

Regulatory Story

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Regency Mines plc

Half-yearly report - six months ended 31 December 2008

Dated: 31 March 2009

Regency Mines plc ("Regency" or the "Company") the mineral exploration and development company focused on exploring areas of copper and nickel potential in Western Australia, Queensland, and Papua New Guinea, announces its unaudited half-yearly report for the six months ended 31 December 2008.

Chairman's statement

Dear Shareholders

I am pleased to present to shareholders your Company's half yearly report for the period to 31 December 2008. The report will update Shareholders and significant developments will continue to be disclosed as they occur.

We have altered the format of our interim reporting this year, to reflect the fact that the Annual report in December was so recent, and contained a report of post balance sheet events up to that time.

No significant changes have occurred in the period when, in common with much of the industry, we took a cautious view of new commitments, while we worked towards a view of how markets and commodity demand were going to develop in a world that had temporarily lost its sense of balance.

The Company made a pre-tax loss of £1,408,136 for the period (2007 loss of £442,962). This loss included £628,825 of associate losses, reflecting our substantial shareholding in Red Rock Resources plc ("Red Rock") and no dividends have been paid or proposed. Red Rock's results were substantially affected by a decline in the trading value of its investment in Jupiter Mines Ltd ("Jupiter") in Australia. Since the half-year end, the value of this stake has recovered, and the shareholders of Jupiter voted in March to approve a takeover proposal by a joint venture consisting of Pallinghurst Resources and Red Rock, so that Red Rock has now been issued, under the first phase of the transaction, with further Jupiter shares. We have reason for hoping that by the end of our financial year these associate losses may have been reduced or eliminated.

Losses also included £510,232 of written off exploration expenditure, including £384,654 written off at our Mambare project in Papua New Guinea. We chose to take a conservative view at the interim stage, based on the state of the nickel market, and the fact that we still await metallurgical testwork and some sampling results from our 2008 drill programme. Indications are encouraging, and we believe that the work being done will significantly enhance the long and short term value of Mambare; if when we come to look at the full year figures our assessment is that this belief has been validated by results, we may choose to capitalise this expenditure in the audited results rather than write it off to exploration.

Since the end of the period, we have strengthened the balance sheet of the company by raising £367,000 before expenses by the issue of 73,400,000 shares at 0.5p. The issue price was unfortunately low, as the market was coming out of a state of panic at the time we fixed the price, and we conceived our first duty as being to demonstrate that we had the short term funding and the support to survive. We also knew that the completion of the testwork in Papua New Guinea, although it entailed some continuing expense, was essential if we were to get the benefits of the extensive exploration carried out last year.

We expect the coming period to be one of opportunity, in which we shall seek to advance rather than taking a defensive posture.

Andrew Bell
Chairman
31 March 2009

Income statement

	Group 6 months to 31 December 2008 Unaudited £	Group 6 months to 31 December 2007 Unaudited £	Group Year to 30 June 2008 Audited £
Income			
Sales of investments	131,256	-	-
Cost of sales	(146,799)	-	-
Management services	30,733	19,323	34,971
Gross profit	15,190	19,323	34,971
Exploration expenses	(510,232)	(162,311)	(117,661)
Administrative expenses	(150,738)	(177,709)	(366,668)
Currency (loss)/gain	(31,227)	4,573	25,271
Operating (loss)	(677,007)	(316,124)	(424,087)
Share of operating (losses)/profits in associates	(628,825) (107,514)	(111,855) (24,157)	32,840 (134,108)
(Loss) on revaluation of financial assets	5,261	9,322	16,819
Interest receivable	(51)	(148)	(369)
Interest payable			
(Loss) on ordinary activities before taxation	(1,408,136)	(442,962)	(508,655)
Deferred taxation provision	-	481	-
(Loss) on ordinary activities after taxation	(1,408,136)	(442,481)	(508,905)
Minority interests	-	27,761	7,278
Retained loss attributable to Shareholders	(1,408,136)	(414,720)	(495,377)

Loss per share - see note 3

Basic	(0.60) pence	(0.23) pence	(0.26) pence
Share options were not dilutive during the period			

There are no recognised gains or losses in either period other than the loss for the period.

Balance sheet

	Group 31 December 2008 Unaudited £	Group 31 December 2007 Unaudited £	Group 30 June 2008 Audited £
Assets			
Non-current assets			
Tangible assets	15,932	15,487	12,708
Investments in associates	466	138,145	479,290
Goodwill	77,715	45,000	45,000
Total non-current assets	94,113	198,632	536,998
Current assets			
Cash and cash equivalents	47,488	160,521	180,161
Trade and other receivables	211,459	387,577	295,339
Available for sale financial assets	143,531	338,857	372,836
Exploration properties	860,514	543,412	945,512
Total current assets	1,262,992	1,430,367	1,793,848
Total assets	1,357,105	1,628,999	2,330,846
Current liabilities			
Trade and other payables	(205,243)	(84,262)	(77,222)
Total liabilities	(205,243)	(84,262)	(77,222)
Net assets	1,151,862	1,544,737	2,253,624
Equity			
Called up share capital	245,741	186,941	219,941
Share premium account	3,283,270	2,266,351	3,002,695
Share based payment reserve	112,992	112,992	112,992
Other reserves	234,207	255,955	251,830
Retained earnings	(2,724,348)	(1,242,111)	(1,316,212)
Equity shareholders' interests	1,151,862	1,580,128	2,271,246
Minority interests	-	(35,391)	(17,622)
Total equity	1,151,862	1,544,737	2,253,624

