



28 March 2013

Regency Mines plc (“Regency” or the “Company”) is a mineral exploration and development company and mining financier focused on exploring areas of copper and nickel potential in Western Australia, Queensland, and Papua New Guinea, announces its unaudited half-yearly results for the six months ended 31 December 2012.

Chairman’s statement

Dear Shareholders,

In the six months to 31 December 2012 the Company, which earlier in the year had achieved a milestone when it declared a 162.5 million ton mineral resource at 0.94 per cent nickel and 0.09 per cent cobalt at its joint venture Mambare project in Papua New Guinea, switched focus to its other assets.

In Western Australia our subsidiary Regency Mines Australasia Pty Ltd was active, carrying out initial analysis of earlier MMI (mobile metal ion) geochemical work at Pyramid Lake, and metallurgical testwork was carried out on titanium-rich clays from a small area of the project where we had previously carried out drilling. Initial exploration was carried out at the Munglinup graphite project, which is adjacent to the old Halberts mine, and talks began with the neighbouring owner on co-operation. We now plan to combine with their drill programme some exploration of our own. Initial research began on licenses we had applied for at Fraser West, and we looked again at the Bundarra copper-gold project in Queensland.

After our neighbours Sirius made the Nova nickel discovery, our Fraser West tenements found themselves in the heart of what now seemed the most exciting exploration area in Australia. We wanted to put Fraser West into an Australian-listed vehicle that could act as a vehicle for raising exploration funding, as interest in the area around Nova was strongest among Australian investors, and therefore entered into a transaction with RAM Resources Ltd (ASX:RMR) whereby RAM would acquire in stages up to 100 per cent of the Fraser West tenements, initially acquiring 80 per cent for 1,205,000,000 RAM shares. Under the first stages of this agreement we were issued with 155,000,000 RAM shares (11.4 per cent of outstanding RAM shares), and after a hiatus due to illnesses and absences at RAM we have just appointed Bill Guy as a director to the board of RAM to carry through and market the next stages. Bill Guy is an experienced and energetic Australian geologist who was formerly the Chief Geologist at Jupiter Mines Ltd, and is a director of Regency Mines Australasia Pty Ltd. We are pleased to have his involvement.

Elsewhere, we entered into an option agreement, later exercised, to enable us to farm in to Sudanese agromineral licenses. We have conducted several low intensity visits to the various projects, written the annual report for the new joint venture, and engaged with an expert consultant who worked for five years at the Saudi Al Jalamid phosphate deposit. We expect a revised concession agreement, covering all areas (including new and surrendered areas) and the different stages of exploration and development, to be executed at a signing ceremony in Khartoum, and until this occurs we are restricted in what we can discuss. Considerable potential exists for economic phosphate, potash, and gypsum mineralisation, and as an early investor in this vast and orderly country we have developed a strong working relationship with the authorities.

It is pleasing to report that our joint venture partner in Papua New Guinea, Direct Nickel Ltd, in which we are an investor, was finally able to procure funding and start 24/7 operation of the pilot plant for its nickel treatment technology in January 2013. The testwork will last until the Autumn but periodic updates have indicated a good start. Our Mambare project has a license for this technology, that has the potential to change the nickel industry.

In the period under review, a post-tax loss of £3,184,917 was incurred, compared with a loss of £1,484,313 in the comparable period of the previous year. The principal reason for this was the share of losses of associates of £2,071,632, which was due to the impairment charge taken on a major investment, Jupiter Mines Limited, at our associate company Red Rock Resources plc.

Chairman's statement, continued

In the coming period, we expect continued news flow from operations at Direct Nickel and from our Australian activities, while corporate activity will continue to be a focus. Preliminary discussions have taken place with a potential investor in our Sudan joint venture, and a potential industrial partner from Asia has signed a non-disclosure agreement and plans to visit Mambare with us this Spring 2013. We have also had discussions with a possible partner for our Queensland Bundarra project. While there can be no assurance that all or any of these discussions will bear fruit, they, and the RAM transaction, reflect our emphasis this year on seeking financially strong partners for our projects, so that we may leverage our exposure either by restriction of our own financial commitment or by partial realisation of profits and value.

