REGIS RESOURCES LIMITED

ABN 28 009 174 761

and its Controlled Entities

31 December 2007
Consolidated Interim Financial Report

This report should be read in conjunction with the 2007 Annual Financial Report

Regis Resources Limited
Chairman's Report

14 March 2008

Dear Shareholder

Since my last report to you in October 2007 your Company has progressed significantly with the development of the key asset, the 100%-owned Duketon Gold Project. The Company's focus now has moved to the completion of the feasibility study on the project and its component technical reports, financing of the project and the commencement of project construction.

After preliminary modelling of the gold resources, the Company has decided to examine the development of the project as a stand lone operation at between 2.5 to 3.5 million tonnes per annum of ore, producing an average of 200,000 ounces of gold per annum at expected head grades. The project is being designed with an initial 7 year mine life, based on laterite and oxide ore only. Further deeper sulphide ore and satellite oxide and sulphide ore sources not in the initial mine plan are expected to be developed as a second stage of the project.

At this point in time the final resource calculation for the initial development is almost complete, and this represents the 3rd resource increase for the project since 2004. The announcement of initial project reserves for the laterite zone and separately for the oxide zone ore will follow shortly. Metallurgical testing has shown that all of the different ore types from the various project deposits and zones are metallurgically simple and free milling, and can be treated in a variety of combinations in a single mill. Environmental and statutory permitting procedures are well advanced and have not raised any delays for the project.

Meanwhile the nickel exploration program continues to generate strong drilling targets. The completion of re-assaying previous drilling in the Western Ultramafic Zone for Platinum and Palladium, present in the Nickel-Copper sulphide mineralisation in the area, has defined a strongly anomalous horizon extending over a strike of 10 kilometres. This horizon is the prime focus for deep drilling exploration over the forthcoming year.

Although the results and progress with the Company's assets have been positive, the general boom-time industry conditions in the resource sector present challenges for the project, particularly on the skilled work force and infrastructure fronts. The Directors believe however that your Company is well placed to move forward with this promising project in the current environment.

The technical information in this report has been reviewed and approved by Mr D A Walker who is a member of the Australasian Institute of Mining and Metallurgy and has more than 20 years experience in the industry.

Yours faithfully,

Dr G Michael Folie
Chairman

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2007 and the review report thereon.

1. DIRECTORS

The Directors of the Company at any time during or since the end of the half-year are:

Name

Dr. G Michael Folie - BE (Civil) DIC, MSc (Econ), PhD, FAICD
Chairman

Mr. David A Walker - BSc (Hons), MSc, MAuslMM
Managing Director

Mr. Paul J Dowd - BSc (Eng), FAusIMM
Non-Executive Director

Mr. Bill P Cowan – BA (Econ), FCPA, FAICD, FCIS, MFTA   Resigned 11 March 2008
Non-Executive Director

All Directors held office throughout the period since 1 July 2007 unless otherwise stated.

2. REVIEW OF RESULTS AND OPERATIONS

Objectives

The objective of Regis Resources Limited and its controlled entities ("the Group") is to increase shareholder wealth through successful project development and exploration activities whilst providing a safe workplace and ensuring best practice in relation to dealing with all stakeholders.

Regis Resources Limited ("Regis") together with its subsidiaries is an Australian minerals explorer with extensive landholdings in the Eastern Goldfields of Western Australia. The most significant of these are the Duketon gold and Collurabbie nickel properties north of Laverton.

In the Leonora-Laverton area, Regis holds a number of properties in its own right, and is also earning up to an 85% interest and manages exploration on the Copper Well Joint Venture, and is earning up to 70% equity and manages exploration in the Melita Joint Venture.

The key areas of focus and achievements of the Group during the half-year have been:

(i) Duketon Gold Project: feasibility study now well advanced with an upgrade in the project resource completed and an initial reserve calculation in progress. An optimum project throughput of 2.5 – 3.5 mtpa has been determined, leading to a production level of approximately 200,000 oz of gold per annum;

(ii) Moolart Well gold deposit: drilling has been completed on the initial laterite and oxide resource including the announcement of an initial indicated resource of 686 koz of gold, sufficient to be able to provide the initial project reserves; completion of metallurgical testing;

(iii) Erlistoun deposit: completion of reverse circulation infill drilling program with significant new gold intersections and confirmation and increase of the resource;

(iv) Collurabbie: encouraging nickel intersections from drilling; and

(v) Corporate and funding: completion of a 1:10 share consolidation, change to Limited company status, private placements of $8 million during the half-year with a further $6.3 placed subsequent to the half-year.

