
REGIS RESOURCES N.L.

ABN 28 009 174 761

**REPORT TO SHAREHOLDERS
FOR THE YEAR ENDED
30 JUNE 2006**

Regis Resources N.L. Directors' Report

The Directors of Regis Resources N.L. present their report for the year ended 30 June 2006.

1. Directors

The Directors of the Company in office since 1 July 2005 and up to the date of this Report are:

**Dr G. Michael Folie (BE (Civil), DIC, MSc (Econ) PhD, FAICD)
Non-Executive Chairman, Chair of Remuneration Committee**

Dr Folie has had a distinguished career in the resource sector and is currently a Director of InterOil Corporation Limited and a Director of the Institute of Public Affairs. He was previously a senior executive with Shell Australia Limited and its subsidiaries from 1979 where he was involved in all aspects of Shell's Australian businesses, including investments in coal, alumina, gold, LNG, oil refineries and chemical plants. From 1990 to 1994 Dr Folie was a Director of Shell Australia, and was the Executive Director responsible for Billiton Australia activities (alumina, gold, base metals and exploration) and Shell Coal – the third largest Australian producer. From 1994, he was the founding Managing Director and CEO of ASX listed gold explorer and producer Acacia Resources Limited, which was capitalised at \$400 million on listing and acquired in 2000 for over \$834 million. Dr Folie was also a Director of the Australian Research Council (2001 – 2004) and the Export Finance and Insurance Corporation ("EFIC") (1994 – 1997), an arm of the Australian Federal Government. Dr Folie has civil engineering degrees from Melbourne University and Imperial College, a PhD in Civil Engineering from Southampton University and an MSc in Economics from the London School of Economics and currently resides in Melbourne, Australia. In the three years prior to the date of this Report, Dr Folie was also a Director of Helix Resources Limited and Concept Gold Limited. Appointed 26 August 2004. Age 66

**Mr David Walker (BSc (Hons), MSc, MAusIMM)
Managing Director**

Mr Walker is the principal of Dalkeith Corporate, a firm providing specialist corporate advisory, equity market, research and general capital markets advice to clients. Mr Walker, who gained a Master of Science degree from Oxford University, is a qualified Geologist and has worked in the Mining Industry as an Exploration Geologist, Mine Geologist, Mine Scheduling Engineer and Business Development Manager. Mr Walker has over 15 years professional experience in the stockbroking, corporate finance and resource banking areas, with specialist skills in resource technical and securities analysis. Mr Walker has been a rated equity analyst in the gold, diamonds, diversified resources and coal sectors. Prior to his current role, Mr Walker was a founding Director of Auzeq Securities Ltd, an independent institutional resources research house. Mr Walker was an Executive Director of ABN AMRO Australia Securities, the Australian arm of the global investment-banking group, where he also held several senior positions including Head of Mining Research. In these capacities Mr Walker was involved with management of the operating divisions of the bank, including sales and trading, investment banking, proprietary activities, risk management and compliance. Mr Walker is a Member of the Australian Institute of Mining and Metallurgy and is a Director of Concept Gold Limited. Appointed 26 August 2004. Age 51

**Mr Marcus Rose (MBA, FFin, AREI, FAICD)
Non-Executive Director, Member of Audit Committee**

Mr Rose is an Executive Director and major shareholder in the Concept Financial Services Group, a financial services group that provides corporate services and is involved in equity investment activities. He has specialist skills in technical and security analysis and has over 25 years of experience in the equity, capital and property markets and as a professional Director. Mr Rose has advised and acted on behalf of a number of major Australian and international companies and has been responsible for a substantial number of mergers, acquisitions and capital raisings. The Concept Financial Services Group has also successfully made a number of direct investments and is the holder of a substantial investment portfolio. Prior to his involvement with the Concept Financial Services Group, Mr Rose was a Director of Henty Corporation Limited, a public company providing debt and equity funding to small and medium sized companies. Mr Rose is presently on the boards of Concept Investment Management Limited, Carlton Football Club Limited and The Carlton Cricket and Football Social Club Limited and is also a Director of a number of private companies. Mr Rose is a Fellow of the Financial Services Institute of Australia, an Associate of the Real Estate Institute of Australia, and a Fellow of the Australian Institute of Company Directors. In the three years prior to the date of this Report, Mr

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Rose was a Director of Australian Energy Limited, Arafura Resources NL and Concept Gold Limited. Appointed 26 August 2004. Age 59.

Mr Glenister Lamont (B.Eng (Hons), MBA, FFin, FAICD, MAusIMM)
Non-Executive Director, Chair of Audit Committee, Member of Remuneration Committee

Mr Lamont is Managing Director of Synergy Metals Ltd, a listed Victorian focused gold explorer. He also works as principal of Logmaor Services, which provides strategic advice and investor relations services to listed and private companies. He has participated at all levels through to board, both as an adviser and as practitioner in the formulation of strategy, identification, structuring and execution of domestic and international corporate developments. His consultancy has included investor relations for Woodside, and work in the healthcare sectors. At the Gribbles Group, he undertook considerable work with the board on governance and assisted the CEO on strategy issues. Previously he was General Manager Corporate for Ashton Mining Ltd where he led strategic planning and commercial implementation of business development initiatives, managed all aspects of investor relations and public affairs and oversaw IT for the group. Prior to that he was an Executive Director at UBS, where he spent more than a decade conducting financial, technical and strategic evaluation of resource and other companies and participated in a wide range of corporate transactions. He also has operational management experience in the mining and energy industries both in Australia and overseas. Mr Lamont is a Fellow of the Financial Services Institute of Australia, a Fellow of the Australian Institute of Company Directors, and a Member of the Australian Institute of Mining and Metallurgy. He is a Director of Northern Australian Diamonds Ltd and was previously a Director of Bounty Oil & Gas. Appointed 26 August 2004. Age 50

Mr Paul Dowd (Bsc(Eng), FAusIMM)
Non-Executive Director

Mr Dowd is a Mining Engineer by profession, has held several senior positions in the mining industry, and has recently retired as the Vice President of Newmont Australian Operations and Managing Director of Newmont Australia Limited. Newmont is a USA company and the second-largest gold producer in the world and in 2005, Newmont Australia was the largest producer in Australia. Prior to this, he held the position of Group Executive—Operations for Normandy and was responsible for the Normandy Group's global managed mining interests, including eight Australian operations and four spread over Africa, Europe and Asia. Prior to joining Normandy, he was General Manager, Aurora Gold where he was responsible for all Aurora Group operations and development primarily in Republic of Indonesia and Malaysia and later in Papua New Guinea. Mr Dowd has been a member of the Mineral Resources Advisory Council to the Minerals and Energy Research Institute of Western Australia, ("MERIWA") and Chairman of the Mining and Engineering Sub-Committee of MERIWA; Executive Councilor - Western Australian Chamber of Minerals and Energy and Chairman of the WA Chamber's Occupational Health and Safety Standing Committee. Mr Dowd has also recently retired as a Director of the Minerals Council of Australia. He remains a board member of the Minerals Industry Safety and Health Centre, and a board member of the Sustainable Minerals Institute, University of Queensland. Appointed 31 July 2006. Age 57

2. Principal Activities and Review of Results of Operations

Objectives

The Company's objective is to increase shareholder wealth through successful exploration and project development activities whilst providing a safe workplace and ensuring best practice in relation to its environmental obligations.

Regis Resources N.L. ("Regis") is an Australian mineral explorer with extensive landholdings in the Eastern Goldfields of Western Australia. The most significant of these are the Duketon Region and Rosemont Duketon Joint Ventures ("Duketon joint ventures") with Newmont Australia Ltd north of Laverton.

In the Leonora-Laverton area, Regis is also earning up to an 85% interest and manages exploration on the Copper Well Joint Venture with Mr Mark Creasy, and earning up to 70% equity and manages exploration in the Melita Joint Venture with Great Gold Mines N.L.

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Three key opportunities have been the focus of the Company during the year, namely:

- (i) expanded exploration activities in the Duketon area. Exploration work carried out in the first half of the financial year resulted in an upgrade of inferred and indicated resources at Moolart Well from 458,000 ounces to 1,008,000 ounces and was announced on 24 January 2006. In the second half of the year activities focused on infill drilling and the commencement of engineering and financial assessment of the Moolart Well gold resource, and continuation of the nickel exploration program over the Duketon joint venture tenements.
- (ii) the establishment of a nickel exploration program focusing on the prospective Collurabbie area within the northern area of the Duketon joint venture tenements; and
- (iii) finalisation of the formal agreement with Newmont whereby the Company acquired a 49% interest in its joint venture partner, Newmont Duketon Pty Ltd, ("Newmont Duketon") in exchange for an issue of approximately 257 million ordinary shares in Regis. This agreement settled in early February 2006 following shareholder approval, and resulted in the Company having a total direct and indirect interest in the Duketon joint venture tenements of 59.2%, and being appointed joint venture manager.

Adoption of AIFRS

The Company has adopted Australian equivalents to International Financial Reporting Standards ("AIFRS") from 1 July 2004, and the financial report is therefore the Company's first report prepared in accordance with new AIFRS compliant accounting policies. The Company has restated comparatives on a consistent basis with the new accounting policies and presentation requirements of AIFRS, with the exception of capitalised exploration costs, which are exempt from restatement under AASB 6 *Exploration for and Evaluation of Mineral Resources* ("AASB 6").

Income Statement

Revenue

As a minerals exploration company, Regis does not have an ongoing source of revenue. Its revenue stream arises from interest received on cash in bank and ad-hoc tenement and investment disposal.

For the 2006 year, interest income increased to \$129,198 from \$73,940 in 2005. As a result of capital raisings in the second half of calendar 2004 and at the start of calendar 2006, Regis had higher average levels of interest bearing cash in the bank over the 2006 financial year.

Other income

Other income for the year ended 30 June 2005 primarily comprised a profit of \$19,340,940 being a gain on capital restructuring that occurred in August 2004. This profit arose from the extinguishment of all debt of the Company following the repayment of \$1,000,000 and the conversion of \$5,509,678 of debt into equity. The tax consequence of the debt forgiveness is a reduction in the level of tax losses available to be carried forward, with no tax payable arising. There was no other income for the year ended 30 June 2006.

Expenses

The Company's activity is the exploration for mineral deposits either directly or through investments in exploration entities, and the majority of exploration related costs are capitalised in accordance with the Company's accounting policies. Accordingly expenses reflected in the income statement are primarily related to administration and compliance matters.

Costs and charges expensed through the income statement have decreased from \$3,063,733 in 2005 to \$1,536,701 in 2006. This is a net result of the following:

- (i) The total impact of exploration expenditure provided for or written off in 2006 was \$272,248, compared to \$840,253 in 2005 comprising exploration cost write-offs of \$107,435 and the Company's share of exploration write-offs of associates of \$732,818.

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On transition to AIFRS exploration costs on the Duketon Region and Rosemont Duketon Joint Ventures are treated as investments in associates.

From 1 July 2005 the Company changed its accounting policy on the adoption of AASB 6 *Exploration for and Evaluation of Mineral Resources* such that all expenditure (net of potential rent refunds) on tenements under application where there is no underlying tenure is written off.

The 2005 exploration write-off and share of losses of associates arose primarily as a result of impairment testing of the carrying values of the underlying mineral properties against an independent valuation prepared in 2005 as part of the lead up to the acquisition of shares in Newmont Duketon.

An updated independent valuation of the mineral properties was obtained in December 2005 and an impairment review carried out by reference to that valuation did not necessitate any further impairment write-downs.

- (ii) The results for 2005 included an expense of \$682,220 being the accounting write-off of an interest in a future royalty stream, on the basis that no feasibility studies had been completed at the time to confirm the economics of the underlying tenements. No comparable write-off arose in 2006.
- (iii) Administration costs increased marginally from \$1,219,821, in 2005 to \$1,260,977 in 2006. In July 2005 the Company commenced the employment of its own staff to directly manage the operations of the Company and support its joint venture management activities, and opened its own offices at the end of the first half of this financial year. By comparison, in 2005 the day to day financial and administrative aspects of the Company were such that outsourcing these services was more cost effective. Administration costs in 2006 include direct staffing costs and recruitment fees of \$342,025 (2005: \$Nil), fees for non-executive Directors of \$104,500 (2005:\$110,847), and consulting and contracting fees of \$410,589 (2005: \$881,876) which includes the services of the current Managing Director provided by Dalkeith Resources Pty Ltd and administration and company secretarial, finance, and payroll services provided by AXIS Consultants Pty Ltd up to the end of December 2005. In the 2005 financial year, consulting and contracting costs also included corporate advisory fees paid to Dalkeith Resources Pty Ltd and Concept Equity Pty Ltd of \$256,250 in regards to the restructuring of the Company which was settled in August 2004.
- (iv) Financial expenses, which primarily comprise interest expense, reduced from \$321,439 in 2005 to \$3,476 in 2006, as a result of all interest bearing debt being repaid or extinguished in August 2004.

Result for the Year

The net result of all the above is an operating loss for the Company of \$1,407,503 for the 2006 year compared with an operating profit of \$16,356,891 in 2005. There is no income tax expense attributable to the result in either year.

Balance Sheet

During the year, the Company's cash balances increased to \$4,450,729 at 30 June 2006 compared to \$2,091,508 at 30 June 2005. Cash flows for the year are described below.

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

Non-current receivables comprise deposits which secure the Company's share, based on associate equity interests, of environmental performance bonds provided to the Department of Industry and Resources WA in respect of certain Duketon joint venture tenements of \$579,102 (2005: \$193,890) and security deposits for the leases of company offices of \$59,758 (2005: Nil). All the security deposits bear interest at market rates. For 2005, the balance also includes pre-paid transaction costs relating to the acquisition of shares in Newmont Duketon of \$79,273, and \$20,000 of environmental bonds in the Northern Territory.

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Capitalised exploration costs decreased from \$741,330 at 30 June 2005 to \$397,641 at 30 June 2006. In accordance with the Company's AIFRS compliant accounting policies, 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.

Investments in associates comprises the Company's investment in 49% of the shares in its joint venture partner Newmont Duketon, and its direct investments of 20% in each of the Duketon Region and the Rosemont Duketon Joint Ventures which are now equity accounted under AIFRS. The shares in Newmont Duketon were acquired on 3 February 2006. In accordance with AIFRS, the cost of the acquisition has been recognised based on the market value (at date of acquisition) of Regis shares issued as consideration. The Company has, under the terms of the acquisition agreement, sole funded all exploration expenditure on the Duketon Region and Rosemont Duketon Joint Ventures effective since 1 January 2005 and this further investment is an additional driver of the increased total investment in associates relative to 2005.

The Company acquired plant and equipment at a cost of \$308,191 during the year (2005: \$7,089), comprising exploration field vehicles, and office equipment for the Company's corporate office in Melbourne and exploration office in Perth, both of which were established during the year.

Trade and other payables of \$1,590,348 represent amounts owing at 30 June 2006 for exploration costs, purchases of equipment, and administration expenses. The increase relative to the comparative figure at 30 June 2005 of \$440,787 reflects the fact that at 2006 year end the company had taken on management of the Duketon joint ventures, was sole funding all exploration expenditure on those projects and therefore held the full liability for any unpaid costs on the projects.

Employee benefit liabilities of \$230,153 (2005: \$Nil) represents accrued liabilities for salaries for the month of June 2006, unused annual leave and related on costs for staff recruited during the year. The company had no direct employees at the end of the 2005 financial year.

At 30 June 2006, the Company had net working capital of \$2,878,925 (2005: \$1,686,190), and positive net assets of \$42,720,879 (2005: \$5,594,942). Since 30 June 2006, a further capital raising has been completed with \$4.79 million raised in September 2006.

Cash Flow

Total cash inflows for the year were \$11,218,013 (2005: \$6,091,318) and the key source of funds were the proceeds of capital raisings in January and February 2006 and the exercise of options totalling \$11,072,500 (2005: \$5,817,780). Other cash inflows arose from interest income, proceeds from the sale of an investment, and the refund of environmental security deposits on tenements previously held in the Northern Territory.

The key outflows of cash for the 2006 year can be summarised in to two categories.

(i) Acquisition of 49% of the shares of Newmont Duketon

Although the acquisition was primarily settled by the issue of shares in Regis, completion of the purchase also required the reimbursement of \$3,715,373 of exploration costs incurred by Newmont Duketon on the projects such that effectively, Regis has sole funded the relevant projects since 1 January 2005, together with payments for transaction costs of \$306,871, and an additional deposit of \$385,212 placed with Newmont to secure the Company's increased effective share of environmental guarantees. See commentary on the acquisition of investment in Newmont Duketon below.

(ii) Exploration costs

The Company paid \$768,763 (2005: \$757,343) to Newmont as its 20% share of joint venture exploration expenditure prior to the Newmont Duketon acquisition, and has funded \$1,453,690 (2005: \$366,432) of cash outflows for exploration work as joint venture manager on the Duketon joint ventures and in continuing to pursue other exploration projects in the Laverton/Leonora area.

