has extensive tenement holdings in the north-eastern goldfields region of Western Australia. The area comprises three reporting groups, Moolart Well (C82/2011), Duketon Central (C61/2003) and Collurabbie (C32/1999). Because of the very large number of tenements and the contiguous nature of tenements in all three belts, it is impractical to provide a valuation on a tenement-by-tenement basis. Aurel has reviewed the value of these tenements, and is advised by the Independent Expert that they are not material in relation to the major mining assets. As such they are not reported further in this report.

Access to the RRL assets is by company air charter or from Laverton is via the graded Bandy road, which passes through the southern and central part of the reporting group. The north-western tenements can be accessed via the Bandy – Banjawarn road, and the north-eastern tenements via the Uraey – Warren Bore road. Access to individual tenements in the reporting group is via station tracks and fence lines. Roads are commonly inaccessible following periods of heavy seasonal rain.

2.2 McPhillamys Tenements

The McPhillamys deposit is located on EL 5760, between Bathurst and Orange in central west of NSW, about 250km west of Sydney (Figure 2-1). The area is easily accessible by road all year round.

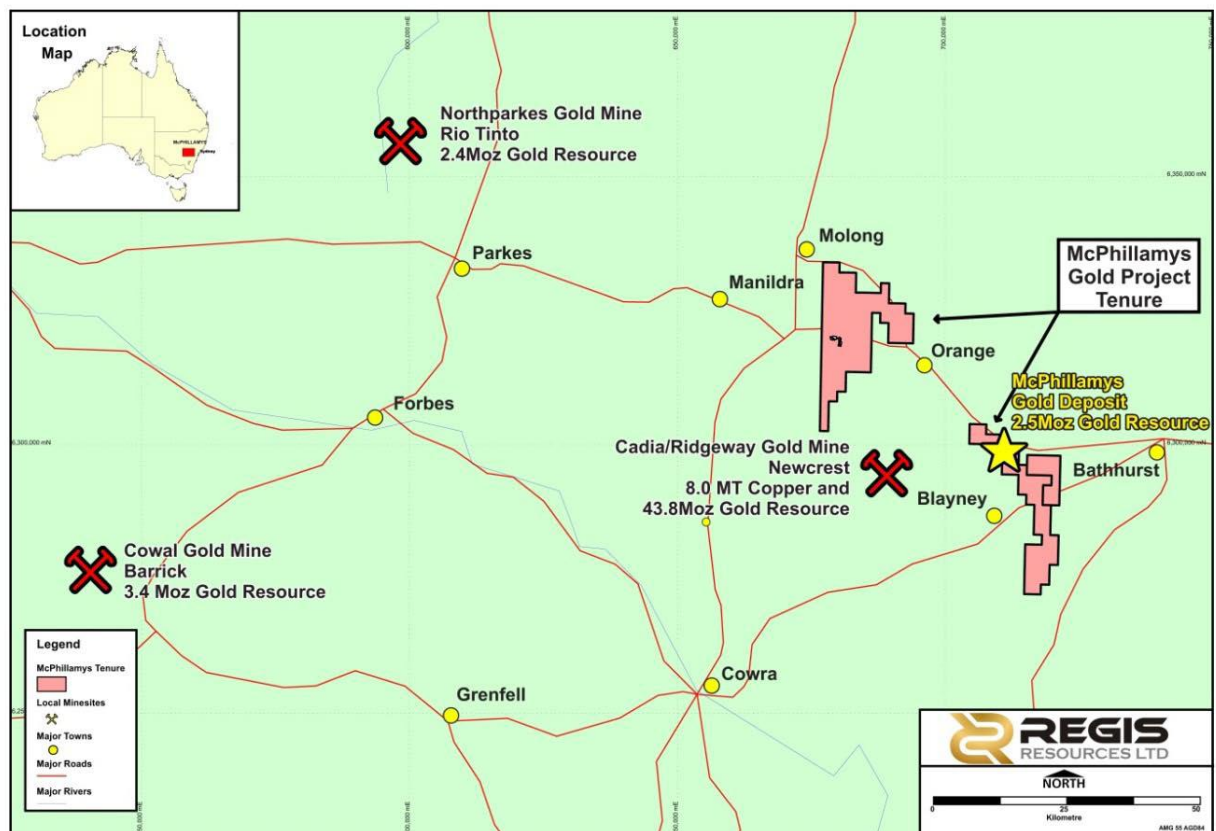


Figure 2-1: Location of the McPhillamys project, New South Wales

The tenements comprise three EL's immediately west of Bathurst and northwest of Orange in Central NSW. The three tenements are EL 6111, EL 5760 and EL 7878.

Details on these tenements from Minview (NSW) extracted on 28 August 2012 are shown in Table 2-1. The area conversion at this latitude is approximately 3.22 km² per unit.

Table 2-1: Tenement details, McPhillamys project

Title Code	Title No.	Act Year	Company	Grant Date	Expiry Date	Renewal Date	Minerals	Groups	Area
EL	7878	1992	Newmont Exploration Pty Ltd	09 Jan 2012	09 Jan 2014	09 Jan 2012	Group 1	Group 1	86 Units
EL	5760	1992	LFB Resources NL	10 Aug 2000	21 May 2012	Renewal Sought	Group 1	Group 1	48 Units
EL	6111	1992	LFB Resources NL	12 Aug 2003	11 Aug 2011	Renewal Sought	Group 1	Group 1	13 Units

Source: Minview, accessed 28 August 2012

3 McPhillamys

3.1 Geology of McPhillamys Area

The geological setting of the McPhillamys area is shown in Figure 3-3. Regionally, the McPhillamys deposit is hosted within the Silurian aged Anson Formation within the East Lachlan Fold Belt of NSW Australia. The Anson Formation is faulted against the Ordovician aged Molong Volcanic Belt to the west by the major terrane bounding Godolphin Fault. The Anson Formation is unconformably overlain by deep marine Devonian sediments to the East of McPhillamys.

The prospect is hosted in strongly altered Silurian volcanoclastic rocks, and gold mineralisation occurs in association with strong sericite-carbonate alteration, and pyrite-pyrrhotite-sphalerite-chalcopryite-galena sulphide mineralisation. The prospect was discovered by the Newmont-Alkane JV in 2006, by aircore drilling of an historic, previously untested soil anomaly. Since 2006 this work has been followed up by reverse circulation and diamond drilling, as well as IP geophysics. The result is a 450m long, north south trending body of significant gold mineralisation.

The prospect stratigraphy is shown in Figure 3-1, and a typical cross section of the deposit and the current drilling is shown in Figure 3-2.