Income Statement

Revenue

As a minerals explorer in the pre-development stage, the Group does not have an ongoing source of operational revenue. Its revenue stream arises from interest received on cash in bank and ad-hoc tenement and investment disposal.

For the six months ended 31 December 2007, interest income decreased by $42,000 to $80,000 relative to the same period in 2006. This decrease was driven by lower average levels of interest bearing cash in the bank due to the increased levels of field activity.

Expenses

The Group's activity is the exploration for and evaluation of mineral deposits, and the majority of exploration and evaluation related costs are capitalised in accordance with the Group's accounting policies. Accordingly expenses reflected in the income statement are primarily related to administration and compliance matters.

Administrative costs and charges expensed through the income statement have increased to $1,008,000 for the six months to 31 December 2007 from $746,000 for the same period in 2006. The key drivers of this are:

(i) Revision of the fees of the Managing Director and Non-executive Directors and the salaries of staff in accordance with the principles of the Group's remuneration policies; and

(ii) Non-cash amortisation charges in relation to employee options issued as long-term incentives pursuant to the Group's remuneration policies and, in the case of Directors, as approved by shareholders, resulting in an increased charge to the income statement of $182,000 relative to the same period in 2006.

Exploration and evaluation written off to the income statement was $220,000 for the December 2007 half-year compared to $20,000 for the same period in 2006. This represents the write-off of expenditure for application fees on new tenements incurred prior to the grant of tenure over the ground, plus a write-off of previously capitalised exploration expenditure on tenements surrendered.

Finance expenses are $74,000 for the 2007 half-year (2006: Nil) representing interest paid and accrued in relation to an installment arrangement for settlement of a stamp duty liability that arose on the acquisition of former joint venture partner Duketon Resources Pty Ltd, and an interest bearing loan obtained this half-year.

Result for the half-year

The operating loss recorded for the Group is $1,222,000 for the half-year ended 31 December 2007 (2006: $644,000). There is no income tax expense attributable to the result for the current or previous half-year. Tax losses generated to date are expected to be available to offset future income tax liabilities. No tax asset has been recognised as recoupment is not considered probable (as defined in accounting standards) at this stage.

Balance Sheet

The components of the Group's balance sheet and key changes over the half-year are as follows:

Cash balances decreased to $70,000 at 31 December 2007 from $1,511,000 at 30 June 2007, reflecting the timing of expenditure on exploration and evaluation projects relative to the proceeds of new capital raising. Cash flows for the half-year are described in further detail below.

Current assets (other than cash) comprise sundry receivables and prepaid expenses, the main component being refundable GST.

Non-current receivables of $1,315,000 (30 June 2007: $1,146,000) are term deposits with a major bank that secure a bank guarantee facility. This facility covers environmental performance bonds provided to the Department of Industry and Resources WA ("DOIR") in respect of certain tenements in the Duketon area, and security deposits for the leases of company offices. These term deposits bear interest at market rates.

Capitalised exploration and evaluation expenditure for the Group as at 31 December 2007 is $111,039,000, compared to $100,002,000 as at 30 June 2007. Costs associated with the exploration for and evaluation of mineral deposits are capitalised, with the exception of any costs incurred on tenements prior to the granting of tenure, which have been written off. When tenements are surrendered, any costs previously capitalised in respect of those tenements are written off.

Plant and equipment for the Group has increased from $892,000 to $952,000 over the half-year, as a result of purchases of further exploration equipment, primarily vehicles, to support the growth in activity.

Trade and other payables of $5,363,000 represent amounts owing at 31 December 2007 for exploration costs, purchases of equipment, administration expenses, unpaid Directors and Managing Director fees for the half-year and the balance of assessed stamp duty arising from the Duketon Resources acquisition. The increase relative to the comparative figure at 30 June 2007 of $4,766,000 reflects activity levels.

Employee benefit liabilities of $549,000 (30 June 2007: $474,000) represent accrued liabilities for PAYG tax, superannuation contributions, unused annual leave and payroll related on-costs for staff.

Interest bearing liabilities of $1,510,000 represents a loan advanced from a Director-related entity Dalkeith Resources Pty Ltd in December 2007, and includes an accrual for interest payable at commercial rates under the terms of the loan.