Other cash outflows arose from the funding of the administration functions of the Company, the purchase of property, plant and equipment for exploration activities and the offices established during the year, and the payment of security deposits for the offices.

In the year ended 30 June 2005, the Company repaid \$1,587,463 in debt and all other debt was extinguished.

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Acquisition of Investment in Newmont Duketon

On 14 December 2005 the Company executed the formal agreement with Newmont for the restructure of the equity interests in the Duketon joint ventures including the acquisition of a 49% interest in Newmont Duketon. Newmont Duketon holds an 80% direct interest in the Duketon joint ventures and Regis holds 20%.

On 3 February 2006 the transaction was completed, with the main component of consideration for the acquisition being the issue of approximately 257 million shares in Regis to Newmont. Following completion, Regis now holds one seat on the three member Board of Newmont Duketon. Equity accounting has been applied to account for the investment from the date of completion. The fair value of the shares issued to Newmont was approximately \$28.2 million. The restructure results in Regis increasing its direct and indirect interests in the Duketon joint ventures to a total of 59.2% and taking up appointment as manager of the Duketon joint ventures.

Under the terms of the agreement Regis has an obligation to spend \$10 million on eligible joint venture expenditure between January 2005 and May 2007. As part of the settlement, Regis was required to reimburse Newmont for Newmont's share of exploration expenditure since 1 January 2005. This reimbursement together with amounts spent on exploration on the joint venture tenements by Regis in its own right since January 2005 totals approximately \$7.6 million towards the \$10 million commitment, as at the end of June 2006.

Following continuation of the exploration programs since balance date, the \$10 million sole funding commitment was completed during September 2006, and is currently subject to audit confirmation.

3. Significant Change in State of Affairs

The Directors are of the opinion that other than that disclosed in the Principal Activities and Review of Results of Operations section of the Directors' Report, there have not been any significant changes in the state of affairs of the Company during the year under review.

4. Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividend since the end of the previous financial year and up to the date of this Report.

5. Events Subsequent to the Balance Sheet Date

Subsequent to the balance sheet date, the Company completed the \$10 million sole funding obligation described above that had arisen as part of the acquisition of a 49% share of its joint venture partner, Newmont Duketon, and has formally notified Newmont Australia Limited that the sole funding obligation has been met. Newmont Australia Limited has elected to audit the expenditure that is the subject of the sole funding obligation and this audit is currently in progress.

Under the terms of the acquisition agreement, the completion of the sole funding obligation (once confirmed) gives the Company the right to exercise a call option to acquire a further 26% of the shares of Newmont Duketon (taking the Company's interest to 75% of Newmont Duketon).

The Company intends to formally exercise the call option immediately the expenditure has been confirmed by Newmont Australia Limited. The effect of the exercise of the call option will be that:

- the Company will obtain control of Newmont Duketon
- consideration for the exercise of the call option will be due to Newmont Australia, the method of settlement to be agreed between the parties with the most likely scenario being an issue of approximately 207,200,000 shares in the Company, subject to shareholder approval, being the equivalent of approximately \$22.8 million at the current share price.

In addition, on 27 September 2006 the Company completed a further capital raising of \$4.79 million, issuing 47,867,679 shares for cash at a price of 10 cents per share.

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Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature which in the opinion of the Directors of the Economic Entity, has significantly affected or is likely to significantly affect

- the operations of the Economic Entity
- the results of those operations, or
- the state of affairs of the Economic Entity

in future financial years.

6. Future Developments and Results

There are no likely developments of which the Directors are aware which could be expected to significantly affect the results of the Company's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Review of Results of Operations or the Events Subsequent to the Balance Sheet Date sections of the Directors' Report.

7. Options

At the date of this Report, the Company had on issue the following listed and unlisted options over fully paid ordinary shares.

(i) Listed

Number	Maturity Date	Issue Price	Exercise Price	Exercise Period
25,736,079	30 April 2012	No issue price	A\$0.20	Immediately

Optionholders have no rights to participate in an issue of shares unless they convert their options. During the year and up to the date of this Report, no options have been issued and no options have lapsed. The names of all the persons who currently hold options are entered on a register maintained for the Company, by Link Market Services Limited. In accordance with the Corporations Act 2001, this register may be inspected free of charge.

Number	Maturity Date	Issue Price	Exercise Price	Exercise Period
38,970,230	31 October 2012	No issue price	A\$0.10	Immediately

Optionholders have no rights to participate in an issue of shares unless they convert their options. During the year and up to the date of this Report, no options have been issued and no options have lapsed. The names of all the persons who currently hold options are entered on a register maintained for the Company, by Link Market Services Limited. In accordance with the Corporations Act 2001, this register may be inspected free of charge.

Number	Maturity Date	Issue Price	Exercise Price	Exercise Period
95,268,936	31 January 2014	No issue price	A\$0.05	Immediately

Optionholders have no rights to participate in an issue of shares unless they convert their options. During the year and up to the date of this Report, no options have been issued, 1,450,000 options have been exercised and no options have lapsed. The names of all the persons who currently hold options are entered on a register maintained for the Company, by Link Market Services Limited. In accordance with the Corporations Act 2001, this register may be inspected free of charge.

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(ii) Unlisted

Number	Maturity Date	Issue Price	Exercise Price	Exercise Period
14,150,000	25 November 2010	No issue price	A\$0.12	Under terms and conditions of the Regis Resources N.L. 2005 Share Option Plan

Optionholders have no rights to participate in an issue of shares unless they convert their options. During the year and up to the date of this Report, 14,150,000 options have been issued and no options were cancelled. The names of all the persons who currently hold options are entered on a register maintained by the Company. In accordance with the Corporations Act 2001, this register may be inspected free of charge.

Number	Maturity Date	Issue Price	Exercise Price	Exercise Period
Nil	24 March 2010	A\$0.131	A\$5.68	Under terms and conditions of the employee share option plan

Optionholders have no rights to participate in an issue of shares unless they convert their options. During the year and up to the date of this Report, no options have been issued or exercised and the 70,000 existing options on issue were cancelled with the consent of the holders.

8. Directors' Interests in Shares and Options

The relevant interest of each Director in the number of fully paid ordinary shares and options over fully paid ordinary shares of the Company disclosed by that Director to the Australian Stock Exchange as at the date of this Report is:

Director	Relevant Interest				
	Shares	Options 30/04/2012	Options 31/10/2012	Options 31/01/2014	Options 25/11/2010
M Folie	3,681,170	-	1,000,000	-	900,000
D Walker	8,115,000	9,000,000	11,250,000	15,000,000	5,200,000
M Rose	7,200,000	7,500,000	11,250,000	15,000,000	450,000
G Lamont	800,000	-	-	-	450,000
P Dowd	-	-	-	-	-

9. Meetings of Directors

The number of meetings of Directors held including meetings of Committees of the Board during the financial year including their attendance was as follows:

	Board		Audit Committee		Remuneration Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
M Folie	16	16	-	-	4	4
D Walker	16	16	-	-	-	-
M Rose	16	15	3	3	-	-
G Lamont	16	16	3	3	4	4

10. Company Secretary

Mr Peter Lee is the Company Secretary of the Company. Mr Lee is a Member of the Institute of Chartered Accountants in Australia, a Fellow of Chartered Secretaries Australia Ltd., a Member of the Australian Institute of Company Directors and holds a Bachelor of Business (Accounting) from Royal Melbourne Institute of Technology. He has over 25 years commercial experience and is currently General Manager Corporate and Company Secretary of several listed public companies in Australia and a Director, Chief Financial Officer and Secretary of a US Corporation listed on the over the counter market in the USA and Chief Financial Officer and Secretary of a second US Corporation listed on the over the counter market in the USA.

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11. Directors and Officers' Indemnity

The Company has entered into an Indemnity Deed with each of the Directors which will indemnify them against liability incurred to a third party (not being the Company or any related company) where the liability does not arise out of conduct including a breach of good faith. The Indemnity Deed will continue to apply for a period of 10 years after a Director ceases to hold office, and a Director's Access and Insurance Deed with each of the Directors pursuant to which a Director can request access to copies of documents provided to the Director whilst serving the Company for a period of 10 years after the Director ceases to hold office. There will be certain restrictions on the Directors' entitlement to access under the deed. In addition the Company will be obliged to use reasonable endeavors to obtain and maintain insurance for a former Director similar to that which existed at the time the Director ceased to hold office.

12. Directors' and Officers' Insurance

The Company has, during or since the end of the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the Directors, Secretaries, Executive Officers and employees of the Company and any related bodies corporate as defined in the insurance policy. The insurance grants indemnity against liabilities permitted to be indemnified by the Company under Section 199B of the Corporations Act 2001. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

13. Environment

The exploration activities of the Company are conducted in accordance with and controlled principally by Australian state and territory government legislation. The Company has extensive exploration land holdings in Western Australia. The Company employs a system for reporting environmental incidents, establishing and communicating accountability, and rating environmental performance. During the year data on environmental performance was reported as part of the exploration reporting regime. In addition, as required under state legislation, procedures are in place to ensure that the relevant authorities are notified prior to the commencement of ground disturbing exploration activities.

The Company is committed to minimising the impact of its activities on the surrounding environment at the same time aiming to maximise the social, environmental and economic returns for the local community. To this end the environment is a key consideration in our exploration activities and during the rehabilitation of disturbed areas. Generally rehabilitation occurs immediately following the completion of a particular phase of exploration. In addition the Company continues to develop and maintain mutually beneficial relationships with the local communities affected by its activities.

14. Non-audit Services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor prior to the commencement of the work; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement F1 Professional Independence, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is attached to the Directors' Report.

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Details of the amounts paid to the auditor of the Company, KPMG, for audit and non-audit services provided during the year are set out below.

	Consolidated 2006 \$	2005 \$
Statutory audit:		
Audit and review of financial reports	64,425	21,000
Other services:		
Accounting advisory services	6,300	5,000
Taxation advisory services	16,200	-

Taxation services provided by KPMG comprise provision of advice in relation to particular payroll tax and workcover matters, and advice concerning the income tax and GST aspects of the Company's sole funding obligations in respect of the Duketon joint ventures.

15. Remuneration Report

(i) Overview of Remuneration Policies - audited

Remuneration levels for key management personnel of the Company are competitively set to attract and retain appropriately qualified and experienced key management personnel. The Remuneration Committee's decisions on the appropriateness of remuneration packages are based on the competitive state of the employment market for different specific skill sets, independently sourced market surveys related to the resources sector and the need to incentivise personnel to meet the Company's strategic objectives.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company, including Directors of the Company and other Executives. Key management personnel include the five most highly remunerated S300A Directors and Executives of the Company

The remuneration structures explained below are designed to attract suitably qualified candidates, reinforce the imperative to meet the strategic objectives, and hence achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the ability of key management personnel to influence the Company's performance;
- the Company's performance is primarily defined as the Company's success in discovering economically exploitable mineralized systems, with earnings not currently a significant driver of performance. The value of this strategy will be reflected in the growth in share price and returns on shareholder wealth; and
- the mix of cash and option incentives within each key management personnel's remuneration package.

Remuneration packages include a mix of cash and longer-term performance based incentives.

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(ii) The Company's performance during the current year and over the past four years has been as follows – unaudited:

	2006 \$	2005 \$	2004 \$	2003 \$	2002 \$
Revenue	129,198	73,940	5,577	205,851	13,279,222
Net profit/(loss)	(1,407,503)	16,356,891	(3,939,213)	(6,567,693)	3,463,635
Basic earnings per share (cents)	(0.30)	5.71	(4.15)	(10.95)	8.67
Diluted earnings per share (cents)	(0.26)	4.89	(4.15)	(10.95)	8.67
Net assets/(deficiency)	42,720,879	5,594,942	(22,696,586)	(23,772,890)	(18,499,918)

The Directors do not believe the financial performance of the Company is an accurate measure when considering remuneration structures as the Company is in the mineral exploration industry. Companies in this industry do not have an ongoing source of revenue, as revenue is normally from ad-hoc transactions.

The more appropriate measure is the identification of exploration targets, identification and/or increase of mineral resources and reserves and the ultimate conversion of the Company from explorer status to mining status.

Since their appointment in August 2004, the Directors and Executives (some of whom have been appointed progressively since that date) have restructured the business, raised substantial amounts of capital, eliminated a substantial amount of debt, undertaken significant exploration with the drilling results from exploration identifying the Moolart Well gold deposit and commenced a feasibility study at Moolart Well.

(iii) Fixed Remuneration - audited

Fixed remuneration consists of base remuneration (including any fringe benefit tax charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds. The Company allows key management personnel to salary sacrifice for additional benefits (on a total cost basis).

Remuneration levels are reviewed annually by the Remuneration Committee through a process that considers individual and overall performance of the Company. In addition, external consultants provide analysis and advice to ensure the key management personnel's remuneration is competitive in the market place, as required.

(iv) Performance-Linked Remuneration - audited

Performance linked remuneration focuses on long-term incentives and was designed to reward key management personnel for meeting or exceeding their objectives. Recently the Company has not paid short-term incentive bonuses.

Long-Term Incentive

1999 Employee Share Option Plan

During the year, with the consent of the option holders, the 70,000 options on issue under the 1999 Employee Share Option Plan were cancelled.

Regis Resources N.L. Directors' Report

2005 Employee Share Option Plan

At the Annual General Meeting of the Company held in November 2005, shareholders of the Company approved the introduction of the Regis Resources N.L. 2005 Share Option Plan and the issue of options under the plan to the Directors at the time.

The Plan was introduced to assist in the recruitment, reward, retention and motivation of eligible persons of the group.

The key components of the Plan and conditions imposed by the Board for the initial issue of options are that the options will have no issue price; the exercise price of the options will be an amount as determined by the Board and will be not less than the market price for one share on the date the Board decides to invite a participant to apply for options; the Board can determine the exercise conditions (if any) to apply prior to a participant being able to exercise the options; if the Exercise Condition is met, the participant (subject to continuing to be an eligible participant) is able to exercise the options at any time for a period of 3 years after the Vesting Period; the number of options that can be on issue under the Plan is 5% of the issued number of shares in the Company at the date of an invitation or grant of an option (for this purpose, the 5% is calculated as the number of shares the subject of options the Board proposes to issue an invitation or proposes to grant; the number of shares which would be issued if all offers or options to acquire unissued shares pursuant to this Plan or any other employee share option plan were accepted or exercised; the number of shares issued pursuant to the Plan in the last 5 years; and the number of shares issued during the last 5 years pursuant to any other employee share scheme of the Company); if the employment of a Participant is terminated before the end of the Vesting Period, the options held by that Participant will lapse, except where a Participant has ceased to be employed due to death or mental incapacity (in such circumstances the Board has the ability to allow the legal personal representative of the participant to exercise the option on the terms set by the Board at the time). In the case of termination after the Vesting Period, if the Exercise Condition has not been met, the option lapses. If the Exercise Condition has been met, the participant has one month to exercise the option otherwise it lapses; the Board will also have the discretion to have the options expire if it determines that a Participant has acted fraudulently, dishonestly or in a manner which is in breach of his or her obligations to the Company or a subsidiary of the Company; participants will have their entitlements in respect of options held adjusted to take account of capital reconstructions and bonus issues as if the option has been exercised before the determination of entitlement in respect of these issues. If the Company makes a pro rata rights issue to shareholders, the exercise price of an option will be reduced according to the formula specified in the Stock Exchange Listing Rules; and in the case of a change of control, options are immediately exercisable notwithstanding Exercise Conditions or the Vesting Period.

For the initial grant of options, the Directors resolved that the exercise price will be the weighted average closing price of shares sold on ASX on the 5 trading days immediately preceding the offer of options to a Participant (but if no shares were sold on ASX during that 5 day period the exercise price of an option is to be determined by the Board to be equal to the closing price of shares sold on ASX on the last trading day on which the shares were traded); the options cannot be exercised for a specified period in each case, ranging from 21 months to 2 years from grant; for tranche 1 options to be exercised after this time, the price of the Company's fully paid ordinary shares must have traded at a price on ASX that represents a 25% increase in share price following the offer to Participants, after adjustment for any rights issues, bonus issues and dividends, from the date when the options were first granted, for at least a 20 trading day period; and for tranche 2 options to be exercised after this time, the price of the Company's fully paid ordinary shares must have traded at a price on ASX that represents a 50% increase in share price following the offer to Participants, after adjustment for any rights issues, bonus issues and dividends, from the date when the options were first granted, for at least a 20 trading day period.

