Registration Number: 05227458

Regency Mines Plc

Annual Report and Accounts 2019

Strategic Report

Company Information and Advisers

Directors
Nigel Burton
Non-executive Chairman
Scott Kaintz
Chief Executive Officer
Ewen Ainsworth
Independent Non-executive Director

All of
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Registered Company Number
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Chairman's Review

Overview

The Company presents its Annual Report and Accounts for the year to 30 June 2019.

The Company was incorporated for the purpose of pursuing development of and investment in mineral exploration projects with a particular focus on base-metals. During the course of the year, the Board refocussed this historic strategy around three core projects, the Mambare nickel-cobalt project, the Dempster Vanadium project, and the Company's investment in Allied Energy Services. These three projects provide the Company with direct exposure to exciting opportunities in natural resources and battery metals, as well as in energy storage and distributed power.

Review of the Year and Subsequent Events

The year to 30 June 2019 was a difficult and disappointing year for the Company, albeit with positive progress in a number of areas. Subject to shareholder approval on 23 December of the fundraising, debt restructuring, share consolidation and Board change proposals announced on 5 December, the Company expects to end 2019 with firm foundations and significantly brighter prospects for all stakeholders.

MET Coal – the Company invested US$2m in a joint venture company, Mining Equity Trust, LLC ("MET"), in June 2017, funded principally by a loan of US$1.6m. On 2 August 2018, MET took over the metallurgical coal operations and assets of Omega Holdings, LLC and other companies in Virginia, U.S.A. Although coal production in Virginia commenced in the same month, the failure of the joint venture to agree and borrow the level of originally expected debt led to the project running short of funds and being unable to continue production. As a result, the entire value of the Company's investment has been written off.

White Car – on a smaller scale, White Car Limited, in which the Company had invested £0.4m for a 5.6% stake through its 100% owned subsidiary EsTeq Ltd in December 2017, entered voluntary liquidation in June 2019. The full value of this investment was written off in the interim results for the 6 months to 31 December 2018.

Dempster Vanadium Project – on a more positive note, the Company acquired a 50% stake in the Dempster Vanadium exploration project, in the Yukon, Canada for CAD$0.45m, on 24 January 2019. Unfortunately, there has been little activity during the year, primarily due to funding constraints by the partners in the project. The Company plans to engage in meetings with the various partners in 2020 in order to determine the best way forward for the project, which may include an exploration programme focused on rock-chip sampling and mapping in order to develop drill-ready exploration targets.

Strategic Review – a Strategic review was announced on 15 April 2019. Following the year end, on 24 July 2019 the Company announced that the Company would be refocused around mineral interests in nickel and vanadium alongside the existing business in UK energy storage, whilst the development interests in metallurgical coal and natural gas to be held as non-core for future realisation.

Board Changes – on 24 June 2019, the Company announced the appointments of Nigel Burton and Ewen Ainsworth as Non-Executive Chairman and Independent Non-Executive Director respectively, the appointment of Executive Director Scott Kaintz as Chief Executive Officer, and the resignation of Edmund Bugnosen as a Non-Executive Director. In September 2019, Andrew Bell left the Board.

More recently, and subject to shareholder approval of the fundraising, debt restructuring and share consolidation proposals announced on 5 December 2019, James Parsons will join the Board as Executive Chairman and Nigel Burton will transition from Non-Executive Chairman to Senior Independent Director.

Mambare Nickel-Cobalt Project – the Company's nickel-cobalt project at Mambare in Papua New Guinea (PNG), continued to make progress despite the lack of capital available to facilitate operations with the Company's joint venture partners during the period. Application for the renewal of the EL1390 exploration licences, encompassing the project were submitted to the PNG authorities in early March 2019, and the accompanying Warden's Hearing took place in April 2019. A successful renewal of these licences is pending and will cover the period June 2019 to June 2021. Also during the year, the existing resource was updated to the current JORC 2012 code. The joint venture partners have proposed a work plan to focus on ground penetrating radar activities and studying opportunities to progress a direct shipping ore operation at the project.

Following the year end, the joint venture has been active, performing line-cutting activities in anticipation of a ground penetrating radar programme, which is expected to finish in early 2020. This work constitutes the first exploration activities at the site since 2012, and signifies a meaningful restart of the project. The focus at Mambare is to extend the results of the historical drilling that was conducted in 2010-12 onto the plateau area, which constitutes the primary target of the project, and where only 3% historic drilling has been conducted.

