

9 August 2012

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Regis to Acquire the McPhillamys Gold Project

The board of Regis Resources Ltd (Regis) is pleased to announce that it has executed a letter of agreement to acquire the McPhillamys Gold Project in the Bathurst region of New South Wales, Australia. The project has a quoted JORC compliant gold resource of 2.5 million ounces (57.4MT at 1.36g/t). The acquisition of the project will increase Regis' gold resource base to 9 million ounces and presents Regis with an excellent medium term development opportunity beyond the current growth projects at the Company's Duketon operations in Western Australia.

The agreement is with the joint venture owners of the project, Newmont Exploration Pty Ltd (51%), a subsidiary of Newmont Mining Corporation and Alkane Resources Ltd (49%). The total consideration to be paid is \$150 million, to be allocated between Newmont and Alkane in their respective joint venture interests. The consideration payable to both parties will be satisfied by the issue of Regis shares. The number of shares to be issued will be calculated based on an issue price of \$4.20 per share, being the 45 trading day VWAP of Regis shares ending on the date of the letter of agreement.

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

The completion of the transaction is subject to the satisfaction within 90 days of a number of conditions precedent in the Regis offer, including:

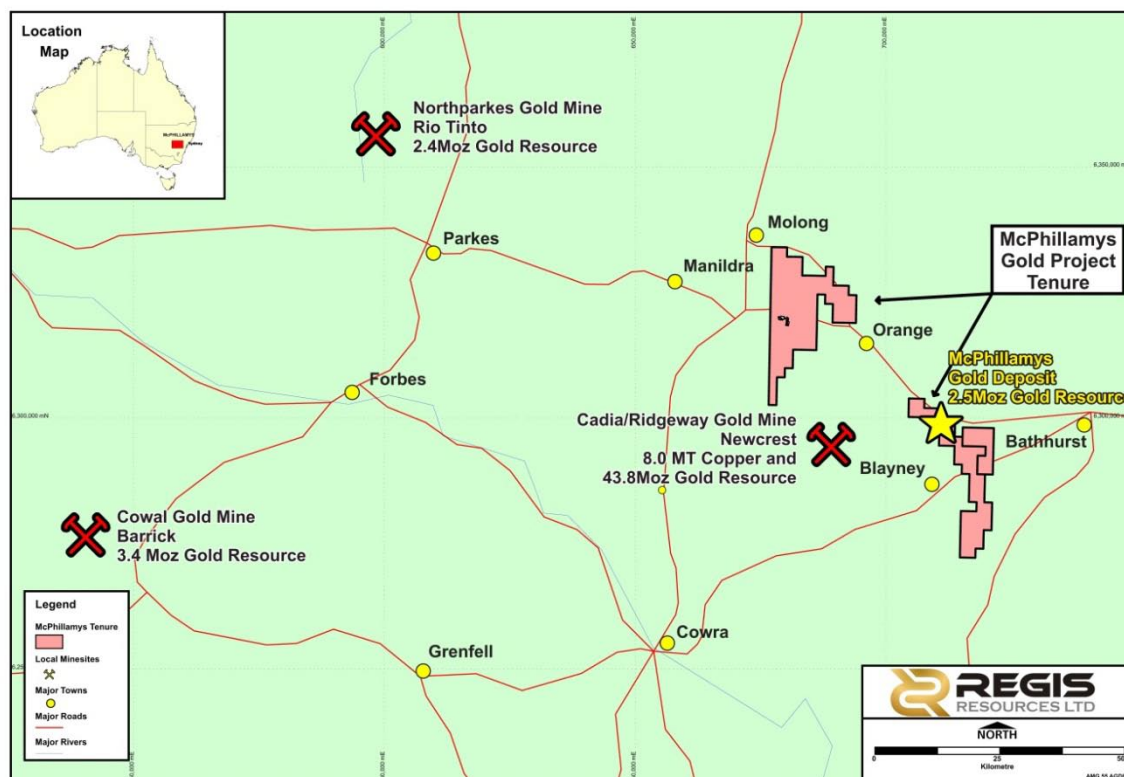
1. the grant by the Minister for Mines in NSW of renewal of the term of one of the exploration licences;
2. Ministerial approval to the transfer of the each of the exploration licences from Alkane and Newmont to Regis;
3. all parties executing such formal legal documentation as is reasonably required to give effect to the transaction;
4. approval of the transaction by Regis' project financier;
5. FIRB approval of the issue of shares to Newmont (if required); and
6. Regis obtaining all shareholder approvals required under the ASX Listing Rules and Corporations Act for the issue of Regis shares to Newmont and Alkane.

About the 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 granted exploration permits covering 420 square kilometres in two discrete locations approximately 25 kilometres apart.