Andrew Bell
Chairman

28 March 2013

Consolidated statement of financial position
as at 31 December 2012

	Notes	31 December 2012 Unaudited £	31 December 2011 Unaudited £	30 June 2012 Audited £
ASSETS				
Non current assets				
Property plant and equipment		44,833	150,527	54,204
Investments in associates and joint ventures		3,504,274	3,517,654	4,544,108
Goodwill		—	56,460	—
Available for sale financial assets		4,868,060	5,387,568	4,770,250
Exploration assets		1,787,950	4,143,683	1,572,086
Deferred tax assets		—	—	138,162
Total non current assets		<u>10,205,117</u>	<u>13,255,892</u>	<u>11,078,810</u>
Current assets				
Cash and cash equivalents		15,428	150,769	17,849
Trade and other receivables		1,366,048	876,847	1,548,277
Total current assets		<u>1,381,476</u>	<u>1,027,616</u>	<u>1,566,126</u>
TOTAL ASSETS		<u>11,586,593</u>	<u>14,283,508</u>	<u>12,644,936</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Called up share capital	5	850,713	639,849	663,084
Share premium account		13,830,349	11,671,181	12,164,009
Share based payment reserve		56,607	172,744	56,607
Other reserves		(280,056)	(235,841)	(1,394,750)
Retained earnings		(4,427,969)	(807,288)	(1,243,052)
Total Equity		<u>10,029,644</u>	<u>11,440,645</u>	<u>10,245,898</u>
LIABILITIES				
Current liabilities				
Trade and other payables		415,514	1,002,062	807,289
Short term borrowings		1,141,435	1,125,619	1,591,749
Total current liabilities		<u>1,556,949</u>	<u>2,127,681</u>	<u>2,399,038</u>
Non current liabilities				
Long term borrowings		—	707,532	—
Deferred tax liabilities		—	7,650	—
Total non current liabilities		<u>—</u>	<u>715,182</u>	<u>—</u>
TOTAL EQUITY AND LIABILITIES		<u>11,586,593</u>	<u>14,283,508</u>	<u>12,644,936</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of income
for the period ended 31 December 2012

	Notes	6 months to 31 December 2012 Unaudited £	6 months to 31 December 2011* Unaudited £
Revenue			
Management services		38,650	94,687
Gain on sale of exploration assets		148,616	—
(Loss)/gain on dilution of interest in associate		(166,698)	9,988
Impairment of available for sale investment		(279,961)	(104,753)
Exploration expenses		(81,117)	(172,746)
Administrative expenses		(484,245)	(393,823)
Share of losses of associates		(2,071,632)	(625,878)
Finance costs, net		(102,235)	(53,109)
Loss for the period before taxation from continuing operations		(2,998,622)	(1,245,634)
Tax expense		(186,295)	(238,679)
Loss for the period after taxation from continuing operations		(3,184,917)	(1,484,313)
Discontinued operations			
Profit after tax for the period from discontinued operations		—	9,665
Loss for the period attributable to owners of parent		(3,184,917)	(1,474,648)
Earnings per share			
Loss per share – basic	3	(0.41) pence	(0.24) pence
Loss per share – diluted	3	(0.41) pence	(0.24) pence

*Certain amounts shown here do not correspond to the 2011 interim financial statements to re-present results of discontinued operations as explained in Note 1.

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of comprehensive income
for the period ended 31 December 2012**

	6 months to 31 December 2012 Unaudited £	6 months to 31 December 2011 Unaudited £
Loss for the period	(3,184,917)	(1,474,648)
Revaluation of available for sale investments	(135,345)	(682,038)
Deferred taxation on revaluation of available for sale investments	48,133	93,598
Group's share of associates' other comprehensive income/(loss)	1,198,496	(1,361,752)
Deferred tax on associates	—	145,381
Unrealised foreign currency gain arising upon retranslation of foreign operations	3,410	131,406
Total comprehensive (loss) for the period	(2,070,223)	(3,148,053)

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity
for the period ended 31 December 2012**

The movements in equity during the period were as follows:

	Share capital	Share premium account	Retained earnings	Share based payment reserve	Other reserves	Total equity
	£	£	£	£	£	£
As at 30 June 2011	611,952	11,248,428	667,360	172,744	1,437,564	14,138,048
Changes in equity for 2011						
Total comprehensive loss for the period	—	—	(1,474,648)	—	(1,673,405)	(3,148,053)
Transactions with owners						
Issue of shares	27,897	472,753	—	—	—	500,650
Share issue and fundraising costs	—	(50,000)	—	—	—	(50,000)
Total Transactions with owners	27,897	422,753	—	—	—	450,650
As at 31 December 2011	639,849	11,671,181	(807,288)	172,744	(235,841)	11,440,645
As at 30 June 2012	663,084	12,164,009	(1,243,052)	56,607	(1,394,750)	10,245,898
Changes in equity for 2012						
Total comprehensive (loss)/income for the period	—	—	(3,184,917)	—	1,114,694	(2,070,223)
Transactions with owners						
Issue of shares	187,629	1,705,803	—	—	—	1,893,432
Share issue and fundraising costs	—	(39,463)	—	—	—	(39,463)
Total Transactions with owners	187,629	1,666,340	—	—	—	1,853,969
As at 31 December 2012	850,713	13,830,349	(4,427,969)	56,607	(280,056)	10,029,644
		Available for sale trade investments reserve	Associate investments reserve	Foreign currency translation reserve	Consolidation reserve	Total other reserves
		£	£	£	£	£
As at 30 June 2011		360,740	416,355	507,548	152,921	1,437,564
Changes in equity for 2011						
Total comprehensive (loss)/income for the period		(588,440)	(1,216,371)	131,406	—	(1,673,405)
As at 31 December 2011		(227,700)	(800,016)	638,954	152,921	(235,841)
As at 30 June 2012		(20,216)	(1,575,958)	201,424	—	(1,394,750)
Changes in equity for 2012						
Total comprehensive (loss)/income for the period		(87,212)	1,198,496	3,410	—	1,114,694
As at 31 December 2012		(107,428)	(377,462)	204,834	—	(280,056)

**Consolidated statement of cash flows
for the period ended 31 December 2012**

	6 months to 31 December 2012 Unaudited £	6 months to 31 December 2011 Unaudited £
Cash flows from operating activities		
Loss before taxation from continuing operations	(2,998,622)	(1,245,634)
Profit before taxation from discontinued operations	—	9,665
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Loss before taxation	(2,998,622)	(1,235,969)
Decrease in receivables	182,229	159,038
(Decrease)/increase in payables	(391,775)	175,793
Share of losses in associates	2,071,632	625,878
Interest receivable	(3,548)	(12,962)
Interest payable	105,783	30,351
Impairment of exploration properties	42,900	164,116
Share-based payments	72,000	—
Currency adjustments	(24,297)	35,167
Impairment of available for sale investment	279,961	104,753
Loss/(gain) on dilution of interest in associates	166,698	(9,988)
Loss on disposal of fixed assets	—	717
Depreciation	10,890	16,223
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Net cash flows from operations	(486,149)	53,117
Cash flows from investing activities		
Interest received	3,548	12,962
Payments to acquire available for sale investments	(513,116)	(60,919)
Exploration payments	(268,533)	(1,022,776)
Payments to acquire property plant and equipment	(1,522)	(11,395)
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Net cash flows from investing activities	(779,623)	(1,082,128)
Cash flows from financing activities		
Proceeds from issue of shares	1,821,432	500,650
Transaction costs of issue of shares	(39,463)	(50,000)
Interest paid	(105,783)	(30,351)
Proceeds of new borrowings	446,848	—
Repayment of borrowings	(859,683)	(406,431)
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Net cash flows from financing activities	1,263,351	13,868
Net decrease in cash and cash equivalents	(2,421)	(1,015,143)
Cash and cash equivalents at the beginning of period	17,849	1,165,912
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Cash and cash equivalents at end of period	15,428	150,769
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Half-yearly report notes
for the period ended 31 December 2012

1 Company and Group

As at 30 June 2012 and 31 December 2012 the Company had one or more operating subsidiaries and has therefore prepared full and interim consolidated financial statements respectively.

As at 30 June 2012, the Company no longer has direct ownership and control over Oro Nickel Ltd (“ONL”) (formerly Canopus No 83 Limited) and has therefore ceased consolidating it as a subsidiary. The Consolidated Income Statement for the period 31 December 2011 has been re-presented to show ONL as a discontinued operation.

The Company will report again for the year ending 30 June 2013.

The financial information contained in this half yearly report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the year ended 30 June 2012 has been extracted from the statutory accounts for the Group for that year. Statutory accounts for the year ended 30 June 2012, upon which the auditors gave an unqualified audit report which did not contain a statement under Section 498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies.

2 Accounting Policies

Basis of preparation

The consolidated interim financial information has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2012, which have been prepared in accordance with IFRS.