These activities are being conducted with a view to progressing the project towards a longer length mining license based on a direct shipping ore ("DSO") operation. This DSO operation would consist of excavation and export of raw ore, and so will involve no processing plant, no chemicals, no pipeline and no tailings. As a result, this plan would be uncontroversial compared to similar projects in the region.

Recent activities at Mambare have been led by our Oro Nickel Joint Venture partner, Battery Metals. The Company is scheduled to meet the partner in Sydney in early 2020 in order to discuss current and future JV operations, including funding and budgeting details.

Allied Energy Services – 2019 has been an active year at Allied Energy Services Ltd, in which the Company holds a 100% interest through its wholly owned subsidiary EsTeq Ltd. Allied Energy Services Ltd is principally focused on progressing the first project in the development pipeline, the Southport Energy Centre (the "SEC"), to financial close.

The SEC consists of two phases, with phase 1 being the installation of 9MW of gas-powered electricity generation accompanied by the installation of containerised batteries with 2MW of storage capacity. Commonly known as "Peaker Plans", the installation as envisioned offers the further ability to offer combined heat and power services directly to industrial and large retail clients in the area of the site. Phase 2 of the SEC would involve the removal of the existing waste management site and its replacement with a new waste reception and anaerobic digestion plant. Total capex for both phases is approximately £30m and it is currently expected that this funding will be done at the level of each individual special purpose vehicle ("SPV") associated with the project.

Beyond this initial SEC site, the Allied Energy Services Ltd project pipeline consists of an additional 3-4 sites, including a mix of peaker plants, bio-gas installations, and combined heat and power opportunities across the United Kingdom. The future for energy storage and grid services in the UK appears particularly robust. Allied continues to progress planning permissions for multiple sites in the UK with a view to providing grid management services as well as combined heat and power services.

Financing, Debt Restructuring and Reduction – in January 2019, the Company raised £676,000 through the issue of Convertible Loan Notes and at the same time extended the short term US$1.6m loan taken out in June 2018 until February 2020. In April 2019, the Company raised £240,000 (gross) at £0.0006 per share. At the same time, a number of modifications to the loan facility first announced on 6 June 2018 were agreed with YA II PN Ltd and Riverfort Capital Ltd (together the "Lenders"). Further changes, including a refinancing of these notes over a five-year period to July 2024, were announced after the year end on 22 July 2019.

A major focus of the Board, since the year end, has been to strengthen the balance sheet through raising fresh equity and both restructuring and reducing the debt including eliminating outstanding obligations to Red Rock Resources. As outlined below, subject to shareholder approval at the General Meeting on 23 December, this process will culminate in raising gross proceeds of £831,000 through the issue of equity at a price of £0.000275 per share, approximately £1m of Promissory Notes being retired, and a restructuring, which will reduce total obligations from approximately £1.9m to £0.729m and extend the term to 2021 with no conversion rights.

Discussion of Results

The Group incurred a loss of £2,607,978 in the period ended 30 June 2019. The majority of this loss comprised impairments of £1,503,377, principally comprising investments in Mining Equity Trust (2018: loss of £1,549,619). Finance costs over the year totalled to £376,743, reflecting increases in interest and finance fees (2018: £142,212). Overall, administrative costs were broadly flat for the year at £652,918 (2018: £640,664).

Prospects

On 5 December 2019, the Company announced a significant RNS that covered debt reduction and reprofiling, new capital being raised by the business, and the addition of James Parsons to the Board of Directors, pending standard due diligence checks. This release marks the culmination of the balance of a year's worth of work to take Regency beyond the corporate issues of the first quarter of the calendar year to much firmer foundations with significantly brighter prospects for all stakeholders.

At present, it is expected that James Parsons will join the Board following the general meeting currently scheduled for 23 December 2019. It is expected, he will apply his expertise in natural resources, fundraising and project development both to our existing portfolio of projects and any potential new projects to be introduced. James believes strongly that the future for battery metals exploration and development appears bright and that distributed energy production and storage strongly supplements this core focus. Given Regency's history in these areas, we believe Regency constitutes a good core around which to build.

With these changes in progress at the time of publication of these accounts, I feel confident stating that the prospects for Regency's onward development and ultimate success appear better than they have for many years. With the revised Regency strategy, Board team and financial support now coming into place, I look forward to progress being achieved during 2020.

