

Regis Resources Limited and its Controlled Entities

For the half-year ended 31 December 2021

(Previous corresponding period is the half-year ended 31 December 2020)

Results for Announcement to the Market

	31 December 2021	31 December 2020	Change	
	\$'000	\$'000	\$'000	%
Revenue from ordinary activities	488,790	401,045	87,745	22%
Profit from ordinary activities after tax attributable to members	26,499	84,805	(58,306)	(69%)
Net profit for the period attributable to members	26,499	84,805	(58,306)	(69%)

Net Tangible Assets

	31 December 2021	31 December 2020
	\$	\$
Net tangible assets per share	2.10	1.75

Control Gained or Lost over Entities during the Period

There have been no gains or losses of control over entities in the half-year ended 31 December 2021.

Financial Results

This report is based on the attached Condensed Consolidated Interim Financial Report for the half-year ended 31 December 2021, which has been reviewed by KPMG, and should be read in conjunction with the consolidated annual financial report as at 30 June 2021 and public announcements made subsequent to 31 December 2021.



and its Controlled Entities

Condensed Consolidated Interim Financial Report

31 December 2021

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CORPORATE INFORMATION

ABN

28 009 174 761

Directors

James Mactier	(Independent Non-Executive Chairman)
Jim Beyer	(Chief Executive Officer and Managing Director)
Fiona Morgan	(Independent Non-Executive Director)
Steve Scudamore	(Independent Non-Executive Director)
Lynda Burnett	(Independent Non-Executive Director)
Russell Barwick	(Independent Non-Executive Director) – resigned 14 January 2022

Company Secretary

Elena Macrides

Registered Office & Principal Place of Business

Level 2
516 Hay Street
SUBIACO WA 6008

Share Register

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

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

DIRECTORS' REPORT

The directors present their report of Regis Resources Limited ("Regis" or "the Company") for the half-year ended 31 December 2021.

Directors

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

James Mactier Independent Non-Executive Chairman
 Jim Beyer Chief Executive Officer and Managing Director
 Fiona Morgan Independent Non-Executive Director
 Steve Scudamore Independent Non-Executive Director
 Lynda Burnett Independent Non-Executive Director
 Russell Barwick Independent Non-Executive Director – resigned 14 January 2022

Review and Results of Operations

Results

Consolidated net profit after tax for the half-year was \$26,499,000 (2020: \$84,805,000).

Operating results for the Duketon and Tropicana (30%) Gold Projects for the half-year ended 31 December 2021 were as follows:

	Unit	Duketon South Operations	Duketon North Operations	Tropicana Gold Project (30%)	Total December 2021	Duketon South Operations	Duketon North Operations	Total December 2020
Ore mined (open pit)	Bcm	1,461,882	400,889	156,818	2,019,589	1,396,111	738,145	2,134,256
Waste mined (open pit)	Bcm	5,101,077	8,596,437	3,537,017	17,234,531	8,751,863	5,687,118	14,438,981
Stripping ratio	w:o	3.5	21.4	22.6	8.5	6.3	7.7	6.8
Capital development	m	2,639	-	632	3,271	2,397	-	2,397
Operating development	m	2,524	-	718	3,242	1,879	-	1,879
Ore mined (OP & UG)	t	4,177,713	811,498	653,414	5,642,625	3,862,201	1,361,746	5,223,947
Ore milled	t	2,978,072	1,509,287	1,447,656	5,935,015	3,270,183	1,601,385	4,871,568
Head grade	g/t	1.35	0.71	1.50	1.22	1.34	0.92	1.20
Recovery	%	90.6%	90.8%	89.4%	90.3%	92.3%	91.5%	92.1%
Gold production	oz	116,818	31,085	62,367	210,270	129,577	43,400	172,977
Cash cost pre royalty ¹	A\$/oz	1,283	1,245	798	1,133	1,057	1,018	1,047
All-in Sustaining Cost ²	A\$/oz	1,640	1,807	1,084	1,527	1,379	1,194	1,356

Duketon Gold Project Operations

The Duketon Gold Project achieved half-year production of 147,903 ounces of gold at a pre-royalty cash cost of \$1,264 per ounce and an all-in sustaining cost of \$1,675 per ounce (2020: 172,977 ounces of gold produced at a pre-royalty cash cost of \$1,047 per ounce and an all-in sustaining cost of \$1,356 per ounce).

