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Manager Announcements
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Market Update – Discussions with Capricorn Metals Ltd

As previously advised to ASX on 24 September 2018, Regis Resources Ltd (Regis) had put forward a confidential, indicative and incomplete proposal to acquire 100% of the issued and to be issued shares in Capricorn Metals Ltd (Capricorn). The proposal contemplated an offer of 11.4 cents in Regis shares per Capricorn share (Proposal), a premium of 93.2% to the closing Capricorn share price on Friday, 21 September 2018 (the last day of trading prior to announcement by Regis).

Before a binding offer was capable of being made, Regis required the recommendation of the Board of Capricorn, the support of Capricorn's major shareholders, and execution of a binding implementation agreement. The Proposal was intended to be implemented by an off market takeover offer which would be conditional, among other things, on a 90% minimum acceptance condition.

The Board of Capricorn had confirmed it would unanimously recommend the Proposal and substantially negotiated an implementation agreement. Further, significant Capricorn shareholders Nedlands Nominees Pty Ltd and Centrepeak Resources Group Pty had both indicated their intention to support the Proposal.

However, Capricorn's largest shareholder, Hawke's Point (which holds 18.9% of the Capricorn shares on issue), has now confirmed to Regis that it will not support the Proposal.

As such, Regis has withdrawn the Proposal and ceased discussions with both Capricorn and Hawke's Point regarding the Proposal.

While Regis has no intention to initiate further discussions, it reserves its right to make a further proposal in relation to Capricorn in the future.

Yours sincerely
Regis Resources Limited

A handwritten signature in blue ink, appearing to read 'Mark Clark', is written over a light blue horizontal line.

Mark Clark
Executive Chairman