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INITIAL RESERVE – ERLISTOUN GOLD PROJECT

The board of Regis Resources Ltd is pleased to announce a maiden gold Reserve of 157,533 ounces at the Eristoun Gold Project. The definition of this Reserve increases gold reserves at Regis' 100% owned Duketon Gold Project to 761,000 ounces.

The Eristoun gold deposit is located 45 kilometres south of the Moolart Well processing plant (currently under construction). The project consists of two mining leases, including the recently acquired M38/802, containing total Inferred gold resources of 256,250 ounces. An initial ore reserve study was completed subsequent to the end of the quarter and resulted in the definition of the following Reserve:

	Tonnes	Grade (g/t)	Ounces
Eristoun Probable Reserve*	2,032,000	2.41	157,533

* Pit optimisation completed using a gold price of A\$1,000 per ounce.

* Lower cut 0.7g/t, upper cut 14.1g/t

Key results of the reserve study include:

Physical	
Stripping ratio – tonnes (waste:ore)	10.74
Milling recovery	95%
Recovered gold (ounces)	149,650
Operating Costs & Surplus	
Total operating cost (mining, milling & admin)*	A\$104.5m
Total operating cost per ounce (A\$/oz)*	A\$698
Total operating cost per tonne (A\$/tonne)*	A\$51.41
Operating surplus (pre royalties and tax)#	A\$75.1m

* before royalties # using a gold price of A\$1,200/oz

The development of the Eristoun Project does not require any significant additional capital expenditure to that currently being spent on the development of the Duketon Gold Project. The project is located very close to the main access road to the Duketon Gold Project and ore mined from Eristoun will be trucked to the Moolart Well processing plant. The cost of trucking the ore to the processing plant has been included in the above operating cost estimates. No modifications or expansions to the processing plant will be required to process Eristoun ore.

The portion of the Reserve located on Mining Lease M38/407 (120,844 recovered ounces) is the subject of a 2% third party royalty, in addition to the normal WA State Government royalty.

Work will now commence on expediting the Eristoun mining reserve in to the Duketon Gold Project mining schedule. It is expected that mining of the deposit will be commenced within 18 months. On this basis, ore from Eristoun will be available for blended processing through the Moolart Well processing plant by the end of the second year of operation. The optimal processing and production profile will be determined once an operating and cost history has been established in the processing plant.

Regis Managing Director, Mark Clark commented:

“The initial reserve at Eristoun increases gold reserves at the Duketon Gold Project to 761,000 ounces and sees Regis take a significant step towards growing Duketon to a 1 million ounce gold mining operation. The forecast cash cost of production for the expanded reserve base is A\$538 per ounce, confirming Duketon as a very robust project. Reserve definition and exploration efforts will continue at the numerous opportunities on the tenement package with a view to continuing to increase the reserve base over the next 12 months.”

Further enquiries should be directed to Mr Mark Clark, Managing Director.

Yours sincerely

Regis Resources Limited

A handwritten signature in blue ink, appearing to read 'Mark Clark', with a stylized flourish at the end.

Mark Clark
Managing Director

The technical information in this report that relates to Eristoun Ore Reserves is based on information compiled by Mr Glenn Williamson who is a member of the Australasian Institute of Mining and Metallurgy. Mr Hart has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the mining method undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Williamson is a director and full time employee of Mining Resources Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The technical information in this report that relates to Eristoun Mineral Resources has been reviewed and approved by Mr Morgan Hart who is a member of the Australasian Institute of Mining and Metallurgy. Mr Hart has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Morgan Hart is a director and full time employee of Regis Resources Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.