Regis Resources N.L.
Directors' Report

The options were valued by an external consultant as at grant date using the binomial option pricing model and the following inputs:

	November 2005 Options		February 2006 Options	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Grant date	28-Nov-05	28-Nov-05	17-Feb-06	17-Feb-06
Grant date share price	\$0.115	\$0.115	\$0.097	\$0.097
Expected life in years	3.5	3.5	3.4	3.4
Risk-free rate	5.31%	5.31%	5.22%	5.22%
Volatility	45%	45%	45%	45%
Exercise price	\$0.12	\$0.12	\$0.12	\$0.12
Fair value of option	\$0.025	\$0.021	\$0.015	\$0.012

Regis Resources N.L.
Directors' Report

At the date of this report, the following options have been issued to the key management personnel under the plan:

Name	Position	Number of Options		Issue Price	Exercise Price	Ordinary Share Price Hurdle		Value of Options ¹		Value yet to vest \$ - unaudited	
		Tranche 1	Tranche 2			Tranche 1	Tranche 2	Tranche 1	Tranche 2	Min ²	Max ³
M Folie	Non-Executive Chairman	450,000	450,000	Nil	12 cents	15 cents	18 cents	\$11,250	\$9,450	Nil	54,000
D Walker	Managing Director	2,600,000	2,600,000	Nil	12 cents	15 cents	18 cents	\$65,000	\$54,600	Nil	312,000
M Rose	Non-Executive Director	225,000	225,000	Nil	12 cents	15 cents	18 cents	\$5,625	\$4,725	Nil	27,000
G Lamont	Non-Executive Director	225,000	225,000	Nil	12 cents	15 cents	18 cents	\$5,625	\$4,725	Nil	27,000
P Lee	Company Secretary	450,000	450,000	Nil	12 cents	15 cents	18 cents	\$9,000	\$7,425	Nil	54,000
J Cohen	General Manager Finance & Administration	1,250,000	1,250,000	Nil	12 cents	15 cents	18 cents	\$31,250	\$26,250	Nil	150,000
J Balkau	General Manager Exploration	1,625,000	1,625,000	Nil	12 cents	15 cents	18 cents	\$24,375	\$19,500	Nil	195,000

1. Details concerning the valuation methodology and key assumptions made in the option valuations are set out on the preceding pages and in Note 19 of the attached financial statements.
2. The minimum value of options yet to vest is \$nil as the vesting conditions have not been met and consequently the option may not vest.
3. The maximum value of options yet to vest is not determinable as it depends on the market price of shares of the Company at the date the options are exercised, and whether the price hurdles are met during the vesting period. For the purpose of the disclosure set out above, the maximum value shown is the value of the options assuming that the price hurdle of 18 cents is met prior to 25 November 2007 enabling all the options to vest, and that the share price then remains at 18 cents.

Regis Resources N.L. Directors' Report

(v) Service Agreements - audited

Mr David Walker, Managing Director, has a contract with the Company, with an effective date of 1 July 2005 via Dalkeith Resources Pty Ltd ("Dalkeith"). The contract specifies the duties and obligations to be fulfilled by the Managing Director, is for 2 years, has a contract fee of \$260,000 per annum, provides for 9 months notice of termination (other than in the case of negligent conduct) in the case of termination by the Company and 3 months notice of termination in the case of Dalkeith Resources Pty Ltd. The Managing Director has no entitlement to a termination payment. During the year, Dalkeith was paid an amount of \$91,991 which was for additional services performed during the year ended 30 June 2005.

Dr Folie, and Messrs Lamont and Rose do not have a contract for their services as Non-Executive Chairman and Non-Executive Directors respectively.

Mr Peter Lee, Company Secretary, has a contract of employment with the Company. He is employed on a part time basis and is paid an amount of \$54,500 per annum (including contributions to superannuation). The service contract outlines the components of remuneration paid to Mr Lee but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by Mr Lee and any changes required to meet the principles of the remuneration policy. Mr Lee is entitled to receive on termination of employment statutory entitlements of accrued annual and long service leave, and any accrued superannuation contributions would be paid to his fund. Mr Lee's contract has an effective commencement date of 1 November 2005 and has no expiry date. Prior to that time Mr Lee's services were provided via the service arrangements with AXIS Consultants Pty Ltd.

Ms Janet Cohen, General Manager Finance & Administration, has a contract of employment with the Company. She is employed on a full time basis and is paid an amount the equivalent of \$150,000 per annum (including contributions to superannuation). The service contract outlines the components of remuneration paid to Ms Cohen but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by Ms Cohen and any changes required to meet the principles of the remuneration policy. Effective from 1 September 2006, following a review of the market conditions and as a result of the increase in the scope of the role, Ms Cohen's remuneration package has increased to \$180,000. Ms Cohen is entitled to receive on termination of employment statutory entitlements of accrued annual and long service leave, and any accrued superannuation contributions would be paid to her fund. Ms Cohen's contract has an effective commencement date of 18 July 2005 and has no expiry date.

Mr Jens Balkau, General Manager Exploration, has a contract of employment with the Company. He is employed on a full time basis and is paid an amount of \$195,000 per annum (including contributions to superannuation). The service contract outlines the components of remuneration paid to Mr Balkau but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by Mr Balkau and any changes required to meet the principles of the remuneration policy. Mr Balkau is entitled to receive on termination of employment statutory entitlements of accrued annual and long service leave, and any accrued superannuation contributions would be paid to his fund. Mr Balkau's contract has an effective commencement date of 30 January 2006 and has no expiry date.

Regis Resources N.L. Directors' Report

The Company has a Redeployment and Redundancy Policy that is applicable to all employees including Executives (other than the Managing Director). Under that policy, in the case of a genuine redundancy, Executives would receive a payment equivalent to six months total remuneration package plus two weeks for each completed year of service, subject to a maximum total payment of twelve months total remuneration.

(vi) Non-Executive Directors - audited

Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the 1999 AGM, is not to exceed \$200,000 per annum. At the date of this report, Directors' base fees are presently up to \$134,000 per annum. Directors' fees cover all main board activities and membership of board committees. Non-Executive Directors do not receive any benefits on retirement. From time to time, Non-Executive Directors may provide consulting services to the Company and in these cases, they are paid consulting fees in line with industry rates.

During the year and following the approval of shareholders at the 2005 annual general meeting, Dr Folie and Messrs Rose and Lamont were issued options under the Regis Resources N.L. 2005 Share Option Plan. Details of the options issued are set out separately in this Remuneration Report.

In August 2004, the restructuring of the Company occurred which resulted in amongst other things, a total change in the Board of Directors and the Company commencing to forge its own identity. The Non-Executive Directors were instrumental in the Company's operations from that time forward whilst they recruited a new management team for the Company. The Board of Directors wished to retain cash resources for exploration and corporate requirements and accordingly, decided to use a mixture of cash and options to compensate Non-Executive Directors for their on-going contribution to the Company in an industry that is high risk.

(vii) Details of Key Management Personnel and Remuneration - audited

The names of the key management personnel in office during the year are as follows:

(a) Directors

M Folie – Non-Executive Chairman
D Walker – Managing Director
M Rose – Non-Executive Director
G Lamont – Non-Executive Director

(b) Specified Officers

P Lee – Company Secretary
J Cohen – General Manager Finance and Administration (appointed 18 July 2005)
J Balkau – General Manager Exploration (appointed 30 January 2006)

Note: All Directors and Officers held office for the entire year unless otherwise stated

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (Company) - audited

		Short-term			Post employment benefits	Other long term benefits	Termination benefits	Share based payments	Total	Value of options as proportion of remuneration & proportion of remuneration that is performance related % (iv)
		Salary & fees	Non-monetary benefits	STI cash bonus	Super-annuation			Options and rights		
Non-Executive Directors										
Dr G M Folie (Chairman)	2006	173,700	-	-	-	-	-	6,096	179,796	3.39%
	2005	112,374	-	-	2,689	-	-	-	115,063	0.00%
Mr M H Rose	2006	25,000	-	-	2,250	-	-	3,049	30,299	10.06%
	2005	24,187	-	-	1,907	-	-	-	26,094	0.00%
Mr G Lamont	2006	25,000	-	-	2,250	-	-	3,049	30,299	10.06%
	2005	21,187	-	-	1,907	-	-	-	23,094	0.00%
Mr P Dowd	2006	-	-	-	-	-	-	-	-	0.00%
	2005	-	-	-	-	-	-	-	-	0.00%
Executive Director										
Mr D A Walker (Managing Director) (i)	2006	351,991	-	-	-	-	-	35,225	387,216	9.10%
	2005	205,562	-	-	-	-	-	-	205,562	0.00%
Executives										
Mr P J Lee (Company Secretary) (ii)	2006	75,783	8,544	-	11,418	-	-	4,307	100,052	4.30%
	2005	57,428	5,467	-	10,377	-	-	-	73,272	0.00%
Ms J C Cohen (General Manager - Finance & Administration)	2006	107,302	-	-	32,438	-	-	16,935	156,675	10.81%
	2005	-	-	-	-	-	-	-	-	0.00%
Mr J Balkau (General Manager - Exploration)	2006	75,961	-	-	6,837	-	-	9,087	91,885	9.89%
	2005	-	-	-	-	-	-	-	-	0.00%

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (Company) - audited

		Short-term			Post employment benefits	Other long term benefits	Termination benefits	Share based payments	Total	Value of options as proportion of remuneration & proportion of remuneration that is performance related % (iv)
		Salary & fees	Non-monetary benefits	STI cash bonus	Super-annuation			Options and rights		
Former										
Mr J I Gutnick (resigned 26 August 2004) (iii)	2006	-	-	-	-	-	-	-	-	0.00%
	2005	13,333	-	-	1,200	-	-	-	14,533	0.00%
Mr D S Tyrwhitt (resigned 26 August 2004) (iii)	2006	-	-	-	-	-	-	-	-	0.00%
	2005	2,500	-	-	225	-	-	-	2,725	0.00%
Mr M Z Gutnick (resigned 26 August 2004) (iii)	2006	-	-	-	-	-	-	-	-	0.00%
	2005	2,500	-	-	225	-	-	-	2,725	0.00%
Mr R Wadley (resigned 18 March 2005) (iii)	2006	-	-	-	-	-	-	-	-	0.00%
	2005	11,925	-	-	-	-	-	-	11,925	0.00%
Total compensation: key management personnel (Company)	2006	834,737	8,544	-	55,193	-	-	77,748	976,222	
Total compensation: key management personnel (Company)	2005	450,996	5,467	-	18,530	-	-	-	474,993	

(i) The fees paid in the 2006 and 2005 years to Mr D A Walker are paid to his related company Dalkeith Resources Pty Ltd, and are not disclosed in the personnel expenses at Note 5 to the accounts.

(ii) The fees paid to Mr P J Lee for all of 2005 and the first half of the 2006 year were made by Axis Consultants Pty Ltd and are not included in personnel expenses disclosed in Note 5 to the accounts. The benefits paid in the second half of the 2006 year are included in the personnel expenses disclosed in Note 5.

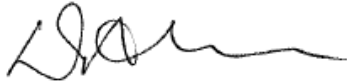
(iii) The amounts paid to the former Directors and executives in 2005 were paid via a consulting fee charged from Axis Consultants Pty Ltd to the Company and are not included as personnel expenses disclosed in Note 5 to the accounts.

(iv) Represents both the total proportion of remuneration that is performance linked and the value of options as a proportion of remuneration.

Signed in accordance with a resolution of the Board of Directors at Melbourne this 28th day of September 2006.

A handwritten signature in black ink, appearing to be 'G M Folie', with a long horizontal flourish extending to the right.

G M Folie
Director

A handwritten signature in black ink, appearing to be 'D A Walker', with a long horizontal flourish extending to the right.

D A Walker
Director



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

To: the directors of Regis Resources N.L

I declare to that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2006 there have been:

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


KPMG



Alison Kitchen
Partner

Melbourne
28 September 2006

Regis Resources N.L.
Income statement
For the year ended 30 June 2006

	Note	2006 \$	2005 \$
Revenue	2	129,198	73,940
Other income	3	-	19,346,684
Corporate administrative expenses	4	(1,260,977)	(1,219,821)
Exploration and evaluation expenses written off	16	(272,248)	(107,435)
Write down of mining royalty	17	-	(682,220)
Results from operating activities		(1,404,027)	17,411,148
Financial expenses	7	(3,476)	(321,439)
Net financing costs		(3,476)	(321,439)
Share of losses of associates	13	-	(732,818)
Profit/(loss) before tax		(1,407,503)	16,356,891
Income tax expense	8	-	-
Profit/(loss) for the year		(1,407,503)	16,356,891
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company:			
		Cents	Cents
Basic earnings per share from continuing operations	9	(0.30)	5.71
Diluted earnings per share from continuing operations	9	(0.26)	4.89

This income statement is to be read in conjunction with the attached notes to the financial statements.

Regis Resources N.L.
Balance sheet
As at 30 June 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	10	4,450,729	2,091,508
Other receivables and prepayments	11	248,697	32,857
Investments held for sale	12	-	2,612
TOTAL CURRENT ASSETS		<u>4,699,426</u>	<u>2,126,977</u>
NON-CURRENT ASSETS			
Other receivables and prepayments	11	638,860	293,163
Capitalised exploration and evaluation expenditure	16	397,641	741,330
Investments in associates	13	38,529,759	2,868,339
Property, plant and equipment	15	275,694	5,920
Intangible assets	17	-	-
TOTAL NON-CURRENT ASSETS		<u>39,841,954</u>	<u>3,908,752</u>
TOTAL ASSETS		<u>44,541,380</u>	<u>6,035,729</u>
CURRENT LIABILITIES			
Trade and other payables	18	1,590,348	440,787
Employee benefits	19	230,153	-
TOTAL CURRENT LIABILITIES		<u>1,820,501</u>	<u>440,787</u>
TOTAL LIABILITIES		<u>1,820,501</u>	<u>440,787</u>
NET ASSETS		<u>42,720,879</u>	<u>5,594,942</u>
EQUITY			
Issued capital	20	81,144,757	42,562,554
Share option reserve	20	81,133	-
Accumulated losses		(38,505,011)	(36,967,612)
TOTAL EQUITY		<u>42,720,879</u>	<u>5,594,942</u>

The balance sheet is to be read in conjunction with the attached notes to the financial statements.

Regis Resources N.L.
Statement of changes in equity
For the year ended 30 June 2006

	Note	Issued capital	Accumulated losses	Share option reserve	Total equity
		\$	\$	\$	\$
At 1 July 2004		30,627,922	(53,324,503)	-	(22,696,581)
Profit for the year		-	16,356,891	-	16,356,891
Shares issued (net of transaction costs)	20	11,934,632	-	-	11,934,632
At 30 June 2005		42,562,554	(36,967,612)	-	5,594,942
At 1 July 2005		42,562,554	(36,967,612)	-	5,594,942
Capitalised exploration costs adjustment on change of accounting policy	29		(129,896)		(129,896)
Restated balance 1 July 2005		42,562,554	(37,097,508)	-	5,465,046
Loss for the year		-	(1,407,503)	-	(1,407,503)
Shares issued (net of transaction costs)	20	38,582,203	-	-	38,582,203
Share-based payments charge	20	-	-	81,133	81,133
At 30 June 2006		81,144,757	(38,505,011)	81,133	42,720,879

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

Regis Resources N.L.
Statement of cash flows
For the year ended 30 June 2006

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees		(1,234,409)	(764,983)
Interest received		122,929	71,538
		<hr/>	<hr/>
NET CASH USED IN OPERATING ACTIVITIES	25	(1,111,480)	(693,445)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		2,584	-
Acquisition of property, plant & equipment		(250,480)	(7,089)
Investments in associates		(6,146,052)	(757,343)
Direct exploration and evaluation expenditure		(98,645)	(366,432)
Payment of security deposits - offices		(59,757)	(45,776)
Payment of security deposits - tenements		(385,212)	(147,216)
Refund of security deposits - tenements		20,000	-
		<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES		(6,917,562)	(1,323,856)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of securities		11,072,500	5,817,780
Payment of transaction costs		(684,237)	(330,606)
Proceeds from borrowings		-	202,000
Repayment of borrowings		-	(1,587,463)
		<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES		10,388,263	4,101,711
Net increase/(decrease) in cash and cash equivalents		2,359,221	2,084,410
Cash and cash equivalents at 1 July		2,091,508	7,098
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 30 June	10	4,450,729	2,091,508

The statement of cash flows is to be read in conjunction with the attached notes to the financial statements.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

1. SIGNIFICANT ACCOUNTING POLICIES

Regis Resources N.L. (the "Company") is a company domiciled in Australia. The financial report of the Company for the year ended 30 June 2006 comprises the Company only and has not been consolidated with any other entity.

The financial report was authorised for issue by the Directors on 28 September 2006.

(a) Financial Position

The financial report has been prepared on the going concern basis. While the Company'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. Subsequent to the end of the year, the Company has raised \$4.79 million in cash by way of new issues of shares. Further detail on the capital raising is provided in Note 26. The Directors are confident that they will be able to raise sufficient funds as required for the foreseeable future to enable the Company to meet its debts as and when they fall due.