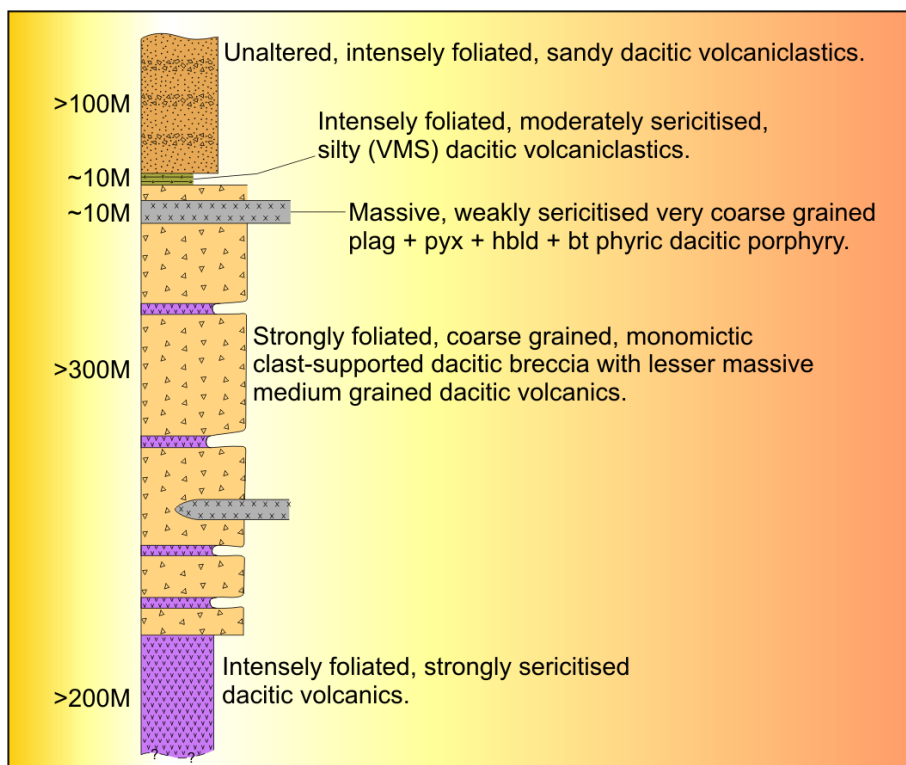


Figure 3-1: Stratigraphy at McPhillamys deposit

Source: Newmont Stage Gate 1 geology report

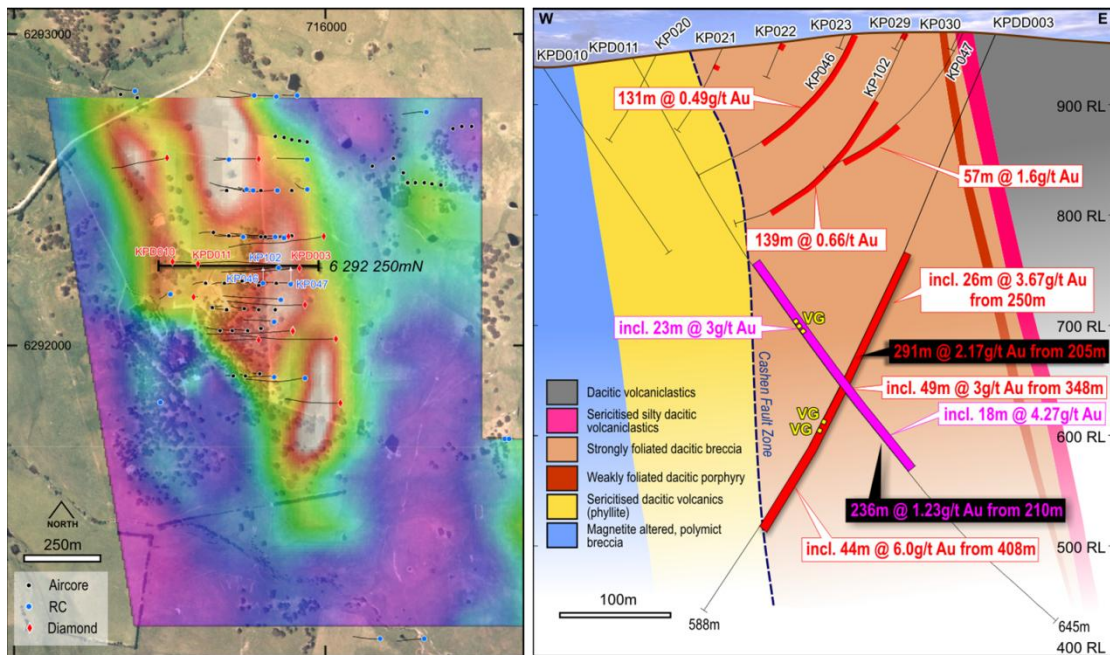


Figure 3-2 Drilling, extent and type cross section through Mc Phillamys

Source: Newmont Stage Gate 1 geology report

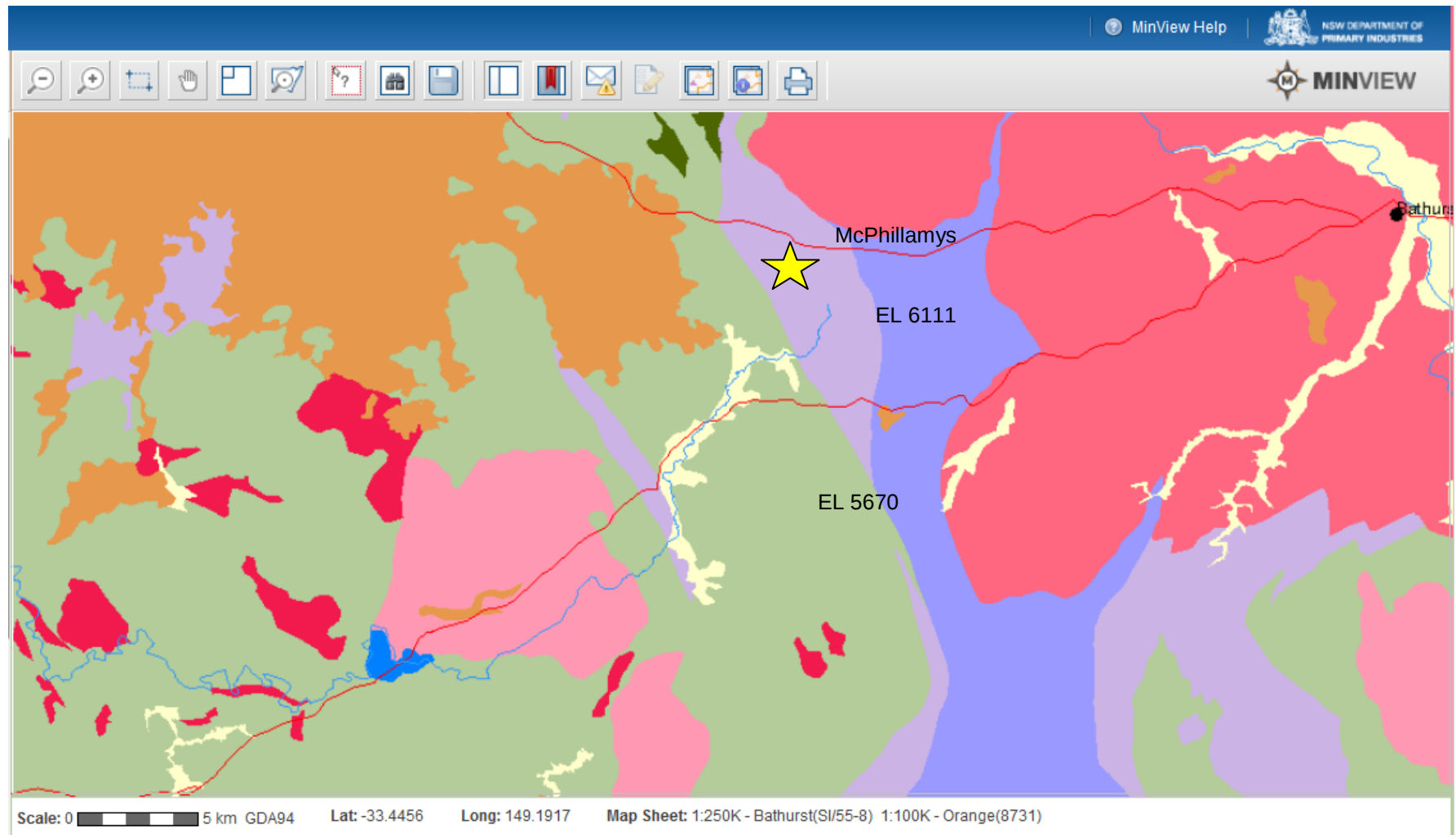


Figure 3-3: Stratigraphy in the McPhillamys area (EL 6111 and EL 5760)

Note: Ordovician (green) to Silurian (blue).

Source: Minview August 2012.



3.2 Geological Model

The McPhillamys geological model was developed by Newmont in 2009 and 2010. The published resource was also completed by Richard Lewis of Lewis Mineral Resource Consulting. This has been reported under the JORC (2004) reporting Code.

Lewis was provided with the 2009 Newmont wireframe as the ore envelope. This initial wireframe was based on sectional interpretation of the drilling data to define a 0.1 g/t ore envelope (called ENV01). Aurel was provided with the drilling data behind this model, and generated wireframes using Leapfrog to compare with the Newmont wireframes.

Lewis created a high-grade envelope within the Newmont model to better constrain the mineralisation, and carried out an estimation within both the high-grade zone and the ENV01 envelope.

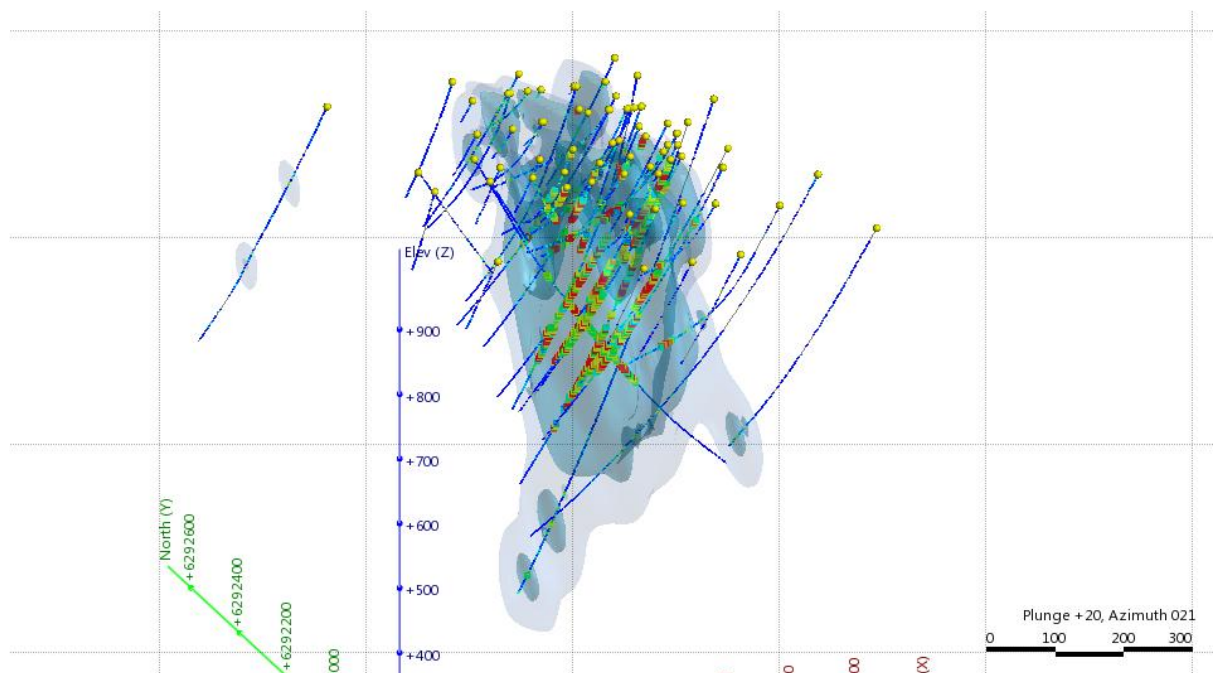


Figure 3-4: Aurel model of McPhillamys.