Nigel B

Nigel Burton

Non-Executive Chairman

18 December 2019

Strategic Review

Overview of the Business

The Company is listed on London's AIM market (AIM:RGM) and manages a portfolio of exploration stage natural resources assets alongside operations in the energy storage and distributed power sector located around the world.

Business Strategy

The Company's strategy involves identifying, assessing and investing in natural resource projects with attractive risk-weighted return profiles where it can actively add value through exploration, technical development and corporate transactions. The Company seeks to offer investors exposure to battery metals, energy storage and the distributed power space and seeks potential exit opportunities through joint ventures and trade sales involving its asset portfolio as appropriate.

Principal Risks and Risk Management

Exploration and development is an inherently high-risk business, outlined here are some of the primary risks identified:

Exploration Risk

The Group's business is mineral exploration, evaluation and development, which are speculative activities. There is no certainty that Regency will proceed to the development of any of its projects or otherwise realise their full value. The Group aims to mitigate this risk when evaluating new business opportunities by targeting areas of potential where there is at least some historical drilling or geological data available and where leading exploration consultants believe there is strong evidence of world class mineral deposits.

Resource Risk

All mineral projects have risk associated with defined grade and continuity. Mineral Reserves and Resources are calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions, which include geological projection and commodity price assumptions. This may include variations in the style of mineralisation encountered as well as the failure to achieve economic deposits.

Environmental Risk

Exploration of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Any disturbance to the environment, during exploration on any of the licence areas, will be rehabilitated in accordance with the prevailing local regulations.

Financing & Liquidity Risk

The Group has an ongoing requirement to fund its activities through the equity capital markets. There is no certainty such funds will be available when required by the business. To date, the Group has managed to raise the required funds, primarily through equity placements and various debt facilities, including Promissory Notes and Convertible Loan Notes.

The cost of available capital may fluctuate significantly and can include high interest rates and the requirement to offer new equity at a discount to current prices. The Company can be affected by international financial markets and risk appetites, low projections of future world GDP growth may depress commodity prices and perceived future levels of demand. Supply and demand of individual commodities may also impact valuations of current and future resources and projects in the Group portfolio.

Corporate finance planning and analysis facilitates multiple avenues to acquire capital and assists in lowering overall finance costs. Expansion of capital reserves and cost reduction efforts provides the Company with additional resilience during sector downturns.

The Directors have prepared cash flow forecasts for at least the next 12 months from the date of this report and are confident that the Company can raise additional equity funds, if required. Nevertheless, in the event that the Group is unable to secure further financial resources it may have a detrimental impact on the Group's activities and viability of its licences and projects and its ability to monetise and realise value from them.

Political Risk

All countries carry political risk that can lead to interruption of project activities. Politically stable countries can have enhanced environmental and social risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets. The Company has working knowledge of the countries in which it holds exploration licences and has appointed experienced local operators to assist the Company in its activities in order to help reduce possible political risks wherever possible.

Internal Controls & Risk Management

The Directors are responsible for the Group's system of internal financial controls. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial controls.

Key Performance Indicators (KPIs)

At this stage in the Company's development, the Directors regularly monitor key performance indicators associated with liquidity, cash flows and bank balances; general administrative expenses as well as share price liquidity and appreciation.

Corporate Responsibility

Regency aims to be socially and environmentally responsible, following and exceeding standards set for exploration and investment companies around the world. As a responsible operator, the Company has developed a Corporate Social Responsibility ("CSR") policy that aims to align exploration and investment activities with the expectation of local stakeholders in relation to environmental, economic and social impacts. As an explorer, Regency's impact on local communities is the most significant area of focus. The firm's CSR framework places the emphasis on stakeholder engagement and information dissemination, ensuring the local community is aware of the Company plans and activities where appropriate.

Governance

The Board considers sound governance as a critical component of the Company's success and the highest priority. The Company has a newly revamped effective and engaged Board, with a strong non-executive presence drawn from diverse backgrounds and with well-functioning governance committees. Through the Company's compensation policies and variable components of employee remuneration, the Remuneration Committee of the Board seeks to ensure that the Company's values are reinforced in employee behaviour and that effective risk management is promoted.