(b) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB'), and the *Corporations Act 2001*. International Financial Reporting Standards ('IFRS') form the basis of Australian Accounting Standards adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS ('AIFRS') to distinguish from previous Australian GAAP. The financial reports of the Company also comply with IFRSs and interpretations adopted by the International Accounting Standards Board.

This is the Company's first financial report prepared in accordance with Australian Accounting Standards being AIFRS and IFRS, and AASB 1 *First-Time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied. An explanation of how the transition to AIFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 28.

(c) Basis of Preparation

The financial report is presented in Australian dollars and is prepared on the historical cost basis.

The Company has adopted AASB 6 *Exploration for and Evaluation of Mineral Resources* and as permitted under this standard, the Company has elected not to restate the comparative information in the income statement and the balance sheet.

Issued standards not early adopted

The following standards and amendments were available for early adoption but have not been applied by the Company in these financial statements:

- AASB 7 *Financial Instruments: Disclosure* (August 2005) replacing the presentation requirements of the financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods on or after 1 January 2007.
 - AASB 2005-9 *Amendments to Australian Accounting Standards* (September 2005) requires that liabilities arising from the issue of financial guarantee contracts are recognised in the balance sheet. AASB 2005-9 is applicable for annual reporting periods beginning on or after 1 January 2006.
 - AASB 2005-10 *Amendments to Australian Accounting Standards* (September 2005) makes consequential amendments to AASB 132 *Financial Instruments: Disclosures and Presentation*, AASB 101 *Presentation of Financial Statements*, AASB 114 *Segment Reporting*, AASB 117 *Leases*, AASB 133 *Earnings per Share*, AASB 139 *Financial Instruments: Recognition and Measurement*, AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*, arising from the release of AASB 7. AASB 2005-10 is applicable for annual reporting periods beginning on or after 1 January 2007.
- 1.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

SIGNIFICANT ACCOUNTING POLICIES (continued)

(c)

Basis of Preparation (continued)

The Company plans to adopt, where applicable, AASB 7, AASB 2005-9 and AASB 2005-10 in the 2007 financial year.

The initial application of AASB 7 and AASB 2005-10 is not expected to have an impact on the financial results of the Company as the standard and the amendment are concerned only with disclosures.

The initial application of AASB 2005-9 could have an impact on the financial results of the Company as the amendment could result in liabilities being recognised for financial guarantee contracts that have been provided by the Company. However, the quantification of the impact is not known or reasonably estimable in the current financial year as an exercise to quantify the financial impact has not been undertaken by the Company to date.

Application of accounting policies

The financial report is prepared on the historical cost basis except that financial instruments held for sale are stated at their fair value.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in Note 1(t).

The accounting policies set out below have been applied consistently to all periods presented in the financial report and in preparing an opening AIFRS balance sheet at 1 July 2004 for the purposes of the transition to AIFRS.

Associates

Associates are those entities including unincorporated entities in which the Company has significant influence, but not control, over the financial and operating policies. The financial statements include the Company's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the Company's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of an associate.

Joint venture operations

Joint ventures are those entities over whose activities the Company has joint control, established by contractual agreement.

The Company's interests in unincorporated joint ventures are brought to account by including its interest in the following amounts in the appropriate categories in the income statement and the balance sheet:

- each of the individual assets employed in the joint venture;
- liabilities incurred by the Company in relation to the joint venture and the liabilities for which it is jointly and/or severally liable; and
- expenses incurred in relation to the joint venture.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant & equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy (j)). The cost of acquired assets includes (i) the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and (ii) changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the income statement and exploration operations on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative years are as follows:

- Plant and equipment 3 - 5 years
- Fixtures and fittings 3 - 5 years

(e) Investments in debt and equity securities

Current accounting policy

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the income statement. The Company has not designated any other financial assets or liabilities as measured at fair value through the income statement.

The fair value of financial instruments classified as held for sale is their quoted bid price at the balance sheet date.

Financial instruments classified as held for sale investments are recognised/derecognised by the Company on the date it commits to purchase/sell the investments.

Comparative period policy

Investments in other listed entities are measured at the lower of cost and recoverable amount.

(f) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (refer accounting policy (j)).

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Exploration and evaluation expenditure

Exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (iii) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (iv) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (j)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

Comparative accounting policy

The accounting policy of the comparative period was substantially the same as described above with the exception that costs incurred on tenements prior to the granting of tenure were carried forward subject to impairment testing at the end of the period.

The quantitative effect of the change in this accounting policy to the current policy is set out in Note 29.

(i) Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less impairment losses (see accounting policy (j)).

(j) Impairment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Receivables with a short duration are not discounted in assessing the recoverable amount. Impairment is recognised when objective evidence is available that a loss event has occurred.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment (continued)

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Share Capital

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(l) Employee benefits

(i) Wages and salaries, superannuation and annual leave

Liabilities for wages and salaries, superannuation and annual leave are recognised as employee benefits in respect of employees' services up to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(ii) Share-based payment transactions

Share-based compensation benefits are provided to Directors, officers and senior employees under the Regis Resources N.L. 2005 Share Option Plan, which allows participants to acquire shares of the Company. The fair value of options granted is recognised as a cost of employment with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the participants become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as a cost of employment is adjusted to reflect the actual number of share options that are expected to vest except where forfeiture is only due to prices not achieving the thresholds for vesting.

(m) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Provisions (continued)

Site restoration

Provision for site restoration is recognised in relation to areas where mining and/or exploration activities have previously taken place. The provision includes rehabilitation of former mining waste dump and pit areas and exploration drillholes. The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

The amount of the provision for future restoration costs is capitalised as part of exploration and evaluation expenditure in accordance with the policy note (h), and is subject to impairment review. In determining the restoration obligations the Company has assumed no significant changes will occur in the Federal and State legislation in relation to restoration of such areas.

The Company's potential obligations in respect of site restoration arise as a result of its participation in commercial joint ventures that are accounted for as investments in associates. Accordingly, the Company's share of provision for site restoration is reflected as part of the balance of the investment in the relevant associates.

(n) Trade and other payables

Trade and other payables are stated at cost.

(o) Revenue

Interest income

Interest income is recognised as it accrues.

(p) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

(ii) Financial expenses

Financial expenses comprise interest payable on borrowings.

(q) Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. As the Company has not derived taxable income in either the current or previous years, tax payable has not been brought to account.

Deferred tax balances are determined using the balance sheet method, which provides for temporary differences based on the carrying amounts of assets and liabilities in the balance sheet. Any current and deferred taxes attributable to amounts recognised in equity are also recognised directly in equity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office ("ATO") is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(s) Segment reporting

A segment is a distinguishable component of the Company that is engaged in exploration for mineral deposits. During the current and comparative year, the Company has operated in a single business and geographical segment, being the exploration for mineral deposits in Western Australia.

(t) Accounting estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of investments in associates

The ultimate recoupment of the value of the investments in associates is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties. The Company undertakes on an annual basis, a comprehensive review for indicators of impairment of these assets.

The key factors that are considered in this review include:

- recent drilling results and resource estimates
- environmental issues that may impact the underlying tenements
- the estimated market value of assets at the review date
- independent valuations of underlying assets that may be available
- fundamental economic factors such as the gold price, exchange rates and current and anticipated operating costs in the industry
- the Company's market capitalisation compared to its net assets

Information used in the review process is rigorously tested to externally available information as appropriate.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

	2006	2005
	\$	\$
2. REVENUE		
Interest income	129,198	73,940
	<hr/>	<hr/>
3. OTHER INCOME		
Debt forgiveness	-	19,340,940
Other income	-	5,744
	<hr/>	<hr/>
Total other income	-	19,346,684
	<hr/>	<hr/>

On 1 September 2004 following shareholder approval of a restructuring of the Company on 18 August 2004, debts owing to companies associated with Mr J I Gutnick were extinguished following the payment of \$1 million and the issue of 78,709,686 shares to entities associated with Mr J I Gutnick. This gave rise to an accounting profit which is disclosed as debt forgiveness in the 2005 comparative figures above.

	Note	2006	2005
		\$	\$
4. CORPORATE ADMINISTRATIVE EXPENSES			
Consulting fees – related entities		139,068	483,280
Consulting fees – other entities		271,521	398,596
Auditors fees	6	86,925	26,000
Depreciation expense		8,264	1,169
Corporate personnel expenses	5	446,525	110,847
Insurance & risk management		67,066	24,032
Investor relations & shareholder reporting		61,365	22,653
Other administrative costs		180,243	153,244
		<hr/>	<hr/>
Total corporate administrative expenses		1,260,977	1,219,821
		<hr/>	<hr/>
5. PERSONNEL EXPENSES			
Directors' fees		104,500	110,847
Wages and salaries		504,560	-
On-costs, recruitment and training expense		146,208	-
Increase in liability for annual leave		35,705	-
Employee share option amortisation	19	81,133	-
		<hr/>	<hr/>
Total personnel expenses		872,106	110,847
Less amount charged to exploration projects		(425,581)	-
		<hr/>	<hr/>
Total personnel expenses included in income statement	4	446,525	110,847
		<hr/>	<hr/>

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

	2006	2005
	\$	\$
6. AUDITORS' REMUNERATION		
Audit services		
KPMG Australia:		
Audit and review of financial reports	64,425	21,000
Other services		
KPMG Australia:		
Accounting advisory services	6,300	5,000
Taxation advisory services	16,200	-
	22,500	5,000
	86,925	26,000
7. FINANCIAL EXPENSES		
Borrowing costs – related entities	-	318,143
Borrowing costs – other entities	3,449	2,754
Net loss on sale of investments	27	-
Net loss on remeasurement of investments held for sale	-	542
	3,476	321,439
8. INCOME TAX BENEFIT/(EXPENSE) NOT RECOGNISED		
Prima facie tax (benefit)/expense using the domestic tax rate of 30% (2005: 30%)	(422,251)	4,907,067
Deferred tax assets not recognised/(recouped)	422,251	(4,907,067)
	-	-
Income tax benefit/(expense) recognised in the income statement	-	-

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

	2006	2005
	Cents	Cents
9. EARNINGS PER SHARE		
(i) Basic earnings/(loss) per share	(0.30)	5.71

The calculation of basic earnings per share at 30 June 2006 was based on the loss attributable to ordinary shareholders of \$1,407,503 (2005: profit \$16,356,891) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2006 of 476,443,938 (2005: 286,541,848), calculated as follows:

	2006	2005
	\$	\$
Profit/(loss) attributable to ordinary shareholders		
Profit/(loss) for the year	(1,407,503)	16,356,891
Weighted number of ordinary shares	Number	Number
Issued ordinary shares at 1 July	325,761,366	139,433,499
Effect of shares issued January 2006	21,687,672	-
Effect of shares issued February 2006	128,807,776	-
Effect of shares issued May 2006	187,124	-
Effects of shares issued in August 2004	-	130,126,830
Effects of shares issued in December 2004	-	16,981,519
	<hr/>	<hr/>
Weighted average number of ordinary shares at 30 June	476,443,938	286,541,848

See Note 20 for details of movements in ordinary shares.

	2006	2005
	Cents	Cents
(ii) Diluted earnings per share	(0.26)	4.89

The calculation of diluted earnings per share at 30 June 2006 was based on the loss attributable to ordinary shareholders of \$1,407,503 (2005: profit \$16,356,891) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2006 of 538,344,054 (2005: 334,199,486) calculated as follows:

	2006	2005
	\$	\$
Profit/(loss) attributable to ordinary shareholders (diluted)		
Profit/(loss) for the year	(1,407,503)	16,356,891
Weighted number of ordinary shares (diluted)	Number	Number
Weighted average number of ordinary shares at 30 June	476,443,938	286,541,848
Effect of share options on issue	61,900,116	47,657,638
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 30 June	538,344,054	334,199,486

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

	2006	2005
	\$	\$
10. CASH AND CASH EQUIVALENTS		
Bank balances	4,433,729	2,091,508
Term deposits	17,000	-
	<hr/>	<hr/>
Cash and cash equivalents in the statement of cash flows	<u>4,450,729</u>	<u>2,091,508</u>
11. OTHER RECEIVABLES AND PREPAYMENTS		
Current		
Other receivables and prepayments	248,697	32,857
Non-current		
Deposits held as security	638,860	213,890
Prepayments	-	79,273
	<hr/>	<hr/>
	<u>638,860</u>	<u>293,163</u>
12. INVESTMENTS		
Listed equity securities held for sale	<hr/>	<hr/>
	-	2,612

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In the financial statements of the Company, investments in associates are accounted for using the equity method.

The Company has the following investments in associates:

	Principal activity	Country of incorporation or residence	Reporting date	Ownership	
				2006	2005
Newmont Duketon Pty Ltd	Minerals exploration	Australia	31 Dec	49.0%	0.0%
Duketon Region Joint Venture	Minerals exploration	Australia	30 June	20.0%	20.0%
Rosemont Duketon Joint Venture	Minerals exploration	Australia	30 June	20.0%	19.4%

The ownership interests described above represent the direct equity interest held by the Company in each associate. On the 3rd of February 2006, the Company finalised the acquisition of a 49% shareholding in Newmont Duketon Pty Ltd. Newmont Duketon Pty Ltd holds an 80% direct interest in each of the Duketon Region and Rosemont Duketon Joint Ventures such that the Company's total equity interest in each of those joint ventures is now 59.2%. These direct and indirect interests combined do not result in the Company having control or joint control of these joint ventures because:

- Voting rights of the joint venture partners on major decisions is in relation to participating interests such that Newmont Duketon Pty Ltd holds 80% of the voting power. The Company cannot control that voting power because it holds a minority of Newmont Duketon Pty Ltd and has a minority representation on the Newmont Duketon Pty Ltd Board of Directors.
- The operations of the joint ventures are subject to approval of a Joint Venture Management Committee comprising 5 members. The Company has a minority representation of 2 members on that committee and cannot control the remaining 3 positions, as these positions are nominated by Newmont Duketon Pty Ltd which the Company does not control as stated above.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

	Revenues 100%	Profit/(loss) 100%	Share of assoc net profit/(loss) recognised	Total assets 100%	Total liabilities 100%	Net assets as reported by associates 100%	Share of assoc net assets equity accounted	Acquisition investment by the Company	Total investment in associate
2006									
Newmont Duketon Pty Ltd	-	-	-	20,427,197	2,605,369	17,821,828	8,732,696	25,341,606	34,074,302
Duketon Region Joint Venture	-	-	-	19,768,644	848,814	18,919,830	3,783,966	-	3,783,966
Rosemont Duketon Joint Venture	-	-	-	5,765,352	2,407,897	3,357,455	671,491	-	671,491
Elimination				(20,427,197)	(2,605,369)	(17,821,828)	-	-	-
	-	-	-	25,533,996	3,256,711	22,277,285	13,188,153	25,341,606	38,529,759
2005									
Duketon Region Joint Venture	-	(2,100,920)	(420,184)	11,592,159	848,814	10,743,345	2,148,669	-	2,148,669
Rosemont Duketon Joint Venture	-	(1,611,515)	(312,634)	6,117,536	2,407,897	3,709,639	719,670	-	719,670
	-	(3,712,435)	(732,818)	17,709,695	3,256,711	14,452,984	2,868,339	-	2,868,339

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Share of associates net profit

Since acquisition date, there has been no profit or loss arising in Newmont Duketon Pty Ltd. The transactions of the joint ventures are limited solely to exploration expenditure which, under the Company's accounting policies, would be capitalised and subject to impairment review. Accordingly, the Company's share of exploration expenditure relating to the joint ventures has been treated as increments to the Company's investments in the associates.

Assets of associates

The assets of associates reported above are stated so as to be consistent with the accounting policies of the Company set out in Note 1.

Liabilities of associates

The liabilities of the associates comprise a provision for site restoration recognised in relation to areas where mining activities and exploration drilling have previously taken place. The estimate is based on the balance of the Department of Industry and Resources Western Australia environmental performance bonds placed on the relevant tenements, together with an assessment of the estimated cost of closure and reclamation of the areas using information prepared by the joint venture partner and other internal information concerning environmental issues in the mining and exploration areas.

The amounts of liabilities shown above have been calculated in accordance with the Company's accounting policy for site restoration described in Note 1(m).

Elimination

The assets and liabilities of Newmont Duketon Pty Ltd are comprised solely of its 80% equity interest in the Duketon Region and Rosemont Duketon Joint Ventures. Accordingly an elimination has been made in arriving at the totals shown above.

Acquisition investment by the Company

Acquisition investment by the Company represents the Company's share of the difference between the fair value and the book value of net assets of Newmont Duketon Pty Ltd on acquisition which is attributable to the value of mineral rights acquired.

Commitments

Share of associates capital expenditure commitments contracted but not provided for and payable:

	2006	2005
	\$	\$
Within one year	125,042	-

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Share of associates tenement expenditure commitments not provided for or payable:

	2006	2005
	\$	\$
Within one year	2,287,100	476,537
Between one and five years	9,480,762	1,810,934
Later than 5 years	3,490,610	1,557,303
	15,258,472	3,844,774

The commitments above represent the Company's share of tenement rentals and expenditure commitments that may be required to be met under the relevant legislation should the parties wish to retain tenure on all current tenements of the associates.