The Aurel model shows both the 0.1 g/t grade shell and the 0.2 g/t grade shell. The 0.2 g/t shell approximates Lewis's Inner Ore Zone envelope. Lewis does not use a specific grade value in preparing his Inner Ore Zone. Rather he identifies the point in the drill hole grade histogram where the grade drops sharply, and uses that point as the outer limit of mineralisation. In comparing both the 2009, 2010 Newmont models, the Aurel model contains internal dilution not present in the other models, and shows a clear structural control not seen in the other models.

Aurel concludes that the geological model used by Lewis, although not considering new logging and modelling by Newmont, does not materially overestimate the volumes of mineralisation, particularly in the high-grade envelope and at cut-offs above 0.5 g/t.

3.3 McPhillamys Resources

The McPhillamys Resource was released to the ASX by RRL on 9 August 2012, in relation to the announcement of the intended acquisition of the project. The RRL announcement was based on a Mineral Resource Estimate undertaken for Alkane Resources Ltd by Richard

Lewis of Lewis Mineral Resource Consulting. This has been reported under the JORC (2004) reporting Code. The drill hole database was the same database as used for the Newmont 2009 model discussed above. The Lewis model does not include four new drill holes, NEWELD9, NEWELD10, NEWELD11 and a depth extension of KPD16. As these holes were planned to test depth extensions, there will only be a small uplift low to moderate grade tonnes in the open resources from NEWELD 11, which returned 196m at 0.64 g/t Au from 416m, including 51m at 1.21 g/t from 429m, 12m at 0.92 g/t from 561m and 52m at 0.14% Cu from 561m.

Aurel completed a second geological model including the new drilling, with a resultant volume for the 0.2g/t grade shell of 30.774 Mm³, compared to 29.171 Mm³ in the previous model, a 5.5% increase in the higher-grade ore envelope.

The McPhillamys Gold Project has a quoted gold resource, at a 0.5g/t lower cut, as follows:

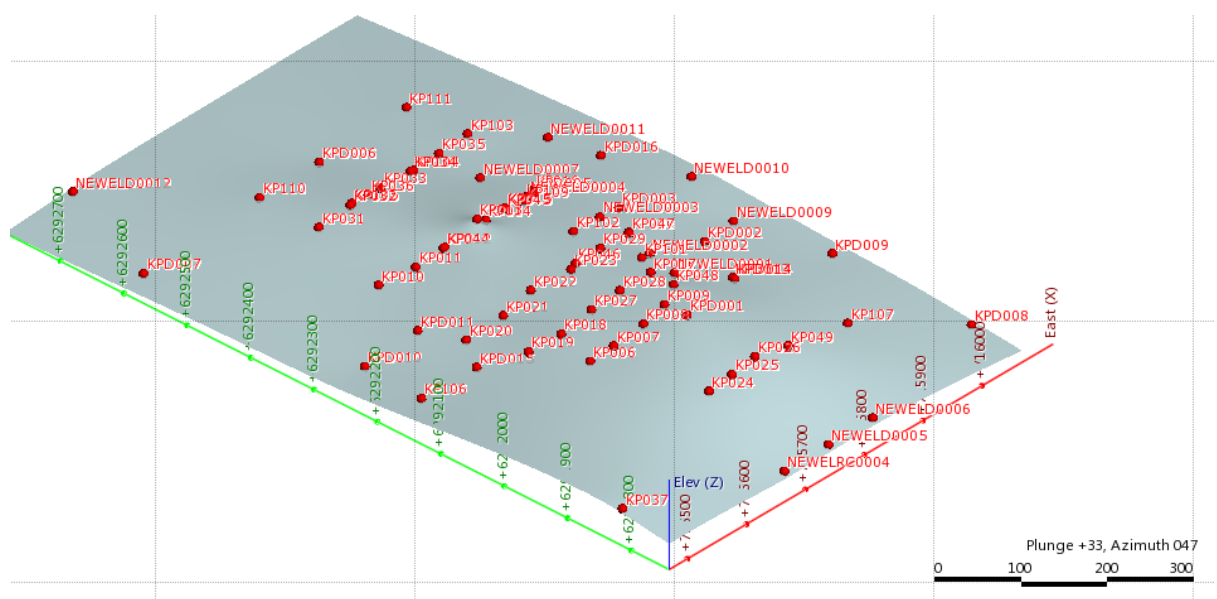
Table 3-1: The Regis announcement in relation to the acquisition of McPhillamys

Resource Category	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
Indicated	41.3	1.27	1,685
Inferred	16.1	1.57	815
Total	57.4	1.36	2,500

The full resource statement is reproduced below in Table 3-2. It is important to note that the RRL announcement has used only the estimation based on the Inner Ore Zone, and at the 0.5 g/t cut-off, which is potentially a conservative approach.

3.3.1 Drilling

The Lewis report does not provide a full summary of the drilling used. However, from the data provided, it seems that 71 drill holes were used. These holes are over a number of years, and using different methods. Sample statistics do not show a significant bias between samples collected using the different methods. Since the estimation, holes NEWELD9-12 were drilled, and these are also shown in the drill plot in Figure 3-5.



The nominal along the line drill collar spacing was 50 m, with line spacing varying between 50 m and 150 m. Where drill holes appear to cluster in plan, they are drilled at different collar angles to target the deposit at different depths (see Figure 3-6). As a result of this geometry, sample spacing differs with elevation in the deposit. This has been managed by applying a declustering routine as part of the data preparation.

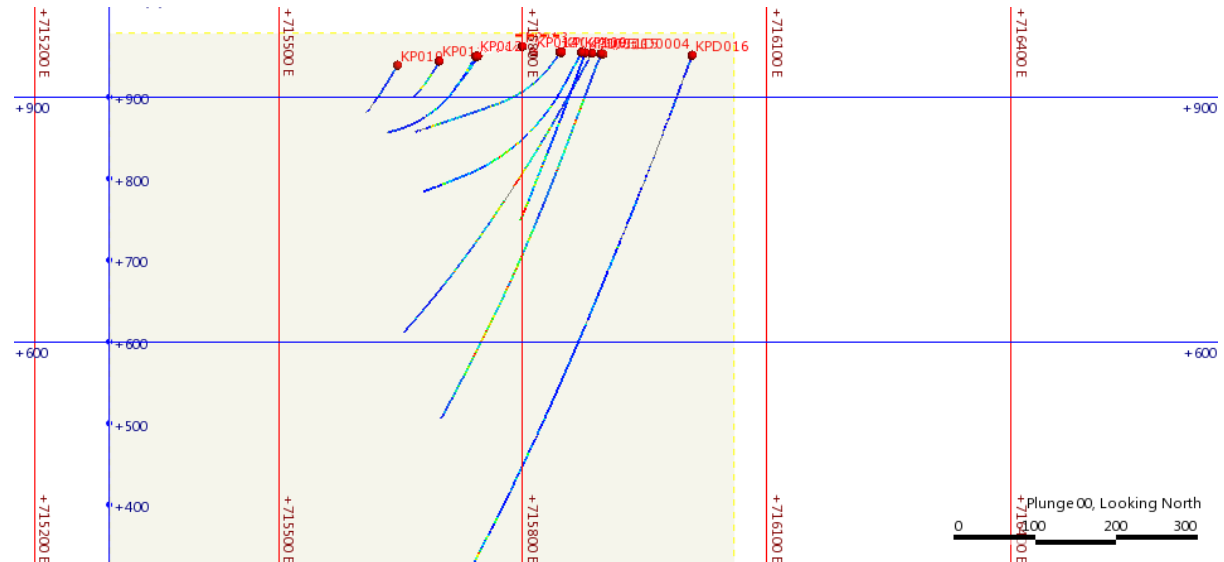


Figure 3-6: Section 6292350N, showing drilling method from proximal surface collar points

3.3.2 QA/QC and data verification

The Lewis resources report does not provide a review of the basic data management, logging procedures, QA/QC sample insertion methodology, or the results of the QA/QC verification program.

3.3.3 Estimation methodology

Following initial analysis of sample statistics, Lewis used a 5m composite length for estimation purposes, declustered in Datamine using the Polygonal Declustering Method. A top cut of 10 g/t was used, resulting in the cutting of 2 samples in the Inner Ore Zone.

Variography was carried out on the top cut 5m and 2m composites. Because of the wide sample spacing in the N-S direction, perpendicular to the drill lines, the model used in the N-S direction was the same as that in the vertical direction. This was a search radius of 51.4 m N-S and E-W and 22.3 m down dip. A minimum of 2 and maximum of 6 samples were used.

The block model generated used 10m x 10m x 10m, which seems to be small compared to the sample spacing. Lewis comments the drilling is suitable for these smaller blocks, in the E-W direction. Aurel notes that the predominant drill spacing for most of the deposit is 50m along the lines, with some closer spaced surface drilling in some places. A larger block size may have produced a better estimate with less smoothing.

Gold was estimated using Ordinary Kriging, Nearest Neighbour and Inverse Distance (ID2) interpolations. Copper, Lead, Zinc and Tellurium were estimated using ID2. The model verification showed no major departures from expected results when compared to the original drilling data. In addition, the results compared favourably with the 2009 Newmont model.

3.3.4 Resource Classification

Lewis notes that the resource is drilled at quite a wide drill spacing (overall about 50m by 100-150m line spacing). He also notes that the variogram in the N-S direction is very poorly defined. Lewis undertook a classification based on an estimation using a search radius 1.25 times the variogram ranges. Blocks estimated in this primary search were classified as Indicated. All other blocks were classified as Inferred.