Analysis by Gender

Category	Male	Female
Directors	3	0
Other Employees	0	1

Employees and Their Development

The Company is dependent upon the qualities and skills of its employees and their commitment plays a major role in the Company's business success. Employees' performance is aligned to the Company's goals through an annual performance review process and via incentive programmes. The Company provides employees with information about its activities through regular briefings and other media. The Company operates a share option scheme, operated at the discretion of the Remuneration Committee and an employee share incentive plan operated by the Trustees of the scheme.

Diversity and Inclusion

The Company does not discriminate on the grounds of age, gender, nationality, ethnic or racial origin, non-job-related-disability, sexual orientation or marital status. The Company gives due consideration to all applications and provides training and the opportunity for career development wherever possible. The Board does not support discrimination of any form, positive or negative, and all appointments are based solely on merit.

Health and Safety

The Company includes Health and Safety ("H&S") procedures and frameworks in all of its planning and field activities, with an emphasis on top-down as well as bottom-up ownership and responsibility, quality training of all personnel, and risk assessments that go beyond mere regulatory compliance. Comprehensive Risk Assessments of Health and Safety Systems have been developed to identify existing risks, to implement relevant mitigation measures and to identify new risks before they may be directly applicable to our operations. Regency's H&S strategy includes project and location specific training, H&S inductions, Emergency Response Plans and field team reporting procedures applied to Regency's projects worldwide.

The Strategic Report has been approved and signed on behalf of the Board.

Nigel B

Nigel Burton

Non-Executive Chairman

18 December 2019

Governance

Overview

The Board is committed to maintaining high standards of corporate governance and in this it is guided by the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"). The QCA Code sets out ten principles that define Regency Mines' own governance policies, several of which are expanded on below.

Business Model and Strategy

Regency Mines follows a medium to long-term corporate strategy with the objective of identifying and developing natural resource investments with attractive risk-weighted return profiles primarily in the battery metals and distributed energy space. These may include early stage projects with higher risk and larger upside as well as more mature and conservative investments with near-term cash flow potential. The Company delivers its business strategy with tightly controlled overheads, supplementing its financial resources through corporate transactions, JVs and partnerships as well as trading and disposals or exchanges for listed shares of non-core assets.

Responsibilities of the Board

The Board has the responsibility to govern the Company rather than to manage it and in doing so act in the best interests of the Company as a whole. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operational performance. Day-to-day management is delegated to the CEO, who is responsible for consulting the Board on all significant financial and operational matters. The Board approves the annual budget and amendments to it, issues of shares or other securities, and all significant acquisitions and disposals.

The Board comprises three Directors, namely Nigel Burton, Non-Executive Chairman, Scott Kaintz, Executive Director and CEO, and Independent Non-executive Director, Ewen Ainsworth. One third of Directors retire by rotation under the Articles of Association of the Company and, if eligible, may offer themselves for re-election. Any Director appointed to fill a casual vacancy or as an addition to the Board will subject to the provisions of the Companies Act and the Articles of Association, retire from office at the annual general meeting of the Company next following such appointment and will then be eligible for election during such meeting.

Board of Directors

The Board consists of three Directors and the Company believes that the current balance of sector, technical, financial, accounting, legal and public markets skills as well as experience of the Board as a whole, reflects its business requirements. The Board shall review annually and when required the appropriateness of its mix of skills and experience to ensure that it meets the changing business needs. The Board recognises that it has limited diversity and will give this factor due consideration if the Board concludes that replacement or additional Directors are required.

Shareholder and Stakeholder Communication

The Board recognises that it is accountable to shareholders for the performance and activities of the Company and is committed to providing effective communication with its shareholders. Significant developments are disseminated through stock exchange announcements, press releases and Twitter at @Regency_Mines as well as Company interviews, broker notes, video updates and presentations, all of which are available on the Company's website www.regency-mines.com, where shareholders may sign up to receive news releases directly by email.

Corporate Culture

The Company aims to deliver long-term value to its shareholders through a diverse portfolio of mineral exploration projects and investments, investments in the energy storage and power generation space, corporate transactions, JVs and partnerships. Therefore, respectful and open dialogue is emphasised, with sound ethical values and behaviour, if the Company is to successfully achieve its corporate objectives. Furthermore, this culture is transmitted throughout the whole organisation setting a benchmark and sending a signal of what it will and will not do in some of the jurisdictions in which the Company operates. The Board places great importance on this aspect of corporate life, where failure could put the Company at risk, and seeks to ensure that this flows through all its business interactions and at all levels of the Company.