Provisions represent the Group's estimated liability for site restoration costs on exploration and previously mined tenements. This balance was reassessed at 31 December 2007 to reflect rehabilitation works completed over the calendar year and disturbance from new exploration and evaluation work.

At 31 December 2007, the Group had a deficiency of net working capital of $7,229,000 (deficiency at 30 June 2007 was $3,550,000), with net assets of $103,243,000 (30 June 2007: $96,390,000).

Subsequent to the end of the half-year, a total of $6.3 million equity capital was raised from private placements. The Company is continuing discussions with domestic and international financial advisors concerning financing options for the development of the Duketon Gold Project. See Note 15 to the consolidated interim financial report.

Cash Flow

The key sources of funds for the half-year were the proceeds of capital raisings in July, September and November 2007 of $7,955,000 (gross) and the loan of $1,500,000 advanced from a Director-related entity.

Cash outflows for the half-year are primarily exploration and feasibility expenditure on the Group's exploration and evaluation projects, together with administrative costs, totalling $9,341,000 (2006: $5,265,000).

In addition, the Group funded purchases of exploration and office equipment of $322,000 during the half-year (2006: $351,000) and made instalments due on a stamp duty liability that arose on the acquisition of Duketon Resources in 2006 ($830,000 including interest).

Transaction costs paid during the half-year in relation to capital raising were $359,000 (2006: $358,000).

3. 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 2007.

4. ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a Resolution of the Board of Directors at Melbourne this 14th day of March 2008.

D A Walker
Director

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

To: the directors of Regis Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2007 there have been:

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

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

KPMG

KPMG

Tony Romeo
Partner

Melbourne

14 March 2008

Regis Resources Limited
Consolidated Interim Income Statement
For the six months ended 31 December 2007

In thousands of AUD	Note	**31 Dec 07**	**31 Dec 06**
Continuing operations			
Revenue		80	122
Corporate administrative expenses		(1,008)	(746)
Exploration and evaluation written off	6	(220)	(20)
Results from operating activities		(1,148)	(644)
Finance expenses		(74)	-
Net finance costs		(74)	-
Income tax expense		-	-
Profit/(loss) from continuing operations		(1,222)	(644)
Profit/(loss) for the period		(1,222)	(644)
Attributable to:			
Shareholders of the Company		(1,222)	(644)
Profit/(loss) for the period		(1,222)	(644)
Loss per share		**Cents**	**Cents**
Basic loss per share		(0.96)	(0.86)
Diluted loss per share		(0.96)	(0.86)

The consolidated interim income statement is to be read in conjunction with the notes to the consolidated interim financial report.

Regis Resources Limited
Consolidated Interim Balance Sheet
As at 31 December 2007

In thousands of AUD	Note	**31 Dec 07**	**30 June 07** ***Restated****
CURRENT ASSETS			
Cash and cash equivalents		70	1,511
Other receivables and prepayments		223	254
TOTAL CURRENT ASSETS		293	1,765
NON-CURRENT ASSETS			
Other receivables and prepayments		1,315	1,146
Exploration and evaluation assets	6	111,039	100,002
Property, plant and equipment		952	892
TOTAL NON-CURRENT ASSETS		113,306	102,040
TOTAL ASSETS		113,599	103,805
CURRENT LIABILITIES			
Trade and other payables		5,363	4,766
Interest bearing liabilities	9	1,510	-
Employee entitlements		549	474
Provisions		100	75
TOTAL CURRENT LIABILITIES		7,522	5,315
NON-CURRENT LIABILITIES			
Other payables		78	86
Provisions		2,756	2,014
TOTAL NON-CURRENT LIABILITIES		2,834	2,100
TOTAL LIABILITIES		10,356	7,415
NET ASSETS		103,243	96,390
EQUITY			
Issued capital	11	143,572	135,976
Share Option Reserve		944	465
Accumulated losses		(41,273)	(40,051)
TOTAL EQUITY		103,243	96,390

The consolidated interim balance sheet is to be read in conjunction with the notes to the consolidated interim financial report.

* See Notes 6 and 7.

