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Manager Announcements  
Company Announcements Office  
Australian Stock Exchange Limited  
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Sydney NSW 2000

Dear Sir

**Regis increases interests in Duketon to 59% through agreement with Newmont**

**Summary of Announcement**

The Directors of Regis Resources NL ("Regis" or "the Company", ASX code: RRL) are pleased to announce they have entered into a memorandum of understanding with Newmont Australia Ltd ("Newmont") to increase the Company's interests in the Rosemont Duketon and Duketon Region joint ventures (the "Duketon Joint Ventures") located north of Laverton in the Eastern Goldfields of Western Australia to 59% from 20%.

Under the memorandum of understanding Newmont and Regis have agreed that Regis would acquire a 49% interest in Newmont's subsidiary and the Company's joint venture partner, Newmont Duketon Pty Ltd, which will give Regis a further 39% indirect interest in the Duketon Joint Ventures. When included with Regis' existing direct 20% interests, this will increase Regis' total interest in the Duketon Joint Ventures to an effective interest of approximately 59%.

Consideration for the transaction would be the issue of 266 million new shares in Regis to Newmont. Newmont would become Regis' major shareholder with approximately 47% of the issued capital of Regis.

**Background**

The Rosemont Duketon and Duketon Region joint ventures cover some 2,000 square km of exploration ground prospective for gold and other minerals extending 140 km north of Laverton in the Eastern Goldfields of Western Australia.

At present, Newmont is manager of and holds 80.3% and 80.0% interests in the Rosemont Duketon and Duketon Region joint ventures respectively through its 100% owned subsidiary Newmont Duketon Pty Ltd. Regis holds the balance of the equity in each joint venture and contributes pro-rata to exploration. Newmont and Regis are also in joint venture with nine other private and publicly listed companies in the Duketon region. In each of these cases the combined equity held by Newmont and Regis is in the ratio of 80% - 20%.

The Duketon Joint Venture areas currently contain approximately 1.7 million ounces of gold in JORC-compliant (predominantly inferred) resources in eight separate deposits. Exploration expenditure by the joint venture partners has averaged \$5 million per annum over the last three years.

## **Transaction**

The key terms of the memorandum of understanding, which are to be incorporated into a formal agreement, are:

- Regis will acquire a 49% shareholding in Newmont Duketon Pty Ltd and be offered one seat on the three-person Newmont Duketon board.
- As consideration Newmont will be issued approximately 266 million new shares in Regis, which combined with their existing shareholding, will equal approximately 47% of the expanded Regis ordinary shares. Newmont does not intend to seek a position on Regis' board;
- Regis will become manager of the Duketon Joint Ventures and sole fund and conduct all exploration on the JV tenements at a minimum rate of \$10 million over the first two years;
- Regis will be granted a further representative (for a total of two) on the five-person Exploration Management Committee, which manages all exploration and administrative activities of the Duketon Joint Ventures;
- Newmont will retain the right to contribute to any future capital raising undertaken by Regis on a pro rata basis;
- Regis will grant Newmont the right to reacquire a 75% equity in any gold deposit greater than 2.5 million ounces under certain conditions, and if exercised, Newmont will pay Regis an amount equal to 300% of the exploration expenditure incurred on that deposit by Regis and Regis will be free carried to a decision to mine;
- In addition to any royalties payable to third parties, Regis will grant Newmont a maximum 2% net smelter return royalty, on the future revenues from the production of all metals from the Duketon Joint Venture tenements;
- The issue of shares to Newmont will require Regis' shareholder approval, and the Company intends to call a general meeting promptly.

Following the proposed issue of shares to Newmont, the Gutnick Network interests in Regis will reduce from 40% to 20% of the ordinary shares.

## **Completion**

The memorandum of understanding is an exclusive arrangement between Newmont and Regis and binding on the parties in limited respects, including an obligation to negotiate a formal agreement in good faith, reflecting the key terms outlined above. In addition, completion of the transaction will be subject to several conditions precedent including approval of both the Regis and Newmont Mining Corporation boards and Regis shareholder approval.

## **Outlook for 2005**

The Duketon Joint Venture partners are currently reviewing exploration results and strategies and will make a separate announcement to the market on the programme for 2005. Although budgets are not set, expenditure on exploration is likely to be at a similar level to recent years.

## Comment

Speaking from Melbourne, the Managing Director of Regis, Mr. David Walker said today "this is an attractive opportunity for Regis in the Duketon Belt, and will deliver more exploration leverage to Regis shareholders. I am particularly pleased with Newmont's support for the new Regis board and management team, especially since this is one of the largest greenfields exploration programmes and budgets in Western Australia. I look forward to working with Newmont over the period ahead."

The Managing Director of Newmont Australia, Mr. Paul Dowd, commented that "this is another important example of how Newmont is partnering with junior explorers to unlock additional value from its substantial global land holdings for the benefit of both Newmont shareholders, and in this case, the shareholders of Regis. I believe the Duketon Belt has the potential to host significant gold deposits, and I look forward to the flow of exploration results from the area."

Yours sincerely



David Walker  
Managing Director

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