Duketon South Operations (DSO)

Duketon South Operations gold production was 10% lower than the previous corresponding period as a result of lower throughput while lower recoveries were attributable to the higher grade but metallurgically difficult Tooheys Well ore fed to the mill. The Company's underground operations at Rosemont and Garden Well continued to progress with total development metres 21% higher than the previous corresponding period following the commencement of decline development at Garden Well South in the March 2021 quarter.

¹ Cash cost per ounce is calculated as cash costs of production relating to gold sales (note 6(a)), excluding gold in circuit inventory movements and the cost of royalties, divided by gold ounces produced. Non cash NRV write down of stockpiles equating to \$330 per ounce not included in cash cost per ounce above.

² All-in sustaining cost per ounce is calculated as cash cost per ounce as described above, plus royalties, amounts capitalised for production stripping costs, sustaining capital and corporate costs, divided by gold ounces produced. Non cash NRV write down of stockpiles equating to \$330 per ounce not included in AISC above.

Both of the above measures are included to assist investors to better understand the performance of the business, are non-IFRS measures, and where included in this report, have not been subject to review by the Group's external auditors.

Directors' Report (Continued)

To manage the metallurgically difficult Tooheys Well ore, liquid oxygen capacity was installed to assist with maintaining process control with additional measures to improve oxygen distribution within the primary leach tanks undertaken. The excess higher grade Tooheys Well ore was stockpiled for processing when plant modifications are complete. The increase in processing costs and reduction in ounces resulted in an increase in the All-in Sustaining Cost (AISC) to \$1,640 per ounce at the Duketon South Operations.

Duketon North Operations (DNO)

Duketon North Operations gold production for the half-year ended 31 December 2021 decreased by 28% from the previous corresponding period as a result of a 23% reduction in grade at the Moolart Well mill. Lower mill feed grades were a result of the treatment of low-grade stockpiles while pits were rescheduled as a result of wet floor conditions. Short term variation in grade and the presentation of ore associated with mining through the near surface oxides, including laterite and depletion zones in the Blenheim pit have also impacted on ore feed for processing.

The AISC of \$1,807 per ounce for the half-year end 31 December 2021 was significantly higher than the prior period due to the lower gold production and higher stripping ratio attributable to AISC.

Tropicana Gold Project Operations

The Tropicana Gold Project is operated by joint venture partner AngloGold Ashanti Australia Limited (70% and manager). In May 2021 the Company completed the acquisition of a 30% interest in the project from IGO Limited. The Tropicana acquisition had an acquisition date for accounting purposes of 30 April 2021.

The Tropicana Gold Project achieved half-year production of 62,367 ounces of gold (at 30%) at a pre-royalty cash cost of \$782 per ounce and an all-in sustaining cost of \$1,084 per ounce.

Corporate

Gold Sales

During the half-year ended 31 December 2021, the Company sold 216,651 ounces of gold at an average price of \$2,256 per ounce (2020: 172,990 ounces at an average price of \$2,317 per ounce). The Company had a hedging position at the end of the period of 270,000 ounces of flat forward contracts with an average price of A\$1,571 per ounce (2020: 359,493 ounces of spot deferred contracts with an average price of A\$1,617 per ounce).

Dividend Payment

Regis' net profit after tax for the year ended 30 June 2021 was \$146.2 million, and as a result the Board declared a fully franked final dividend of 3 cents per share (\$22.6 million) with shareholders invited to participate in a dividend reinvestment plan (DRP). The final dividend was paid in September 2021 with \$1.1 million reinvested under the DRP. The final dividend payment took total dividends paid in relation to the 2021 financial year to 7 cents per share (\$43.1 million).

Development

Garden Well Underground Project

Development at the Garden Well South (GWS) Underground Gold Project commenced in the March 2021 quarter with 1,541 development metres completed during the period. Ore development is expected to commence during the March 2022 quarter with stope production to commence in the June 2022 quarter. The maiden GWS Underground Mineral Resource Estimate (MRE) is 2.4 million tonnes at 3.6g/t gold for 270,000 ounces with considerable opportunity for additional Resources down plunge of the existing GWS Resource.