3.3.5 Density

Currently the density is applied using average values at different elevations in the deposit. It would be more appropriate to obtain more measurement and undertake an estimation of the measured density in to the block model. However, the current method is unlikely to result in significant errors in the final reported tonnes.

3.3.6 Summary Comments

Aurel's opinion is that the McPhillamy Resource as reported by Lewis is consistent with the requirements of the JORC code, with the exception that the Resource Report does not provide a review of the deposit QA/QC data or data verification. It may be that a resource classification based on kriging variance would result in most of the deposit being classified as Inferred. Lewis does not report the classification based on the blocks actually estimated at different search parameters.

In addition, there may be data issues derived from the QA/QC methodology and data verification review that may result in degrading the classification from Indicated to Inferred.

From a valuation perspective, Aurel believes that the deposit should be considered at the Advanced Exploration Stage. Allowance for the cost of an expected large infill drilling program before moving to feasibility stage should be included in the valuation. Aurel notes that if the variography is reliable, a minimum drill line spacing of 50 m is required to improve the confidence in the estimation.

Table 3-2: Identified Mineral Resources at McPhillamys as at 5 July 2010

	Indicated			Inferred			Total			Metal	
	Tonnes (Mt)	Grade (Au g/t)	Grade (% Cu)	Tonnes (Mt)	Grade (Au g/t)	Grade (% Cu)	Tonnes (Mt)	Grade (Au g/t)	Grade (% Cu)	Koz Au	Tonnes Cu
0.3 g/t Au cut-off											
Inner Ore Zone	51,650,000	1.1	0.07	23,504,000	1.19	0.07	75,154,000	1.13	0.07	2,723.60	55,091
Outer Envelope	9,624,000	0.44	0.04	7,167,000	0.43	0.03	16,791,000	0.43	0.03	234.7	5,729
Total	61,274,000	0.99	0.07	30,671,000	1.01	0.06	91,945,000	1	0.07	2,958.30	60,820
0.5 g/t Au cut-off											
Inner Ore Zone	41,260,000	1.27	0.08	16,097,000	1.57	0.09	57,357,000	1.36	0.08	2,499.90	46,933
Outer Envelope	2,169,000	0.69	0.03	1,338,000	0.62	0.03	3,507,000	0.66	0.03	74.6	1,170
Total	43,429,000	1.24	0.08	17,435,000	1.5	0.08	60,864,000	1.32	0.08	2,574.50	48,104
1.0 g/t Au cut-off											
Inner Ore Zone	21,416,000	1.77	0.09	9,645,000	2.13	0.1	31,061,000	1.88	0.1	1,879.80	30,139
Outer Envelope	281,000	1.06	0.07	73,000	1.05	0.08	354,000	1.05	0.07	12	264
Total	21,697,000	1.76	0.09	9,718,000	2.12	0.1	31,415,000	1.87	0.1	1,891.80	30,403

These Mineral Resources are based upon information compiled by Mr Richard Lewis MAusIMM (Lewis Mineral Resource Consulting Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Richard Lewis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology are given in the attached Note 1. Totals may not tally due to rounding.

4 RRL Resources and near mine exploration

The most recent resource statement from RRL is reproduced in Table 4-10. Resources have been reviewed with a view to determining if they are suitable for inclusion in the valuation.

4.1 Garden Well

4.1.1 Mineral Resources

The Garden Well deposit Mineral Resource was estimated by EGRM Consulting Pty Ltd (EGRM) in November 2011. Previous to the November 2011 estimate, independent mining consultants SRK Consulting had estimated the Mineral Resource with studies completed in December 2010 and March 2011 as part of preliminary economic investigations.

The November 2011 estimate is based on 180 RC holes for 38,361 m, 214 Aircore holes for 20,222 m and 48 Diamond holes for 17,300 m. All assaying has been completed by 40 g Fire Assay method with AAS finish at KalAssay, Kalgoorlie or Ultratrace, Perth.

The grade estimate is constrained by wireframes that capture the anomalous gold mineralisation hosted predominately in sheared ultramafic rocks at a contact with fine grained sediments. Significant weathering is present at Garden Well and this has been modelled and also applied in the resource study. Five mineralisation solids were interpreted based on a 0.3 g/t Au lower cutoff grade. The five zones represent a main zone, predominately ultramafic hosted mineralisation, a footwall ultramafic zone, two hangingwall zones which are located in shales and zones of mineralisation identified within the transported cover. Oxides, transitional and fresh material has been logged at Garden Well and has been modelled. The deposit is covered by a Tertiary palaeochannel up to 30 m thick which is largely barren of gold mineralisation. The palaeochannel has been modelled and used to restrict the extents of the mineralisation zones.

The drillhole assaying has been composited to 2 m downhole intervals within the mineralization zones interpretation and applied to the grade estimation studies. An assessment of potential outliers was completed with a 30 g/t Au high grade cut applied to the main zone, and a 4 g/t Au and a 3 g/t Au high grade cut was applied to the hangingwall and hangingwall shear zones respectively. No high grade cut was applied for the footwall zone data.

A block model based on a 20 m x 20 m x 5 m cell size was generated and used to complete the grade estimation study. Grade estimation was completed by Multiple Indicator Kriging (MIK) targeting selective mining unit size of 5 m east by 5 m north by 2.5 m elevation. The tonnages are reported based on 38 diamond core measurements of dry bulk density which were investigated subdivided by geology. The applied mean bulk densities were 1.75 t/m³ for oxide, 2.64 t/m³ for transition, and 2.87 t/m³ for fresh rock.

The grade estimate was classified in accordance with the guidelines set out in The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code'). A combination of Indicated and Inferred Mineral Resource has been defined. Broadly, Indicated Mineral Resource was considered to be regions of the deposit which were drilled to a spacing of approximately 40 mE x 40 mN or better and had been estimated with high confidence grade interpolation. Inferred Mineral Resource blocks were

estimates not considered Indicated Resource but still within the interpreted mineralisation zone and generally within 100 m of drilling, excluding the palaeochannel zones.

The Garden Well deposit Mineral Resource, as of end of month July 2012, is provided in Table 4-1, applying a lower cutoff grade of 0.5 g/t Au. All pre-production stockpiles are included in the grade tonnage tabulation.

Table 4-1: Garden Well Project Mineral Resource Report

Multiple Indicator Kriging with a Change Support Selective Mining Unit (5m by 5m by 2.5m) – 0.5g/t Au Lower Cutoff Grade			
Classification	Tonnes (Millions)	Ave Grade (Au g/t)	Oz Gold (Millions)
Indicated	44.73	1.33	1.91
Inferred	17.2	1.2	0.64
Total	61.90	1.29	2.56

Notes: Figures rounded for public reporting
All totals calculated pre rounding.
Inclusive of pre-production

The Garden Well Mineral Resource is considered to be robust and reported in a manner that is consistent with the guidelines outlined in the JORC Code.

4.1.2 Garden Well Exploration Potential

Drilling results to the south of the Garden Well Resource were discussed by Regis in a press release dated 05 July 2012. A program of 21 holes reported in March 2012 were complemented by an additional 53 holes reported in July, with the remainder still awaiting assays. A resource on these holes has not yet been completed.

The mineralisation extends for 480 m south of the current Garden Well Reserve, and appears to be of a similar style, albeit with the controlling shear zone moving eastwards from the talc carbonate host rocks to the hanging wall contact rocks and overlying BIF and sediments. Currently the mineralisation is open at depth and to the south. The geometry is shown in long section in Figure 4-1.

