

Regulatory Story

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Company [Regency Mines PLC](#)
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Regency Mines plc

("Regency" or the "Company")

Final Results announcement for the year ended 30 June 2008

Dated: 24 December 2008

Chairman's statement

Dear Shareholders

I am pleased to present to shareholders your Company's annual report for the financial year to 30 June 2008. The Company is exposed to the nickel market both through its Mambare lateritic nickel and cobalt project in Papua New Guinea ("PNG"), through its sulphide nickel prospects in the Lake Johnstone greenstone belt in Western Australia, and latterly through its holding of shares in Alba Mineral Resources plc ("Alba"). The nickel price saw a sharp decline during the year under review, and since, in one of the most severe changes in fortune in the mineral sector. One reason was the reaction of the Chinese market to high nickel prices in 2007, when direct shipping of low grade lateritic ores from the south East Asia region to produce nickel pig iron undercut nickel metal demand in China. Although shipping rates rose in the latter part of 2007 to a level which made this direct shipping business uneconomic except for those with fixed shipping costs, the impact of financial events on the world's economies then began to affect price expectations and the nickel price has continued to decline as steel production has been cut.

The LME cash nickel price per tonne began July 2006 at around \$22,000, and climbed steadily to a peak of over \$55,000 in May 2007. By the end of June that year there had already been a fall to around \$37,000, and the Company's financial year to 30 June 2008 began with prices at that level. After trading most of the financial year in the range \$34,000 to \$25,000, the price broke down again in May 2008, ending the period at under \$22,000. Since the end of the period it has traded down to the current level of around, and sometimes below, \$10,000 per tonne, a level at which many nickel producers are unprofitable.

As reported last year, the Group was also affected by one project-specific development. Typhoon Guba in Oro Province in Papua New Guinea in November 2007 damaged infrastructure in our area, so that even in a better

pricing environment our prospects of early direct shipping of ore would have been reduced.

The Group continued its exploration programme at Mambare, since at this stage of development what is being done is primarily resource definition work. The object is to obtain a clearer picture of the profile, geology, and metallurgy of the deposit and provide clear evidence, which exploration by previous workers had not, of continuous bodies of mineralisation, in both the upper limonitic and lower saprolitic layers, so that these may be accorded resource status. The effect of this should be to put the deposit 'on the map' of the world's major potential nickel deposits, which previously it has not been. Even in a poor market for nickel metal, the added value from this exercise can be considerable. The state of the market would be fatal were Mambare a project finishing feasibility and seeking funding to carry it into production; that it is a project looking years ahead to satisfy long-term projected demand in the major regional economies means that the programme carried out in the year under review and since has value even in current conditions.

On behalf of the management of the Company I would like to thank shareholders for their patience and support in trying times.

Summary

The Company reports the following developments in the financial year to 30 June 2008:

- Share price decline from 6.875p to 2.375p;
- £1,278,750 before expenses raised from share placings at an average price of 2.9 pence;
- Active programme of exploration at Mambare nickel-cobalt project in Papua New Guinea;
- Subscription to new issues at associate Red Rock Resources plc ("Red Rock");
- Investment in Alba Mineral Resources plc.

Financial review

The Group made a post tax loss of £495,377 (2007: loss of £618,924) during the financial year; no dividends have been paid or proposed. The loss includes a write-down of £134,109 in the Company's investments, notably in Alba, as a result of applying the 'mark to market' rules. Most costs of Mambare exploration were capitalised since it is the view of management that this exploration substantially increases project value.

As a result principally of placings of new shares in the Company during the financial year, the Company's total equity capital rose from £1,582,512 to £2,459,165 during the financial year.

Exploration review

Early in the period, the Group began an auger drill programme at 100m intervals on lines 22400, 22800 and 23200N across the previously explored ridge west of the Arumu River at Mambare, Papua New Guinea. This area lies in the south west of the license close to roads. 43 holes were drilled, for 278.7m of drilling, but the results were generally disappointing in terms of penetration of the limonite mineralization, and the rigs were put on standby pending the expected arrival of a diamond drill. Tropical cyclone Guba intervened in November 2007.

26 wacker holes were drilled for a total of 124m from October 2007, on lines at 21600, 22200 and 22800N. The wacker rig penetrated better than the auger core rig, but was also stopped by boulders and harder material. Most of these holes

encountered mineralization.