Exploration

The Company's investment in organic growth through near mine and regional exploration activities across the Duketon Greenstone Belt (DGB) and Albany Fraser Belt (AFB) continued to return positive results with the advancement of early-stage projects, showing the potential for further discoveries in the belts.

During the half-year ended 31 December 2021, Regis drilled a total of 190,267 metres across the DGB and AFB as shown below:

	Duketon	Tropicana
Type	Metres	Metres
Aircore	38,721	-
RC	53,761	38,154
Diamond	22,620	37,011
Total	115,102	75,165

Significant exploration projects advanced during the half-year ended 31 December 2021 are outlined as follows.

Directors' Report (Continued)

Garden Well Main Underground

One kilometre to the north of the approved Garden Well South Underground Project (approved in December 2020) there is another target area that is the down plunge extension of the Garden Well Main mineralisation. Two separate high-grade shoots, hosted in sheared ultramafic rocks have been identified and diamond drilling continued to test the continuity of the gold mineralisation. Drilling results during the period continued to firm up the high-grade south plunging shoots beneath main pit with intercepts including 24.5M @ 3.2g/t gold demonstrating the potential value of establishing early access to this zone via a decline between the GWS underground mine and the growing GWM area. The decline would provide the ideal platform for both infill and extensional drilling at GWM plus allowing the follow-up of high-grade results in the very prospective area between GWS and GWM.

Rosemont Underground

The orebody at Rosemont is hosted in a steeply dipping north trending quartz-dolerite unit intruding into a mafic-ultramafic sequence. Drilling continued to explore the high-grade shoots which extend at depth beneath existing underground infrastructure and along strike to the south. During the period, 12,941 metres of diamond drilling was completed to test both the extensions of high-grade gold mineralisation outside the current underground resource domains and to infill drill new resource areas. Drilling was focused on Rosemont South to test the continuity of grade and thickness of two new ore shoots with multiple intersections over widths amenable to underground mine development. Drilling will provide sufficient information to delineate the tenor of the new high-grade shoots and inform resource estimation.

Ben Hur

Mineralisation at Ben Hur is analogous to Rosemont and Baneygo with gold associated with quartz veins and quartz-albite-sericite and alteration. Mineralisation extends for 2 kilometres of strike and is open at depth and along strike. During the period, 10,660 metres of reverse circulation (RC) drilling was completed to investigate the down plunge potential beneath and lateral to the Ben Hur pit designs. Drill intersections including 18 metres @ 5.2g/t gold indicate potential to extend high-grade zones down dip at Ben Hur and grow the open pit resources and also provide early indications of potential underground lodes. The current Mineral Resource is 10 million tonnes @ 1.2g/t gold for 380,000 ounces.

Gloster

The Gloster gold deposit is hosted in intermediate volcanics and intrusives. Gold mineralisation is structurally complex; consisting of steeply dipping shears and multiple flat lying mineralised vein sets. Mineralised zones are characterised by several metres of quartz-carbonate-sulphide veins, which commonly host visible gold.

Mineralised intercepts drilled to 500 metres beneath the pit consist of multiple narrow, high-grade, strike limited quartz veins. RC drilling tested beneath the pit returning numerous narrow high-grade results which may grow the open pit resource. 6,224 metres were drilled to investigate grade continuity in an area being considered for an underground operation. The initial results from this drilling returned typical narrow high-grade intervals with a comprehensive review of structure and continuity of selected lodes to be undertaken.

Boston Shaker Underground

Exploration drilling at Boston Shaker is designed to test the margins of mineralisation both laterally and down plunge, and to better define the fault zones which offset the mineralisation. Numerous significant results have been returned during the period highlighting the potential for Boston Shaker Underground resource to grow further.

Tropicana Underground

The Tropicana underground forms part of the production schedule for the operation and continues to grow with further exploration. During the period, a surface programme targeting the potential down-dip extension of the Tropicana mineralisation commenced with additional drilling from the underground platforms increasing confidence in the Tropicana mineralisation.

Havana Underground

The Havana drilling programme is designed to convert a portion of the underground inferred resource to indicated beneath the base of the planned Havana Pit. Current drilling is focused on increasing the drill density over 550 metre strike and 150 metre down-dip delineated by the underground scoping study below the Havana cutback pit shell. Drilling will continue and will contribute to the 2022 Havana Underground Feasibility Study.