Regis Resources Limited
Consolidated Interim Statement of Changes in Equity
For the Six Months Ended 31 December 2007

In thousands of AUD	Issued Capital	Accumulated Losses	Share option reserve	Total Equity
At 1 July 2006	81,144	(38,505)	81	42,720
Profit/(loss) for the half-year	-	(644)	-	(644)
Share-based payment charge	-	-	79	79
Shares issued (net of transaction costs)	47,889	-	-	47,889
At 31 December 2006	129,033	(39,149)	160	90,044
At 1 July 2006	81,144	(38,505)	81	42,720
Profit/(loss) for the half-year	-	(1,546)	-	(1,546)
Share-based payment charge	-	-	384	384
Shares issued (net of transaction costs)	54,832	-	-	54,832
At 30 June 2007	135,976	(40,051)	465	96,390
At 1 July 2007	135,976	(40,051)	465	96,390
Profit/(loss) for the half-year	-	(1,222)	-	(1,222)
Share-based payment charge	-	-	479	479
Shares issued (net of transaction costs)	7,596	-	-	7,596
At 31 December 2007	143,572	(41,273)	944	103,243

The consolidated interim statement of changes in equity is to be read in conjunction with the notes to the consolidated interim financial report.

Regis Resources Limited
Consolidated Interim Statement of Cash Flows
For the Six Months Ended 31 December 2007

In thousands of AUD	**31 Dec 07**	**31 Dec 06**
Cash flows from operating activities		
Cash paid to suppliers and employees	(859)	(622)
Interest received	112	122
Interest paid	(54)	-
Net cash (used in)/from operating activities	(801)	(500)
Cash flows from investing activities		
Payments for investments in associates *	-	(4,679)
Payment of security deposits - tenements	(156)	(1,071)
Refund of security deposits - tenements	-	579
Acquisition of subsidiary	(776)	(608)
Acquisition of property, plant and equipment	(322)	(351)
Direct exploration and evaluation (net of rent refunds)	(8,482)	35
Net cash (used in)/from investing activities	(9,736)	(6,095)
Cash flows from financing activities		
Proceeds from the issue of share capital	7,955	4,787
Payment of transaction costs	(359)	(358)
Proceeds from short - term borrowings	1,500	-
Net cash from financing activities	9,096	4,429
Net (decrease) in cash and cash equivalents	(1,441)	(2,166)
Cash and cash equivalents at 1 July	1,511	4,451
Cash and cash equivalents at 31 December	70	2,285

* These cash outflows were for exploration expenditure and were made prior to the time the Company obtained control of Duketon Resources Pty Ltd and therefore, in accordance with accounting standards are treated in the cash flow statement as payments for investments in associates.

Non cash financing and investing activities

During the previous period, the Company issued 395,093,738 shares in consideration for the acquisition of subsidiaries as detailed in Note 7. This transaction is not reflected in the statement of cash flows.

The consolidated interim statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial report.

1. REPORTING ENTITY

On 4 January 2008, Regis Resources N.L. completed its conversion to a company limited by shares and changed its name to Regis Resources Limited. Regis Resources Limited (the "Company") is a company domiciled in Australia.

The consolidated interim financial report of the Group as at and for the six months ended 31 December 2007 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The annual financial report of the Group as at and for the year ended 30 June 2007 ("2007 Annual Financial Report") is available upon request from the Company's registered office at Level 11, 461 Bourke Street, Melbourne, Victoria, 3000, Australia or at www.regisresources.com.

2. STATEMENT OF COMPLIANCE

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the 2007 Annual Financial Report of the Group as at and for the year ended 30 June 2007.

This consolidated interim financial report was approved by the Board of Directors on 14th of March 2008.

The Company is of a kind referred to in ASIC Class Orders 98/100 dated 10 July 1998 and in accordance with the Class order, amounts in the financial report have been rounded off to the nearest thousands dollars, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report, as at and for the year ended 30 June 2007.

4. FINANCIAL POSITION

The Group's financial report has been prepared on the going concern basis. While the Group's projects are not yet at a stage where a source of operating cash flows has been established, the Directors consider the going concern basis is appropriate. The reasons for this are set out in Note 15.

5. ESTIMATES

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2007.

6. EXPLORATION AND EVALUATION ASSETS

In thousands of AUD	**31 Dec 07**	**30 June 07** ***Restated***
Balance at 1 July	100,002	398
Acquired capitalised exploration in the Duketon JVs [(a)]	-	31,216
Finalisation of acquisition accounting [(b)]	-	55,222
Reclassification of the Company's capitalised exploration in the Duketon JVs [(a)]	-	5,518
Expenditure for the period [(c)]	11,257	7,789
Write-offs to the income statement	(220)	(141)
Balance at end of period	111,039	100,002

(a) These amounts include exploration and evaluation expenditure in satisfaction of a $10 million sole-funding obligation that arose as part of the initial acquisition of 49% of the shares in Duketon Resources. Completion of the $10 million obligation was the trigger for the exercise of call and put options leading to the acquisition of the remaining 51% of the shares in Duketon Resources described in Note 7.