In the early part of 2008 the local infrastructure was being repaired under a state of emergency in Oro Province; however drilling resumed following the end of the financial year. The unsatisfactory 2007 results led to the decision to engage a drilling company from the Philippines for the 2008 drilling season and exercise close operating supervision.

The first half of calendar 2008, the second half of the Group's financial year, was used productively. A 50.2 kilometre ground-penetrating radar programme began in April 2008 along twelve east-west lines in the south-western area of the license that had been drilled in 2007, and concluded in May. Given the anticipated depth of penetration requirements an advanced radar system known as UltraGPR available for application testing since early 2008 was utilised.

The Company had in 2007 entered into a Research Services Agreement with the General Research Institute for Nonferrous Metals ("GRINM") of Beijing, China providing for a programme of hydrometallurgical test work on ore from Mambare. Follow up work was intended to be conducted on site leading to process flow recommendations and an economic analysis. The beginning of this work was delayed due to the Typhoon, but in April 2008 a 200 kg limonite sample was shipped to GRINM for metallurgical test work. This work has been slow, as during the Olympics chemical deliveries within the Beijing area were prohibited, but completion and report are imminent.

Over 40 drill holes have been completed, with samples sent for assay in Jakarta every week or fortnight, and first results are expected shortly.

Corporate review

During the financial year the Company undertook the following placings:

- In September 2007 the placing of 16,714,286 shares at 3.5 pence per share to raise £585,000 before expenses;
- In January 2008 the placing of 10,000,000 shares at 3 pence per share to raise £300,000 before expenses.
- In April 2008 the placing of 17,500,000 shares at 2.25 pence per share to raise £393,750 before expenses.

Since the financial year end the Company has carried out one further fund raising in order to finance the drill programme. In September 2008 £322,500 before expenses was raised by an issue of 25,800,000 shares at 1.25 pence per share. Further, in July 2008 Regency announced the exercise of 5,500,000 options at 2 pence per share, raising £110,000 for the Company. Options over an additional 2,500,000 shares lapsed.

By the end of the financial year the Company acquired a 11,434,047 ordinary shares in fellow AIM-listed explorer Alba Mineral Resources plc ("Alba") representing 13% of the issued share capital of the company, and 1,750,000 warrants becoming the largest shareholder in Alba. The attraction of Alba was primarily its nickel projects in Scotland and Sweden, as well as its 50% holding in the private company Mauritania Investments Ltd.

During the year the Company's associate Red Rock raised £1,350,000 by placing 70,000,000 ordinary shares at an average price of 1.9 pence per share. Regency subscribed for 30,100,000 of these shares at a cost of £351,500, an average price of 1.17 pence per share. The Directors believe that the shareholding in Red Rock is a key asset of the group and given Red Rock's prospects the Company wanted to limit the dilution of its shareholding. Over the year Regency's holding in Red Rock fell from 45.8% to 37.8% following the fund raisings.

After the end of the financial year Red Rock announced that in early 2009 Jupiter Mines Ltd ("Jupiter"), an Australian listed company in which Red Rock holds with its associates an 18.07% shareholding, intended to seek shareholder approval for a proposal by Red Rock and Pallinghurst Resources Australia Limited (with whom Red Rock is acting in concert) whereby they would sell certain assets to Jupiter in exchange for a controlling interest in Jupiter. Should this transaction proceed, Red Rock will realize significant profits and will be a significant shareholder in a business run by the former top management of BHP Billiton.

As reported in last year's annual report, the Company announced in November 2007 that it had signed a Memorandum with an Asian based group that was expected to lead to an investment in the Company and the Mambare project. Unfortunately this matter did not progress.

Other Post-balance sheet developments

Exploration

In July 2008 the Company received the results of the ground-penetrating radar ("GPR") programme carried out by Jan C. Francké, who 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, and with the exception of a cover of recent volcanic ash, the deposit proved 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.

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.

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 could be made by the consultants based on a simple gridding of the UltraGPR interpretations. These were a total of over 211,000,000 m³ of limonitic and ash material and 151,000,000 m³ of saprolite material over an area of approximately 22 km².

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

The Company regards these results as significant and promising.