Regional Exploration

Regional exploration is designed to test conceptual targets and identify new gold anomalies as well as increase the geological understanding in target areas. Research projects are also being undertaken to advance the Company's geological knowledge of the belt.

Directors' Report (Continued)

McPhillamys Gold Project (MGP)

The McPhillamys Gold Project in New South Wales is one of Australia's largest undeveloped open pit gold projects capable of producing up to 200,000 ounces per year from an Ore Reserve of 61 million tonnes @ 1.0g/t gold for 2.02 million ounces. With strong community support, as indicated by independent research that was commissioned across Blaney and Central West NSW, the Project has the potential to play an important role in delivering social and economic stimulus to regional NSW.

Regis continued to work with a number of departments including: the Department of Planning, Industry and Environment (DPIE) which is the department required to make a recommendation on the Project to the Independent Planning Commission (IPC); the Department of Mining, Exploration and Geoscience (MEG) which is responsible for the Mining License application; the Federal Department of Agriculture, Water and Environment and other statutory bodies and stakeholders associated with permitting of the proposed McPhillamys project.

Regis continues to progress the Definitive Feasibility Study (DFS) as far as practicable and remains confident that a robust project awaits to be delivered for the benefit of shareholders and stakeholders. The Company also continues to work with the local and surrounding communities to ensure opportunities and impacts presented by the project development are communicated and mitigated where practicable.

COVID-19

Regis' Crisis Management Team has continued to manage our ongoing response to COVID-19 which has been coordinated in cooperation with our contractors.

The Company is maintaining a range of measures across its business consistent with advice from State and Federal health authorities. These measures help ensure the health and welfare of our employees and their respective communities.

To date there have been no confirmed cases of COVID-19 across the business.

Events After Balance Date

On 24 January 2022, the Company announced a geotechnical incident involving a wall slip at its Rosemont Main Pit and other operational challenges limiting its ability to absorb the loss of high-grade feed resulting in a change to the Company's full year guidance.

Except as disclosed above, there have been no events subsequent to balance sheet date that would significantly affect the amounts reported in the consolidated financial statements as at and for the half-year ended 31 December 2021

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on the following page and forms part of the Directors' Report for the half-year ended 31 December 2021.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

Signed in accordance with a resolution of the directors.



Mr James Mactier
Non-Executive Chairman
Perth, 21 February 2022



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

To the Directors of Regis Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Regis Resources Limited for the half-year ended 31 December 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

A handwritten signature in black ink, appearing to read 'Derek Meates'.

KPMG

Derek Meates
Partner

Perth

21 February 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2021

	Note	Consolidated	
		31 December 2021	31 December 2020
		\$'000	\$'000
Revenue	4	488,790	401,045
Cost of goods sold	6	(427,245)	(266,569)
Gross profit		61,545	134,476
Other income		49	14
Investor and corporate costs		(3,969)	(1,785)
Personnel costs		(8,158)	(4,597)
Share-based payment expense	13	(588)	(3,652)
Occupancy costs		(815)	(263)
Other corporate administrative expenses		(568)	(245)
Other		(182)	(8)
Finance costs	6	(5,443)	(747)
Profit before income tax		41,871	123,193
Income tax expense	7	(15,372)	(38,388)
Net profit		26,499	84,805
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Unrealised gains on cash flow hedges		-	-
Realised gains transferred to net profit		-	-
Tax effect		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		26,499	84,805
Profit attributable to members of the parent		26,499	84,805
Total comprehensive income attributable to members of the parent		26,499	84,805
Basic profit per share attributable to ordinary equity holders of the parent (cents per share)		3.51	16.64
Diluted profit per share attributable to ordinary equity holders of the parent (cents per share)		3.50	16.59