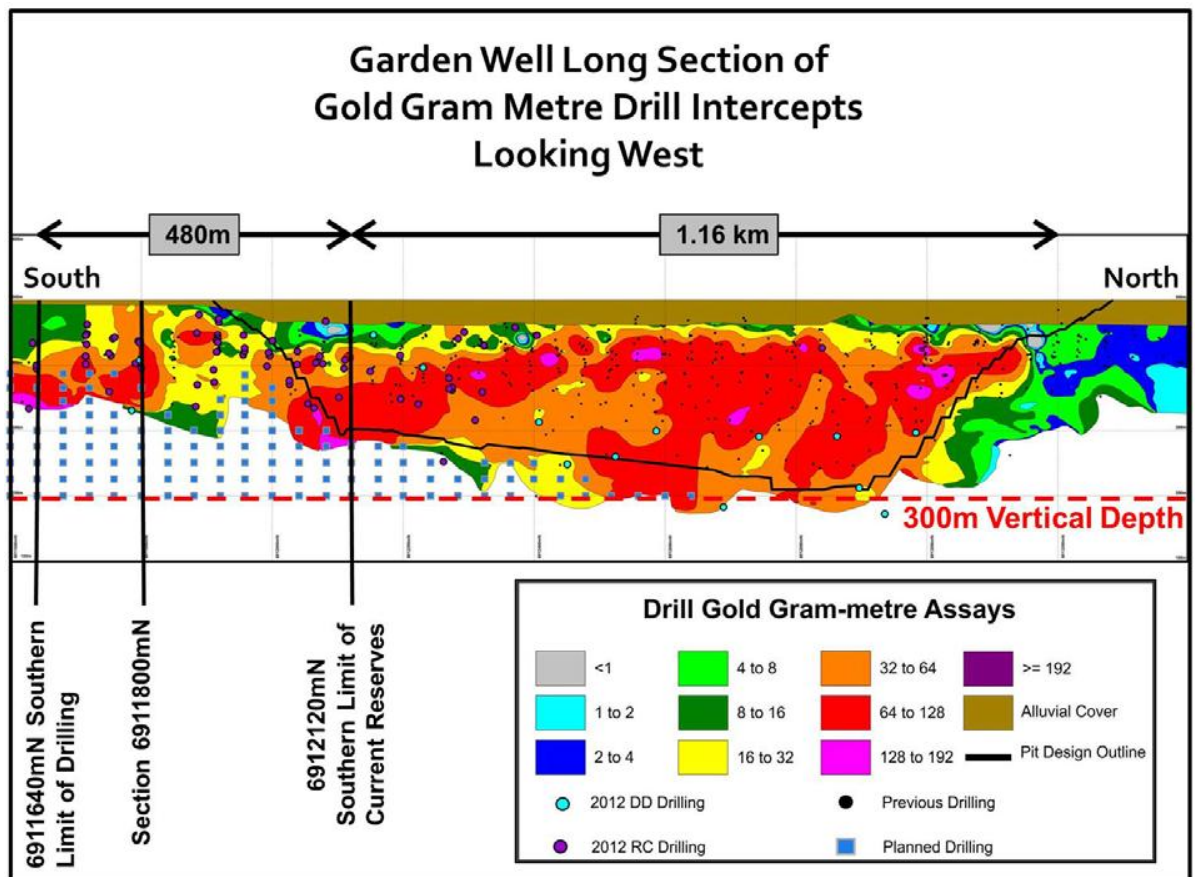


Figure 4-1: Long section through drilling south of Garden Well

4.2 Moolart Well

4.2.1 Mineral Resource

The Moolart Well Mineral Resource was estimated by Mr Andrew Hawker, an employee of RRL at the time, in June 2008. This resource estimate was reviewed by independent consultants Golder Associates (Golder) with recommendations provided by Golder considered in the final estimate.

Separate models were generated for the Laterite and Oxide / Fresh regions of the project. The oxide and fresh model estimate is based on 1364 aircore, 523 reverse circulation and 60 diamond drill holes. 1970 AC holes, 413 RC holes and 44 DD holes have been applied to estimate the laterites.

The Moolart Well grade estimate has been generated using Ordinary Kriging (OK) constrained within grade based wireframe interpretations. A series of lower cutoff grades have been applied in constructing the mineralisation constraints. A lower cutoff grade of 0.1 g/t Au has been used in modelling the oxide and fresh zones, and 0.3 g/t Au and 0.5 g/t Au for the laterite. For the laterites, a grade estimate has been generated for the 0.5 g/t Au mineralisation zones and also for that material between the 0.5 and 0.3 g/t Au zones. A large number (>80) of individual zones were generated in this study.

The drillhole data was composited to a regular 1 m downhole length and coded with the geological interpretation for the purposes of grade estimation. A series of high grade cuts

were applied to the 1m composites to restrict the influence on high grade outliers. The high grade cuts ranged between the 97.5th and 99th percentile of the data distribution.

The OK estimate was based on a block model generated for the laterite and the non-laterite mineralisation. The laterite block model was constructed with cell sizes of 12.5 m east by 25 m north and 1 m elevation. The oxide/fresh model was based on a cell size of 12.5 m east by 25 m north and 5 m elevation. Both models have been sub-celled to a quarter of the parent cell size for effective volume representation. Tonnage reporting is based on a bulk density of 2.2 t/m³ for the laterite, 1.8 t/m³ for the Saprolite, 2.3 t/m³ for the Saprock and 2.6 t/m³ for the Fresh.

The grade estimate has been classified a combination of Measured, Indicated and Inferred Mineral Resource based on data density, estimation quality and geological confidence. The classification criteria have been reviewed and are considered reasonable. The total Mineral Resource for the Moolart Well Project reported as at 31 July 2012 is presented as Table 4-2.

Reconciliation of the Moolart Well operations indicates the resource model has performed adequately against grade control once mining modifiers have been applied. Project to date reporting shows that the grade control has identified more tonnes of ore at lower grades than what was modelled, however the overall metal produced is within 3% of predicted. The reconciliation of grade control to reserve has improved significantly this year with the reserve model now also performing significantly better in terms of tonnes and grade.

The project to date grade control versus reserve reconciliation is provided below:

Grade Control	4,698,606 t @ 1.48 g/t Au for 223,068 Oz Au
Reserve	4,256,550 t @ 1.68 g/t Au for 229,380 Oz Au

The Moolart Well Mineral Resource is considered robust and reported in accordance with the JORC Code guidelines.

4.2.2 Moolart Well Inferred Resources and near mine Exploration potential

The Moolart Well Project comprises 5 mining areas with a published Ore Reserve and 6 project areas with Identified Resources not currently in the Reserve. These are shown in Table 4-4.

Drilling of the resources on a 25 m by 25 m spacing has been included as Indicated or Measured, and the remaining deposits drilled at 50 m by 50 m spacing have been classified as Inferred.

However, the intention is to progressively drill these to Indicated status and include these Inferred Resources in the Reserve as the current Reserve is depleted, as is standard Resource management practice at mining operations.

Accordingly, for valuation purposes, these Inferred Resources should be included in the LoM and valued within the DCF estimates, after applying a suitable Resources-Reserves conversion factor. Based on the historical conversion factor for the five oxide deposits currently in Reserves, Aurel suggests the addition of 4.6 Mt to the DCF at 1.63 g/t for 241 koz of contained gold. This is from applying a tonnes conversion factor of 0.49 and a grade conversion factor of 1.17 (Table 4-5, Table 4-6).

Table 4-2: Moolart Well Project, Mineral Resource by Resource Category and material type (current 31 July 2012)

Lower Cutoff Grade (Au g/t)	Material Type	Measured Resource			Indicated Resource			Inferred Resource			Total Resource		
		Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Ave Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
0.5	Laterite	6.258	1.33	269	0.995	0.90	29	0.3	0.9	8	7.523	1.26	305
0.8	Oxide/ Transitional	0.636	1.67	34	3.933	1.51	192	6.7	1.4	313	11.293	1.48	539
1.0	Sulphide (Fresh)	0.0	0.00	0	0.000	0.00	0	2.4	1.4	107	2.437	1.37	107
0.3	Low Grade	2.999	0.42	40	13.867	0.48	212	48.5	0.5	772	65.375	0.49	1,024
(Various ROM)	Stockpiles	0.099	1.34	4	0.0	0.00	0	0.0	0.0	0	0.099	1.34	4
	Total	9.993	1.08	347	18.795	0.72	432	57.9	0.6	1,200	86.727	0.71	1,980

Table 4-3: Rosemont Project Mineral Resource Report

Material Type	Indicated Resource			Inferred Resource			Total Resource		
	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
Oxide	0.581	2.19	41	0.1	1.5	4	0.654	2.11	44
Transition	1.626	1.89	97	0.7	1.2	27	2.343	1.66	125
Fresh	12.438	1.64	654	5.9	1.3	255	18.349	1.54	908
Total	14.645	1.68	793	6.7	1.3	285	21.347	1.57	1,078

Notes: Multiple Indicator Kriging with a Change Support Selective Mining Unit (5m by 5m by 2.5m) – 0.5g/t Au Lower Cutoff Grade

Figures rounded for public reporting

All totals calculated pre rounding.

Table 4-4: Oxide/Transitional Resources distributed by individual deposits

Has reserve	Deposit	Indicated			Inferred						Measured			Total		
		oxide			fresh			oxide			oxide					
		Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
yes	Lancaster	0.001	0.94	0.04	0.070	1.2	2.8	0.306	1.37	13.5	1.198	1.84	70.9	1.575	1.72	87.2
yes	Mid pit north	0.214	1.22	8.35	0.061	1.14	2.2	0.082	1.88	5.0				0.356	1.36	15.5
yes	Mid pit south	0.053	1.57	2.70	-		-	-		-				0.053	1.57	2.7
yes	Stirling central	1.138	1.69	61.70	0.066	1.10	2.3	0.077	1.00	2.5				1.281	1.61	66.5
yes	Stirling south	1.213	1.79	69.87	0.369	1.47	17.5	0.032	1.00	1.0				1.614	1.70	88.4
No	Blenheim			-	0.007	1.32	0.3	2.487	1.44	115.3				2.494	1.44	115.6
No	Halifax			-	0.228	1.82	13.4	0.389	1.07	13.4				0.617	1.35	26.7
No	Lancaster north	1.056	1.17	39.58	0.887	1.32	37.6	0.372	1.34	16.1				2.315	1.25	93.3
No	Mosquito			-	0.749	1.30	31.3	0.717	1.43	33.0				1.466	1.36	64.3
No	Stirling north	0.259	1.15	9.62	-		-	0.983	1.64	51.7				1.243	1.53	61.3
No	Wellington			-	-		-	1.285	1.51	62.6				1.285	1.51	62.6
	Total	3.935	1.52	191.9	2.437	1.37	107.5	6.730	1.45	314.0	1.198	1.84	70.9	14.300	1.49	684.2

Note: Resource at 0.8 g/t lower cut for oxide/transitional, 1.0 g/t for fresh

Table 4-5: Conversion of Oxide Resource to Reserves – historical (Nominal drill spacing 25 x 25 m)

Deposit	Resource			Reserves		
	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
Lancaster	1.575	1.72	87.2	1.196	1.85	71.1
Mid pit north	0.356	1.36	15.5	0.035	1.39	1.6
Mid pit south	0.053	1.57	2.7	0.016	2.93	1.5
Stirling central	1.281	1.61	66.5	0.561	2.17	39.1
Stirling south	1.614	1.70	88.4	0.574	1.88	34.7
Total	4.880	1.66	260.3	2.382	1.93	148.0

Note: Resource at 0.8 g/t lower cut for oxide/transitional, 1.0 g/t for fresh, Reserves at 0.5 g/t lower cut

Table 4-6: Recommended conversion of on-stream Inferred Resources (Nominal drill spacing 50 x 50 m)

Deposit	Resource			Possible Mining Inventory		
	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
Blenheim	2.494	1.44	115.6	1.217	1.68	66.8
Halifax	0.617	1.35	26.7	0.301	1.57	15.2
Lancaster north	2.315	1.25	93.3	1.130	1.46	53.1
Mosquito	1.466	1.36	64.3	0.716	1.59	36.6
Stirling north	1.243	1.53	61.3	0.606	1.79	34.9
Wellington	1.285	1.51	62.6	0.627	1.76	36.6
Total	9.420	1.40	423.8	4.598	1.63	240.0

4.3 Erlistoun

RRL estimated a Mineral Resource for the Erlistoun deposit in December 2010. The resource estimate was generated using a polygonal grade estimation approach based on the available drilling. Prior to the 2010 estimate, six resource estimates had been completed by both operators of the project and independent mining consultants. However the 2010 estimate reported by RRL is the only estimate completed with the full data set and therefore is not comparable with previous estimates.