A 7 rig rotary core drill programme in the same general area and along the same prepared lines began in mid-October 2008, under a contract with specialist drilling contractors JCP Geo-Ex Services Inc of Cebu, the Philippines. This company has experience drilling laterite deposits. This is the first time an explorer has undertaken a systematic test of the limonite and saprolite sequences in this area. The programme was successfully concluded with 4,000 m drilled in 335 holes,

and the core is being logged, prepared, and sent to laboratory for testing. Results are expected from early 2009. The Company hopes to develop a model of the resource in this part of the license from the drill results and GPR before further drilling is commissioned. This will be a milestone in the project history, and will give valuable information for the next stages whilst conserving the Company's cash.

A geophysical survey of the Company's Lake Tay nickel project in Western Australia was carried out and indicates that six of the nine targeted conductors in the area have not been tested by drilling and that several of them should be considered for follow-up electromagnetic work. The Lake Johnstone greenstone belt remains a highly prospective, and undeveloped, area for sulphide nickel.

Corporate

A small further investment of £25,000 was made in Alba in August 2008 to enable that company to meet its obligations. Regency now holds 13,934,047 ordinary shares representing 15% of the issued share capital of Alba. Alba has produced good exploration results from Mauritania, but the financial environment is difficult for small companies.

In September 2008, Regency announced it had purchased the outstanding 25% of the shares in its locally incorporated subsidiary, Canopus No. 83 Ltd, the owner of the Mambare project, from a local vendor for a consideration of Kina 350,000 (approximately £75,000) payable in two tranches, and the cancellation of invoices for £115,365.45 addressed by the Company to the vendor. The first tranche of 150,000 Kina has been paid and a further sum of 200,000 Kina will be payable on completion and approval of transfer documentation.

The Company is in discussions with a potential technology partner that is interested in investing in the Mambare project. This is an opportunity that is on the face of it attractive and will be pursued. There can be no guarantee of a successful outcome.

Personnel

I would like to thank all our staff for their considerable contribution during the year. Regency has a hardworking management and staff and their loyalty is not the least of our assets.

The Future

Regency's management will continue to work on ways to manifest and monetise the value of some of the Company's assets. This is a prerequisite for progress, and we are confident that the next months will see developments that will put the Company in a strong position not merely to weather the downturn but to make advances which will position it for the upturn,

Andrew Bell

Chairman

24 December 2008

International financial reporting standards

With effect from 1 July 2006, the Company made the transition to preparing financial statements in accordance with the International Financial Reporting

Standards ("IFRS"), as adopted by the European Union. Accordingly, these financial statements reflect the policies and interpretations adopted by the Board in preparing its first complete set of IFRS financial statements for the year ending 30 June 2008.

The transition to reporting under IFRS required the restatement of the Company's balance sheet at 30 June 2007. Reconciliation of the restated balance sheet along with information relating to the reported changes under IFRS are detailed in Note 25 to the financial statements.

Results and dividends

The Group's results are set out in the group income statement. The following Income Statement, Group and Company Balance Sheets and Cash Flow Statements are extracted from the financial statements for the year ended 30 June 2008 as audited by Chapman Davis LLP and signed on 24 December 2008.

The Group incurred a loss after minority interests of £495,377 (2007: loss £618,924).

The Directors do not recommend the payment of a dividend.

Group income statement for the year ended 30 June 2008

	Year ended 30 June 2008 £	Year ended 30 June 2007 £
Revenue		
Management services	34,971	27,229
Gross profit	<u>34,971</u>	<u>27,229</u>
Exploration expenses	(117,661)	(276,278)
Administrative expenses	(366,668)	(465,000)
Currency gain	25,271	6,776
Operating (loss)	<u>(424,087)</u>	<u>(707,273)</u>
Share of operating profits/(losses) in associates	32,840	(5,050)
Profit on sale of available for sale investment	-	1,046
(Loss)/surplus on revaluation of financial assets	(134,108)	1,604
Interest receivable	16,819	2,034
Interest payable	(369)	(3,787)
(Loss) on ordinary activities before taxation	<u>(508,905)</u>	<u>(711,426)</u>
Tax on profit/(loss) on ordinary activities	6,250	-
(Loss) on ordinary activities after taxation	<u>(502,655)</u>	<u>(711,426)</u>
Minority interests	7,278	92,502