CONSOLIDATED BALANCE SHEET

As at 31 December 2021

	Note	Consolidated	
		31 December 2021	30 June 2021
		\$'000	\$'000
Current assets			
Cash and cash equivalents		164,425	242,627
Receivables		20,568	14,832
Inventories	10	211,719	161,475
Financial assets	9	183	183
Income tax receivable		30,183	(325)
Other current assets		5,928	4,398
Total current assets		433,006	423,190
Non-current assets			
Inventories	10	161,157	185,643
Property, plant and equipment		324,147	335,618
Exploration and evaluation expenditure	12	494,346	491,702
Mine properties under development		83,402	18,655
Mine properties		763,030	794,640
Intangible assets		2,495	2,688
Right-of-use assets	11	66,567	60,704
Total non-current assets		1,895,144	1,889,650
Total assets		2,328,150	2,312,840
Current liabilities			
Trade and other payables	9	140,040	151,348
Provisions		5,802	5,975
Lease liabilities	9	29,635	24,481
Total current liabilities		175,477	181,804
Non-current liabilities			
Deferred tax liabilities		128,997	113,624
Long term borrowings	9	294,847	293,821
Provisions		103,553	103,921
Lease liabilities	9	35,468	35,365
Total non-current liabilities		562,865	546,731
Total liabilities		738,342	728,535
Net assets		1,589,808	1,584,305
Equity			
Issued capital		1,096,576	1,095,533
Reserves		35,745	35,157
Retained profits		457,487	453,615
Total equity		1,589,808	1,584,305

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

	Consolidated				
	Issued capital	Share-based payment reserve	Financial assets reserve	Retained profits/ (accumulated losses)	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2021	1,095,533	33,440	1,717	453,615	1,584,305
Profit for the period	-	-	-	26,499	26,499
Other comprehensive income	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	26,499	26,499
Transactions with owners in their capacity as owners:					
Share-based payments expense	-	588	-	-	588
Dividends paid	-	-	-	(22,627)	(22,627)
Dividends reinvested	1,046	-	-	-	1,046
Issued capital	-	-	-	-	-
Shares issued, net of transaction costs	(3)	-	-	-	(3)
At 31 December 2021	1,096,576	34,028	1,717	457,487	1,589,808
At 1 July 2020	435,145	29,506	1,717	368,713	835,081
Profit for the period	-	-	-	84,805	84,805
Other comprehensive income	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	84,805	84,805
Transactions with owners in their capacity as owners:					
Share-based payments expense	-	3,652	-	-	3,652
Dividends paid	-	-	-	(40,814)	(40,814)
Dividends reinvested	6,540	-	-	-	6,540
Issued Capital	9,750	-	-	-	9,750
Shares issued, net of transaction costs	(59)	-	-	-	(59)
At 31 December 2020	451,376	33,158	1,717	412,704	898,955

CONSOLIDATED STATEMENT OF CASH FLOW

For the half-year ended 31 December 2021

	Note	Consolidated	
		31 December 2021	31 December 2020
		\$'000	\$'000
Cash flows from operating activities			
Receipts from gold sales		492,119	400,880
Payments to suppliers and employees		(322,088)	(212,426)
Interest received		125	194
Interest paid		(3,765)	(606)
Income tax paid		(30,508)	(40,269)
Net cash from operating activities		135,883	147,773
Cash flows from investing activities			
Acquisition of plant and equipment		(19,676)	(11,119)
Payments for exploration and evaluation (net of rent refunds)		(32,845)	(22,350)
Payments for acquisition of exploration assets		-	(270)
Proceeds from held to maturity investments		-	31
Payments for mine properties under development		(39,741)	(108)
Payments for mine properties		(76,907)	(60,423)
Net cash used in investing activities		(169,169)	(94,239)
Cash flows from financing activities			
Share issue Costs		(8)	-
Payment of transaction costs		(7,736)	(59)
Payment of lease liabilities		(15,597)	(9,055)
Dividends paid		(21,575)	(34,275)
Net cash used in financing activities		(44,916)	(43,389)
Net increase/(decrease) in cash and cash equivalents		(78,202)	10,145
Cash and cash equivalents at 1 July		242,627	192,428
Cash and cash equivalents at 31 December		164,425	202,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

1. Corporate Information

The interim condensed consolidated financial statements of Regis Resources Limited and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 21 February 2022.

Regis Resources Limited (the “Company”) is a for profit company, limited by shares, incorporated and domiciled in Australia whose shares are publicly traded. The Group’s principal activities are the exploration for and production of gold.

2. Basis of Preparation and Accounting Policies

Basis of preparation

The interim condensed consolidated financial statements for the half-year ended 31 December 2021 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 30 June 2021 which are available upon request from the Company’s registered office or at www.regisresources.com.

