

23 May 2014

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## Operating Update and 2015 Production Guidance

The board of Regis Resources Ltd provides the following update on Duketon operations and production guidance in relation to the 2015 financial year.

### Update on Operations

#### *Garden Well*

The pump out of the flooded northern part of the Garden Well open pit has progressed as planned and reached practical completion in mid-May 2014. The equipment of the pumping contractor has now been demobilised from site. The reactivation operation has now moved in to the phase of removing the sludge and sediment in the pit which has a thickness of up to one metre. Normal mining of ore and waste remains on schedule for recommencement at the end of June as per previous announcements.

Mining operations have continued in the southern stage 4 part of the open pit and milling operations have continued with a blend of ore mined from this area and from the low grade stockpiles.

Operating results for Garden Well for the 7 weeks of the quarter to date (to 19 May 2014) were as follows:

	<b>7 weeks to 19 May 2014</b>
Ore milled (tonnes)	534,541
Head grade (g/t)	0.94
Recovery (%)	90.2
Gold production (ounces)	14,620

Throughput during this period was an annualised rate of approximately 4.3mtpa and was adversely affected by:

- A 3.5 day shut-down to tie in the additional leaching tanks for Rosemont stage 2;
- Impact of wet ore on crushing circuit; and
- High proportion of harder chert ore from the restricted mining areas available in the stage 4 pit.

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## **Rosemont**

As previously reported to ASX, the pump out of the flood water in the Rosemont North pit was completed in late March 2014 and mining activities were able to be reactivated in a staged manner through April, although mining was stopped for over a week due to a pit wall failure (previously reported). This slip will require ongoing cutback to establish long term access. Mining in the Rosemont Main pit continued through April but has been confined to waste removal only.

Mining of ore during the quarter to date has largely been confined to the flat lying oxide area of the Rosemont North pit. Grade reconciliation in this area of the North pit has been poor to date and this has contributed to lower than expected production from Rosemont for the period. Mining of this flat lying oxide zone in the North pit is almost completed. It is expected that the more vertically orientated fresh rock component of the orebody will perform more predictably.

Only limited ore has been mined out of the Rosemont Main pit to date so no history of reconciliation is available. However, it is noted that the next 30 – 40 vertical metres (approx. 6 months of mining) of the ore supply in the Main pit is scheduled from the flat lying oxides so these may also be impacted to some degree by the difficulty in interpretation of this zone.

Operating results for Rosemont for the first 7 weeks of the quarter were as follows:

	<b>7 weeks to 19 May 2014</b>
Ore milled (tonnes)	212,117
Head grade (g/t)	0.66
Recovery (%)	90.4
Gold production (ounces)	4,534

Rosemont gold production was also significantly affected by the requirement to mill low grade and historical stockpiles (with grades between 0.35 – 0.55g/t) for extended periods when ore supplies were not available from the open pits during the period. Production was further affected by several days of plant shutdowns due to interrupted ore supply from the Rosemont North pit as a result of the slip and stoppages required for electrical works associated with the upgrade of the pipeline to Garden Well.

## **Moolart Well**

Operating results for Moolart Well for the first 7 weeks of the quarter were as follows:

	<b>7 weeks to 19 May 2014</b>
Ore milled (tonnes)	377,576
Head grade (g/t)	1.35
Recovery (%)	93.0
Gold production (ounces)	15,278

The Moolart Well operation ran in line with expectations for the period. Annualised mill throughput for the period was 2.8mtpa.

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## Corporate

As previously reported to ASX, Regis has extended its debt facility with Macquarie Bank Limited from a limit of \$20 million to \$70 million. The amount of this facility drawn down remains at \$15 million, unchanged since December 2013.

Cash and bullion holdings as at 30 April 2014 were \$27.8 million (\$30.5 million at end of March 2014 quarter).

## Gold Production Guidance for 2015

This guidance is provided after a review of the mining schedules available for Garden Well and Rosemont operations post the flooding events at both of those projects in February 2014 and the operating performance at all operations over the past twelve months.

Production and cost guidance for the three mining operations at Duketon for fiscal year 2015 is as follows:

	Moolart Well	Garden Well	Rosemont	Total
Mill throughput (million tonnes)	2.6 – 2.8	4.9 – 5.1	1.7 – 2.0	9.2 – 9.9
Grade (g/t)	1.2 – 1.3	1.0 – 1.1	1.3 – 1.5	1.11 – 1.23
Recovery (%)	91 – 93	91 – 93	91 – 93	91 – 93
Production (thousand ounces)	95 – 105	145 – 165	65 – 85	305 – 355
Net cash cost (\$/ounce)*	600 – 650	900 – 1,000	1,000 – 1,100	835 – 915

\* pre royalties

Regis' focus at the Duketon project over the next twelve months will be aimed at:

- Optimising the mining schedules and achieving the best possible steady state mill throughput rates at both Garden Well and Rosemont. This will drive the business to the most efficient and profitable level possible without further significant capital expenditure.
- Implementing an across the board review of all operating costs to extract the best available efficiencies from all areas of the operations.

Yours sincerely

**Regis Resources Limited**



Mark Clark  
Managing Director