

Regulatory Story

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Company	Regency Mines PLC
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Headline	Option to Acquire/Exploration update
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REGENCY MINES PLC
15 May 2009
Option to acquire Nickel Sulphide Tenements in
Western Australia
Exploration update

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, is pleased to announce that its subsidiary Regency Mines Australasia Pty Ltd has entered into an agreement giving it the right to acquire four tenements prospective for nickel sulphide in the Archaean Lake Johnston greenstone belt in Western Australia (the "Tenements").

Under the agreement, Regency has been granted for nominal consideration the right until 6th July 2009 to enter into a one year option (the "Option") over the Tenements, renewable on each of the first and second anniversaries of grant on payment of AUD 80,000 for a further year. The consideration for the grant of the Option will be the issue of 4 million new Regency shares (approximately £36,000 at yesterday's closing price of 0.9p per share). The Option may be exercised at any time within the option period at a cost of AUD 320,000. The Tenements consist of 193 blocks and cover 160 km along the length of the greenstone belt with a further 20km in a possible extension of the belt. Regency will become responsible for exploration of the Tenements upon entering into the Option.

The Tenements are situated in the central-southern Yilgarn block of southern Western Australia,

directly to the south of and adjoining other tenements of the Company. The major greenstone belts, from west to east across the southern Yilgarn, are the Southern Cross-Forrestania belt, the Lake Johnston belt, and the Norseman-Wiluna belt. The first and last contain significant gold and nickel sulphide deposits. The Lake Johnston belt is the least well-explored of the three and in its north-western section hosts the Emily Ann and Maggie Hays nickel sulphide mines of MMC Norilsk Nickel.

Regency has been applying for ground along the trend to add to its interests around Mt Gordon and Lake Tay, and if it enters into and exercises the Option, it will control 160 km of the 240 km trend, including 60 km of untested greenstone belt in the newly recognised southern extension of the Lake Johnston belt which was identified by an airborne magnetic survey carried out in 2005 by the Geological Survey of Western Australia. Regency would also acquire a further 20 km of possible lateral extension of the belt.

A 2,050 kilometre SkyTEM electromagnetic (EM) survey flown in 2007 on 200m spacings over part of the Tenements enabled 30 bedrock conductors to be identified, and interpretation work on the EM and aeromagnetic results generated ten high priority drill targets and 28 lower priority drill targets on the Tenements.

A number of possibly uraniferous palaeochannels have also been identified, as well as gold potential where the Tenements are crossed by the Jerdacuttup fault.

<http://www.rns-pdf.londonstockexchange.com/rns/3407S-2009-5-15.pdf>

Note: the Tenements are marked in red, and existing licenses held by the Company are marked in blue]

On Regency's Tay tenements directly to the north of the Tenements, Southern Geoscience Consultants have reviewed their interpretation in 2000 of the 128.4 km ground EM programme carried out that year, and the subsequent 7,116 m drill programme, carrying out some additional processing and 3D modelling. They have concluded that only 3 of the targeted conductors were intersected by drilling, and 6 of the targeted conductors appear from the EM models and drill logs not to have been intersected. They have identified four conductors as drill targets, and recommend additional EM work to refine a further five or more targets.

The agreement just reached in relation to the Tenements gives the company the ability to control a major part of the Lake Johnston trend, an area with significant exploration prospects for sulphide nickel.

The Company has also applied for grant of a tenement at Junction South, 45 km SE of the major nickel and gold mining camp of Kambalda, Western Australia. The tenement comprises 7 blocks to the south of the

Lanfranchi mine and has recent EM data indicating promising targets. The tenement is prospective for bedrock-hosted gold and nickel deposits.

Progress at Regency's lateritic nickel project at Mambare, Papua New Guinea, continues. Some core sampling results from the 2008 drill programme have been received back from the laboratory, and are in line with expectations, but the Company does not expect to make any report until all results are returned and analysis and interpretation has been completed. The Company expects to receive shortly the final report on phase 1 of its programme of metallurgical testwork, which has lasted a year, and expects to be able to announce these results within a month.

The geological information in this announcement has been reviewed by Helen Salmon, BSc(Hons), a geologist 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.

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