3 Loss per share

	6 months to 31 December 2012	6 months to 31 December 2011
	£	£
These have been calculated on loss for the period after taxation of:	(3,184,917)	(1,474,648)
Weighted average number of Ordinary shares of £0.001 in issue	774,173,582	616,769,746
Loss per share – basic	(0.41) pence	(0.24) pence
Weighted average number of Ordinary shares of £0.001 in issue inclusive of outstanding options	774,173,582	616,769,746
Loss per share fully diluted	(0.41) pence	(0.24) pence

The weighted average number of shares issued for the purposes of calculating diluted earnings per share reconciles to the number used to calculate basic earnings per share as follows:

	2012 Number	2011 Number
Earnings per share denominator	774,173,582	616,769,746
Weighted average number of exercisable share options	—	—
Diluted earnings per share denominator	774,173,582	616,769,746

In accordance with IAS 33, the diluted earnings per share denominator takes into account the difference between the average market price of ordinary shares in the year and the weighted average exercise price of the outstanding options. The Group has weighted average share options of 18,000,000 for the current period which were not included in the calculation of diluted earnings per share because they are non-dilutive for the period presented.

Half-yearly report notes
for the period ended 31 December 2012, continued

4 Segmental analysis

Since the last annual financial statements the Group has not made any changes or additions to how it measures its segmental results.

	Investment in Red Rock Resources plc	Other investments	Australian exploration	Papua New Guinea exploration	Corporate and unallocated	Total
For the 6 month period to 31 December 2012	£	£	£	£	£	£
Revenue	—	—	—	—	38,650	38,650
Result						
Segment results	(2,205,815)	(276,461)	74,695	(51,735)	(437,071)	(2,896,387)
Loss before tax and finance costs						(2,896,387)
Interest receivable						3,548
Interest payable						(105,783)
Loss for the period before taxation from continuing operations						(2,998,622)
Taxation expense						(186,295)
Loss for the period after taxation from continuing operations						(3,184,917)

	Investment in Red Rock Resources plc	Other investments	Australian exploration	Papua New Guinea exploration	Corporate and unallocated	Total
For the 6 month period to 31 December 2011	£	£	£	£	£	£
Revenue	—	—	—	—	94,687	94,687
Result						
Segment results	(615,890)	(104,753)	(180,511)	(24,638)	(266,733)	(1,192,525)
Loss before tax and finance costs						(1,192,525)
Interest receivable						12,962
Interest payable						(29,712)
Finance costs						(36,359)
Loss for the period before taxation from continuing operations						(1,245,634)
Taxation expense						(238,679)
Loss for the period after taxation from continuing operations						(1,484,313)

A measure of total asset and liabilities for each segment is not readily available and so this information has not been presented.

Half-yearly report notes
for the period ended 31 December 2012, continued

5 Share Capital of the company

The authorised share capital and the called up and fully paid amounts were as follows:

<i>Authorised</i>	Number	Nominal £
At incorporation on 8 September 2004 and as at 31 December 2012, Ordinary shares of £0.001 each	10,000,000,000	10,000,000
<i>Called up, allotted and fully paid during the period</i>		
As at 30 June 2012	663,084,209	663,084
Issued 2 July 2012 at 1.25 pence per share	64,600,000	64,600
Issued 8 August 2012 at 1.07 pence per share	6,728,952	6,729
Issued 20 August 2012 at 0.95 pence per share	16,808,323	16,808
Issued 28 September 2012 at 0.88 pence per share	33,995,393	33,995
Issued 22 October 2012 at 0.83 pence per share	12,040,462	12,041
Issued 7 November 2012 at 0.90 pence per share	11,130,366	11,130
Issued 5 December 2012 at 0.82 pence per share	10,973,595	10,974
Issued 5 December 2012 at 1.03 pence per share	6,088,488	6,089
Issued 20 December 2012 at 0.80 pence per share	25,263,373	25,263
At 31 December 2012	850,713,161	850,713

6 Capital Management

Management controls the capital of the Group in order to control risks, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

7 Subsequent events

- On 15 January 2013, it was announced that the Company has issued 86,901,333 new ordinary shares of 0.1p each at a price of 0.7125 pence per share for a total consideration of £619,172.
- On 29 January 2013, the Company announced the grant of 60,000,000 options over 60,000,000 ordinary shares of £0.001 in the capital of the Company to Directors and key employees of the Company. 40,000,000 options were granted to the Directors and 20,000,000 options are to be granted at the Board's discretion to key staff and project managers. The options can be exercised for prices between £0.015 and £0.045 with expirations between 1 June 2016 and 1 June 2019.
- On 20 February 2013, it was announced that pursuant to a Special Advance entered into by the Company under the Standby Equity Distribution Agreement the Company has issued 70,646,937 new ordinary shares of 0.1p each at a price of 0.735 pence per share for a total consideration of £472,050, net of fees. Out of the total shares issued, 6,422,448 were issued as payment of fees.