The Company's share of tenement commitments shown above represents the maximum required to be spent on all granted tenements as at balance sheet date; actual expenditure will vary as a result of ongoing management of the tenement portfolio including reductions and relinquishment of tenements not considered prospective, in whole or in part.

Tenement commitments are shown gross of exemptions that are likely to be available in the ordinary course of business as the financial impact of potential exemptions cannot be measured reliably in advance.

In addition, following the introduction of the Mining Amendment Act 2005 there is considerable opportunity to rationalise the structure of the tenement holdings such that expenditure commitments can be contained without loss of prospective ground. This is being actively addressed by the Company in its capacity as manager of the underlying joint ventures and is expected to result in ongoing commitments being significantly reduced from the levels reflected above. The extent of this reduction in commitments is expected to be quantifiable when the application process has been completed.

The calculations of the Company's share of these commitments has been determined in the same manner as commitments over other tenements with which it has an interest as described in Note 23(b).

Contingent liabilities

There are no known contingent liabilities of associates.

	2006	2005
	\$	\$
14. DEFERRED TAX ASSETS AND LIABILITIES		
Unrecognised deferred tax assets		
Tax losses	7,347,742	6,533,372

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of tax losses because it is not yet probable as defined in AASB 112 *Income Taxes* that future taxable profit will be available against which the Company can utilise benefits from the tax losses.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

15. PROPERTY, PLANT AND EQUIPMENT

	Plant & equipment \$	Fixtures & fittings \$	Total \$
Cost			
Balance at 1 July 2004	-	-	-
Acquisitions	7,089	-	7,089
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2005	7,089	-	7,089
	<hr/>	<hr/>	<hr/>
Balance at 1 July 2005	7,089	-	7,089
Acquisitions	297,154	11,037	308,191
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2006	304,243	11,037	315,280
	<hr/>	<hr/>	<hr/>
Depreciation			
Balance at 1 July 2004	-	-	-
Depreciation charge for the year (i)	1,169	-	1,169
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2005	1,169	-	1,169
	<hr/>	<hr/>	<hr/>
Balance at 1 July 2005	1,169	-	1,169
Depreciation charge for the year (i)	36,804	1,613	38,417
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2006	37,973	1,613	39,586
	<hr/>	<hr/>	<hr/>
Carrying amounts			
At 1 July 2004	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 June 2005	5,920	-	5,920
	<hr/>	<hr/>	<hr/>
At 1 July 2005	5,920	-	5,920
	<hr/>	<hr/>	<hr/>
At 30 June 2006	266,270	9,424	275,694
	<hr/>	<hr/>	<hr/>
	Note	2006 \$	2005 \$
(i) Depreciation charged to the income statement	4	8,264	1,169
Depreciation charged to exploration projects		30,153	-
		<hr/>	<hr/>
Total depreciation		38,417	1,169
		<hr/>	<hr/>

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

16. EXPLORATION EXPENDITURE

	Note	2006 \$	2005 \$
Capitalised amount			
Balance at 1 July		741,330	479,479
Effect of change in accounting policy	29	(129,896)	-
Expenditure during the year		58,455	369,286
Write-offs to the income statement		(272,248)	(107,435)
		<hr/>	<hr/>
Balance at 30 June		397,641	741,330
		<hr/>	<hr/>

The recoverability of the carrying amounts of capitalised exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

		2006 \$	2005 \$
17. INTANGIBLE ASSETS			
Mining royalty at cost		-	682,220
Less: write off to recoverable amount		-	(682,220)
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>

18. TRADE AND OTHER PAYABLES

Trade payables		1,187,598	224,336
Accrued expenses		402,750	216,451
		<hr/>	<hr/>
		1,590,348	440,787
		<hr/>	<hr/>

19. EMPLOYEE BENEFITS

Current			
Salaries and on-costs accrued		198,875	-
Liability for annual leave		31,278	-
		<hr/>	<hr/>
		230,153	-
		<hr/>	<hr/>

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

19. EMPLOYEE BENEFITS (continued)

Share-based payments

During the financial year, the Company established the Regis Resources N.L. 2005 Share Option Plan which allows Directors, officers and senior employees to purchase shares in the Company.

Grants of options made under this plan during the year are as follows:

On 28 November 2005, 10,450,000 options were issued at an exercise price of \$0.12. Option holders must remain eligible (which would usually mean remaining in the employment of the Company although the Board has some discretion to allow continued participation in the event of an employee's death or mental incapacity) to participate in the plan throughout the 2 year vesting period, and cannot exercise the options until after 28 November 2007. For each participant, the first 50% ("Tranche 1") of the options are only exercisable if the share price has traded at or above \$0.15 for a minimum 20 day trading period and the remaining options ("Tranche 2") are exercisable only if the share price has traded at or above \$0.18 for a minimum 20 day trading period.

On 17 February 2006, a further issue of 3,700,000 options were issued at an exercise price of \$0.12. Option holders must remain eligible (as described above) to participate in the plan throughout the vesting period, which is from the date of issue to 25 November 2007, and cannot exercise the options until after 25 November 2007. For each participant, the first 50% ("Tranche 1") of the options are only exercisable if the share price has traded at or above \$0.15 for a minimum 20 day trading period and the remaining options ("Tranche 2") are exercisable only if the share price has traded at or above \$0.18 for a minimum 20 day trading period.

All these options expire on 25 November 2010. All options, if exercised, will be settled by physical delivery of shares.

The number and weighted average exercise prices of employee share options are follows:

	2006		2005	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	\$5.65	70,000	\$5.68	70,000
Cancelled by consent of holders during the year	\$5.68	(70,000)	-	-
Exercised during the year	-	-	-	-
Granted during the year	\$0.12	14,150,000	-	-
Outstanding at the end of the year	\$0.12	14,150,000	\$5.68	70,000
Exercisable at the end of the year	-	-	-	-

The options outstanding at 30 June 2006 have an exercise price of \$0.12 and a remaining contractual life of 4.4 years.

The fair value of services received in return for employee share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a binomial option pricing model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the binomial option pricing model.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

19. EMPLOYEE BENEFITS (continued)

<i>Fair value of share options and assumptions</i>	2006	2005
Weighted average fair value at measurement date		N/A
Tranche 1	2.2c	
Tranche 2	1.9c	
Weighted average share price	10.0c	
Exercise price	12.0c	
Expected volatility (estimated average volatility used in modelling under binomial option pricing model)	45%	
Option life (expressed as a weighted average life used in the modelling under binomial option pricing model taking into account the probability of early exercise)	3.5 years	
Expected dividends	Nil	
Risk free interest rate (weighted average based on four year Australian Government bond rates at grant dates)	5.29%	

The expected volatility is estimated based on recent historic volatility since grant date due to publicly available information.

Employee share options are granted under a service condition and market performance conditions described above. The probability that market conditions will be met is built in to the binomial option pricing model in determining the grant date fair value measurement of the services received.

Employee expenses

	2006	2005
	\$	\$
Share options granted in 2006	81,133	-
Total expense recognised as employee costs (i)	81,133	-

(i) Of the total expense recognised as employee costs, \$35,098 was charged to exploration projects.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

20. CAPITAL AND RESERVES

	2006		2005	
	No of shares	\$	No of shares	\$
Issued capital				
Ordinary shares				
On issue 1 July	325,761,366	42,562,54	139,433,499	30,627,922
Issued for cash	110,000,000	11,000,00	91,818,181	6,500,000
Less: transaction costs	-	(585,3	-	(751,779)
Issued as consideration for acquiring interest in associate	256,532,027	28,218,54	-	-
Less: transaction costs	-	(123,44	-	-
Issued upon exercise of options	1,450,000	72,50	-	-
Issued in lieu of corporate advisory, placement and consulting services	-	-	15,800,000	790,000
Less: transaction costs	-	-	-	(3,309)
Issued to settle outstanding liabilities under corporate restructure	-	-	78,709,686	5,509,678
Less: transaction costs	-	-	-	(109,958)
On issue at 30 June— fully paid	<u>693,743,393</u>	<u>81,144,74</u>	<u>325,761,366</u>	<u>42,562,554</u>

The Company does not have authorised capital or par value in respect of its issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and, on a poll, are entitled to one vote per share at meetings of the Company.

Options

Listed

The Company has the following listed options on issue as at 30 June 2006:

25,736,079 options maturing 30 April 2012 at an exercise price of \$0.20 per option. The options are exercisable at any time. Each option will convert to one fully paid ordinary share.

38,970,230 options maturing 30 October 2012 at an exercise price of \$0.10 per option. The options are exercisable at any time. Each option will convert to one fully paid ordinary share.

95,268,936 options maturing 31 January 2014 at an exercise price of \$0.05 per option. The options are exercisable at any time. Each option will convert to one fully paid ordinary share.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

20.

CAPITAL AND RESERVES (continued)

Unlisted

The Company has the following unlisted options on issue as at 30 June 2006:

14,150,000 options expiring 25 November 2010 issued under the Regis Resources N.L. 2005 Share Option Plan, with an exercise price of \$0.12 per option. Upon exercise, each option will convert to one fully paid ordinary share. These options cannot be exercised until after 25 November 2007. For each participant, 50% of these options are only exercisable if the share price increases to 15 cents and the balance are only exercisable if the share price increases to 18 cents.

Further details of the option terms are set out in Note 19.

70,000 options issued under a previous employee option plan were cancelled by consent of holders during the year.

Reserves	2006	2005
	\$	\$
Share option reserve	81,133	-

The share option reserve represents the accumulated amortisation of the fair value of services provided with respect to employee share options issued during the year. Details of the employee share option plan are outlined in Note 19.

21. FINANCIAL INSTRUMENTS

Interest rate risk

In respect of income earning financial assets, the following indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

			2006			2005	
			Total	6 mths or less		Total	6 mths or less
	Note	Effective interest rate			Effective interest rate		
Cash and cash equivalents	10	5.17%	4,450,729	4,450,729	4.15%	2,091,508	2,091,508
Other receivables	11	5.19%	638,860	638,860	5.29%	213,890	213,890
			5,089,589	5,089,589		2,305,398	2,305,398

Fair values

The Company's financial assets shown on the balance sheet are carried at fair value.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

22. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2006	2005
	\$	\$
Less than one year	189,591	-
Between one and five years	232,088	-
More than five years	-	-
	421,679	-
	421,679	-

During the year, the Company entered into operating leases for premises in Melbourne and Perth and communications equipment under normal commercial lease arrangements. All leases are for a period of 3 years and the Company is under no legal obligation to renew the leases once the lease term has expired.

During the financial year ended 30 June 2006, \$22,632 was recognised as an expense in the income statement in respect of operating leases (2005: \$Nil). An operating lease cost of \$117,808 was charged to exploration projects and is reflected as part of the cost of investments in associates during the year (2005: \$Nil).

23. COMMITMENTS

(a) Contractual commitments

Sole funding obligation

As part of the agreement to acquire shares in an associate, Newmont Duketon Pty Ltd, which is described in Note 13, the Company has committed to sole fund all operations and expenditures of the Duketon Region and Rosemont Duketon Joint Ventures with effect from 1 January 2005 until the Company has spent a total of \$10 million on the joint ventures. The \$10 million expenditure commitment must be completed by 31 May 2007, with a minimum of \$3 million to be spent in either of the years ending 31 May 2006 or 31 May 2007.

The Company's contribution to its share of the commitments of associates set out in Note 13 count toward satisfaction of this sole funding obligation.

As at the balance sheet date, the Company has spent approximately \$7.6 million that qualifies as part of the sole funding commitment.

Since balance date, the exploration program has continued such that during September 2006, according to the Company's accounting records and calculations, the Company had completed this sole funding commitment which is now subject to audit confirmation. Further detail concerning the impact of this on the Company is set out in Note 26(a).

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

23. COMMITMENTS (continued)

(b) Other

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 Company wish to retain tenure on all current tenements with which the Company has an interest, other than those tenements held indirectly through an investment in an associate, which are described in Note 13.

The terms and conditions under which the Company retains title to its various mining tenements oblige it to meet tenement rentals and minimum levels of exploration expenditure as gazetted by the Department of Industry and Resources, Western Australia, as well as Local Government rates and taxes.

As a result of the Mining Amendment Act 2005 assented to by the Western Australian Government on 12 December 2005 and effective 10 February 2006, the amounts which may be required to retain existing tenements have changed. These commitments as at 30 June 2006 have been calculated under these requirements, while the 2005 comparatives reflects the commitments in accordance with legislation in place at 30 June 2005 and are as follows:

	2006	2005
	\$	\$
Within one year	181,200	345,720
Between one and five years	810,800	838,240
Later than 5 years	-	-
	992,000	1,183,960

The tenement commitments shown above represent the maximum required to be spent on all granted tenements as at balance sheet date; actual expenditure will vary as a result of ongoing management of the tenement portfolio including reductions and relinquishment of tenements not considered prospective, in whole or in part.

Tenement commitments are shown gross of exemptions that are likely to be available in the ordinary course of business as the financial impact of potential exemptions cannot be measured reliably in advance.

In addition, following the introduction of the Mining Amendment Act 2005 there is considerable opportunity to rationalise the structure of the tenement holdings such that expenditure commitments can be contained without loss of prospective ground. This is being actively addressed by the Company and is expected to result in ongoing commitments being significantly reduced from the levels reflected above. The extent of this reduction in commitments is expected to be quantifiable when the application process has been completed.

Farm in contract

In order to earn an interest under the Melita Farm-In contract, the Company is required to spend certain amounts on exploration expenditure. The Company can withdraw from this commitment at any time having now met the minimum contractual obligations subject to maintaining the tenements in good standing until the date of withdrawal. At balance date the amount which may be required to be expended in respect of the above is as follows:

	2006	2005
	\$	\$
Within one year	-	-
Between one and five years	771,909	623,390
	771,909	623,390

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

24. CONTINGENCIES

(a) Contingent assets

Call option

On completion of an agreement to acquire a 49% interest in the shares of Newmont Duketon Pty Ltd ("Newmont Duketon") on 3 February 2006, the Company was granted a call option enabling it, under certain circumstances, to acquire a further 26% of the shares in Newmont Duketon. A key condition required for the rights under the call option to arise is the completion, by the Company, of its \$10 million sole funding commitment described in Note 23(a).

Given the Company's progress towards meeting this commitment as at 30 June 2006 it is considered probable that the benefits available under the call option will arise.

Part of the effect of the call option, when exercised, will be that the Company will acquire an increased interest in Newmont Duketon such that Newmont Duketon would become a subsidiary of the Company. The consideration payable by the Company following the exercise of the call option is calculated based on the Company's market capitalisation using the weighted average share price of the Company over the 30 trading days prior to the exercise of the call option. Under the Agreement dated 14 December 2005, there are various alternatives by which that consideration may be settled and these alternatives are the subject of current discussions between the parties. The most likely is the issue of shares in the Company which would be subject to shareholder approval. Based on currently issued shares, and share trading prices and volumes over the 30 trading days prior to 28 September 2006, the financial effect arising from the exercise of the call option which results in the acquisition of a further 26% of the shares in Newmont Duketon, is estimated to be the issue of approximately 207,200,000 shares in the Company. This consideration would amount to the equivalent of approximately \$22,800,000 based on the Company's closing share price on 27 September 2006.

(b) Contingent liabilities not considered remote

Put option

On completion of the agreement to acquire a 49% interest in the shares of Newmont Duketon on 3 February 2006, the Company granted a put option which, if exercised, would oblige the Company to acquire a minimum of 26% and a maximum of 51% of the remaining shares in Newmont Duketon.

While the put option is independent of the call option described above, in the event that the Company exercises the call option, the put option may also be exercised for all or part of the remaining 25% of the shares of Newmont Duketon.

Considering the progress the Company had made towards the sole funding obligation of \$10 million described in Note 23(a), it is probable, as at 30 June 2006, that a potential obligation under this put option could arise, and that being the case, settlement in accordance with the terms of the agreement would be anticipated to occur in late 2006 or early 2007.