The drillhole database applied to the resource estimation studies comprised 35,059 m of diamond, RC and Aircore drilling completed by operators RRL, Newmont and Johnsons Well Mining.

The current resource has been estimated using a polygonal method applying a 0.5 g/t Au lower cutoff grade. The interpreted polygons have been truncated at geological boundaries and a 1 m skin dilution has been included. A maximum internal dilution of 2 m was included. Mineralisation has been interpreted to a maximum depth of 175 m below surface.

The interpretation has been extended half way between drillholes on section and half way between drill sections to a maximum 40 m. A maximum 20 m extension from drillholes on section has been allowed. The sectional interpretation was flitched (sliced on set elevations)

prior to the final polygons being re-interpreted on plan and drill data coded within these polygons.

The estimate of the resource grade is based on a volume weighted average of 1m composite data within the polygons. The composite data has been high grade cut to the 98th percentile of the data distribution prior to the average grade being determined. The completed polygonal model was imported into a block model for reporting and subsequent pit optimisation studies.

The estimate has been classified by RRL as a combination of Measured and Indicated Resource in accordance with the JORC Code. Broadly the Measured Resource is within 10m of a drill section. Indicated Resource is the remaining material not already classified as measured. The resource classification approach has been reviewed and is deemed to be acceptable.

The RRL reported Mineral Resource for the 0.5 g/t Au lower cutoff grade is summarised in Table 4-7.

Table 4-7: Erlistoun Project, Mineral Resource by Resource Category

Mineral Resource by Resource Category			
Polygonal Grade Estimation based on a 0.5g/t Au Lower Cutoff Grade			
Resource Classification	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
Measured	2.310	1.92	143
Indicated	2.96	1.88	179
Total	5.270	1.90	321

A review of the Erlistoun study data has been completed and the resource estimate is considered broadly acceptable as an 'in situ' resource estimate for the 0.5 g/t Au lower cutoff grade but may not fully characterise mining dilution or the grade control information effect. The mining cut-off applied in the reserve determination is reported to be 0.7 g/t Au, which is higher than the 0.5 g/t Au lower cut-off applied in resource definition, ensuring further dilution is included in the resource to reserve conversion process. The Mineral Resource reported for Erlistoun is therefore considered acceptable and has been reported consistently with guidelines of the JORC Code.

4.4 Rosemont

A Mineral Resource was estimated for the Rosemont deposit by EGRM Consulting Pty Ltd in November 2011. The resource estimate is based on the available drilling database which comprised 807 drillholes for 121,410.4 m of drilling. The drillhole database included Diamond Drilling (DDH), Reverse Circulation (RC) drilling and Aircore (AC) drilling.

For recent drill programmes, the gold and multivariate assaying has been completed by Analabs and Australian Laboratory Services (ALS) in Kalgoorlie. Samples collected at 1m intervals were Fire Assayed (FA) with a 50 g charge. Samples collected as 4 m composites were assayed via Aqua Regia (AR) on 50 g pulps using an AAS finish.

Gold mineralisation at Rosemont is almost exclusively contained within the brittle quartz dolerite phase of the Rosemont Dolerite. This dolerite intrudes the Bandya Sill along the Baneygo Shear zone. A shallow hardpan alluvium (<8 m) overlies the Archean rocks and is the host for weak mineralisation. A depleted zone of kaolin-quartz clay of roughly 10 m

thickness occurs beneath the alluvium. The supergene zone sits below the current water table and extends approximately 20 m below the depleted zone. In the supergene zone there is some lateral disbursement of gold into the ultramafics.

The overall mineralisation structure can be readily determined at a lower cutoff of 0.1 g/t Au, which has been used as the basis for the resource estimation study. The mineralisation is close to vertical in the fresh rock and striking grid north/south. In the weathered zones the mineralisation dips steeply to the east. There is a major regional flexure of the Baneygo Shear which structurally differentiates the Rosemont Main and Rosemont North sections of the deposit.

The resource model is based on 19 mineralisation envelopes that were interpreted applying a nominal 0.1 g/t Au lower cutoff grade. The mineralisation zone interpretation has been broadly grouped into 3 estimation domains separated at approximately 79800mN into the northern and main zones, with the main zones further subdivided into oxidised and fresh domains.

Weathering/oxidation surfaces were generated representing the base of alluvium, base of complete oxidation and the top of fresh. The drilling data was coded with the interpreted wireframes prior to compositing to 2 m regular downhole composites. Statistical investigations were completed with high grade cuts applied ranging from 50 g/t Au for the main zones to 9 g/t Au and 5 g/t Au northern fresh and oxide domains respectively.

A grade estimate was generated using MIK as an estimation method. The MIK was completed within a three dimensional block model developed based on the interpreted mineralised zones and the weathering wireframes. The block model panel dimensions are 10m along strike, 20 m across strike and 5 m vertical with sub-blocking completed to 2.5 m along strike, 5 m across strike and 2.5 m vertical. Based on the MIK estimate, a recovered resource estimate was generated targeting a selective mining unit (SMU) of 5 m by 5 m by 2.5 m. Bulk density of 1.75 t/m³ for oxide, 2.35 t/m³ for transition and 2.76 t/m³ for fresh was applied for tonnage reporting.

The model has been classified in accordance with the guidelines set out in The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code'). A combination of Indicated and Inferred Mineral Resource has been declared. Indicated Mineral Resource was considered to be regions of the central and southern portions of the deposit which were drilled to a spacing of approximately 30m east x 50m north or better. However minor mineralisation zones considered poorly drill tested and/or of low geological confidence were excluded from the Indicated Resource category and assigned as Inferred Resource. Inferred Mineral Resource blocks were estimates not considered Indicate Resource but still within the interpreted mineralisation zones within approximately 90 m of drilling.

The Mineral Resource for the whole Rosemont Project, reported at a 0.5 g/t Au lower cutoff grade, is provided as Table 4-3. The resource is considered robust and reported in accordance with the JORC Code guidelines.

The southern part of the Rosemont resources is a predominantly an Indicated Resource, and close to having a completed feasibility study, and is treated separately in the BDO Independent Experts report. These studies have resulted in a mining inventory for the main Rosemont lode.

The Rosemont North Lode is a separate resource area, but currently reported as a combined resource with Rosemont, where it forms about half of the total Inferred Resource. Based on work carried out by RRL, the Rosemont (southern area) resource which was subject to additional mining studies is shown in Table 4-8.

Table 4-8: Rosemont Southern Area Resources

	Indicated			Inferred			Total		
Material Type	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
Oxide	0.58	2.19	40.8	0.42	1.93	2.6	0.62	2.17	43.4
Transitional	1.63	1.89	98.6	0.18	1.39	8.0	1.80	1.84	106.6
Fresh	12.44	1.64	653.8	3.23	1.52	158.0	15.67	1.61	811.8
Total	14.65	1.69	793.3	3.45	1.52	168.6	18.09	1.65	961.8

The remaining northern Rosemont area therefore has a JORC Inferred Resource of 3.25 Mt @ 1.07 g/t, based on drilling prior to 2012.

70 new RC holes were completed in mid 2012 on the northern lode. RRL reported initial results from this program in a press release dated 5 July 2012. At that stage 50 holes were reported of 51 completed. The remaining 20 holes have now been completed, and a new JORC resource update is in progress. At this stage a trial exploration target has been estimated by Aurel, based on Ordinary Kriging of the new drilling results provided by RRL. To match the total reported resource for the southern area MIK model, the OK model was constrained at 0.65 g/t. The northern lode exploration target therefore, for the purposes of this valuation is shown in Table 4-9.

Table 4-9: Rosemont Northern Lode Exploration Target Range (cut-off 0.65 g/t)

Material type	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
Oxide	0.27 – 0.43	2.07 – 2.68	17.88 – 37.13
Transitional	0.58 – 0.94	1.24 – 1.60	23.21 – 48.20
Fresh	1.89 – 3.03	1.44 – 1.86	87.36 – 181.44
Total	2.74 – 4.40	1.46 – 1.88	128.44 – 266.76

With the infill drilling completed, this new resource is likely to increase grade of the current JORC Inferred Resource. This suggested grade increase is supported by the results reported in the July press release, and analysis of data by Aurel. Aurel considers approximately 50 % of the updated resource estimate could convert to Indicated, based on the current resource classification approach, and this material will be available for conversion to reserves on completion of appropriate mining studies. Aurel has applied a range to this target of $\pm 35\%$, to match current uncertainty of this estimate. Aurel notes that the potential quantity and grade is conceptual in nature, that there has been insufficient analysis of the exploration results to define a Mineral Resource and that it is uncertain if further analysis will result in the determination of a Mineral Resource within the range of the exploration target.