(b) Fair value of mineral assets acquired that had been provisionally allocated to goodwill. Refer Note 7.

(c) Expenditure net of rent refunds and adjustment to provision for site restoration on reassessment of the provision.

7. ACQUISITION OF SUBSIDIARIES

On 14 December 2006 the Company acquired 51% of the shares in Duketon Resources bringing its total interest in that entity to 100% at this date. Duketon Resources holds an 80% equity interest in the Duketon Region and Rosemont Duketon Joint Ventures ("Duketon JVs") with Regis Resources Limited ("Regis") holding the remaining 20% direct equity interest. The acquisition therefore resulted in a 100% equity interest and full control of the operations of the Duketon JVs. The acquisition was settled by an issue of shares in the Company.

Up until the acquisition of the additional 51% of the shares in Duketon Resources, the Company had accounted for its equity interests in Duketon Resources, and the Duketon JVs as investments in associates using the equity method.

The acquisition had the following effect on the Group's assets and liabilities:

	Book Values (a)	Preliminary adjustments (b)	Adjusted book values at acquisition	Further adjustment for acquisition accounting (c)	Fair values at acquisition (d)
Capitalised exploration expenditure	12,843	9,996	22,839	62,636	85,475
Provision for site restoration	(3,975)	1,370	(2,605)	963	(1,642)
Property, plant & equipment	-	209	209	-	209
Other payables	(955)	(1,457)	(2,412)	-	(2,412)
Net assets acquired	**7,913**	**10,118**	**18,031**	**63,599**	**81,630**
Cost of business combination (e)					**81,630**
Goodwill (f)					**-**

7. ACQUSITION OF SUBSIDIARIES (continued)

(a) Represents book values prepared in accordance with the accounting policies applicable to Duketon Resources for the periods prior to control by the Company. In the 2006 Annual Financial Report, the Company's share of these balances were equity accounted as a component of investments in associates.

(b) The preliminary adjustments for acquisition accounting relate to:

- Capitalising the exploration costs in the balance sheet that had previously been charged to the income statement under Duketon Resources' former accounting policies;
- Revising the provision for site restoration in line with the Company's estimated liability and accounting policies;
- Capitalising property, plant and equipment in the balance sheet that had previously been charged to the income statement under Duketon Resources' former accounting policies; and
- Recognition of liabilities at acquisition date not previously recognised by the acquiree.

(c) Fair value adjustment to the value of mineral rights acquired and restoration liabilities assumed, assessed as at acquisition date.

(d) The assessment of the fair values of Duketon Resources' assets have been finalised during the 12 months post acquisition. This takes into account significant exploration work carried out in the months immediately preceding the acquisition, which had not been considered in the valuations of exploration/mineral assets available previously upon which provisional fair values were estimated.

(e) The business combination was achieved by a staged acquisition, and the finalised cost has been determined as follows:

- Issue of 256,532,027 ordinary shares in the Company on 3 February 2006 at $0.11 per share being the closing share price of the Company on that date, plus transaction costs to acquire 49%;
- Free carried exploration expenditure as required under the purchase agreement; and
- Issue of 395,093,738 ordinary shares in the Company on 14 December 2006 at $0.11 per share being the closing share price of the Company on that date, plus transaction costs to acquire 51%.

(f) The provisionally determined goodwill reflected in the 2007 Annual Financial Report was calculated as the excess of the cost of the business combination over the provisional fair value of identifiable net assets acquired. Those provisional fair values were based on an independent technical valuation of exploration/mineral assets prepared as at October 2006 using data available to August 2006. During the time since that valuation was prepared and the date of acquisition, significant exploration and evaluation work had been undertaken and a re-assessment of the methodologies used in determining the fair values of mineral assets was performed. Following this analysis there is no surplus of acquisition consideration over the fair values of net assets acquired.

8. INCOME TAX LOSSES

As at 31 December 2007, the Group has unused tax losses of approximately $47,445,832 that are available for offset against future taxable profits. The deferred tax asset of approximately $14,233,750 has not been recognised as it is not yet probable as defined in AASB 112 *Income Taxes* that future taxable profits will be available against which the Group can realise benefits from the tax losses.