Significant accounting policies

The Group has early adopted the Amendments to AASB 116 *Property, Plant and Equipment: Proceeds before Intended Use* from 1 July 2021. Under the amendments, the Group recognises the proceeds from gold sales from mines which are in the pre-production phase in the statement of comprehensive income, together with the costs of production. Prior to this adoption any proceeds from sales in the pre-production phase were deducted from the cost of the mine properties under development asset. These amendments apply retrospectively and did not have a material impact on the comparative periods presented, and therefore comparative information has not been restated.

Other than as mentioned above, the accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2021.

3. Operating Segment Information

The following table presents revenue and profit information for reportable segments for the half-years ended 31 December 2021 and 2020 respectively.

	Duketon North Operations		Duketon South Operations		Tropicana		Unallocated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Segment revenue</i>										
Sales to external customers	69,323	99,997	265,683	300,883	153,711	-	-	-	488,717	400,880
Other revenue	-	-	-	-	-	-	73	165	73	165
Total segment revenue	69,323	99,997	265,683	300,883	153,711	-	73	165	488,790	401,045
Total revenue per the statement of comprehensive income									488,790	401,045
<i>Segment result</i>										
Segment net operating profit/(loss) before tax	7,509	31,538	26,443	102,860	26,061	-	(18,142)	(11,205)	41,871	123,193
Income tax expense									(15,372)	(38,388)
Net profit after tax									26,499	84,805

Segment assets

Notes to the Financial Statements (Continued)

The Group's three reporting segments comprise the Duketon Gold Project, which includes Duketon North (DNO), Duketon South (DSO) and Tropicana. These segments are unchanged from those reported at 30 June 2021. DNO comprises Moolart Well, Gloster, Anchor, Dogbolter-Coopers and Petra. DSO comprises Garden Well, Rosemont, Rosemont Underground, Erlistoun, Tooheys Well and Baneygo. Unallocated items comprise exploration and evaluation assets relating to areas of interest where an economically recoverable reserve is yet to be delineated and corporate costs. Segment assets as at 31 December and 30 June are as follows:

	Duketon North Operations		Duketon South Operations		Tropicana		Unallocated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December										
Segment operating assets	149,126	111,818	591,853	560,278	1,035,663	-	551,508	537,790	2,328,150	1,209,886
As at 30 June										
Segment operating assets	118,826	110,192	574,472	551,479	1,043,360	-	576,182	490,206	2,312,840	1,151,877

4. Revenue

	Consolidated	
	Half-year ended 31 December 2021	Half-year ended 31 December 2020
	\$'000	\$'000
<i>Revenue</i>		
Gold sales	488,717	400,880
Interest	73	165
	<u>488,790</u>	<u>401,045</u>

5. Physical Gold Delivery Commitments

Open contracts at balance date, along with the current amortisation profile agreed with the Company's hedge provider, Macquarie Bank Limited, are summarised in the table below:

	Gold for physical delivery		Contracted gold sale price		Value of committed sales		Mark-to-market ⁽ⁱ⁾	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	ounces	ounces	\$/oz	\$/oz	\$'000	\$'000	\$'000	\$'000
Within one year:								
- Flat forward contracts	100,000	100,000	1,571	1,571	157,114	157,114	(94,471)	(79,142)
Later than one year but not later than five years:								
- Flat forward contracts	170,000	220,000	1,571	1,571	267,094	345,651	(163,995)	(176,131)
	<u>270,000</u>	<u>320,000</u>			<u>424,208</u>	<u>502,765</u>	<u>(258,466)</u>	<u>(255,273)</u>

Mark-to-market has been calculated with reference to the following spot price at period end

\$2,513/oz \$2,362/oz

(i) Mark-to-market represents the value of the open contracts at balance date, calculated with reference to the gold spot price at that date. A negative amount reflects a valuation in the counterparty's favour.