Retained (loss) for the period attributable to Shareholders of the Company	(495,377)	(618,924)
Loss per share - basic	(0.26) pence	(0.43) pence

Statement of recognised gains and losses for the year ended 30 June 2008

	Year ended 30 June 2008	Year ended 30 June 2007
	£	£
Unrealised profit on deemed disposal of Red Rock Resources plc and subsidiary	-	252,462
Profit recognised directly to equity	-	252,462
Loss for the financial period	(495,377)	(618,924)
Total recognised losses for the year	(495,377)	(366,462)

Group balance sheet as at 30 June 2008

	30 June 2008	30 June 2007
	£	£
Non-current assets		
Tangible assets	12,708	15,958
Investments in associates	479,290	244,950
Goodwill	45,000	45,000
	536,998	305,908
Current assets		
Cash and cash equivalents	180,161	188,771
Trade and other receivables	295,339	201,480
Available for sale financial assets	372,836	213,014
Exploration properties	945,512	558,400
Total current assets	1,793,848	1,161,665
Total assets	2,330,846	1,467,573
Current liabilities		
Trade and other payables	(77,222)	(36,888)
Total liabilities	(77,222)	(36,888)
Net assets	2,253,624	1,430,685
Equity		
Called-up share capital	219,941	170,226
Share premium account	3,002,695	1,726,816
Share based payment reserve	112,992	112,992
Other reserves	251,830	247,185
Retained earnings	(1,316,212)	(820,835)
Equity Shareholders' interests	2,271,246	1,436,384
Minority Interests	(17,622)	(5,699)

Total equity	2,253,624	1,430,685
	<hr/>	<hr/>
Company balance sheet		
as at 30 June 2008		
	30 June 2008	30 June 2007
	£	£
Non-current assets		
Tangible fixed assets	7,098	14,196
Investments in subsidiaries	117,000	117,000
Investments in associates	479,290	244,950
	<hr/>	<hr/>
	603,388	376,146
Current assets		
Cash and cash equivalents	161,129	130,225
Trade and other receivables	845,252	376,443
Available for sale financial assets	372,836	213,014
Exploration properties	534,541	523,502
	<hr/>	<hr/>
Total current assets	1,913,758	1,243,184
	<hr/>	<hr/>
Total assets	2,517,146	1,619,330
Current liabilities		
Trade and other payables	(57,981)	(36,818)
	<hr/>	<hr/>
Total liabilities	(57,981)	(36,818)
	<hr/>	<hr/>
Net assets	2,459,165	1,582,512
	<hr/>	<hr/>
Equity		
Called-up share capital	219,941	170,226
Share premium account	3,002,695	1,726,816
Share based payment reserve	112,992	112,992
Retained earnings	(876,463)	(427,522)
	<hr/>	<hr/>
Total equity	2,459,165	1,582,512
	<hr/>	<hr/>

Group cash flow statement
for the year ended 30 June 2008

	Group	Group
	Year to	Year to
	30 June	30 June
	2008	2007
	£	£
Cash flows from operating activities		
Operating loss	(424,087)	(707,273)
Decrease in receivables	(93,859)	(96,058)
Increase/(decrease) in payables	40,334	(37,803)
Depreciation	7,983	7,130
Purchase of available for sale investments	(293,931)	(189,332)
	<hr/>	<hr/>
	-	30,557

Sale of available for sale investments	(387,111)	(62,819)
Exploration property costs	-	190,814
Impairment of exploration properties	6,250	(6,029)
Share based payments		
Taxation refund /(paid)		
Cash (outflow) generated from operations	(1,144,421)	(757,821)
Cash flows from investing activities	16,819	2,034
Interest received	(369)	(3,787)
Interest paid	(201,500)	-
Purchase of associate company investments	(4,733)	(23,089)
Purchase of fixed assets		
Net cash flows used in investing activities	(189,783)	(24,842)
Acquisitions and disposals	-	-
Cash disposed of on deconsolidation of subsidiary		(46,214)
Net cash (outflow) from acquisitions and disposals	-	(46,214)
Cash inflows from financing activities	1,388,750	714,697
Proceeds from issue of shares	(63,156)	(27,500)
Transaction costs of issue of shares	-	100,375
Subsidiary company share issue for cash		
Net cash flows from financing activities	1,325,594	787,572
Net (decrease) in cash and cash equivalents	(8,610)	(41,305)
Cash and cash equivalents at the beginning of period	188,771	230,076
Cash and cash equivalents at end of period	180,161	188,771

