

24 September 2018

Manager Announcements
Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Response to Media Speculation

Regis Resources Ltd (Regis) notes the media speculation regarding a potential corporate transaction between Regis and Capricorn Metals Ltd (Capricorn).

Regis confirms that it has been in discussions with Capricorn and has put forward a confidential, indicative and incomplete proposal to acquire 100% of the issued and to be issued shares in Capricorn. The indicative proposal contemplates an offer of 11.4 cents in Regis shares per Capricorn share (Proposal), a premium of 93.2% to the closing Capricorn share price on Friday, 21 September 2018.

Before a binding offer can be announced, Regis requires the recommendation of the Board of Capricorn, the support of Capricorn's major shareholders, and execution of a binding implementation agreement. While the Board of Capricorn has confirmed to Regis that it would unanimously recommend the Proposal and significant shareholders Nedlands Nominees Pty Ltd and Centrepeak Resources Group Pty have indicated their support, Capricorn's largest shareholder, Hawke's Point (with a 18.9% interest), has to date not been prepared to support the Proposal. Regis is scheduled to meet representatives of Hawke's Point in the coming week to determine whether it will be possible to secure Hawke's Point's support for the Proposal.

Unless the support of Hawke's Point can be obtained before opening of the ASX on Wednesday, 3 October 2018, Regis reserves the right to terminate discussions regarding the potential acquisition of 100% of the issued and to be issued shares in Capricorn. Accordingly, there is no certainty that an agreement will be reached which will result in a binding offer being made to Capricorn shareholders.

In any event, Regis reserves its right to make an offer, or further proposal, for 100% of Capricorn if a third party makes or proposes an alternative offer for Capricorn. Should the above pre-conditions to making a binding offer be satisfied, the offer would be subject to customary terms and conditions to be finalised but including 90% minimum acceptance, acquisition or cancellation of all options, no material adverse change and no prescribed occurrence conditions.

Regis is being advised by Greenhill & Co. and Gilbert + Tobin.

Yours sincerely

Regis Resources Limited



Mark Clark
Executive Chairman