The consideration payable by the Company in settlement of the put option if it is exercised is calculated based on the Company's market capitalisation using the weighted average share price of the Company over the 30 trading days prior to the exercise of the put option. Under the Agreement dated 14 December 2005, there are various alternatives by which that consideration may be settled and these alternatives would be subject to discussions and agreement between the parties. The most likely settlement method if the put option is exercised is the issue of shares in the Company which would be subject to shareholder approval. Assuming that the call option described above was exercised, and that the put option was exercised on the same day for the remaining shares in Newmont Duketon, then based on currently issued shares, and share trading prices and volumes over the 30 trading days prior to 28 September 2006, the financial effect arising from the exercise of the put option which results in the acquisition of a further 25% of the shares in Newmont Duketon (resulting in 100% ownership) would be the issue of approximately 176,000,000 shares in the Company. This consideration would amount to the equivalent of approximately \$19,300,000 based on the Company's closing share price on 27 September 2006.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

24. CONTINGENCIES (continued)

(c) Contingent liabilities considered remote

Deposits held in lieu of restoration work

	2006	2005
	\$	\$
Total deposits	-	20,000

During the year, the Company received a refund of \$20,000 relating to deposits that had been held by the Department of Business, Industry and Resources Development (Northern Territory), for the purposes of guaranteeing the Company's performance in respect of site restoration over formerly surrendered exploration licences. The refund followed inspections by the Department to satisfy itself that the Company had met all its obligations in relation to this ground. Accordingly, the Company no longer has any contingent liability in relation to previously held exploration licences in the Northern Territory.

Guarantee and indemnity provided

In previous years, the Company had a loan from Newmont Mining Finance Pty Ltd which was secured by a Deed of Charge which provided a fixed charge over certain tenements and a floating charge. In 2002, the loan was renegotiated and the Company was released from the liability under the loan. The key outcomes of the loan renegotiation were as follows:

- Management of the Duketon Region and the Rosemont Duketon Joint Ventures was transferred to Newmont Duketon Pty Ltd;
- Newmont Duketon Pty Ltd gained an immediate 80% of the Company's interests in the joint venture tenements;
- Newmont Duketon Pty Ltd was granted a first right of refusal over the Duketon tenements; and
- Newmont Duketon Pty Ltd was granted a royalty.

In return:

- 50% of the liability to Newmont Mining Finance Pty Ltd, being \$12,842,758, was transferred to Edensor Nominees Pty Ltd ("Edensor"), a company of which Mr J I Gutnick, a former Director of the Company, is a Director and shareholder;
- the Company was released from the balance of the loan leaving the Company with no remaining indebtedness to Newmont Mining Finance Pty Ltd;
- the Company provided a deed of guarantee and indemnity to secure Edensor's loan liability; and
- a company related to Edensor provided security to the Company, in the event that the guarantee provided by the Company to Newmont is called.

At 30 June 2006, the value of the assets underlying the security provided to the Company was \$2,536,138 (2005: \$9,398,866). The Company is in the process of taking steps to seek restoration of the value of those assets as required by contractual arrangements.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

25. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2006 \$	2005 \$
Cash flows from operating activities			
Profit/(loss) for the period		(1,407,503)	16,356,891
<i>Adjusted for:</i>			
Income from debt forgiveness	3	-	(19,340,940)
Borrowing costs		3,449	320,895
Exploration expenditure written off	16	272,248	107,435
Share of loss of associates	13	-	732,818
Impairment write down of mining royalty	17	-	682,220
Share based payments		46,035	250,000
Depreciation	15	8,264	1,169
Impairment write down in the value of investments	7	-	542
Cost of investments sold	12	2,612	-
Operating cash flows before changes in working capital and provisions		(1,074,896)	(888,966)
(Increase)/decrease in receivables		(138,967)	(6,219)
Increase/(decrease) in trade creditors		78,516	201,740
Increase in provisions and employee benefits		23,866	-
		<hr/>	
Net cash used in operating activities		(1,111,480)	(693,445)

Non cash financing and investing activities

During the year the Company issued 256,532,027 shares in consideration for the acquisition of an investment in an associate as detailed in Note 20. This transaction is not reflected in the statement of cash flows.

26. EVENTS SUBSEQUENT TO BALANCE DATE

(a) Completion of sole funding obligation

During September 2006, the Company completed the sole funding obligation described in Note 23(a) that had arisen as part of the acquisition of a 49% share of its joint venture partner, Newmont Duketon Pty Ltd ("Newmont Duketon"), and has formally notified Newmont Australia Limited that the sole funding obligation has been met. Newmont Australia Limited has elected to audit the expenditure the subject of the sole funding obligation and this audit is currently in progress.

Under the terms of the acquisition agreement, the completion of the sole funding obligation (once confirmed) gives the Company the right to exercise the call option (described in Note 24(a)) to acquire a further 26% of the shares of Newmont Duketon (taking the Company's interest to 75% of Newmont Duketon).

The Company intends to formally exercise the call option immediately the expenditure has been confirmed by Newmont Australia Limited. The estimated financial effect of the exercise of the call option is set out in Note 24(a).

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

26. EVENTS SUBSEQUENT TO BALANCE DATE (continued)

(b) Equity issues after the reporting date

Shares

The following change in the issued capital of the Company occurred subsequent to 30 June 2006:

On 27 September 2006, 47,867,679 fully paid ordinary shares were issued for cash at a price of \$0.10 per share raising capital of \$4,786,768.

The financial effect of this share issue, after taking account of associated transaction costs of approximately \$245,321, was an increase in issued capital of \$4,541,447, and an increase in cash at bank of \$4,541,447.

27. RELATED PARTIES

The following were key management personnel of the Company at any time during the reporting period and the previous year and unless otherwise indicated, were key management personnel for the entire period. The Company defines key management personnel as those persons having authority and responsibility for the planning, directing and controlling of the activities of the Company, including Directors.

Non-Executive Directors

Dr G M Folie (Chairman)
Mr M H Rose
Mr G Lamont
Mr P J Dowd (appointed 31 July 2006)

Executive Director and executive team

Mr D A Walker (Managing Director)
Mr P J Lee (Company Secretary)
Ms J C Cohen (General Manager - Finance & Administration from 18 July 2005)
Mr J Balkau (General Manager - Exploration from 30 January 2006)

Former Directors & executives

Mr J I Gutnick - (Chairman and Managing Director - resigned 26 August 2004)
Mr D S Tyrwhitt - (Non-executive Director - resigned 26 August 2004)
Mr M Z Gutnick (Non-executive Director - resigned 26 August 2004)
Mr R Wadley (Chief Financial Officer & Company Secretary - resigned 18 March 2005)

Pursuant to the Corporations Act Regulation 2M.3.03 and 2M.6.04, Directors and executives remuneration is disclosed in the Remuneration Report in the Directors' Report.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

27. RELATED PARTIES (continued)

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' in Note 5 are as follows:

	2006	2005
	\$	\$
Short term employment benefits	312,763	180,901
Termination benefits	-	-
Other long term benefit	-	-
Post employment benefits	46,025	18,530
Share based payments	77,748	-
	<hr/>	<hr/>
	436,536	199,431

Individual Directors and executives compensation disclosures

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

Loans to key management personnel and their related parties

There were no loans to or from key management personnel at any time during the current year.

The loans outstanding to key management personnel and their related parties in the prior reporting period, are as follows:

	Balance	Balance	Interest paid	Highest
	1 July 04	30 June	and payable in	balance in
	\$	2005	the reporting	period
		\$	period	\$
			\$	
Directors				
Mr J I Gutnick				
(resigned 26 August 2004)	25,883,704	-	318,143	26,413,773

Following shareholder approval obtained on 18 August 2004, a restructuring of the Company occurred which resulted in the extinguishment of the loan balances listed above for Mr J I Gutnick. The restructure involved an issue of 78,709,686 fully paid ordinary shares at an issue price of \$0.07 per share to his Director related company, as repayment of a debt of \$5,509,678. A further payment of \$1 million was paid to extinguish the remaining debt of \$19,340,940.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

27. RELATED PARTIES (continued)

Details regarding the aggregate of loans made, guaranteed or secured by the Company to key management personnel and their related parties, and the number of individuals in each group are as follows:

	Opening balance \$	Closing balance \$	Interest paid and payable in the reporting period \$	Number in group at 30 June \$
Total for other related parties 2006	-	-	-	-
Total for other related parties 2005	25,883,704	-	318,143	-
Total for key management personnel and their related parties 2006	-	-	-	-
Total for key management personnel and their related parties 2005	25,883,704	-	318,143	-

Other key management personnel transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

Transactions occurred between these entities/persons and the Company in the reporting period and in the prior year. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

The aggregate amounts recognised during the year related to key management personnel and their related parties were as follows:

	Transaction	Note	2006 \$	2005 \$
Key management person				
Dr G M Folie	Consulting fees	(i)	119,200	25,000
Other related parties				
Mr D A Walker - Dalkeith Resources Pty Ltd	Consulting fees	(ii)	-	412,500
Mr M H Rose - Concept Equity Pty Ltd	Consulting fees	(iii)	-	412,500
Mr G Lamont - Logmaor Pty Ltd	Consulting fees	(iv)	-	15,000
AXIS Consultants Pty Ltd	Management services	(v)	-	61,729

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

27. RELATED PARTIES (continued)

(i) Dr G M Folie provided consulting services to the Company during the 2006 and 2005 years. The fees paid in 2005 were prior to his appointment as Director.

(ii) Mr D A Walker is a Director of Dalkeith Resources Pty Ltd, which provided capital raising and corporate advisory services to the Company during the 2005 year. The fees paid in 2005 were prior to his appointment as Managing Director.

(iii) Mr M H Rose is a Director of Concept Equity Pty Ltd, which provided capital raising and corporate advisory services to the Company during the 2005 year, prior to his appointment as a Director.

(iv) Mr G Lamont is a Director of Logmaor Pty Ltd, which provided consulting services to the Company during the 2005 year, prior to his appointment as a Director.

(v) AXIS Consultants Pty Ltd ("Axis"), a company for which former Directors Mr J I Gutnick and Mr D S Tyrwhitt are Directors, provided management services to the Company of \$61,729 in the period during which it was a related party in the prior year.

Movements in shares

The movement during the reporting period and in the previous year in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties is as follows:

	Held at 1 July 2005	Other changes	Received on exercise of options	Held at 30 June 2006
Directors				
Dr G M Folie	3,171,170	510,000	-	3,681,170
Mr D A Walker	7,715,000	400,000	-	8,115,000
Mr M H Rose	7,500,000	(300,000)	-	7,200,000
Mr G Lamont	700,000	100,000	-	800,000
Executives				
Mr P J Lee	2,000	-	-	2,000
Ms J C Cohen	-	100,000	-	100,000
Mr J Balkau	-	90,000	-	90,000

No shares were granted to key management personnel during the reporting period as compensation.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

27. RELATED PARTIES (continued)

Movement in shares (continued)

	Held at 1 July 2004	Other changes	Received on exercise of options	Held at 30 June 2005
Directors				
Dr G M Folie	-	3,171,170	-	3,171,170
Mr D A Walker	-	7,715,000	-	7,715,000
Mr M H Rose	-	7,500,000	-	7,500,000
Mr G Lamont	-	700,000	-	700,000
Executives				
Mr P J Lee	2,000	-	-	2,000
Former Directors & executive				
Mr J I Gutnick	95,379,436	-	-	95,379,436
Mr D S Tyrwhitt	-	-	-	-
Mr M Z Gutnick	275,302	(137,651)	-	137,651
Mr R Wadley	-	-	-	-

Non-key management personnel disclosures

Associates

During the financial years ending 30 June 2006 and 2005, the Company did not engage in any transactions with associates other than those disclosed in Note 13.

Other related parties

Other than the disclosures for key management personnel and their related parties referred to on the preceding pages, the Company did not engage in any transactions with other related parties.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

27. RELATED PARTIES (continued)

Options and rights over equity instruments

The movement during the reporting period and in the previous year in the number of options over ordinary shares in the Company held directly, indirectly, or beneficially, by each key management person, including their related parties is as follows:

	Held at 1 July 2005	Granted as compensation	Exercised	Other changes (note (a))	Held at 30 June 2006	Vested during the year	Vested and exercisable at 30 June 2006	Vested and not exercisable at 30 June 2006	Not vested and not exercisable at 30 June 2006
Directors									
Dr G M Folie	-	900,000	-	1,000,000	1,900,000	-	1,000,000	-	900,000
Mr D A Walker	33,750,000	5,200,000	-	1,500,000	40,450,000	-	35,250,000	-	5,200,000
Mr M H Rose	33,750,000	450,000	-	-	34,200,000	-	33,750,000	-	450,000
Mr G Lamont	-	450,000	-	-	450,000	-	-	-	450,000
Executives									
Mr P J Lee	98,000	900,000	-	(17,500)	980,500	-	80,500	-	900,000
Ms J C Cohen	-	2,500,000	-	-	2,500,000	-	-	-	2,500,000
Mr J Balkau	-	3,250,000	-	-	3,250,000	-	-	-	3,250,000

Note (a) Other changes refers to on market purchases of options by Dr G M Folie and Mr D A Walker. Mr P J Lee had employee options cancelled following his consent during the year.

The above represents total holdings of all categories of options. A breakdown of Directors' holdings by category of option is set out in the Directors Report.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

27. RELATED PARTIES (continued)

Options and rights over equity instruments (continued)

	Held at 1 July 2004	Granted as compensation	Exercised	Other changes (note (b))	Held at 30 June 2005	Vested during the year	Vested and exercisable at 30 June 2005	Vested and not exercisable at 30 June 2005	Not vested and exercisable at 30 June 2005
Directors									
Dr G M Folie	-	-	-	-	-	-	-	-	-
Mr D A Walker	-	-	-	33,750,000	33,750,000	-	33,750,000	-	-
Mr M H Rose	-	-	-	33,750,000	33,750,000	-	33,750,000	-	-
Mr G Lamont	-	-	-	-	-	-	-	-	-
Executives									
Mr P J Lee	37,500	-	-	60,500	98,000	-	80,500	17,500	-
Former Directors & executive									
Mr J I Gutnick	86,455,350	-	-	-	86,455,350	-	86,405,350	50,000	-
Mr D S Tyrwhitt	-	-	-	-	-	-	-	-	-
Mr M Z Gutnick	-	-	-	-	-	-	-	-	-
Mr R Wadley	-	-	-	-	-	-	-	-	-

Note (b) Other changes relates to options granted as consideration for consulting services provided during the year to Mr D A Walker and Mr M H Rose. Mr P J Lee purchased options as part of on market transaction.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

28. EXPLANATION OF TRANSITION TO AIFRSs

Reconciliation of equity

Note	1 July 2004			30 June 2005		
	Previous GAAP	Transition impact	AIFRS	Previous GAAP	Transition impact	AIFRS
	\$	\$	\$	\$	\$	\$
ASSETS						
Current assets						
Cash & cash equivalents	7,098	-	7,098	2,091,508	-	2,091,508
Other receivables and prepayments	91,725	-	91,725	32,857	-	32,857
Investments held for sale	-	-	-	2,612	-	2,612
Total current assets	98,823	-	98,823	2,126,977	-	2,126,977
Non-current assets						
Other receivables and prepayments	68,500	-	68,500	293,163	-	293,163
Capitalised exploration and evaluation expenditure	(a) 3,300,526	(2,821,047)	479,479	4,222,149	(3,480,819)	741,330
Investment in associates	(a) -	2,821,047	2,821,047	-	2,868,339	2,868,339
Property, plant & equipment	-	-	-	5,920	-	5,920
Intangible assets	-	-	-	-	-	-
Other non-current assets	3,155	-	3,155	-	-	-
Total non-current assets	3,372,181	-	3,372,181	4,521,232	(612,480)	3,908,752
Total assets	3,471,004	-	3,471,004	6,648,209	(612,480)	6,035,729
LIABILITIES						
Current liabilities						
Trade and other payables	283,886	-	283,886	440,787	-	440,787
Total current liabilities	283,886	-	283,886	440,787	-	440,787
Non-current liabilities						
Long-term borrowings	25,883,704	-	25,883,704	-	-	-
Long-term provisions	(a) -	-	-	612,480	(612,480)	-
Total non-current liabilities	25,883,704	-	25,883,704	612,480	(612,480)	-
Total liabilities	26,167,590	-	26,167,590	1,053,267	(612,480)	440,787
Net assets/(deficiency)	(22,696,586)	-	(22,696,586)	5,594,942	-	5,594,942
EQUITY						
Issued capital	30,627,922	-	30,627,922	42,562,554	-	42,562,554
Accumulated losses	(53,324,508)	-	(53,324,508)	(36,967,612)	-	(36,967,612)
Total equity	(22,696,586)	-	(22,696,586)	5,594,942	-	5,594,942

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

28. EXPLANATION OF TRANSITION TO AIFRSs (continued)

As stated in Note 1(b), these are the Company's first financial statements prepared in accordance with AIFRSs.

The policies set out in the significant accounting policies section of this report have been applied in preparing the financial statements for the financial year ended 30 June 2006, the comparative information presented in these financial statements for the financial year ended 30 June 2005 and in the preparation of an opening AIFRS balance sheet at 1 July 2004 (the Company's date of transition).

In preparing its opening AIFRS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting ("previous GAAP"). An explanation of how the transition from previous GAAP to AIFRSs has affected the Company's financial position, financial performance and cash flows is set out in the tables in this note and the notes below.