Nigel B

Nigel Burton

Non-Executive Chairman

18 December 2019

Board Activities 2019

The Board met eleven times during 2018-2019 in relation to normal operational matters.

Number of meetings held:

Nigel Burton Non-Executive Chairman (Joined June 2019)	0/0
Ewen Ainsworth Independent Non-Executive Director (Joined June 2019)	0/0
Scott Kaintz Executive Director	11/11
Andrew Bell Executive Director (Resigned September 2019)	11/11
Edmund Bugnosen Non - Executive Director (Resigned June 2019)	11/11

2018-19 Board Activities

- Oversaw Board Reformation and Strengthened Corporate Governance
- Improved Group Balance Sheet
- Refocused Business on Battery Metal Exploration and Development
- Broadened exposure to Energy Storage / Distributed Power

2019-20 Board Focus

- First Exploration Results at Mambare since 2012
- Move Allied Energy Services Toward Financial Close on Southport Energy Centre
- Complete Corporate Rebranding
- Build Regency into a Top Tier Natural Resource Developer

Board of Directors

Nigel Burton, BSc, PhD

Non-Executive Chairman

Dr Nigel Burton has over 30 years' experience in operational and financial management, debt and equity financing, acquisition and integration of businesses, disposals, IPOs and trade sales. Following over 14 years as an investment banker at leading City institutions including UBS Warburg and Deutsche Bank, Nigel spent 15 years as Chief Financial Officer or Chief Executive of a number of private and public companies. Nigel is currently Non-Executive Chairman of Remote Monitored Systems plc and Mobile Streams plc, and a Non-Executive Director of Digitalbox plc and Alexander Mining plc, all of which are listed on AIM. Nigel is a Chartered Electrical Engineer and a Past President of the IET. He has a B.Sc. (First Class Hons) in Electrical and Electronic Engineering and a Ph.D in Acoustic Imaging from University College London.

Scott Kaintz, *BS, MBA*

Chief Executive Officer

Scott Kaintz has a degree in Russian Language and Russian Area Studies from Georgetown University and MBA degrees from London Business School and Columbia Business School. He started his career as a US Air Force Officer and analyst working across Europe, the Middle East and Central Asia. Scott has held operational and managerial roles in the defense industry and worked in corporate finance and investment funds in London, focusing primarily on capital raising efforts and debt and equity investments in small-cap companies. He joined Regency Mines Plc in 2011 in a Corporate Finance role and has subsequently become an Executive Director and Chief Executive Officer. Scott Kaintz is also an Executive Director of Red Rock Resources Plc, listed on AIM, and of Curzon Energy Plc listed on the Standard List of the London Stock Exchange.

Ewen Ainsworth, CMA

Independent Non-Executive Director

Mr Ainsworth is an experienced AIM company director, currently the Non-Executive Chairman at Nostra Terra Oil and Gas Company plc. He is currently CEO of Discovery Energy Limited, an advisory, consultancy and Investment Company and has worked in a variety of senior and board-level roles in the natural resource sector for over 30 years, most recently as Finance Director for San Leon Energy plc and previously Gulf Keystone Petroleum Limited. He qualified as a chartered management accountant, before moving into leading commercial roles. He holds a degree in Economics and Geography from Middlesex University, and is a member of the Energy Institute.

Directors' Report

The Directors present their Annual Report on the affairs of the Group and Parent Company, together with the Group Financial Statements for the year ended 30 June 2019.

Results and Dividends

The Group's results are set out in the Group Income Statement on page 23. The audited Financial Statements for the year ended 30 June 2019 are set out on pages 22 to 66. The Group made a loss after taxation of £2,607,978 (2018: loss of £1,549,619). The Directors do not recommend the payment of a dividend (2018: nil).

Business Review and Future Developments

The business review and future developments are dealt with in the Chairman's statement and in the strategic report on pages 2 to 11.

Fundraising and Share Capital

During the year, cash of £240,000, gross before deducting the associated transaction costs, (2018: £1,150,000) was raised by the issue of new equity of 3,999,998 (2018: 209,090,908) new ordinary shares; further details are given in note 17.