Company cash flow statement
For the year ended 30 June 2008

Group
Year to
30 June

Group
Year to
30 June

	2008	2007
	£	£
Cash flows from operating activities		
Operating loss	(370,336)	(447,645)
(Increase)/decrease in receivables	(468,809)	(187,420)
Increase/(decrease) in payables	21,164	(10,141)
Depreciation	7,098	7,097
Purchase of available for sale investments	(293,931)	(198,361)
Exploration property costs	-	152,161
Impairment of exploration properties	-	112,992
Share based payments	6,250	-
Taxation refund		
Cash (outflow) generated from operations	(1,109,603)	(634,136)
Cash flows from investing activities		
Interest received	16,561	1,626
Interest paid	(148)	(3,538)
Purchase of associate company investments	(201,500)	-
Purchase of fixed assets	-	(21,294)
Net cash flows used in investing activities	(185,087)	(23,206)
Cash inflows from financing activities		
Proceeds from issue of shares	1,388,750	714,698
Transaction costs of issue of shares	(63,156)	(27,500)
Net cash flows from financing activities	1,325,594	687,198
Net increase in cash and cash equivalents	30,904	29,856
Cash and cash equivalents at the beginning of period	130,225	100,369
Cash and cash equivalents at end of period	161,129	130,225

Earnings/(loss) per share**Loss per share -> Group**

2008

2007

£

£

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number

of shares in issue.

Loss for the period	(495,377)	(618,924)
Weighted average number of Ordinary shares of £0.001 in issue	192,132,895	143,680,386
Loss per share - basic	(0.26) pence	(0.43) pence

As inclusion of the potential Ordinary shares would result in a decrease in the loss per share, they are considered to be anti-dilutive. As such, a diluted earnings per share is not included.

Statement of changes in equity

The movements on reserves during the period were as follows:

	Share capital	Share premium reserve	Share based payment reserve	Consolidation reserve	Retained earnings	Minority interests	
Group	£	£	£	£	£	£	£
As at 30 June 2006	129,897	1,079,947	-	550,156	(203,711)	448,950	2,005
Issue of shares	40,329	674,369	-	-	-	-	714
Share issue and fundraising costs	-	(27,500)	-	-	-	-	(27,)
Loss for the year	-	-	-	-	(618,924)	(92,502)	(711,
Share based payments	-	-	112,992	-	-	-	112
Deconsolidation adjustment	-	-	-	(302,971)	1,800	-	(301,
Minority interests	-	-	-	-	-	(362,147)	(362,
As at 30 June 2007	170,226	1,726,816	112,992	247,185	(820,835)	(5,699)	1,430
Issue of shares	49,715	1,339,036	-	-	-	-	1,388
Share issue and fundraising costs	-	(63,157)	-	-	-	-	(63,
Loss for the year	-	-	-	-	(495,377)	(7,278)	(502,
Minority interests	-	-	-	4,645	-	(4,645)	-
As at 30 June 2008	219,941	3,002,695	112,992	251,830	(1,316,212)	(17,622)	2,253
Company	Share capital	Share premium reserve	Share based payment reserve		Retained earnings		Total
	£	£	£		£		£
As at 1 July 2006	129,897	1,079,947	-		25,481		1,235,325

Issue of shares	40,329	674,369	-	-	714,698
Share issue and fundraising costs	-	(27,500)	-	-	(27,500)
Loss for the year	-	-	-	(453,003)	(453,003)
Share based payments	-	-	112,992	-	112,992
As at 30 June 2007	170,226	1,726,816	112,992	(427,522)	1,582,512
Issue of shares	49,715	1,339,036	-	-	1,388,751
Share issue and fundraising costs	-	(63,157)	-	-	(63,157)
Loss for the year	-	-	-	(448,942)	(448,942)
As at 30 June 2008	219,941	3,002,695	112,992	(876,463)	2,459,165

