



First Debt for Tropicana Acquisition, Reduced Dividend

Company/ASX Code	Regis Resources/RRL
AGM date	Thursday 25 November 2021
Time and location	10am (WST) Subiaco Room, Vibe Hotel, 9 Alvan Street, Subiaco
Registry	Computershare
Webcast	Yes
Poll or show of hands	Poll on all items
Monitor	Bob Kelliher
Pre AGM Meeting	with Chair James Mactier, Director Steve Scudamore, and Company Secretary Elana Macrides.

Please note any potential conflict as follows: The individual involved in the preparation of this voting intention no shareholding in this company.

Item 1	Consideration of accounts and reports
ASA Vote	No vote required

Summary of ASA Position

Financial performance

The competitive acquisition of 30% of Tropicana, from 30 April 2021, for \$885m has resulted in a bank debt of \$300m, with the balance of funds raised by Placements and a Share Purchase Plan. The market assessment of this acquisition, together with regulatory approval delays in the future McPhillamy's project in NSW, and a generally flat gold price, has seen the share price decline from \$5.22 at 30 June 2020 to \$2.36 at 30 June 2021.

NPAT at \$146m is down 26.7%, from \$200m last year, EPS at 26.4 cents per share is down 32.6% from 39.3 cents per share last year, and the dividend at 7 cents per share is down 56.3% from 16 cents last year, but still paid at 30% of NPAT.

The reduction in NPAT is also explained by a 74.5% increase in Depreciation and Amortisation due to the increase in Mine Properties, the Rosemont underground mine operating for the full year and the additional Tropicana assets

Gold production was 373koz, within the stated guidance of 355koz to 380koz, and up from 352koz last year. The contribution from Tropicana this year was only 17koz, for the two months of May and June. But also, costs were \$1,373/oz, up from \$1,240/oz last year and outside stated guidance of \$1,230 to \$1,300. The average selling price of \$2,229/oz, compared to \$2,200 last year.

Costs were up 12% largely due to harder rock and deeper cuts in open pits, and capital costs for the Rosemont underground development.

Resources were increased from the completion of acquisition of the Ben Hur Gold project from Stone Resources, with a maiden Resource of 290koz. Further drilling on this site has increased this Resource to 390koz. At 31 December 2020, Group Resources were 10,360koz, and Group Reserves were 4,830kz, indicating an increased future mine-life.

Governance and culture

The Board has been stable over the year, with two females on the six-person board, just at the minimum 30% requirement

All directors hold shares in the company, with the deficiency in Steve Scudamore's holding noted in Resolution 2. The CEO has acquired a significant shareholding, including due to vesting of Performance Rights.

Summary

(As at FYE)	2021	2020	2019	2018	2017
NPAT (\$m)	146	199.5	163.1	174.2	138
Closing Share price (\$)	2.36	5.22	5.28	5.12	3.78
Dividend (cents)	7	16	16	16	15
Simple TSR (%)	(52.1)	1.9	6.25	39.4	13.5
EPS (cents)	26.4	39.2	32.2	34.6	27.6
CEO total remuneration, actual (\$m)	1.45	1.35	1.08*	1.9	1.88

Item 2, Resolution 1	Adoption of Remuneration Report
ASA Vote	For

Summary of ASA Position

The FY21 Remuneration Report was an improvement on last year due to:

- KMP fixed remuneration (TFR) was kept the same as last year
- STI is half in 12 months deferred Performance Rights, the other half in cash
- LTI vesting in FY 21 (3rd year from 2019) at only 37.5%
- STI vesting was 65%, including counting Mcphillamys despite delays.
- Maintenance of the no-fatality, and no significant environmental issue gateway to any STI award.

The FY22 STI thresholds also include a measure to develop water usage and carbon emissions efficiencies and targets for improvement. This is a weak and non-specific measure, included in ESG items for no significant Environment, or Compliance issues, for 20% of the STI award.

The Safety item has been changed to All Injury Frequency Rate, with reductions from zero to 15% paid at zero to 100%. The Lost time Injury Frequency Rate just has to be kept below the industry rate, which is a weak measure considering that the recent result is 1.3, down from 3.1, and Tropicana is at Zero rate.

FY 22 LTI measures include an amended Comparator Group for the relative Total Shareholder Return. This group includes African focussed companies, which are hardly comparable peers. Reserve Growth remains as net of depletion by production, but keeps M & A additions, with zero to 100% paid for zero to 120% increase.

Production Growth, adds additions by M & A, and pays zero to 100% for growth 20% above base case.

On balance, with the improvements in FY21 and FY22, despite some obvious flaws, and reasonable total remuneration, we can approve this Resolution, on the basis that improvements will again be made in the future as discussed at the pre-AGM meeting.

Item 3, Resolution 2	Re-election of Steve Scudamore as a Director
ASA Vote	For

Summary of ASA Position

Steve Scudamore has been a director since 13 May 2019, is a Chartered Accountant, and is Chair of 2 Board Committees; Audit, and Remuneration, Nomination and Diversity, and is a member of the Risk, Safety, Environment and Community committee.

He is currently also a non-executive director of ASX listed Pilbara Minerals and Australis Oil and Gas, and also of various non-profit and community organisations.

He currently holds 34,489 shares in the company, valued at \$81,382 at 30 June 2021, compared to his director and committee fees of \$135,000. He will need to increase his shareholding at these depressed share prices to maintain a shareholding value equal to annual fees.

Item 4, Resolution 3	Approval of LTI grant to CEO/Managing Director Jim Beyer
ASA Vote	For

Summary of ASA Position

The calculation of the number of proposed performance rights to the CEO is correct for 100% of the CEO Fixed Annual Remuneration of \$900,000, divided by the 5-day VWAP share price of \$1.9975, for 450,563 performance rights.

The thresholds for these rights, to be tested at 30 June 2024, are unchanged from the FY 22 thresholds: 50% for Relative Total Shareholder Returns, with half granted at the 50th percentile of the comparator group, and 100% granted at the 75th percentile. The 75th percentile is not reflective of a successful company (even with beating 9 of the 12 in the group), and the selected comparator group includes some African focussed companies which are hardly comparable peers. 25% for life of mine increase in Reserves, net of depletion from production, with grants from zero to 100% for an increase from zero to 120%. Any increase from acquisitions is also counted, as has already occurred with McPhillamy's, Ben Hur Gold and Tropicana.

25% for Production growth, with grants from zero to 100% for growth from zero to 20% above base case.

Item 5, Resolution 4	Approval of STI grant to CEO/Managing Director Jim Beyer
ASA Vote	For

Summary of ASA Position

The calculation is for the number of proposed performance rights to the CEO, for half of the 70% of the CEO Fixed Annual Remuneration, divided by the 5-day VWAP share price of \$1.9975, for 89,917 performance rights.

The thresholds for these Rights, to be tested at 30 June 2022: 20% for Safety items, 15% for AISC improvements, 15% for Production increases above Guidance mid-point, 20% for ESG issues, 20% for Reserve Growth, and the final 10% for un-published, individual KPIs.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FYXX	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	0.9	48%	0.9	37%
STI - Cash	0.176	9.5%	0.315	13%
STI - Equity	0.176	9.5%	0.315	13%
LTI	.608	33%	0.9	37%
Total	1.86	100.0%	2.43	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

*Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting.