

## Regulatory Story

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<b>Released</b>	14:22 31-Jul-2009
<b>Number</b>	6823W14

RNS Number : 6823W

Regency Mines PLC

31 July 2009

### REGENCY MINES PLC

#### **Botue-Mambare Nickel Exploration Project: Update July 2009**

Dated: 31 July 2009

Regency Mines plc ("Regency or the "Company") the mining exploration and mineral investment company with interests in copper and nickel in Western Australia, Queensland and Papua New Guinea ("PNG"), reports progress at the Company's lateritic nickel cobalt project in Oro Province at Mambare Plateau, Papua New Guinea.

By the end of 2008, samples from 104 holes from the Company's drill programme in the south-eastern part of the license, along the slopes of the Aruma river, had been sent to the Intertek laboratory in Jakarta. At that point, operations were suspended for the Christmas and New Year period. Collapsing markets for nickel and for capital raising in the mineral exploration markets led to the Company conserving cash in early 2009 while it awaited the results of metallurgical testing.

During late Spring and early summer geologists and a surveyor returned to site, and logged and sampled the remaining 232 holes. At the same time, 331 holes (on the 12 cut lines and 3 infill lines) were resurveyed and the locations plotted, and a damage assessment was conducted on the most recently cut infill lines and the lines furthest north from the camp, in collaboration with the chiefs of the two local clans. A brief community survey was also carried out, and a new core shed constructed at the Aruma camp.

All drilled cores have now been logged and sampled. Results from the first 104 holes sampled at the end of 2008 have been returned by the laboratory, and are being analysed by the Company. The remaining holes were sampled in June 2009 and submitted to the laboratory; first results are expected by early August 2009 with the rest to follow shortly thereafter. Results from the first cores are generally from the lower slopes of the Aruma, and from limonite material. Later

drilling was able to take account of the significant depth of laterite found by the 2008 ground penetrating radar programme in areas off the main slopes and on the plateau.

A metallurgical report on the limonite ore at Mambare was received in June from the General Research Institute for Nonferrous Metals in Beijing ("GRINM"), after an extensive programme of tests. Mineralogical research was carried out, as well as a suite of tests for (a) atmospheric pressure acid leaching, (b) trench leaching, (c) direct column leaching and granulation column leaching, to test for heap leaching potential, (d) purification/deferrization tests of the leaching liquor, and (e) nickel-cobalt precipitation and enrichment tests. The best leaching results achieved were with chemical granulation in column leaching, where over a 110 day period a leaching rate of 78.1% nickel and 50.2% cobalt was achieved. GRINM concludes that the recommended hydrometallurgical route would be granulated heap leaching, leaching liquor purification and iron removal, and nickel-cobalt precipitation and enrichment. Further research on pre-treatment to improve leaching rate and reduce iron digestion, and on iron recovery, were suggested.

The Company expects to be in a position shortly to issue a preliminary drilling report covering the holes where results have already been received. It hopes to produce a full report in the next few weeks following receipt and analysis of all remaining drill results.

*The geological information in this announcement has been prepared by Kamini Manick, MEarthSci, and reviewed by Helen Salmon, BSc(Hons), both geologists working for the Company. Helen Salmon is a Fellow of the Geological Society and a Member of the Mineralogical Society.*

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Updates on the Company's activities are regularly posted on its website, [www.regency-mines.com](http://www.regency-mines.com).

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