Notes to the reconciliation of equity

(a) Investments in Associates and Interests in Joint Ventures

Under previous GAAP, the Company proportionately consolidated its investments in the Duketon Region and Rosemont Duketon Joint Ventures, such that the Company's joint venture share of exploration costs were reflected in the company's accounts as capitalised exploration expenditure in accordance with its accounting policy for exploration costs at the time.

Under AASB 131 *Interests in Joint Ventures*, proportional consolidation of these interests is not applicable because the joint ventures are not jointly controlled as defined in that standard. The Company holds a 20% direct interest in these joint ventures and has representation (but does not share joint control as defined in AASB 131) on the joint venture management committee. Accordingly, under AIFRS the Company has accounted for its interests in these commercial joint ventures under AASB 128 *Investments in Associates*, and has therefore equity accounted its share of the joint ventures' exploration expenditure. The transition to AIFRS has resulted in the balances of exploration expenditure in relation to these joint ventures being reclassified to investments in associates, representing the costs of those investments. The resulting balances of the investments are subject to annual impairment testing under AASB 136 *Impairment of Assets*.

Consistent with an equity accounting approach, the Company's share of site restoration and rehabilitation provision arising from the Duketon Region and Rosemont Duketon Joint Ventures is reflected as part of the balance of the investment in the net assets of these associates. Under previous GAAP, proportional consolidation resulted in the Company showing its share of this liability as a provision.

(a) Impairment of Assets

The recoverable amount of non-current assets has been assessed as the higher of net selling price and value in use, on a discounted basis.

Under previous GAAP, the Company assessed recoverable amounts of non-current assets based on undiscounted future net cash flows. The change in the determination of the recoverable amount did not have a material effect on the Company's financial position.

(b) Income Tax

The change from the calculation of deferred tax balances using the income statement method to the AIFRS compliant policy of using the balance sheet liability method has had no impact on recognised deferred tax balances or on income tax expense which are nil under both methods. Recoupment of the Company's carry forward tax losses cannot yet be considered probable as defined in AASB 112 *Income Taxes*, therefore deferred tax balances remain unrecognised as was the case under the "virtually certain" test under previous GAAP.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

28. EXPLANATION OF TRANSITION TO AIFRSs (continued)

(d) Share Based Payments

Under AASB 2 *Share-based Payment*, the Company is required to determine the fair value of options issued to employees as remuneration and amortise this value over the period of service. It applies to all share-based payments issued after 7 November 2002 which have not vested as at 1 January 2005. No adjustment has been made for share based payments made prior to 1 January 2005 as the Company has elected in accordance with AASB 1 *First Time Adoption of Australian Equivalents to International Financial Reporting Standards*, not to re-calculate comparatives and it had not disclosed the fair value of those equity instruments, determined at measurement date, at the time.

(e) Presentation of Financial Statements

The Company has adopted the AIFRS presentation requirements of AASB 101 *Presentation of Financial Statements* in preparing these financial statements. Certain presentational changes of balance sheet and income statement items have been made in restating the comparatives, including the treatment of certain commercial joint ventures as investments in associates (see (a) above), and the reclassification of a gain on debt forgiveness classified as extraordinary under previous GAAP to other income under AIFRS.

(f) AIFRS Statement of cash flows for the Year Ended 30 June 2005

No material impacts on the measurement of cash flows arose from the adoption of AIFRS.

Changes in the descriptions and classification of cash flow items have arisen as a consequence of the change from proportional consolidation of certain commercial joint ventures to the AIFRS treatment of these interests as investments in associates. See (a) above.

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

28. EXPLANATION OF TRANSITION TO AIFRSs (continued)

Reconciliation of profit for 2005

		30 June 2005		
	Note	Previous GAAP \$	Transition impact \$	AIFRS \$
Revenue		73,940	-	73,940
Other income	(e)	5,744	19,340,940	19,346,684
Corporate administrative expense		(1,219,821)	-	(1,219,821)
Exploration and evaluation expenses	(a)	(840,253)	732,818	(107,435)
Write down of mining royalty		(682,220)	-	(682,220)
Results from operating activities		(2,662,610)	20,073,758	17,411,148
Financial expenses	(e)	(321,439)	-	(321,439)
Net financing costs		(321,439)	-	(321,439)
Share of losses of associates	(a)	-	(732,818)	(732,818)
Profit/(loss) before tax		(2,984,049)	19,340,940	16,356,891
Income tax expense		-	-	-
Profit from extraordinary items after tax	(e)	19,340,940	(19,340,940)	-
Profit after tax for the year		16,356,891	-	16,356,891
Basic earnings per share		5.71	0.00	5.71
Diluted earnings per share		4.89	0.00	4.89

Regis Resources N.L.
Notes to the financial statements
For the year ended 30 June 2006

29. CHANGES IN ACCOUNTING POLICY

From the start of the current financial year, the Company adopted AASB 6 *Exploration for and Evaluation of Mineral Resources*. This change in accounting policy has been adopted in accordance with the transition rules contained in AASB 1 *First Time Adoption of Australian Equivalents to International Financial Reporting Standards*, which does not require the restatement of comparative information for capitalised exploration expenditure within the scope of AASB 6. The adoption of AASB 6 has resulted in the Company recognising an adjustment to the balance of capitalised exploration expenditure in the current year. This change has been accounted for by reducing the opening balance of equity (increase in accumulated losses) on 1 July 2005 by \$129,896 and reducing the opening balance of capitalised exploration costs in the balance sheet by the same amount. The calculation basis for this adjustment is explained in Note 1(h). The effect of this adjustment has been included in the Statement of changes in equity. The transitional provision will not have any effect in future accounting periods.

Regis Resources N.L.
ABN 28 009 174 761
Directors' declaration

In the opinion of the Directors of Regis Resources N.L. ("the Company"):

- (a) The financial statements and notes and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the financial position of the Company as at 30 June 2006 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2006.

Signed in accordance with a Resolution of the Board of Directors at Melbourne this 28th day of September 2006.



G M Folie
Director



D A Walker
Director



Independent audit report to the members of Regis Resources N.L.

Scope

We have audited the financial report of Regis Resources N.L. ("the Company") for the financial year ended 30 June 2006, consisting of the income statements, balance sheets, statements of cash flows, statements of changes in equity, accompanying notes 1 to 29 and the directors' declaration set out on pages 21 to 63. We have audited information disclosed by the Company, as permitted by the *Corporations Regulations 2001*, about the remuneration of directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124 *Related Party Disclosures*, under the heading "Remuneration report" in section 15 (i), (iii), (iv), (v), (vi) and (vii) of the directors' report and not in the financial report. The Company's directors are responsible for the financial report and the remuneration disclosures. The directors are also responsible for preparing the relevant reconciling information regarding the adjustments required under the Australian Accounting Standard AASB 1 *First-time Adoption of Australian equivalents to International Financial Reporting Standards*. The Remuneration report also contains information which is described as unaudited in section 15 (ii) and 15 (iv) which is not required by AASB 124 and is not subject to our audit. We have conducted an independent audit of the financial report and the remuneration disclosures in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement and that the remuneration disclosures comply with AASB 124. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the remuneration disclosures, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian equivalents to International Financial Reporting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of their operations and their cash flows and whether the remuneration disclosures comply with Australian Accounting Standard AASB 124.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion:

- (1) the financial report of Regis Resources N.L. is in accordance with:
 - (a) the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Company's financial position as at 30 June 2006 and of their performance for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) other mandatory financial reporting requirements in Australia; and
- (2) the remuneration disclosures that are contained in section 15 (i), (iii), (iv), (v), (vi) and (vii) of the remuneration report in the directors' report comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*.



Alison Kitchen
Partner

Place: Melbourne
Date: 28 September 2006

Regis Resources N.L.

Corporate Governance

The main corporate governance practices that the Board of Regis Resources N.L. had in place during the year were:

1. Board of Directors

i. Board Responsibilities

The Board's role is to maximise wealth creation and shareholder value in the Company. It assumes responsibility for overseeing the affairs of the Company by ensuring that they are carried out in a professional and ethical manner and that business risks are effectively managed. The primary responsibilities of the Board include the following:

- To oversee the Company, including its control and accountability systems
- To appoint and remove the Chief Executive Officer (or equivalent)
- To ratify the appointment and, where appropriate, the removal of the Chief Financial Officer (or equivalent) and the Company Secretary
- To have input into and final approval of management's development of corporate strategy and performance objectives
- To review and ratify systems of risk management and internal compliance and control, codes of conduct, legal compliance and any other regulatory compliance
- To monitor senior management's performance and implementation of strategy, and ensure appropriate resources are available
- To approve and monitor the progress of major capital expenditure, capital management, and acquisitions and divestitures
- To approve and monitor financial and other reporting to shareholders and the market
- To monitor the Board composition, Director selection, Board processes and performance and ensure Directors have an understanding of the Company's business
- To monitor and influence the key standards of the Company including ethical standards, reputation and culture
- To review and approve executive remuneration
- To approve annual budgets

ii. Board Composition

The Company's Constitution fixes the maximum number of Directors at twelve.

The Board comprises four Non-Executive Directors of which three are independent (including the Chairman of the Board), and one Executive Director.

The Board uses the criteria for assessing the independence of Directors as set out in Principle 2 of the ASX Corporate Governance Council "Principles of Good Corporate Governance and Best Practice Recommendations" booklet dated March 2003.

The Board considers Dr Folie, Mr Lamont and Mr Dowd to be independent, however Mr Rose has provided corporate advisory and placement services in the last three years and therefore is not considered to be independent.

To ensure that it has the right mix of management skills and technical expertise to meet the challenges of its business, the Board regularly reviews its composition. The Board believes that at the current stage of the Company's development, the composition is adequate. However, it continues to assess the need to enhance the membership of the Board and is cognisant of the ASX Corporate Governance Council definitions and recommendations.

iii. Appointment/retirement of Directors

The Company's Constitution requires that all Directors other than the Managing Director submit themselves for re-election every three years with not less than one third of the Board retiring by rotation. Directors appointed during the period since the last Annual General Meeting of the Company must submit themselves for election at the next Annual General Meeting.

Regis Resources N.L. Corporate Governance

Dr Folie was appointed a Director for a three year period at the 2005 Annual General Meeting. One of Mr Lamont and Mr Rose will retire at the 2006 Annual General Meeting and will be eligible for re-election and the Director who does not retire at the 2006 Annual General Meeting will retire at the 2007 Annual General Meeting and will be eligible for re-election. Mr Dowd was appointed to the Board on 31 July 2006 and will be required to retire and stand for election at the 2006 Annual General Meeting.

iv. **Board Meetings**

The full Board meets formally to conduct appropriate business.

v. **Directors' Remuneration**

Total remuneration for the Executive Director includes an annual salary and other entitlements. Attendance at and participation in Board and Committee meetings are considered among the duties of the Executive Director. Non-Executive Directors receive fees (on a total cost of employment basis) for attending Board and Committee meetings. There are no retirement benefits for Directors. Pro-rata fees are paid to Non-Executive Directors who serve for less than a full year. None of the Non-Executive Directors have letters of appointment.

vi **External Advice to Directors**

The Company recognises that in the exercise of their responsibilities there may be occasions when Directors may wish to seek independent professional advice. With the prior consent of the Chairman, advice can be obtained at the Company's expense and is to be made available to the whole Board.

2. **Board Committees**

The Board has Committees to address the areas of remuneration and audit.

i. **Remuneration Committee**

During the year, the Company had a Remuneration Committee made up of two independent Directors. It did not have at least three members all of whom are independent as the Company only has two independent Directors. Information on the Company's remuneration practices are set out in the Remuneration Report. The Remuneration Committee has a formal charter. The role of the remuneration Committee is to assist the Board of Directors in (i) fulfilling its responsibilities in relation to the remuneration practices of Regis Resources N.L.; (ii) improving the quality of reporting; and (iii) ensuring the Company's remuneration policies and practices are up to date with current market conditions.

ii. **Audit Committee**

The Audit Committee comprises only non-executive Directors and has an independent Chairperson, who is not Chairperson of the Board. It does not have at least three members all of whom are independent. The Company currently only has two independent Directors, one of whom is Chairman of the Board and he is not a member of the Audit Committee. Both members of the Audit Committee are financially literate, have financial expertise and have an understanding of the industry in which the Company operates. The Audit Committee has a formal charter. The Audit Committee meets to plan and review annual and half-yearly financial statements and reports prior to their release to the Australian Stock Exchange. The Committee also monitors the performance of the Company's Auditors and for evaluation of the adequacy and effectiveness of internal controls. The external Auditor is invited to attend and speak at these meetings.

iii **Nomination Committee**

The Company does not have a Nomination Committee. The Board believes that with only four Directors on the Board, the Board itself is the appropriate forum to deal with this function.

Regis Resources N.L. Corporate Governance

3. Role of Management

Day to day management of the Company's activities and the implementation of Board strategy, policy and decisions is delegated to management. This includes the following:

- To develop and recommend internal control and accountability systems for the Company and if approved, ensure compliance with such systems.
- To prepare mission systems, corporate strategy and performance objectives for approval by the Board of Directors.
- To prepare systems of risk management and internal compliance and controls, codes of conduct, legal compliance and any other regulatory compliance and if approved, ensure compliance with such systems.
- To monitor employees' performance, recommend appropriate resources and review and approve remuneration.
- To prepare all required financial reports, tax returns, budgets and any other appropriate financial reports, meet all statutory deadlines, monitor performance against budgets.
- Prepare recommendations on acquisitions and divestments of assets.
- To implement decisions of the Board of Directors on key standards of the Company covering such areas as ethical standards, reputation and culture of the Company and influence and provide guidance for employees on these areas.
- To protect the assets of the Company.

4. Risk Management

The Company continues to monitor its operations to identify the greatest areas of potential risk to minimise any adverse effects on the Company's strategic, operational and financial activities. The Managing Director and General Manager Finance state to the Board in writing that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material aspects.

i. Environment

Details of the environmental policy and other related matters are provided in the Environment section of the Directors' Report.

ii. Occupational Health and Safety

The Company is committed to providing a safe and healthy working environment for all staff. It considers that safety is a collective responsibility and ensures that regular training in safe working methods is undertaken and encourages participation and involvement in the development of workplace safety programs. Individual employees and employees of contractors are required to practice safe working habits, to take all reasonable care to prevent injury to themselves and their colleagues and to report all hazards and accidents.

New staff and contractors (where appropriate) are required to undergo an induction program to familiarise themselves with policies, procedures and work practices prior to commencing work. All staff are covered against injury under the various Workers' Compensation Acts.

iii. Financial Reporting

It is the Board's policy that the Managing Director and General Manager Finance sign off in writing to the Board that the financial statements present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; the statement is founded on a sound system of risk management and internal compliance and control which implements policies adopted by the Board; and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Regis Resources N.L. Corporate Governance

5. Code of Conduct

i. Ethical Standards

The Company operates under a Code of Conduct that sets out the ethical standards under which the Company operates when dealing with internal and external parties. This Code requires parties to act with integrity, fairness and honesty in all dealings and to treat other parties with dignity at all times. They are required to:

- not discriminate against any staff member or potential employee;
- carry out their duties in respect to the law at all times;
- to use the Company's assets responsibly;
- to respect the confidentiality of the Company's business dealings; and
- take responsibility for their own actions and for the consequences surrounding their own actions.

ii. Share Trading

It is the Company's policy to encourage Directors, employees and related parties to own shares in the Company. The trading in shares policy strongly reinforces the obligations of Directors and employees, under the Corporations Act 2001 and the Australian Stock Exchange Listing Rules in relation to trading in Company shares. The acquisition and sale of Company shares by Directors and employees is restricted to periods of twenty-eight (28) days immediately following announcements of the Company's quarterly, half yearly and full year reports to the Australian Stock Exchange. Directors, employees and related parties can seek permission from the Chairman to purchase or sell shares outside this 28-day period. Directors and employees are required to report share trading to the General Manager Finance and Administration.

6. Continuous Disclosure Compliance

The Company's continuous disclosure compliance procedure enables it to meet its obligations and to ensure that all matters, which may require announcement to the Australian Stock Exchange, are brought to the attention of Directors immediately.

7. Communicating with Shareholders

The Board ensures that shareholders are kept informed of all major developments that affect their shareholding or the Company's state of affairs through quarterly, half-yearly, annual and ad hoc reports. All shareholders are encouraged to attend the Annual General Meeting to meet the Chairman and Directors and to receive the most updated report on Company activities. The external auditor of the Company will be in attendance at the Annual General Meeting to answer shareholders' questions.

The Company maintains a website at <http://www.regisresources.com> to provide shareholders with up to date information on the Company's activities. Shareholders may also communicate with the Company through its e-mail address enquiries@regisresources.com.

The Company does not web-cast shareholder meetings and does not believe that at this stage the cost-benefit of web casting is worthwhile to a Company of its size.