Notes to the Financial Statements (Continued)

6. Expenses

	Consolidated	
	Half-year ended 31 December 2021 \$'000	Half-year ended 31 December 2020 \$'000
<i>(a) Cost of goods sold</i>		
Cash costs of production	232,920	169,725
Royalties	20,533	19,530
Depreciation of mine plant and equipment	45,170	31,099
Amortisation of mine properties	103,370	44,475
Inventory write down	25,252	1,740
	<u>427,245</u>	<u>266,569</u>
<i>(b) Finance costs</i>		
Interest expense	4,723	606
Unwinding of discount on provisions	720	141
	<u>5,443</u>	<u>747</u>

7. Income Tax

A reconciliation between tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:

Accounting profit before income tax	41,871	123,193
At the Group's statutory income tax rate of 30% (2020: 30%)	12,561	36,958
Share-based payments	177	1,096
Other non-deductible expenditure	13	2
Adjustment in respect of acquisition	2,621	-
Adjustment in respect of income tax of previous years	-	332
Income tax expense reported in the statement of comprehensive income	<u>15,372</u>	<u>38,388</u>

8. Dividends

	Consolidated	
	Half-year ended 31 December 2021 \$'000	Half-year ended 31 December 2020 \$'000
<i>Declared and paid during the half-year:</i>		
Dividends on ordinary shares		
Final dividend for 2021: 3 cents (2020: 8 cents) (fully-franked at 30%)	22,626	40,814
<i>Proposed by the directors after balance date but not recognised as a liability at 31 December:</i>		
Dividends on ordinary shares		
Interim dividend for 2022: nil (2021: 4 cents) (fully-franked at 30%)	-	20,481
<i>Dividend franking account</i>		
Franking credits available for future years at 30% adjusted for the payment of income tax and dividends payable	109,415	94,537
Impact on the franking account of dividends proposed before the financial report was issued but not recognised as a distribution to equity holders during the period	-	(8,778)
The ability to utilise the franking credits is dependent upon the ability to declare dividends.		

Notes to the Financial Statements (Continued)

9. Financial Assets and Financial Liabilities

Set out below is an overview of financial assets (other than cash and short-term deposits) and financial liabilities, held by the Group at 31 December 2021 and 30 June 2021.

	Consolidated	
	As at 31 December 2021 \$'000	As at 30 June 2021 \$'000
<i>Financial assets at amortised cost</i>		
Term deposit	183	183
Total financial assets	183	183
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	140,040	151,348
Secured bank loan	294,847	293,821
Obligations under leases		
Current	29,635	24,481
Non-current	35,468	35,365
Total financial liabilities	499,990	505,015

Fair Values

The carrying amounts and estimated fair values of all of the Group's financial instruments recognised in the financial statements are materially the same.

10. Inventories

	Consolidated	
	As at 31 December 2021 \$'000	As at 30 June 2021 \$'000
<i>Current</i>		
Ore stockpiles	156,828	106,854
Gold in circuit	25,790	32,427
Bullion on hand	10,995	8,726
Consumable stores	18,106	13,468
	211,719	161,475
<i>Non-current</i>		
Ore stockpiles	161,157	185,643

At 31 December 2021, all inventories were carried at cost except for a portion of Duketon and Tropicana ore stockpiles written back to net realisable value resulting in an expense totalling \$11,511,000 and \$13,741,000 respectively being recognised in cost of goods sold.

At the prior year end, all inventories were carried at cost except for a portion of Dogbolter, Moolart Well, Erlistoun and Toohey's Well ore stockpiles written back to net realisable value resulting in an expense totalling \$4,346,000 being recognised in cost of goods sold.

Notes to the Financial Statements (Continued)

11. AASB 16 Leases

	Consolidated	
	As at 31 December 2021	As at 30 June 2021
	\$'000	\$'000
Lease liability recognised		
Comprising:		
Current	29,635	24,481
Non-current	35,468	35,365
	65,103	59,846

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2021.

	Consolidated	
	As at 31 December 2021	As at 30 June 2021
	\$'000	\$'000
Plant & equipment	50,699	41,532
Furniture & equipment	37	49
Buildings & infrastructure	15,831	19,123
Total right-of-use assets	66,567	60,704

12. Exploration and Evaluation Assets

	Consolidated	
	As at 31 December 2021	As at 30 June 2021
	\$'000	\$'000
<i>Reconciliation of movements during the year</i>		
Balance at 1 July	491,702	230,260
Expenditure for the period	27,700	46,509
Acquisition of exploration & evaluation assets – Tropicana	-	213,300
Acquisition of tenements ⁽ⁱ⁾	-	10,648
Impairment	-	(610)
Transferred to mine properties under development	(25,056)	(8,405)
Balance at 31 December / 30 June	494,346	491,702

⁽ⁱ⁾ On 2 September 2020 the Company acquired a resource and tenement package from Brightstar Resources Limited (ASX: BTR), formerly Stone Resources Australia Limited (ASX: SHK), for \$9.75 million in Regis shares and a cash consideration of \$0.25 million.