4.5 Satellite Resources

RRL also has a number of satellite resources. Most of these are relatively small, and do not have mining studies associated with them. The resources are listed in Table 4-10, as they

appear in the RRL resource statement for 30 June 2012. These deposits are not material assets relative to the current operations, and do not add materially to the valuation.

Table 4-10: 2012 RRL Resources statement – satellite deposits

	Indicated			Inferred			Total Resources			Cut-off Grade g/t
Satellite Deposits	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	
Dogbolter				0.9	2.91	87	0.9	2.91	87	1
King John				0.7	3.18	72	0.7	3.18	72	1
Russells Find				0.4	3.84	55	0.4	3.84	55	1
Baneygo				0.8	1.7	43	0.8	1.7	43	0.5
Reichelts Find	0.1	3.69	17				0.1	3.69	17	1
Petra				0.4	3.12	42	0.4	3.12	42	2
Total Satellite Deposits	14.7	1.71	810	9.9	1.83	584	24.6	1.76	1,394	

5 McPhillamys Valuation

5.1 McPhillamys Deposit

5.1.1 Comparable Transactions

Transactions on gold deposits and copper-gold deposits with a value between \$50M and \$500M were reviewed to determine the current market for projects between advanced exploration stage to feasibility stage. Some deposits with mining activity are also included in the transactions list for comparison, and these tend to have a higher value when normalised to the Reserve base.

Gold Price equivalents

Because several projects in the comparable transactions list are porphyry or epithermal style deposits, several have significant copper, silver and molybdenum contents as well as gold. To allow comparisons, Aurel determined a gold equivalent for the other valuable metals to arrive at a total gold equivalent Resource or Reserve at the time of the transaction. Whereas it may be more significant to consider the forward price curve at each transaction date, the actual market sentiment is much more driven by the actual price differentials at the time that the transactions take place

Metal price data was obtained from www.infomine.com, and the copper and gold charts are reproduced here. There has been a general trend for gold to become more valuable over time relative to copper, which affects the assessment of equivalent gold ounces, particularly in large porphyry gold systems where copper is the primary commodity.



For the purposes of this valuation, no correction on the metal equivalence was made for the different processing recovery options. The reasoning behind this is that for a gold dominant system, greater than 90% gold recovery can be expected, whereas for copper dominant system the copper recovery should also be about 90%. As McPhillamys is strongly gold dominant, recovery should be at about the 90% level, or above. Therefore the value of projects (as opposed to the gold contribution to projects), should be compared on the basis of the recovery factor of the dominant metal, which in both cases here is in the order of 90%.

On this logic, for all the transactions, all metals have been converted to a gold-equivalent basis at the time of transaction, with no correction for likely metallurgical recovery.

The results of the research are shown in Table 5-5.

Assessment of the Transactions

The results from the transaction analysis are summarised in Table 5-1. The low (< \$10 / oz) and high transaction outliers were removed. The high values represent operating mines, and the low transaction value at Snowfield-Brucejack has complex property issues with neighbouring mineralisation, and combined they still require about 60,000m of drilling to progress past the current preliminary economic assessment published.

The Agua Rica project compensation in Table 5-1 includes a deferred revenue stream to Yanama. The transaction is included, as the cash transaction cost of \$315.55M places this in the category of the search, and the revenue stream is uncertain. As part of the Xstrata/Goldcorp agreement, the deferred consideration to be received by Yamana will be based on a formula (subject to certain adjustments) as follows: 65% of payable gold produced X the lesser of spot gold price and (spot gold price [\$450 + 10% X (spot gold price - \$1000)]), up to a maximum of 2.3 million ounces paid to Yamana. This could add USD1,200M to the transaction value at a gold price of USD1,600/oz. Including this uncertain value brings the \$/oz value up to A\$22.47. In this case, the deposit size and transaction value would suggest that it is not sufficiently similar to McPhillamys to include in an analysis.

Table 5-1: Valuation ranges (A\$/oz) derived from the transaction data

	Base	Removing outliers, Agua and McPhillamys	Including Agua Rica at \$22.47
Median Value	\$46.29	\$53.83	40.57
Mean Value	\$74.38	\$51.35	48.14
Weighted mean	\$21.99	\$46.26	31.45

The Lixian Gold project in China comprises three resources, Jinshan, Zhao Gou and Ma Gou deposits, and is quite similar to the McPhillamys project. There is a higher Indicated Resource at McPhillamys, but as discussed the confidence in this resource needs to be increased. Lixian has 80 Mt of ore, compares to 60 Mt at McPhillamys. Lixian, like McPhillamys, is considered to be an advanced exploration project, as discussed in the resources section. Lixian also uses a 0.5g/t cut-off, and has the following details:

Table 5-2: Lixian Resources

	Jinshan			Zao Gou			Ma Gou		
	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold	Tonnes (Mt)	Grade (Au g/t)	Koz Gold
Indicated	3.8	2.02	246	17.25	1.8	998			
Inferred	23.5	1.69	1,275	15.53	1.27	634	19.51	1.85	1,160

Given the additional sovereign risk issues in China, particularly at those deposits, the sale to a Chinese owner was likely to have been at the low end of the valuation range, based on the poor negotiating position of the seller (based on the added risk to the foreign owner). Consequently Aurel suggests that the low end of the valuation range for a similar deposit in Australia should be above the price paid at Lixian.

5.2 Valuation model

Based on a gold cut-off of 0.5 g/t (RRL's preferred cut-off for low-grade resources), the total resource base at McPhillamys (including potential but uncertain Cu credits) is 3.24 million

ounces. Although this is a combination of Indicated and Inferred resources, Aurel has determined that in all transactions there is a component of both (see discussion on comparable projects).

From the comparable values determined, the range is quite tight, between \$46.26 and \$53.83 per ounce of gold equivalent. This range results in a valuation of McPhillamys as shown in Table 5-3.

Table 5-3: Valuation of McPhillamys deposit

	Low	Preferred	High
McPhillamys Resource (M A\$)	149.9	166.4	174.4
\$/oz eq used	\$46.26	\$51.35	\$53.83

5.3 Exploration Assets

Valuation of the exploration assets has been undertaken using comparable transactions, and the implied terms of joint venture arrangements. In the case of the current RRL assets, this method has been compared to results using the multiples of exploration expenditure method.

5.3.1 Comparable Transactions

Exploration property transactions over the last 2 years in Australia were reviewed. There were 13 transactions considered, three of which were spin-offs of gold assets into IPOs. These were not considered further, because the style of transaction and relevance to exploration properties in the NSW area was not clear. All of the remaining 10 transactions were of a joint venture or purchase nature.

The review of the transactions is shown in Table 5-4, and details in Table 5-6.

Table 5-4: Results of analysis of transactions sorted by value, grey outliers removed

	Area	100% value Risked	\$/km2
		Remove outliers	
Treasure Island	226	\$ 9,200,000	\$ 10,177
Cundumbul	657.55	\$ 4,173,469	\$ 6,347
Vulcan	2000	\$ 12,160,494	\$ 6,080
Curnamona Craton	4573	\$ 19,812,500	\$ 4,332
Boomara	310	\$ 1,337,719	\$ 4,315
Punt Hill	1278	\$ 4,000,000	\$ 3,130
Arthurville	431.25	\$ 926,531	\$ 2,148
Pinjin	259.4	\$ 500,000	\$ 1,928
Copper Flats	396.54	\$ 540,000	\$ 1,362
EPM14111	86	\$ 85,000	\$ 988
		Average	\$ 3,705
		Median	\$ 3,723
		Weighted Average	\$ 4,793

In addition to these higher value joint venture transactions, Aurel reviewed a number of pure gold transaction in Australia, with a lower overall transaction value, to ensure there was no bias generated by using the joint venture method of transaction analysis.

Table 5-5: Comparable transactions for determining a market benchmark for the McPhillamys deposit

Property Name	Date	Location	Equity / Royalty expenditure (M AUD)	Cash paid (M AUD)	% acquired	Primary Metal	Resource acquired	Units	Total transaction value (M AUD)	Status	Equiv Au oz	\$/Au resource oz equiv
Aranzazu Cu/Au/Ag	05/08	Mexico	10.61	63.66	100%	Cu	333,4	t	74.27	Operating mine	4,089,292	\$18.16
Beattie Gold mine	11/08	Canada		62.38	100%	Au	2,595,374	oz	62.38	Pre feasibility	2,595,374	\$24.03
Cracow	05/08	Australia	15.00	65.00	30%	Au	862,283	oz	80.00	Operating mine	873,221	\$305.38
Hemlo Gold operations	02/09	Canada		101.28	50%	Au	2,790,866	oz	101.28	Operating mine	2,790,866	\$72.58
Morelos Gold Project	08/09	Mexico		178.66	79%	Au	3,009,567	oz	178.66	Advanced exploration	3,105,567	\$73.00
Pogo	04/09	USA		347.86	40%	Au	4,517,032	oz	347.86	Operating mine	4,517,032	\$192.53
San Dimas Au/Ag	06/10	Mexico	2.60	390.84	100%	Au	3,581,102	oz	611.44	Operating mine	7,330,019	\$83.42
Snowfield-Brucejack	10/10	Canada	195.01	254.49	100%	Cu	1,754,760	t	449.51	Pre feasibility	61,216,639	\$7.34
Agua Rica Cu/Au/Mo	03/11	Argentina	1,200.00	315.55	88%	Cu	7,831,622	t	1,515.55	Feasibility	77,095,119	\$22.47
Cloncurry Copper	04/11	Australia		175.00	100%	Cu	398,705	t	175.00	Feasibility	2,607,972	\$67.10
Lixian Gold	11/11	China		175.00	100%	Au	4,313,855	oz	175.00	Advanced exploration	4,313,855	\$40.57
Mina Justa Cu/Au	06/11	Peru		445.38	70%	Cu	3,251,148	t	445.38	Feasibility	19,935,357	\$31.92
McPhillamys	08/12	Australia			100%	Cu	60,988	t	150.00	Feasibility	3,240,154	\$46.29

Table 5-6: Comparable exploration transactions over the 2 years before the valuation date.

