

## Regulatory Story

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|-----------------|--------------------|
| <b>Company</b>  | Regency Mines PLC  |
| <b>TIDM</b>     | RGM                |
| <b>Headline</b> | Half Yearly Report |
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31 March 2009

### 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 has 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<br>6 months to<br>31 December<br>2008<br>Unaudited<br>£ | Group<br>6 months to<br>31 December<br>2007<br>Unaudited<br>£ | Group<br>Year to<br>30 June<br>2008<br>Audited<br>£ |
|--|---|---|---|
| <b>Income</b>  |   |   |   |
| Sales of investments                                 | 131,256   | -   | -   |
| Cost of sales  | (146,799)   | -   | -   |
| Management services                                  | 30,733  | 19,323  | 34,971  |
| <b>Gross profit</b>                                  | <b>15,190</b>   | <b>19,323</b>   | <b>34,971</b>                                       |
| 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  |
| <b>Operating (loss)</b>                              | <b>(677,007)</b>  | <b>(316,124)</b>  | <b>(424,087)</b>                                    |
| Share of operating (losses)/profits in associates    | (628,825)<br>(107,514)  | (111,855)<br>(24,157)   | 32,840<br>(134,108)                                 |
| (Loss) on revaluation of financial assets            | 5,261   | 9,322   | 16,819  |
| Interest receivable                                  | (51)  | (148)   | (369)   |
| Interest payable                                     |   |   |   |
| <b>(Loss) on ordinary activities before taxation</b> | <b>(1,408,136)</b>  | <b>(442,962)</b>  | <b>(508,655)</b>                                    |
| Deferred taxation provision                          | -   | 481   | -   |
| <b>(Loss) on ordinary activities after taxation</b>  | <b>(1,408,136)</b>  | <b>(442,481)</b>  | <b>(508,905)</b>                                    |
| <b>Minority interests</b>                            | <b>-</b>  | <b>27,761</b>   | <b>7,278</b>  |
| <b>Retained loss attributable to Shareholders</b>    | <b>(1,408,136)</b>  | <b>(414,720)</b>  | <b>(495,377)</b>                                    |

**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<br>31 December<br>2008<br>Unaudited<br>£ | Group<br>31 December<br>2007<br>Unaudited<br>£ | Group<br>30 June<br>2008<br>Audited<br>£ |
|---------------------------------------|--|--|--|
| <b>Assets</b>                         |  |  |  |
| <b>Non-current assets</b>             |  |  |  |
| Tangible assets                       | 15,932   | 15,487   | 12,708                                   |
| Investments in associates             | 466  | 138,145  | 479,290                                  |
| Goodwill                              | 77,715   | 45,000   | 45,000                                   |
| <b>Total non-current assets</b>       | <b>94,113</b>                                  | <b>198,632</b>                                 | <b>536,998</b>                           |
| <b>Current assets</b>                 |  |  |  |
| 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                                  |
| <b>Total current assets</b>           | <b>1,262,992</b>                               | <b>1,430,367</b>                               | <b>1,793,848</b>                         |
| <b>Total assets</b>                   | <b>1,357,105</b>                               | <b>1,628,999</b>                               | <b>2,330,846</b>                         |
| <b>Current liabilities</b>            |  |  |  |
| Trade and other payables              | (205,243)                                      | (84,262)                                       | (77,222)                                 |
| <b>Total liabilities</b>              | <b>(205,243)</b>                               | <b>(84,262)</b>                                | <b>(77,222)</b>                          |
| <b>Net assets</b>                     | <b>1,151,862</b>                               | <b>1,544,737</b>                               | <b>2,253,624</b>                         |
| <b>Equity</b>                         |  |  |  |
| 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)                              |
| <b>Equity shareholders' interests</b> | <b>1,151,862</b>                               | <b>1,580,128</b>                               | <b>2,271,246</b>                         |
| <b>Minority interests</b>             | <b>-</b>                                       | <b>(35,391)</b>                                | <b>(17,622)</b>                          |
| <b>Total equity</b>                   | <b>1,151,862</b>                               | <b>1,544,737</b>                               | <b>2,253,624</b>                         |