Regis Resources N.L.
Tenement Listing

**TENEMENTS
WHOLLY OWNED**

WELCOME WELL

M37/952
M39/694
M39/695

Salt Well
M37/1018
P37/5225

OTHER

Angus
E38/1566
M38/758
M38/808
M38/991

Camel Hump

E38/965
E38/1098
E38/1133
E38/1260
M38/682
M38/809
M38/810
M38/835
M38/992
M38/993
M38/994
M38/995
M38/996

Kowtah

M39/693
M39/696
M39/697
M39/698
M39/699
M39/700
M39/895
M39/973
M39/974
M39/975
P39/4529
P39/4530
P39/4531
P39/4532
P39/4533
P39/4534
P39/4535
P39/4536
P39/4537
P39/4538
P39/4539

Pinnacle
M37/1012

**Tenements
Subject to Joint
Venture**

**DUKETON JOINT
VENTURES**

Artane Duketon
M38/589
M38/590
M38/889

*Aurora/Delta
Duketon*

E38/378
M38/413
M38/414
M38/415
M38/537
M38/538
M38/674
M38/737
M38/738
M38/739

Deleta

E38/419
E38/423
E38/1307
E38/1308
M38/478
M38/479
M38/734
M38/735
M38/752
M38/753
M38/754
M38/1084
M38/1085
M38/1086
M38/1087
M38/1088
M38/1089
M38/1090
M38/1091
M38/1099
M38/1100
M38/1101
M38/1102
M38/1103
M38/1104

*Duketon Regional
Part A*

E37/664
E38/348
E38/380
E38/381
E38/387
E38/464
E38/465
E38/961
E38/1001
E38/1046

E38/1070
E38/1071
E38/1074
E38/1075
E38/1076
E38/1096
E38/1101
E38/1104
E38/1105
E38/1111
E38/1112
E38/1113
E38/1114
E38/1115
E38/1135
E38/1163
E38/1182
E38/1184
E38/1186
E38/1191
E38/1192
E38/1193
E38/1199
E38/1238
E38/1239
E38/1282
E38/1314
E38/1335
E38/1345
E38/1370
E38/1371
E38/1385
E38/1406
E38/1407
E38/1408
E38/1412
E38/1413
E38/1436
E38/1595
E38/1596
E38/1597
E38/1689
E38/1735
E38/1758
E38/1914
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L38/26
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L38/74
M38/354
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P38/3016
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P38/3248
P38/3249
P38/3250
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P38/3275
P38/3276
P38/3339
P38/3340
P38/3341
P38/3342
P38/3343

Erlistoun Duketon

M38/407
M38/424

German Well

E38/648
M38/939
M38/940
M38/941

Gerry's Well

E38/1021
M38/903
M38/904
M38/924
M38/925
M38/1112
M38/1113
M38/1114

Regis Resources N.L.
Tenement Listing

<i>Hot Holdings</i>	<i>Rosemont/Duketon</i>	MELITA
E38/565	M38/237	E37/528
M38/708	M38/250	E37/543
M38/709	M38/319	E37/574
M38/969	M38/343	E40/112
	M38/344	E40/113
<i>Mount Zephyr Farm-out</i>	<i>Texrise Purchase & Royalty (Swanson Well)</i>	
E37/706	E38/649	E40/138
E39/898	E38/653	E40/145
E39/899	M38/746	E40/184
E39/924	M38/779	E40/185
	M38/780	E40/215
<i>Murphy Hills</i>	M38/779	E40/216
E38/559	M38/780	E40/216
M38/598	M38/821	E40/217
M38/599	M38/927	E40/218
M38/600	M38/942	E40/219
M38/601		M37/1147
M38/602	<i>Top Well</i>	M37/1172
M38/619	E38/241	M37/1208
M38/620	E38/510	M37/1209
M38/621	E38/511	M37/1211
M38/622	M38/450	M40/178
M38/623	M38/451	M40/242
M38/624	M38/724	M40/243
M38/1081	M38/935	M40/261
M38/1082	M38/936	M40/297
M38/1083	M38/937	M40/300
	M38/938	M40/303
		M40/307
<i>North Laverton (Duketon)</i>	WELCOME WELL	M40/308
E38/379	<i>Burley Well</i>	M40/309
L38/20	M37/1084	M40/310
L38/47	M37/1085	M40/315
L38/49	M37/841	M40/316
M38/114	M37/842	M40/318
M38/262	M37/843	M40/319
M38/283	M37/844	M40/320
M38/292	M37/845	M40/320
M38/303	M37/846	P40/1066
M38/316	M37/847	P40/1068
M38/317	M37/848	P40/1069
M38/341		P40/1070
M38/352	<i>Copper Well</i>	P40/1091
M38/408	E39/383	
M38/409	M37/837	OTHER
M38/487	M37/838	<i>Christmas Well</i>
M38/488	M37/1232	M38/785
M38/489	M37/1233	M38/786
M38/490	M37/1234	
M38/491	M37/1242	<i>Mt Mabel</i>
M38/492	M37/1243	M38/765
M38/493	M37/1244	M38/766
M38/494	M37/1245	M38/888
M38/495	M37/1246	
M38/503	M39/580	
M38/528	M39/581	
M38/629	M39/582	
M38/630	M39/815	
M38/702	M39/816	
M38/703	M39/817	
	M39/959	

Regis Resources N.L.
Australian Stock Exchange Information

As at 31 August 2006 the following information applied:

1. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders disclosed in substantial shareholder notices to the Company:

Name	Number of Fully Paid Ordinary Shares held
Newmont Mining Corporation Group	262,734,027
Edensor Nominees Pty Limited	54,849,929
Rubicon Master Fund Group and its principals	48,864,200

2. SECURITIES

(a) FULLY PAID ORDINARY SHARES

The number of holders of fully paid ordinary shares in the Company is 1,689. On a show of hands every holder of fully paid ordinary shares present or by proxy, shall have one vote. Upon a poll, each share shall have one vote. The distribution of holders of fully paid ordinary shares is as follows:

Category		Number of shareholders
Holding between	1-1,000 Shares	188
Holding between	1,001 - 5,000 Shares	282
Holding between	5,001 - 10,000 Shares	149
Holding between	10,001-100,000 Shares	16
Holding more than	100,001 Shares	254

The number of holders with less than a marketable parcel of fully paid ordinary shares is 431. The Company's fully paid ordinary shares are quoted on the Australian Stock Exchange using the code RRL.

Regis Resources N.L.
Australian Stock Exchange Information

The top 20 shareholders are as follows:

Name	Number of Fully Paid Ordinary shares held	Percentage interest
Newmont Capital Pty Limited	262,734,027	37.87
Westpac Custodian Nominees Limited	130,158,661	18.76
Edensor Nominees Pty Ltd	50,902,200	7.34
ANZ Nominees Limited <Cash Income A/C>	24,733,803	3.57
Citicorp Nominees Pty Limited	22,820,970	3.29
Mr William Thorpe McKenzie	9,900,000	1.43
Dalkeith Resources Pty Ltd	8,015,000	1.16
Zero Nominees Pty Ltd	8,000,000	1.15
Chance Energy Pty Ltd	7,200,000	1.04
Merrill Lynch (Australia) Nominees Pty Ltd	6,838,229	0.99
HSBC Custody Nominees (Australia) Limited	6,583,171	0.95
Asher Nominees Pty Ltd <Superannuation Fund A/C>	4,763,636	0.69
Mr Anderson Gregory Hunter Jr	4,690,000	0.68
Fernway Pty Ltd	3,681,170	0.53
Mr Mark Gareth Creasy	3,324,000	0.48
Mr Joseph Howard Davenport	3,300,000	0.48
Thorpe Road Nominees Pty Ltd <Tregoning Family No. 2 A/C>	2,434,000	0.35
Chastain Corporate Pty Ltd <Mandel Super Fund A/C>	2,000,000	0.29
Todber Pty Ltd <Eureka Group U/T No 2 A/C>	1,698,000	0.24
Mr John Henry Burrows and Mrs Joan Burrows <Burrows Super Fund A/C>	1,500,000	0.22
Total	565,276,867	81.48

(b) OPTIONS MATURING 31 JANUARY 2014 OVER FULLY PAID ORDINARY SHARES.

The number of holders of options maturing 31 November 2014 over fully paid ordinary shares issued by the Company is 142. Optionholders may attend and speak at general meetings of the Company. However, they do not have an entitlement to vote upon the business before the meeting either by show of hands or by poll. The distribution of holders of options is as follows:

Category	Number of shareholders
Holding between 1-1,000 Shares	4
Holding between 1,001 - 5,000 Shares	2
Holding between 5,001 - 10,000 Shares	32
Holding between 10,001-100,000 Shares	46
Holding more than 100,001 Shares	56

The Company's options maturing on 31 January 2014 over fully paid ordinary shares are quoted on the Australian Stock Exchange using the code RRLO.

Regis Resources N.L.
Australian Stock Exchange Information

The top 20 optionholders are as follows:

Name	Number of Options held	Percentage interest
Chance Energy Pty Ltd	15,000,000	15.74
Dalkeith Resources Pty Ltd	15,000,000	15.74
Mr Michael Fraser	6,708,582	7.04
Mr William Thorpe McKenzie	6,600,000	6.93
Station Capital Pty Limited	5,048,000	5.30
Merrill Lynch (Australia) Nominees Pty Limited <Unpaid1 A/C>	3,747,615	3.93
Mr Anderson Gregory Hunter Jr	3,635,989	3.82
HSBC Custody Nominees (Australia) Limited	3,000,000	3.15
UBS Nominees Pty Ltd	3,000,000	3.15
Mr Joseph Howard Davenport	2,200,000	2.31
Kalonda Pty Ltd <Leibowitz Family A/C>	1,798,230	1.89
Canonbar Investments Pty Ltd	1,775,000	1.86
Carmant Pty Ltd <Carmant Super Fund A/C>	1,760,000	1.85
Droga Capital Pty Ltd <No 8 A/C>	1,675,000	1.76
Tasman Technology Pty Ltd	1,450,000	1.52
Machinery Automation & Robotics Pty Ltd	1,250,000	1.31
Citicorp Nominees Pty Limited	1,200,000	1.26
Todber Pty Ltd <Eureka Group U/T No 2 A/C>	1,105,000	1.16
Merrill Lynch (Australia) Nominees Pty Limited	1,050,000	1.10
Jetan Pty Ltd	1,000,000	1.05
Total	78,003,416	81.88

(c) OPTIONS MATURING 30 APRIL 2012 OVER FULLY PAID ORDINARY SHARES.

The number of holders of options maturing 30 April 2012 over fully paid ordinary shares issued by the Company is 84. Optionholders may attend and speak at general meetings of the Company. However, they do not have an entitlement to vote upon the business before the meeting either by show of hands or by poll. The distribution of holders of options is as follows:

Category	Number of shareholders
Holding between 1-1,000 Shares	15
Holding between 1,001 - 5,000 Shares	5
Holding between 5,001 - 10,000 Shares	34
Holding between 10,001-100,000 Shares	13
Holding more than 100,001 Shares	17

The Company's options maturing on 30 April 2012 over fully paid ordinary shares are quoted on the Australian Stock Exchange using the code RRLOA.

Regis Resources N.L.
Australian Stock Exchange Information

The top 20 optionholders are as follows:

Name	Number of Options held	Percentage interest
Chance Energy Pty Ltd	7,500,000	29.11
Dalkeith Resources Pty Ltd	7,500,000	29.11
Mr William Thorpe McKenzie	3,226,850	12.52
Mr David Walker	1,500,000	5.82
Mr Eddie Sugar	1,000,000	3.88
Mr Scott Peter Gilchrist	925,000	3.59
Mr Christopher William McKinnon	600,000	2.33
Mr Erwin John Clayton	450,000	1.75
Pritdown Pty Limited	412,447	1.60
Citicorp Nominees Pty Limited	250,000	0.97
Custodial Services Limited	250,000	0.97
HSBC Custody Nominees (Australia) Limited	250,000	0.97
M & K Korkidas Pty Ltd <Superannuation A/C>	230,030	0.89
Mr Joseph Howard Davenport	220,000	0.85
City Corp Pty Ltd	200,000	0.78
Equity Trustees Limited <Augusta Investors Inc>	200,000	0.78
Mr James Ian Yuen	150,000	0.58
Mr Geoff Frost	100,000	0.39
Mrs Anne Webb	100,000	0.39
Mr Robert Lindsay Brooks & Mrs Fay Enid Brooks <R & F Brooks Family A/C>	96,666	0.38
Total	25,160,993	97.65

(d) OPTIONS MATURING 31 OCTOBER 2012 OVER FULLY PAID ORDINARY SHARES.

The number of holders of options maturing 31 October 2012 over fully paid ordinary shares issued by the Company is 79. Optionholders may attend and speak at general meetings of the Company. However, they do not have an entitlement to vote upon the business before the meeting either by show of hands or by poll. The distribution of holders of options is as follows:

Category	Number of shareholders
Holding between 1-1,000 Shares	8
Holding between 1,001 - 5,000 Shares	6
Holding between 5,001 - 10,000 Shares	29
Holding between 10,001-100,000 Shares	19
Holding more than 100,001 Shares	17

The Company's options maturing on 31 October 2012 over fully paid ordinary shares are quoted on the Australian Stock Exchange using the code RRLOB.

Regis Resources N.L.
Australian Stock Exchange Information

The top 20 optionholders are as follows:

Name	Number of Options held	Percentage interest
Chance Energy Pty Ltd	11,250,000	28.87
Dalkeith Resources Pty Ltd	11,250,000	28.87
Mr William Thorpe McKenzie	5,320,000	13.65
Calex Nominees Pty Limited	2,090,000	5.36
Merrill Lynch (Australia) Nominees Pty Limited	1,400,000	3.59
Fernway Pty Ltd <Folie Staff Super Fund A/C>	1,000,000	2.57
M & K Korkidas Pty Ltd <Superannuation A/C>	921,579	2.36
Carmant Pty Ltd <Carmant Super Fund A/C>	780,000	2.00
Mr Eddie Sugar	700,000	1.80
Machinery Automation & Robotics Pty Ltd	560,700	1.44
Colvic Pty Ltd	500,000	1.28
Westpac Custodian Nominees Limited	454,500	1.17
Mr Joseph Howard Davenport	440,000	1.13
Citicorp Nominees Pty Limited	360,000	0.92
HSBC Custody Nominees (Australia) Limited	300,000	0.77
Mr Carsten Hans Huebner & Mrs Fiona Louise Huebner <Huebner Super Fund A/C>	200,000	0.51
JAS Partners	180,000	0.46
Mr Chris Robert Cannon	100,000	0.26
Hera Investments Pty Ltd	100,000	0.26
Mr Anderson Gregory Hunter Jr	100,000	0.26
Total	38,006,779	97.53

(e) UNLISTED OPTIONS MATURING 25 NOVEMBER 2010 OVER FULLY PAID ORDINARY SHARES.

The number of unlisted options maturing 25 November 2010 over fully paid ordinary shares is 14,150,000 options and the number of holders of options is 11. Optionholders may attend and speak at general meetings of the Company. However, they do not have an entitlement to vote upon the business before the meeting either by show of hands or by poll.

Regis Resources N.L. Share Registry On-Line

You can do so much more online

Did you know that you can access – and even update – information about your holdings in Regis Resources via the Internet.

Visit Link Market Services' website www.linkmarketservices.com.au and access a wide variety of holding information, make some changes online or download forms. You can:

- Check your current and previous holding balances
- Choose your preferred annual report delivery option
- Update your address details
- Update your bank details
- Lodge, or confirm lodgement of, your Tax File Number (TFN), Australian Business Number (ABN) or exemption
- Check transaction and dividend history
- Enter your email address
- Check the share prices and graphs
- Download a variety of instruction forms
- Subscribe to email announcements

You can access this information via a security login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (must be the postcode recorded on your holding record).

Top 5 tips for Regis Resources investors visiting Link Market Services' website

1. Bookmark – www.linkmarketservices.com.au to bookmark, click on 'Favourites' on the menu bar at the top of your browser then select 'Add to Favourites'
2. Create a portfolio for your holding or holdings and you don't have to remember your SRN or HIN every time you visit
3. Lodge your email via the 'Communications Options' and benefit from the online communications options Regis Resources offers its investors
4. Check out the 'FAQs' page (accessible via the orange menu bar) for answers to frequently asked questions
5. Use the 'Client List' page (accessible via the orange menu bar) to link to Regis Resources website and the website of the other Link Market Services clients in which you invest.

Contact Information

You can also contact the Regis Resources share registry by calling 1300 554 474.

Regis Resources N.L.
Corporate Information

Directors

Michael Folie
David Walker
Marcus Rose
Glenister Lamont
Paul Dowd

Company Secretary

Peter Lee

Senior Management

Janet Cohen - General Manager Finance & Administration
Jens Balkau - General Manager Exploration

Registered Office and Domicile

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Legal Form

A public company
A no liability company

Country of Incorporation

Australia

Share Registry

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Australian Stock Exchange Listing Codes

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RRLOB

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