

Regulatory Story

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Headline	Memorandum of Understanding
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REGENCY MINES PLC

Memorandum Of Understanding

Dated: 19 August 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, announces the signing of a Memorandum of Understanding on 19 August 2009 (the "MOU") in relation to the Company's interest in the Mambare nickel-cobalt project in Papua New Guinea ("Mambare").

Under the terms of the MOU, the Company and Direct Nickel Pty Ltd ("DNi") have agreed to work together towards a proposed transaction which will pool Regency's interest in Mambare with DNi's lateritic nickel/cobalt treatment technology (the "DNi Process") in a new company in which both parties will have shares, which will have non-exclusive licensing arrangements for the DNi Process, and which will raise funding for the further development of Mambare, including a pilot plant. DNi would assume the role as project operator in the new company, and both parties would be represented on the board and in the management of the new company.

In consideration of the time and resources both the Company and DNi will be required to devote to the planning and implementation of the proposed transaction, they have mutually agreed to grant each other a period of exclusivity up to October 1, 2009, in which they will not negotiate with or furnish information to any third parties on Mambare or the MOU, and in which Regency will not vary or enter into any material contracts in relation to its operations at Mambare.

It is emphasized that with the exception of the exclusivity agreement, and certain procedural matters, the MOU is non-binding and only expresses the intention of the parties.

The parties have entered into the MOU because they recognize the significant potential of both the Mambare project and of the DNi Process, and that putting the two together can maximize the value of each.

Regency has over the past year reviewed the various technology solutions under development that might or might not be applicable to tropical laterites, and that would reduce capital and operating costs of production. It has held discussions or had other dealings with various parties. It has concluded that the technologically advanced DNi tank leaching process appears likely to be applicable to the Mambare deposit, that it wishes to assist DNi in advancing this technology, and that if it were to do so successfully, this

would be the outcome most likely to maximize Regency shareholder value.

Enquiries:

Andrew Bell	0207 402 4580 or 07766 474849	Regency Mines plc	Chairman
Russell Debney	+612 8014 7781 or +614 1233 4459	Direct Nickel Pty Ltd	Chief Executive Officer
Peter Trevelyan-Clark / Ben Jeynes	020 7489 4500	Blomfield Corporate Finance Ltd	Nominated Adviser
Nick Emerson	01483 413500	Simple Investments Ltd	Broker
Ron Marshman / John Greenhalgh	020 7011 9411	Lothbury Financial Limited	Public Relations

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

Further details on Direct Nickel Pty Ltd can be found on its website: www.directnickel.com

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