Geological Setting

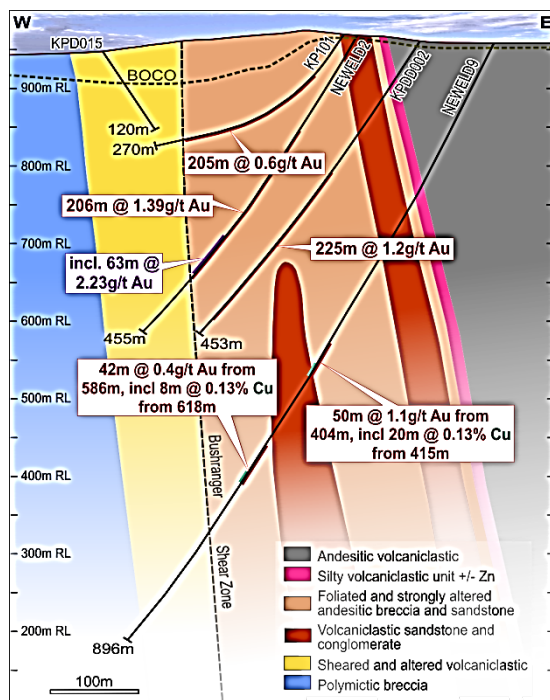
Regional

The McPhillamys Gold Project falls within the Silurian aged Anson Formation of the East Lachlan Fold Belt of New South Wales, Australia. The project is situated approximately 40 kilometres east of Newcrest Mining Limited's Cadia/Ridgeway mine which has quoted resources of 43 million ounces of gold and 8 million tonnes of copper.

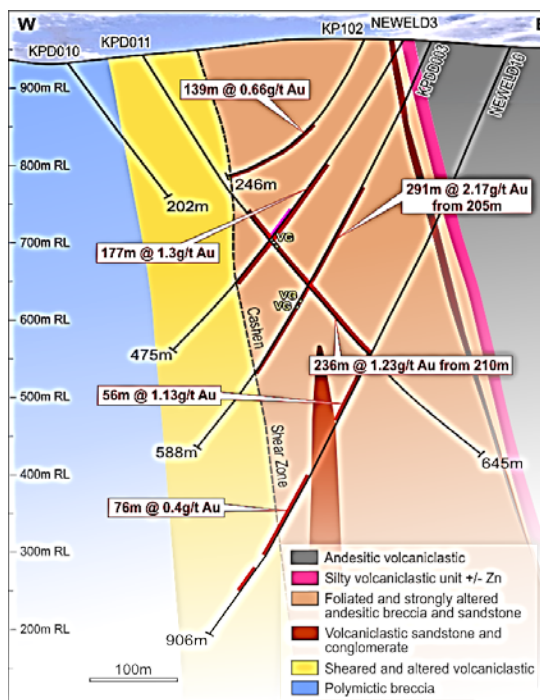
McPhillamys Gold Deposit

The McPhillamys gold deposit is located within dacite rich volcanoclastic rocks of the Silurian aged Anson formation. The gold mineralisation is largely hosted by a north-south striking, east dipping, altered coarse grained (strongly foliated) felsic to intermediate volcanic, volcanoclastic and intrusive rock complex.

The mineralisation has to date been defined by wide spaced drilling that has identified a 1,000 metre long, up to 260 metre wide envelope of +0.1g/t gold mineralisation. Gold mineralisation has been intersected in drilling to depths in excess of 600 metres. Higher grade zones are found within the core of this envelope and form the basis of the current McPhillamys gold Resource.



Section: 6292130N



Section: 6292230N

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.

Gold Resources

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

NB 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. Regis 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. Regis 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 Regis 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, some of which are part of the assets to be acquired by Regis.

Regis Development Plans

The immediate focus after completion of the acquisition will be a drilling programme 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.

Contemporaneously with this drilling, Regis will commence studies and work aimed at satisfying the numerous technical requirements for completion of a definitive feasibility study in to the potential development of an open pit mining, CIL extraction project at McPhillamys. This work leading up to the commencement of a DFS is expected to take in the order of 24 months 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.

Regis Managing Director Mark Clark commented:

"The acquisition of the 2.5 million ounce McPhillamys Gold Project in New South Wales will increase Regis' gold resources to 9 million ounces and presents Regis with an excellent medium term development opportunity. Whilst there is a lot of work to do over the next three years, including a resource drill out, reserve study, technical and logistical studies and a DFS, Regis is confident that this work will ultimately confirm the viability of a significant gold mining operation at McPhillamys. This has the potential to significantly further increase the already strong production growth outlook for Regis from the Company's wholly owned Duketon Gold Project in Western Australia. This is a unique opportunity for Regis to further enhance its position as a high quality, exclusively Australian, gold producer".

Yours sincerely

Regis Resources Limited



Mark Clark
Managing Director

Background

Regis is currently producing in excess of 100,000 ounces of gold per annum from the Moolart Well operation at its 100% owned Duketon Gold Project in Western Australia. Gold production at the Duketon project is forecast to increase to around 340,000 ounces per annum as Regis brings the Garden Well operation in to production in the September 2012 quarter. Production is expected to grow further at Duketon with the plan to commence development of the 80,000 ounce per annum Rosemont deposit late in calendar 2012.

Qualification Statement

The information in this report that relates to 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 mineralization 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 report of the matters based on his information in the form and context in which it appears.

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