Cash flow statement

	Group 6 months to 31 December 2008 Unaudited £	Group 6 months to 31 December 2007 Unaudited £	Group Year to 30 June 2008 Audited £
Cash flows from operating activities			

Operating loss	(677,007)	(316,124)	(424,087)
Decrease/(increase) in receivables	83,880	(186,097)	(93,859)
Increase in payables	128,021	47,375	40,334
Impairment of exploration properties	93,067	20,752	-
Depreciation of fixed assets	4,489	4,008	7,983
Purchase of available for sale investments	-	(150,000)	(293,931)
Cost of available for sale financial assets sold	146,800	-	-
Exploration property costs	(8,069)	(19,331)	(387,111)
Currency adjustments	(28,509)	11,280	-
Taxation refund	-	-	6,250
Cash (outflow) generated from operations	(257,328)	(588,137)	(1,144,421)
Cash outflows from investing activities			
Interest received	5,261	9,322	16,819
Interest paid	(51)	(148)	(369)
Purchase of associate company investments	(150,000)	-	(201,500)
Purchase of fixed assets	(4,215)	(3,537)	(4,733)
Net cash flows used in investing activities	(149,005)	5,637	(189,783)
Acquisitions and disposals			
Purchase of interest in subsidiary	(32,715)	(2,000)	-
Net cash (outflow)/inflow from acquisitions and disposals	(32,715)	(2,000)	-
Cash inflows from financing activities			
Proceeds from issue of shares	322,500	585,000	1,388,750
Transaction costs of issue of shares	(16,125)	(28,750)	(63,156)
Net cash flows from financing activities	306,375	556,250	1,325,594
Net increase/(decrease) in cash and cash equivalents	(132,673)	(28,250)	(8,610)
Cash and cash equivalents at the beginning of period	180,161	188,771	188,771
Cash and cash equivalents at end of period	47,488	160,521	180,161

Group statement of changes in equity

For the 6 months ended
31 December
2008

	Share capital	Share premium	Share option reserve	Consolidation reserve	Retained earnings	Minority interests	Total equity
	£	£	£	£	£	£	£
At 30 June 2006	129,897	1,079,947	-	550,156	(203,711)	448,950	1,556,289
Issue of shares	40,329	674,369	-	-	-	-	714,698

Share issue expenses	-	(27,500)	-	-	-	-	(27,500)
Loss for the year	-	-	-	-	(625,480)	(92,502)	(711,426)
Share based payments	-	-	112,992	-	-	-	112,992
Deconsolidation	-	-	-	(302,971)	1,800	-	(301,171)
Minority interests	-	-	-	-	-	(362,147)	(362,147)
At 30 June 2007	170,226	1,726,816	112,992	247,185	(827,391)	(5,699)	1,430,685
Issue of shares	49,715	1,339,036	-	-	-	-	1,388,751
Share issue expenses	-	(63,157)	-	-	-	-	(63,157)
Loss for the year	-	-	-	-	(495,377)	(7,278)	(502,655)
Minority interests	-	-	-	4,645	-	(4,645)	-
At 30 June 2008	219,941	3,002,695	112,992	251,830	(1,316,212)	(17,622)	2,253,624
Issue of shares	25,800	296,700	-	-	-	-	322,500
Share issue expenses	-	(16,125)	-	-	-	-	(16,125)
Loss for the period	-	-	-	-	(1,408,136)	-	(1,408,136)
Consolidation	-	-	-	(17,622)	-	17,622	-
At 31 December 2008	245,741	3,283,270	112,992	234,207	(2,724,348)	-	1,151,862

Half-yearly report notes

1. Company and Group

As at 31 December 2007, 30 June 2008 and 31 December 2008 the Company had one or more operating subsidiaries.

The Company will report again for the year ending 30 June 2009.

2. Accounting policies

Accounting policies adopted under IFRS

These interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The Company's transition date to IFRS was 1 July 2006. Accordingly, IFRS was first implemented for the six month period ended 31 December 2007 and for the year ended 30 June 2008.

Statement of compliance

This consolidated financial information of Regency Mines plc is prepared in accordance with IFRS as adopted by the European Union with the exception of IAS 34 "Interim Financial Reporting".

Basis of preparation

The consolidated financial information has been prepared in accordance with accounting policies adopted in presenting the annual report and financial statements for the full year ended 30 June 2008 and subsequent years ie in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

3. Loss per share

	6 months to 31 December 2008 Unaudited £	6 months to 31 December 2006 Unaudited £	Year to 30 June 2007 Audited £
These have been calculated on a loss of:	(1,408,136)	(414,720)	(495,377)
The weighted average number of shares used was: Share options were not dilutive during the period.	234,383,053	180,309,451	192,132,895
Basic loss per share:	(0.60) pence	(0.23) pence	(0.26) pence

4. Market value of investments

As at 31 December 2008, the market values of publicly quoted investments were as follows:

- Associate company investments: £566,737 (book value £NIL)
- Trade investments: £143,531 (book value £143,531).

Copies of this half-yearly report are available free of charge by application in writing to the Company Secretary at the Company's business office, 115 Eastbourne Mews, Paddington, London W2 6LQ, or by email to admin[at]regency-mines.com.

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Updates on the Company's activities are regularly posted on its website, www.regency-mines.com.

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