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Manager Announcements  
Company Announcements Office  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

www.regisresources.com  
Level 1  
1 Alvan Street  
Subiaco WA 6008 Australia  
P 08 9442 2200  
F 08 9442 2290

## UPDATE ON MCPHILLAMYS GOLD PROJECT

The board of Regis Resources Ltd is pleased to provide this update on the Company's 100% owned McPhillamys Gold Project (McPhillamys) in NSW.

### Process Water Supply

Regis has been working for some time on securing a long term process water supply for the proposed development of the McPhillamys Gold Project. To this end, Regis has progressed two water supply options concurrently.

#### *Option 1 – Water Supply from Mt Piper Power Station and Springvale Mine*

Regis has had an ongoing dialogue with several parties including Centennial Coal Company Limited (Centennial) and Energy Australia Pty Ltd (EA) for Regis to utilise water from the Mt Piper Power Station and Springvale Mine near Lithgow. This negotiation has culminated in the execution of a **non-binding heads of agreement** with those parties for the supply and offtake of water under the following agreed principles:

- Quantity of water in the order of 4-5GLpa, which would be sufficient to support a 7 million tonne per annum processing facility at McPhillamys;
- First availability of water around middle of calendar 2019, which allows for completion of the final offtake agreement, regulatory approvals and pipeline construction. This timing is suitable for Regis' current development timetable;
- 10 year supply term with Regis having an option for a further 10 years, which shall not be unreasonably withheld by Centennial and EA;
- Water supply to be made available to Regis at no cost, however Regis will be responsible for all capital and operating costs associated with the required pumping and piping infrastructure required to deliver the water approximately 70km to the McPhillamys site.

The parties to the non-binding heads of agreement will now work towards finalising a binding agreement as soon as possible, with completion targeted for the September 2017 quarter.

#### *Option 2 – Groundwater Access Licenses*

Parallel with progressing the above water supply agreement, Regis has also contractually secured approximately 4.5GLpa of water through long term lease and acquisition of unused Water Access Licenses over ground water allocations in a zone of the Lachlan catchment approximately 80km from McPhillamys. As with Option 1, Regis would be responsible for all capital and operating costs associated with the required pumping and piping infrastructure required to deliver the water to the McPhillamys site. This represents a viable and contractually secured alternative source of secure water supply, sufficient for a 7mtpa operation.

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## **Resource Update and Maiden Reserve Estimation**

It is expected that an update to the Mineral Resource Estimate (MRE) will be completed in the September 2017 quarter. This will include the 43,000 metres of infill drilling completed over the last 9 months. The updated MRE will be used as the basis for a maiden Ore Reserve estimation, also expected to be completed in the September 2017 quarter.

## **Definitive Feasibility Study**

It is expected that a definitive feasibility study in to the development of a 7mtpa mining and processing operation at McPhillamys will be completed in the December 2017 quarter.

## **Environmental Impact Statement (EIS)**

Significant work has been completed towards finalising the EIS for the development of the project. Regis is aiming to submit a Conceptual Project Development Plan (CPDP) to the NSW Department of Planning & Environment (DPE) in the September 2017 quarter. This will commence the approvals process for the development of the project. It is then expected that the EIS will be submitted to the DPE by the end of the December 2017 quarter.

## **Regis Executive Chairman, Mark Clark, said:**

“The resolution of viable process water supply solutions is a significant step forward towards our goal of developing the McPhillamys Gold Project. We look forward to bringing to a head our technical work on the project in the next six months with a view to moving the project in to the permitting phase and then ultimately into development. With an open pit resource of 2.2 million ounces of gold located in Australia, McPhillamys is a very significant organic growth opportunity for Regis.”

Yours sincerely

**Regis Resources Limited**



Mark Clark  
Executive Chairman