Notes to the Financial Statements (Continued)

13. Share-Based Payments

On 25 November 2021, a total of 796,467 Performance Rights were granted to the Chief Executive Officer and Managing Director, Mr Jim Beyer (450,563), and to executives Mr Stuart Gula (189,709) and Mr Jon Latto (156,195), in the form of long-term incentives (LTI's) under the Group's Executive Incentive Plan (EIP). The performance conditions that the Board has determined will apply to the Performance Rights are summarised below:

Tranche	Weighting	Performance Conditions
Tranche A	50% of the Performance Rights	The Company's relative total shareholder return (RTSR) measured against the RTSRs of 12 comparator mining companies
Tranche B	25% of the Performance Rights	The Company's life of mine reserves growth in excess of depletion
Tranche C	25% of the Performance Rights	Project targets as determined by the Board

The fair value at grant date of Tranche A, which has market based performance conditions, was estimated using a Monte Carlo simulation, and a Black Scholes option pricing model was used to estimate the fair value at grant date of Tranches B and C, which have non-market based performance conditions.

The table below details the terms and conditions of the grant and the assumptions used in estimating fair value:

Grant date	25 November 2021
Value of the underlying security at grant date	\$1.93
Exercise price	Nil
Dividend yield	3.25%
Risk free rate	1.030%
Volatility	45%
Performance period (years)	3.00
Commencement of measurement period	1 July 2021
Test date	30 June 2024
Remaining performance period (years)	2.60

On 25 November 2021, a total of 180,433 Performance Rights were granted to the Chief Executive Officer and Managing Director, Mr Jim Beyer (89,917), and to executives Mr Stuart Gula (47,758) and Mr Jon Latto (42,758) which represents 50% of the short-term incentive (STI) awarded for the year ended 30 June 2021 under the Group's Executive Incentive Plan (EIP). The performance conditions that the Board has determined will apply to the Performance Rights are summarised below:

Tranche	Weighting	Performance Conditions
Tranche D	100% of the Performance Rights	Mr. Jim Beyer, Mr. Stuart Gula and Mr. Jon Latto being an employee of the company as at 1 July 2022.

The fair value at grant date of Tranche D, which has non-market based performance conditions, was estimated using a Black Scholes option pricing model.

The table below details the terms and conditions of the grant and the assumptions used in estimating fair value:

Grant date	25 November 2021
Value of the underlying security at grant date	\$1.93
Exercise price	Nil
Dividend yield	3.25%
Risk free rate	0.550%
Volatility	45%
Performance period (years)	0.60
Commencement of measurement period	25 November 2021
Test date	1 July 2022
Remaining performance period (years)	0.60

Notes to the Financial Statements (Continued)

The fair value of the Performance Rights granted during the half-year was \$1,417,000 and the weighted average fair value was \$1.45.

For the six months ended 31 December 2021, the Group has recognised \$588,000 of share-based payments in the statement of comprehensive income (31 December 2020: (\$3,652,000)).

14. Subsequent Events

On 24 January 2022, the Company announced a geotechnical incident involving a wall slip at its Rosemont Main Pit and other operational challenges limiting its ability to absorb the loss of high-grade feed resulting in a change to the Company's full year guidance.

Except as disclosed above, there have been no events subsequent to balance date that would significantly affect the amounts reported in the consolidated financial statements as at and for the half-year ended 31 December 2021.

DIRECTORS' DECLARATION

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

In the opinion of the directors:

- (a) The financial statements and notes of Regis Resources Limited for the half-year ended 31 December 2021 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company and Group will be able to pay its debts as and when they become due and payable.

On behalf of the board



Mr James Mactier
Non-Executive Chairman
Perth, 21 February 2022



Independent Auditor's Review Report

To the shareholders of Regis Resources Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Regis Resources Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Regis Resources Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises the:

- Consolidated balance sheet as at 31 December 2021.
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date.
- Notes comprising a summary of significant accounting policies and other explanatory information.
- Directors' Declaration.

The **Group** comprises Regis Resources Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

Derek Meates
Partner

Perth

21 February 2022