Property	Date	Transaction	Units	Upfront commitment	Initial commitment	Period	% earned	Second commitment	% earned	Period	Area		Attributable area	\$/km2
Arthurville	Apr-12	Earn-in	AUD		370,000	2	32%	600,000	17%	2	431.3			2,148
Boomara	Dec-11	Earn-in	AUD		1,000,000	3	51%	2,500,000	25%	3	310			4,315
Central Queensland JV	Jul-12	Earn-in	AUD		4,000,000	3	51%	6,000,000	19%	3			Difficult to determine areas	
Copper Flats	Jul-12	Earn-in	AUD		600,000	2		300,000	100%		396.5			1,362
Cundumbul + others	Au	Earn-in	AUD	500,000	3,000,000	3	49%				657.6			6,347
EPM14111	Jan-11	Purchase			100,000	1.5	100%				86			988
Punt Hill	Sep-10	Earn-in			4,000,000	4	51%	5,000,000	19%		1278			3,130
Cheesemans Creek	Aug-12	Earn-in	AUD		4,000,000	4	60%	10,000,000	20%	4	48			71,181
Corkwood	Mar-11	Earn-in	AUD		5,500,000	4	51%	9,000,000	9%	3	250			22,108
Curnamona Craton	Sep-11	Earn-in	AUD	9,562,500	12,000,000	4	60%				4573	5250000	in shares as well	4,332
Pinjin	Sep-10	Purchase	AUD	200,000			100%	500,000			71	80%	56.8	1,928
			Shares	1,500,000							34	90%	30.6	
Treasure Island	Mar-11	Purchase	AUD	2,000,000			25%				226			10,177
			Shares	5,000,000										
Vulcan	Oct-11	Earn-in	AUD	10,000,000		1	80%	7,000,000	55%	3	1711			7,107

5.3.2 Valuation Model

The Valuation of McPhillamys exploration on EL 6111 and EL 7878 uses the values derived from the Joint venture and comparable transactions methods. The preferred value is from the median of the transactions, and the high value from the weighted average. The low value is determined by placing the preferred value in the midpoint of the range. The resource at McPhillamys comprises both the gold and copper resources.

Table 5-7 McPhillamys exploration valuation

McPhillamys Exploration	Area (Km ²)	Low	Preferred	High
	319.17	\$900,000	\$1,200,000	1,500,000

6 RRL Near-mine exploration valuation

6.1 Methodology

The Garden Well southern extension and Rosemont northern lode are considered by Aurel to be advanced exploration properties that have immediate synergy with existing or planned mining operations and existing processing operations. Both areas are very well known through drilling, and resource statements for both are imminent. Aurel has reported the likely outcomes of this resource work, based on considerations of volume and likely grade continuity from both the drilling data and the adjacent deposits, as exploration targets for the purpose of valuation. This target is then valued according to the value of the ounces to the adjacent mining operation, through a comparable transactions process. Accordingly, the most appropriate valuation method, in the absence of a resource, is to use the market value of resources applied to other mining operations in Australia, and compared to other properties worldwide.

In addition to the transactions collated for the McPhillamys valuation, there were recent valuations of operations in Queensland and WA compiled by Grant Samuel and AMC Consultants. These are collated in Table 6-1.

Table 6-1: Recent valuations – Australian operations (Grant Samuel – AMC Consultants)

Project	Resource Inventory modelled	Low (\$M)	High (\$M)	Midpoint \$/oz of Resources
Pajingo	728,000	100	110	144
Mt Carlton	1,240,000	250	280	213
Edna May	1,763,000	400	440	238
Cracow	893,000	190	210	224
Mt Rawdon	1,026,000	425	475	439

These numbers are broadly comparable to the operating mines data shown in Table 5-5. Combining the transactions with the data from the Grant Samuel report, and removing the outliers (Mt Rawdon and Aranzazu) results in the following valuation parameters:

Table 6-2: Valuation parameters combining data from Table 5-5 and Table 6-1

	\$/oz in Resources
Median Value	203
Mean Value	184
Weighted mean	146

6.2 Rosemont Northern lode

Aurel has valued the northern lode at Rosemont on using the parameters in Table 6-2, based on an exploration target assessment from new drilling data and previous JORC Inferred Resources, and on an assessment by Aurel that approximately 50% of the target could convert to Indicated category.

Table 6-3: Rosemont North Lode Valuation

Rosemont North Lode Resource	Median of target range (oz)	Low (\$M)	Preferred (\$M)	High (\$M)
	198,000	28.86	36.37	40.13

6.3 Garden Well Exploration Potential

From the Garden Well long section (Figure 4-1), it appears the gram-metre average thickness may be lower in the south, and currently the drilling depth is also less, about 60% of that at Resource. The mineralisation appears to be resolving into several higher-grade shoots. Aurel has estimated a 25% reduction in thickness over the southern extension. Using these parameters, and assuming there is no change in overall grade (just thickness), based on 80 drill holes, Aurel has estimated an exploration target continuous with and to the south of Garden Well of 15-25 Mt at between 1.1 and 1.4 g/t for 500,000 – 1,100,000 oz of gold. The uncertainty with this Exploration Target compared to an Inferred Resource is captured in the additional range applied to this estimate. Aurel notes that the potential quantity and grade is conceptual in nature, that there has been insufficient analysis of the exploration results to define a Mineral Resource and that it is uncertain if further exploration and analysis will result in the determination of a Mineral Resource.

The additional exploration target material related to the Garden Well southern extension will be treated in the same operational environment as the Garden Well Reserve material. Aurel therefore has valued this additional (partially drilled) Exploration Target using the same factors as applied to the Rosemont north lode target ounces from the comparable transactions database, resulting in a value of \$147.2M. Aurel suggests a range of 40%, based on unknown outcomes from drilling at depth and uncertainty on the overall grade distribution.

Table 6-4: Garden Well Exploration Target

Garden Well southern extension	Median of target range (oz)	Low (\$M)	Preferred (\$M)	High (\$M)
	800,000	88.32	147.2	206.08

6.4 Moolart Well Inferred Resources not in the mine plan

Aurel was provided with a DCF model for the Moolart Well project, based on the current Reserve. Aurel expanded this model to include processing the Inferred material that has a potential for conversion to Reserves, after the end of the current mine life. There is additional material for approximately 2 years mine life. The Moolart Well resultant production schedule is shown in Table 6-5.

Table 6-5: Project assessment inclusive of Inferred Resources

Moolart Well Gold Project		2012	2013	2014	2015	2016	2017	2018
Tonnes milled (Mt)			2.50	2.50	2.50	2.50	2.50	1.04
Grade (g/t)			1.42	1.42	1.43	1.50	1.63	1.63
Recovery (%)			92%	92%	92%	92%	92%	92%

Assessment is included in the BDO Report.

7 Conclusions and Recommendations

The McPhillamys Project has been valued as an advanced exploration project with a significant additional exploration tenement package which has been valued as a greenfields exploration package. The methods used to determine a market value for McPhillamys was comparable market transactions for mid-sized gold projects (>\$50M and less than \$500M). The greenfields area also used comparable transaction method, utilising recent joint venture arrangements to determine a market value for the projects on a \$/area basis.

The material RRL exploration assets comprise the Rosemont North Lode and the Garden Well southern extension, which are valued in this review as exploration targets, as both have sufficient drilling and both have resource statements in preparation. These were valued using recent valuations available for other projects in Australia and also the same comparable transactions database used to value the McPhillamys project.

Recommendations

The market value of the McPhillamys gold deposit in central western NSW lies between \$150.8 M and \$175.9 M.

Table 7-1: Summary Valuation of the McPhillamys Project, NSW

	Low (A\$M)	Preferred (A\$M)	High (A\$M)
McPhillamys Resource	149.9	166.4	174.4
McPhillamys Exploration	0.90	1.20	1.50
Sub-Total	150.8	167.6	175.9

The resultant market value estimates for RRL's exploration and evaluation assets are summarised in Table 7-2 below.

Table 7-2: Summary valuation of the RRL material exploration and evaluation assets

Table of valuation ranges, A\$ (Millions)			
Exploration Projects	Low (A\$M)	Preferred (A\$M)	High (A\$M)
Rosemont North Lode	28.86	36.37	40.13
Garden Well Southern extension	88.32	147.2	206.08
Sub-Total	117.18	183.57	246.21

Prepared by



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