

ASX Announcement

19 August 2024

SECTION 10 DECLARATION OVER MCPHILLAMYS

Regis Resources Ltd (**ASX:RRL, Regis**) advises that it has received notice that the Federal Minister for Environment and Water, the Hon. Tanya Plibersek MP, has made a declaration of protection over part of the approved McPhillamys Gold Project (**the Project**) site which applies primarily to freehold land ultimately owned by Regis. The decision was made by declaration under Section 10 of the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)* (**Section 10 declaration**).

Minister Plibersek has stated that this declaration “will not stop the mine”. To the contrary, this decision does impact a critical area of the Project development site and means the Project is not viable. Regis notes that during the Section 10 assessment process, it was made clear to the Minister that the Project would not be viable if the Section 10 declaration was made and that, while a number of alternatives were considered early in the design process, the Project does not have any currently viable alternative infrastructure locations.

Regis further notes that this Project has already been assessed and approved under both State and Commonwealth legislation.

Regis Resources CEO & Managing Director Jim Beyer said, “Regis is extremely surprised and disappointed that, after a nearly four-year, protracted Section 10 assessment process, Minister Plibersek has concluded there are grounds to block the development of the McPhillamys Gold Project. This has effectively overridden the conclusions on this question that were already determined by the NSW Independent Planning Commission (**IPC**) and Minister Plibersek on approving the Project under the *Environmental Protection and Biodiversity Conservation Act 1999 (Cth)* (**EPBC Act**). The referral made by Regis under the EPBC Act included an assessment of Aboriginal cultural heritage, which at that time, the Minister’s delegate did not note as a point of concern for the Project.

“The recently released Definitive Feasibility Study (**DFS**) demonstrates that the Project has significant value, both for Regis and as an economic contributor to the local community and to all levels of government in the form of jobs, infrastructure, skills and training, procurement, council rates, state and federal taxes and royalties. Given this value, Regis has persevered in the face of a lengthy approvals process and was reassured with the feedback received from the Orange Local Aboriginal Land Council (**OLALC**), the key local Aboriginal representative group, and their subsequent submission in relation to the Project to the IPC.”

As a consequence of this Section 10 declaration, Regis is forced to revisit the \$190 million carrying value of the Project and its ability to continue to report the Project’s Ore Reserves. Regis must now also consider any ongoing expenditure commitments for McPhillamys.

Regis is assessing the decision and is considering all legal options.

Section 10 Application Background

The Federal Department of Climate Change, Energy, the Environment and Water received the Section 10 application in October 2020. After considering the Department’s advice, Minister Plibersek determined to make a declaration over part of the Belubula River, its headwaters and its springs, which falls within the footprint of the proposed tailings storage facility (**TSF**) for the Project.

The Section 10 declaration prohibits any conduct that will, or is likely to, injure or desecrate the declared area. Regis is considering what activities fall within the prohibition created by the declaration; however,

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Regis is concerned that this represents a disturbing precedent that has wider implications for all freehold landholdings.

Since Minister Plibersek's Department was notified of the Section 10 application in October 2020, the Project has:

- achieved development consent from the IPC, in March 2023, following a multi-year process, with its finding being that any potential harm to Aboriginal heritage, including intangible Aboriginal cultural heritage, can be acceptably managed through conditions of consent; and
- been assessed and approved in May 2023 by Minister Plibersek's delegate under the EPBC Act.

The IPC process included significant engagement with local Registered Aboriginal Parties and local Blayney community surveys recorded 70% support for the Project.

During the extensive engagement and consultation period of the NSW IPC process, a number of submissions were made in relation to the Aboriginal cultural heritage of this area, including the Section 10 applicants and the OLALC. Regis notes that OLALC holds legal authority to speak about the Aboriginal cultural heritage of this land (McPhillamys) as defined under Section 52 (4) of the *Aboriginal Land Rights Act 1983* (NSW). Their submission stated that the proposed development (McPhillamys) would not impact any known sites or artefacts of high significance and that impacts on Aboriginal heritage could be appropriately managed and mitigated. Following due consideration of these submissions, the IPC was satisfied that any Aboriginal cultural heritage impacts would be appropriately managed.

Regis understands that the decision by Minister Plibersek is unprecedented and directly contradicts the EPBC Act approval provided from within the Minister's own department. It also overrides the development consent granted for the Project by the IPC and appears to be in direct contrast to the submission by the OLALC to the IPC.

During the Section 10 declaration process, Regis informed the Minister that a partial declaration similar in form to the one now determined would mean that McPhillamys in its current configuration would not be viable.

While Minister Plibersek commented that there were multiple locations and potential options for the TSF that were assessed, Regis notes that these were not currently viable options for the Project. To advance an alternative TSF solution will require further extensive investigations and studies along with the restart of the state and federal approvals process, which could take between five and ten years, ultimately with no certainty of a viable alternative being realised.

From an economic contribution perspective, McPhillamys is a multi-billion dollar project that was projected to deliver meaningful, positive socio-economic outcomes to the region, potentially contributing ~\$200 million in royalties to the state of NSW along with potentially hundreds of millions of dollars from rates and tax revenues contributed to the Australian economy over its life. Additionally, the currently approved Project could have supported around 580 full-time jobs in construction and around 290 full time jobs when in production. The Section 10 declaration will mean these very significant socio-economic benefits will be lost.

Conference Call Details

Regis Resources will hold an analyst and market briefing call to discuss the implications of the decision on Monday 19 August 2024 at 11:00am (AWST) / 1:00pm (AEST).

<https://s1.c-conf.com/diamondpass/10041497-hg78y6.html>

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For further information please contact:

Investor Relations Enquiries:

Jeff Sansom
Regis Resources Limited
T: +61 473 089 856
E: jsansom@regisresources.com

Media Enquiries:

Shane Murphy
FTI Consulting
T: +61 420 945 291
E: shane.murphy@fticonsulting.com

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