The Group is currently assessing its options under the tax consolidation rules and has yet to determine the impact, if any, on the availability of the Group's unrecognised carried forward tax losses.

9. INTEREST BEARING LIABILITIES

In thousands of AUD

	Interest rate	Face value	Carrying amount
Balance at 1 July 2007		-	-
New issues			
Loan from Director-related entity	11.9%	1,500	1,500
Interest accrued		-	10
Balance at 31 December 2007			1,510

In December 2007, the Group was provided with a loan facility from Dalkeith Resources Pty Ltd, a related entity of the Group's Managing Director, Mr David Walker. At 31 December 2007, $1,500,000 had been drawn down from the facility. Interest on the borrowings is payable at the National Australia Bank's Business Overdraft Commercial rate plus 1%. The loan is repayable at the discretion of the Company and is unsecured. The loan agreement in place at 31 December 2007 contained no specified available facility amount or limit. A further facility was made available subsequently, see Note 15.

Since the half-year, a further $200,000 has been drawn down on the facility, and is subject to the same terms and conditions of the initial borrowings. There were no borrowings in the prior interim period.

10. SHARE-BASED PAYMENTS

During the half-year, the Company granted further options under the Regis Resources Limited 2005 Share Option Plan. The details are as follows:

On 23 November 2007 following the approval by shareholders, 277,500 options were issued to Directors expiring 15 June 2012 and with an exercise price of 98.04 cents per option ("Issue 1"). Upon exercise each option will convert to one fully paid ordinary share. 33% of the options vested on issue date, the second 33% of these options cannot be exercised until 15 June 2008, and the remaining options cannot be exercised until 15 June 2009. The vesting of options in 2008 and 2009 are subject to the holders remaining in the service of the Company.

On 23 November 2007 following the approval by shareholders, 650,000 options were issued to Mr David Walker, the Managing Director, expiring on 15 June 2012 and with an exercise price of 98.04 cents per option ("Issue 2"). Upon exercise each option will convert to one fully paid ordinary share. 33% of these options vested on issue date subject to being exercisable only if the share price increases by 25%. The second 33% of these options cannot be exercised until or after 15 June 2008 and only if the share price has increased by 25%. The remaining options cannot be exercised until the 15 June 2009 and only if the share price has increased by 25%. The vesting of options in 2008 and 2009 are subject to the Managing Director remaining in the service of the Company.

On 31 August 2007, the vesting conditions of 450,000 options granted on 2 November 2006 were revised such that the options immediately vested on 31 October 2007. The previous vesting conditions required that a bankable feasibility study be lodged for approval with the Board of Directors by 1 November 2007. The change was made as a result of the changes to the development plan of the Duketon Gold Project.

Fair value and valuation assumptions for the employee options on issue at 30 June 2007 remain unchanged from the 2007 Annual Financial Report. Fair value and valuation assumptions for employee options granted in the six months to 31 December 2007 are as follows:

10. SHARE-BASED PAYMENTS (continued)

Half-year to 31 Dec 07	**23 November 07 Issue 1**	**23 November 07 Issue 2**
Fair value at grant date:		
Options vesting 23 Nov 07	$0.34	$0.30
Options vesting 15 June 08	$0.36	$0.31
Options vesting 15 June 09	$0.39	$0.34
Grant date share price	$0.96	$0.96
Exercise price	$0.9804	$0.9804
Target share price condition	N/A	$1.2075
Expected volatility	70%	70%
Option Life:		
Options vesting 23 Nov 07	2.3 years	2.3 years
Options vesting 15 June 08	2.6 years	2.6 years
Options vesting 15 June 09	3.1 years	3.1 years
Expected Dividends	Nil	Nil
Risk free interest rate (based on Government bond rate)	6.44%	6.44%

11. ISSUED CAPITAL

In thousands of shares & AUD

	Six months ended 31 Dec 07		**Year ended 30 June 07**	
Ordinary shares	**No of shares**	**$**	**No of shares**	**$**
On issue 1 July	1,226,333	135,976	693,743	81,144
Issued for cash	78,160	7,955	137,496	12,117
Less: transaction costs	-	(359)	-	(636)
Issued as consideration for acquiring interest in subsidiary/associate	-	-	395,094	43,460
Less: transaction costs	-	-	-	(109)
Removed upon share consolidation [(a)]	(1,174,044)	-	-	-
Balance at end of period	130,449	143,572	1,226,333[(b)]	135,976

(a) In November 2007, 1,174,043,928 shares were removed from the Company's share register, following a share consolidation on a 1:10 basis that was approved by shareholders at the 2007 Annual General Meeting.