**Cash flow statement**

|   | Group<br>6 months to<br>31 December<br>2008<br>Unaudited<br>£ | Group<br>6 months to<br>31 December<br>2007<br>Unaudited<br>£ | Group<br>Year to<br>30 June<br>2008<br>Audited<br>£ |
|---|---|---|---|
| <b>Cash flows from operating activities</b> |   |   |   |

|  |                  |                  |                    |
|--|------------------|------------------|--------------------|
| 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              |
| <b>Cash (outflow) generated from operations</b>                  | <b>(257,328)</b> | <b>(588,137)</b> | <b>(1,144,421)</b> |
| <b>Cash outflows from investing activities</b>                   |                  |                  |                    |
| 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)            |
| <b>Net cash flows used in investing activities</b>               | <b>(149,005)</b> | <b>5,637</b>     | <b>(189,783)</b>   |
| <b>Acquisitions and disposals</b>                                |                  |                  |                    |
| Purchase of interest in subsidiary                               | (32,715)         | (2,000)          | -                  |
| <b>Net cash (outflow)/inflow from acquisitions and disposals</b> | <b>(32,715)</b>  | <b>(2,000)</b>   | <b>-</b>           |
| <b>Cash inflows from financing activities</b>                    |                  |                  |                    |
| Proceeds from issue of shares                                    | 322,500          | 585,000          | 1,388,750          |
| Transaction costs of issue of shares                             | (16,125)         | (28,750)         | (63,156)           |
| <b>Net cash flows from financing activities</b>                  | <b>306,375</b>   | <b>556,250</b>   | <b>1,325,594</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>      | <b>(132,673)</b> | <b>(28,250)</b>  | <b>(8,610)</b>     |
| Cash and cash equivalents at the beginning of period             | 180,161          | 188,771          | 188,771            |
| <b>Cash and cash equivalents at end of period</b>                | <b>47,488</b>    | <b>160,521</b>   | <b>180,161</b>     |

### 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)        |
| <b>At 30 June 2007</b>     | <b>170,226</b> | <b>1,726,816</b> | <b>112,992</b> | <b>247,185</b> | <b>(827,391)</b>   | <b>(5,699)</b>  | <b>1,430,685</b> |
| 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)         | -                |
| <b>At 30 June 2008</b>     | <b>219,941</b> | <b>3,002,695</b> | <b>112,992</b> | <b>251,830</b> | <b>(1,316,212)</b> | <b>(17,622)</b> | <b>2,253,624</b> |
| 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          | -                |
| <b>At 31 December 2008</b> | <b>245,741</b> | <b>3,283,270</b> | <b>112,992</b> | <b>234,207</b> | <b>(2,724,348)</b> | <b>-</b>        | <b>1,151,862</b> |

## 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<br>31 December<br>2008<br>Unaudited<br>£ | 6 months to<br>31 December<br>2006<br>Unaudited<br>£ | Year to<br>30 June<br>2007<br>Audited<br>£ |
|---|--|--|--|
| These have been calculated on a loss of:  | (1,408,136)  | (414,720)  | (495,377)                                  |
| The weighted average number of shares used was:<br>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.

#### Enquiries:

|                                   |                                     |                                    |                   |
|-----------------------------------|-------------------------------------|------------------------------------|-------------------|
| Andrew Bell                       | 0207 402 4580<br>or<br>07766 474849 | Regency Mines plc                  | Chairman          |
| John Simpson /<br>Ben Jeynes      | 020 7489 4500                       | Blomfield Corporate Finance<br>Ltd | Nominated Adviser |
| Nick Emerson                      | 01483 413500                        | Simple Investments Ltd             | Broker            |
| Ron Marshman /<br>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](http://www.regency-mines.com).

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