Restatement of reported figures

Consolidated financial information as at 1 July 2006

Balance sheet	As originally reported under UK GAAP	Restate for IFRS	IFRS
	£	£	£
Non-current assets			
Intangible assets	1,657,142	(1,657,142)	-
Goodwill	45,000	-	45,000
Total non-current assets	1,702,142	(1,657,142)	45,000
Current assets			
Cash and cash equivalents	230,076	-	230,076
Trade and other receivables	105,422	-	105,422
Trade investments	48,540	-	48,540
Exploration properties	-	1,657,142	1,657,142
Total current assets	384,038	1,657,142	2,041,180
Total assets	2,086,180	-	2,086,180
Current liabilities			
Trade and other payables	80,941	-	80,941

Total liabilities	80,941	-	80,941
Net assets	2,005,239	-	2,005,239
Capital and reserves			
Share capital	129,897	-	129,897
Share premium account	1,079,947	-	1,079,947
Retained losses	(203,711)	-	(203,711)
Other reserves	550,156	-	550,156
Shareholders' funds	1,556,289	-	1,556,289
Minority interests	448,950	-	448,950
Total equity	2,005,239	-	2,005,239

Consolidated financial information for the year ended 30 June 2007

	As originally reported under UK GAAP	Restate for IFRS	IFRS
	£	£	£
Income statement			
Turnover	57,786	(30,557)	27,229
Cost of sales	(29,511)	29,511	-
Gross profit	28,275	(1,046)	27,229
Exploration expenses	(289,384)	13,106	(276,278)
Administrative expenses	(451,864)	(13,136)	(465,000)
Currency loss	(204)	6,980	6,776
Operating loss	(713,177)	5,904	(707,273)
Share of operating loss in associate	(27,335)	22,285	(5,050)
Profit on sale of trade investment	-	1,046	1,046
Surplus on revaluation of financial assets	2,034	-	2,034
Interest receivable	(3,787)	-	(3,787)
Interest payable			
Loss on ordinary activities for the period	(742,265)	30,839	(711,426)
Loss on ordinary activities after taxation	(742,265)	30,839	(711,426)
Minority interests	94,301	(1,799)	92,502
Retained loss attributable to Shareholders	(647,964)	29,040	(618,924)

	As originally reported under UK GAAP	Restate for IFRS	IFRS
	£	£	£
Balance sheet			
Non-current assets			
Tangible assets	15,958	-	15,958
Investments in associates	-	244,950	244,950
Goodwill	45,000	-	45,000
Total non-current assets	60,958	244,950	305,908
Current assets			
Cash and cash equivalents	188,771	-	188,771
Trade and other receivables	191,421	10,059	201,480
Trading asset investments	420,753	(207,739)	213,014
Exploration properties	631,443	(73,043)	558,400
Total current assets	1,432,388	(270,723)	1,161,665
Total assets	1,493,346	(25,773)	1,467,573
Current liabilities			
Trade and other payables	61,198	(24,310)	36,888
Total liabilities	61,198	(24,310)	36,888
Net assets	1,432,148	(1,463)	1,430,685
Capital and reserves			
Share capital	170,226	-	170,226
Share premium account	1,726,816	-	1,726,816
Share option reserve	112,992	-	112,992
Other reserves	247,330	(145)	247,185
Retained losses	(851,676)	30,841	(820,835)
Shareholders' funds	1,405,688	36,771	1,436,384
Minority interests	26,460	(32,159)	(5,699)
Total equity	1,432,148	(1,463)	1,430,685

1. Restatement of reported figures - notes:

During 2007, exploration properties previously reported as intangible fixed assets, were reclassified and reported as current assets. This correction has now been applied as at 30 June 2006 and 31 December 2006.

The financial information set out above does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The balance sheets, the income statement, the cash flow statements, the Groups

statement of recognised income and expense, the statement of changes in equity, the transition to IFRS notes for the financial year ended 30 June 2008 and the restated financial information have been extracted from the Company's statutory financial statements upon which the auditor's opinion is unqualified and does not include any statement under Section 237 of the Companies Act 1985.

Copies of the report and financial statements will be posted to Shareholders no later than 31st December 2008 and will be available for a period of one month thereafter from the Company at 115 Eastbourne Mews, Paddington London W2 6LQ

Alternatively, the report may be downloaded from the Company's website, www.regency-mines.com

Enquiries:

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

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