(b) The shares on issue at 30 June 2007 are disclosed on a pre-consolidation basis.

12. COMMITMENTS

Exploration expenditure commitments

Exploration expenditure commitments represent tenement rentals and expenditure commitments that may be required to be met under the relevant legislation should the Group wish to retain tenure on all current tenements in which the Group has an interest.

The methodology applied in the quantification of these commitments remains unchanged from that outlined in the 2007 Annual Financial Report.

12. COMMITMENTS (continued)

The exploration commitments of the Group, not provided for in the interim financial report and payable:

	31 Dec 07	30 June 07
Within one year	5,193	4,978
Between one and five years	13,125	13,198
Later than 5 years	13,411	12,859
	31,729	31,035

13. FINANCIAL GUARANTEE LIABILITY

The Company issued a financial guarantee contract in February 2002. The terms of the arrangement and the accounting treatment of this item are unchanged from those outlined in the 2007 Annual Financial Report. Based on a review of information currently available, an assessment has been made that it is not probable that any amount will become payable in respect of the guarantee and for that reason no liability has been provided for.

As described in the 2007 Annual Financial Report there is significant uncertainty in the information available to the Company in making this assessment. The significant terms and conditions of the financial guarantee are as follows:

- In 2002 as part of a restructuring arrangement the Company provided a deed of guarantee and indemnity to Newmont Mining Finance Pty Ltd (“NMF”) to secure a loan liability of a third party, Edensor Nominees Pty Ltd (“the borrower”), to NMF (including interest), which at the time amounted to $12,842,758;
- Unless and until NMF call the guarantee and indemnity issued by the Company, the Company has no liability to make any payment under the financial guarantee issued. Based upon the timing of interest and principal repayments due on the underlying loan, the earliest of any potential cash outflow is April 2008 for interest, and 2010 for principal, in the absence of any further loan renegotiations that may defer the due dates for payment;
- The amounts that can be called from the Company are limited only to cash payment amounts in default at any time; and
- The guarantee and indemnity provided is secured by a fixed charge over certain tenements and a floating charge over the assets of the Company.

In 2004, as part of the restructuring and change of Board and management of the Company, contractual arrangements were put in place as follows:

- A company related to the borrower, Surfer Holdings Pty Ltd, provided an indemnity to the Company, whereby it undertook to pay all monies due and payable by the Company to NMF in the event that the guarantee provided by the Company is called;
- In support of its obligations, the indemnity provider has granted a floating charge over its assets in favour of the Company;
- Both the borrower and the indemnity provider undertook to maintain assets in the indemnity provider to a minimum level of $12,842,755 to cover the Company’s potential obligations to NMF under the guarantee and indemnity provided by the Company; and
- In the event that the indemnity provider’s assets fall below the required level, the Company may have recourse to the assets of the borrower and certain other parties related to it in order to recover any shortfall.

At 31 January 2008, the value of the indemnity provider’s assets underlying the security provided to the Company was $394,287 (30 June 2007: $742,875). The Company has received legal advice that the shortfall in the level of this security amounts to a breach of contract. The Company, in consultation with its legal advisors, is actively working to have the security position rectified.

14. SUBSEQUENT EVENTS

Equity issues after the reporting date

The following changes in the issued capital of the Company occurred subsequent to 31 December 2007:

On 15 January 2008, 1,923,076 fully paid ordinary shares in the Company were issued for cash at an issue price of $0.65 per share raising $1,250,000 (gross of fees and related costs).

On 18 February 2008, 9,915,243 fully paid ordinary shares in the Company were issued for cash at an issue price of $0.51 per share raising $5,056,774 (gross of fees and related costs).

The financial effect of these share issues after taking account of associated transaction costs of approximately $283,000, was an increase in issued capital of $6,024,000 and a corresponding increase in cash at bank.

Further information concerning developments in funding arrangements subsequent to 31 December 2007 is set out below in Note 15.

15. GOING CONCERN

The Group has incurred a loss of $1,222,000 in the half-year, and had a net working capital deficiency of $7,229,000 as at 31 December 2007. The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The going concern basis assumes the ability of the Group to be able to meet its contracted lease commitments, fixed costs and minimum tenement expenditure requirements. The Group is actively evaluating options for the funding of the development of the Duketon Gold Project to enable the commencement of gold production and generation of a positive cash flow.

The ability of the Group to raise additional funding in a timely manner so as to continue as a going concern, and to raise project funding, is subject to significant uncertainty and is dependant on a number of factors including the commercial viability of the Duketon Gold Project, the on-going results of exploration activity, and the availability of funding from global equity and debt markets.

The Directors believe the going concern basis to be appropriate and the reasons for this judgement are as follows:

- Subsequent to 31 December 2007, funding of $6.3 million was raised through private placements of shares as described in Note 14;
- A committed facility has been made available to the Group by a Director-related entity, being a total facility of $4 million, of which $1.7 million has been drawn down to date ($1.5 million at 31 December 2007), leaving $2.3 million available at call at the Company's option;
- All of the mineral resources of the Duketon Gold Project are located on granted mining leases, and the environmental approval process applying to the development of those resources has been determined. As at the current time the Directors are not aware of any significant impediments to the development of the project;
- The feasibility study over the Duketon Gold Project, including drilling for the resource / initial reserve is substantially complete. This work supports expectations of the commercial viability of the Duketon Gold Project;
- The exploration tenements of the Group are in good standing and the Group has the ability to utilise grouping arrangements as part of the normal course of business. Reversion applications made in accordance with recent changes to the WA Mining Act are expected to result in significant reductions in expenditure commitments without loss of tenure;
- In early March 2008, the Group received an offer of financing which included a committed offer of bridging finance of $5 million available on acceptance, a further uncommitted tranche of $5 million, and an additional debt facility of up to $20 million for infrastructure subject to due diligence. The offer included various commercial terms and conditions that are under consideration by the Directors and subject to negotiation between the parties;
- A current mandate exists with a major broking house for a further raising of equity; and
- The Group is currently well advanced in discussions and negotiations with leading international investment banks for the raising of equity for the development of the Duketon Gold Project.

15. GOING CONCERN (continued)

The Group has no reason to expect that normal credit and operating lease facilities will not continue to be provided by suppliers and the Group expects to be able to meet its operational commitments. There are no contingent liabilities which are likely to have a material effect on the Group's financial position.

Having considered all of the above, the Directors are confident that they will be able to raise sufficient funds as required for the foreseeable future to enable the Group to meet its debts as and when they fall due.

If the Group is unable to continue as a going concern, it is unlikely that the Group will be able to realise the value of assets recognised on the balance sheet at 31 December 2007, including amounts capitalised as exploration and evaluation assets. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary if the Group does not continue as a going concern.

Regis Resources Limited
Directors' Declaration

In the opinion of the Directors of Regis Resources Limited (“the Company”):

1. The financial statements and notes are in accordance with the Corporations Act 2001 including:

   (a) giving a true and fair view of the financial position of the Group as at 31 December 2007 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and

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

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable for the reasons set out in Note 15 to the interim financial statements for the half-year ended 31 December 2007.

Signed in accordance with a resolution of the Directors and dated this 14th day of March 2008.

D A Walker
Director

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

Report on the financial report

We have reviewed the accompanying interim financial report of Regis Resources Limited, which comprises the consolidated interim balance sheet as at 31 December 2007, consolidated interim income statement, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, a description of accounting policies and other explanatory notes 1 to 15 and the Directors' declaration set out on pages 8 to 20 of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial report

The Directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Regis Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Conclusion

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

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

Significant uncertainty regarding financial guarantee liability and continuation as a going concern

Without qualification to the conclusion expressed above, we draw attention to the following matters:

(i) as set out in note 13 to the interim financial report, the Group has an obligation under a financial guarantee to a third party. The Directors have assessed that it is not probable that any amount will be payable in respect of the guarantee and accordingly no provision for any liability that may result has been made in the interim financial report. Because of the inherent difficulties in obtaining objective evidence to support an accounting estimate of this nature, there is significant uncertainty as to whether the Group will be required to meet its obligations under the guarantee; and

(ii) as set out in note 15 to the interim financial report, there is significant uncertainty as to whether the Company and Group will be able to continue as a going concern and therefore whether they will be able to realise their assets and extinguish their liabilities in the normal course of business and at amounts stated in the interim financial report.

KPMG

KPMG

Tony Romeo
Partner

Melbourne

14 March 2008