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Go to market news section

Company	Regency Mines PLC
TIDM	RGM
Headline	Exploration Update - Mambare
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REGENCY MINES PLC

Exploration Update - Mambare

Dated: 25 July 2008

Regency Mines plc ("the Company") the mining exploration and mineral investment company with interests in copper and nickel in Western Australia, Queensland, and Papua New Guinea, announces recent developments at its Mambare lateritic nickel-cobalt project in Oro Province, Papua New Guinea ("Mambare").

The ground-penetrating radar ("GPR") programme was concluded during early April and early to mid-May 2008. The work was carried out by Jan C. Francké, and given the anticipated depth of penetration requirements an advanced radar system known as UltraGPR available for application testing since early 2008 was utilised. Jan. Francké has surveyed over 60 nickel laterite sites with GPR technology over the last 17 years.

A total of 51.2 km of UltraGPR data were acquired over eleven profiles, ranging in length from 2.2 km to over 10 km:

Line	Distance
9021600	2990
9022000	2464
9022400	3964
9022800	4222
9023200	5124
9023600	3624
9024000	6268

9024400	6230
9024800	5982
9025600	10206
9026000	2190

The Mambare Plateau is an elevated 20 by 7 km paleo-plateau west of the Ajule-Kajale Range, developed in ultramafics. To the east, these ultramafics are overlain by gabbroic rocks and submarine basaltic volcanics. The plateau has previously been explored since the 1960s by various groups, including the Homestake-Hanna Syndicate, Amax Mining Inc, Southern Mining & Development Co. Ltd and PNG Nickel Ltd. Between 1960 and 1971, 240 Auger holes were drilled, and 56 pits and one costean dug. In 1999 Anaconda Nickel Ltd reviewed the data over a 158 sq km area of the Mambare Plateau and estimated two limonite resource potentials: 630 Mt at 0.78% nickel with a 0.5% cut-off and 200 Mt at 1.01% nickel with a 0.8% cut-off.

Much of the previous auger drilling and pitting, and most of the Company's 2007 drilling, were too shallow to test adequately the limonite ore, and in many cases failed to encounter the saprolite ore or ended in mineralisation.

With the exception of a cover of recent volcanic ash, the deposit is typical of other laterite deposits in eastern Indonesia and Papua New Guinea, with a weathering sequence consisting of limonite, saprolite, and rock saprolite overlying a parent bedrock.

The lateritisation process of the parent rocks at Mambare involves the dissolution of the original rock mineralogy, the leaching of certain elements, and the eventual deposition of those elements elsewhere. The most soluble of the compounds, such as magnesium oxides, are thus removed, increasing the relative concentration of the remaining minerals, which include iron oxides and any contained nickel and cobalt. Over time, generalised layers appear which coincide with the degree of weathering. A typical weathering profile in the survey area includes a near-surface earthy limonite layer of several metres thickness, grading downwards into a thicker saprolite zone. The final weathering layer above the bedrock of closefitting boulders and corestones resembles jointed rock near the interface with the fresh peridotite below.

The depth of the weathering sequence as measured by the UltraGPR programme was highly variable, ranging up to depths of 35m to bedrock. The thinnest region of remnant laterite remains on the steepest slopes, where the laterisation process has been outpaced by erosion. However at Mambare the ash accumulations seem to have acted as a protective cap, inhibiting significant erosion on all but the steepest slopes. Even on moderate slopes, the UltraGPR has detected significant accumulations of laterite.

http://www.rns-pdf.londonstockexchange.com/rns/8831Z_-2008-7-25.pdf

With lateral variations in the lateritic sequence of more than ±10 m

vertically over a few metres, an attempt to map trends between profiles spaced 400 m apart is statistically impossible. Nevertheless, a very crude estimate of volumes may be made based on a simple gridding of the UltraGPR interpretations. These would be over 211,000,000 m^3 of limonitic and ash material and 151,000,000 m^3 of saprolite material over an area of approximately 22 km^2.

The survey covered less than 20% of the 20km by 7km Mambare plateau. The dataset suggests that the deposit continues to the north and possibly west.

A 7 rig drill programme to drill 10,000 m (extendable to 20,000 m) is due to begin shortly.

Glossary:

Gabbroic (Gabbro): a group of crystalline intrusive rocks composed chiefly of plagioclase and pyroxene, commonly with small amounts of other ferromagnesian minerals, especially olivine. It is the approximate intrusive equivalent of basalt.

Ultramafic: Ultramafic rocks are igneous and meta-igneous rocks with very low silica content (less than 45%), and composed of usually greater than 90% mafic minerals (dark colored, high magnesium and iron content). The Earth's mantle is considered to be composed of ultramafic rocks.

Basaltic (Basalt): a common mafic extrusive volcanic rock. It is usually gray to black and fine-grained due to rapid cooling of lava at the surface of a planet.

Laterite: a surface formation in hot and wet tropical areas which is enriched in iron and aluminium and develops by intensive and long lasting weathering of the underlying parent rock. Nearly all kinds of rocks can be deeply decomposed by the action of high rainfall and elevated temperatures. The percolating rain water causes dissolution of primary rock minerals and decrease of easily soluble elements as sodium, potassium, calcium, magnesium and silicon. This gives rise to a residual concentration of more insoluble elements predominantly iron and aluminium. The iron oxides goethite and haematite cause the red-brown color of laterites.

Limonite: called “brown haematite”; a hydrated ore mineral of iron with a variable composition (iron2oxygen3hydroxyl) that causes a range of color (brown/yellow/orange)

Saprolite: the name for a chemically weathered rock. Saprolites are mostly soft or friable and retain the structure of the parent rock since they are not transported, but formed in place. Besides resistant relic minerals of the parent rock, saprolites contain predominantly quartz and a high percentage of kaolinite with other clay minerals which are formed by chemical decomposition of primary minerals, mainly feldspars. More intense weathering conditions, exceeding the saprolite

stage, give rise to a continuous transition to laterite soils.

Peridotite: a dense, coarse-grained igneous rock, consisting mostly of the minerals olivine and pyroxene. Peridotite is ultramafic and ultrabasic, as the rock contains less than 45% silica. It is high in magnesium, reflecting the high proportions of magnesium-rich olivine, and iron. Peridotite is derived from the Earth's mantle, either as solid blocks and fragments, or as crystals accumulated from magmas that formed in the mantle.

Compliance

The information in this report that relates to historical exploration results, mineral resources or ore reserves is based on information compiled by Graham Rolfe, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy. The information relating to the results of the UltraGPR programme is based on information supplied by Jan Francké, MSc, P.Geoph. Graham Rolfe is a geologist supervising the work at Mambare for the Company and its affiliates. Jan Francké conducted the UltraGPR programme at Mambare on behalf of the Company. Each of the above has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Qualified Person. Graham Rolfe and Jan Francké consent to the inclusion in the report of the matters based on each of their information in the form and context in which it appears.

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

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