Directors

The Directors who served during the period and following the year end are as follows:

	Appointed	Resigned
Andrew R M Bell		12.09.2019
Edmund Bugnosen		24.06.2019
Scott Kaintz		
Nigel Burton	24.06.2019	
Ewen Ainsworth	24.06.2019	

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2019 were as follows:

	Ordinary shares			As percentage		
	Direct	Beneficial	Total	of issued share capital	Options	Warrants
Andrew R M Bell	43,629,224	13,214,495	56,843,719	3.75%	13,360,000	24,949,949
Edmund Bugnosen	10,000	12,690,623	12,690,623	0.84%	560,000	—
Scott Kaintz	12,596,809	13,214,495	25,811,304	1.70%	12,420,000	12,575,757

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2018 were as follows:

	Ordinary shares			As percentage		
	Direct	Beneficial	Total	of issued share capital	Options	Warrants
Andrew R M Bell	27,600,720	6,014,495	33,615,215	4.25%	13,360,000	10,327,993
Edmund Bugnosen	10,000	5,840,623	5,850,623	0.74%	560,000	—
Scott Kaintz	930,143	6,014,495	6,944,638	0.88%	12,420,000	909,091

Events After the Reporting Period

Events after the reporting period are set out in note 26 to the Financial Statements.

Auditor

The Directors will place a resolution before the Annual General Meeting to re-appoint Chapman Davis LLP as auditor for the coming year.

Substantial Shareholdings

On 30 June 2019 and 1 December 2019, the following were registered as being interested in 3% or more of the Company's Ordinary share capital:

	30 June 2019		1 December 2019	
	Ordinary shares of £0.0001 each	Percentage of issued share capital	Ordinary shares of £0.0001 each	Percentage of issued share capital
JIM Nominees Ltd – Designation JARVIS	405,589,759	26.74%	152,005,801	10.02%
Share Nominees Ltd	282,512,133	18.62%	268,907,869	17.73%
HSBC Global Custody Nominee (UK) Ltd – Designation 941346	-	-	219,905,896	14.50%
Interactive Investor Services Nominees Ltd – Designation SMKTNOMS	215,958,979	14.24%	192,260,624	12.67%
Barclays Direct Investing Nominees Ltd – Designation CLIENT1	81,475,382	5.37%	89,516,933	5.90%
Hargreaves Lansdown (Nominees) Ltd – Designation HLNOM	-	-	61,102,717	4,03%
Breakaway Exploration Management Inc	53,109,600	3.50%	53,109,600	3.50%
Interactive Investor Services Nominees Ltd – Designation SMKTISAS	-	-	46,989,642	3.10%
Total number of shares in issue	**1,516,894,159**		**1,516,894,159**	

Management Incentives

In the year to 30 June 2019, the Company has not granted any options over its Ordinary shares (2018: nil). As at 30 June 2019, 27,060,000 options were outstanding (2018: 27,060,000).

In addition, the Company operates a tax efficient Share Incentive Plan, a government approved scheme, the terms of which provide for an equal reward to every employee, including Directors, who had served for three months or more at the time of issue. The terms of the plan provide for:

- each employee to be given the right to subscribe any amount up to £150 per month with Trustees who invest the monies in the Company's shares;
- the Company to match the employee's investment by contributing an amount equal to double the employee's investment; and
- the Company to award free shares to a maximum of £3,600 per employee per annum.

The subscriptions remain free of taxation and national insurance if held for five years.

Further details on share options and Share Incentive Plan are set out in note 18 to the Financial Statements.

Directors' Remuneration

The remuneration of the Executive Directors paid during the year was fixed on the recommendation of the Remuneration Committee. The remuneration of the Non-Executive Directors paid during the year was fixed on the recommendation of the Executive Directors. Remuneration levels reflected the need to maximise the effectiveness of the Company's limited resources during the year.

Fees paid to each Director, for the year ended 30 June 2019, are set out in note 8 to the Financial Statements.

Each Director is entitled to participate in the Share Incentive Plan.

The Company also has a Group Personal Pension Scheme for all eligible employees, including the Directors. The Scheme is an insured, defined contribution arrangement with all members entitled to an employer pension contribution equivalent to 4.5% of basic salary, subject to the individual agreeing to make a minimum contribution to the Scheme equivalent to 4% of basic salary (subject to statutory and regulatory conditions). The Scheme is available on a Salary Sacrifice basis, with 100% of the employer national insurance saving passed on to the member by way of an enhanced employer contribution to the Scheme, of an equivalent amount.

The Company is closely associated with Red Rock Resources Plc, in which the Company has a 0.67% interest as at 30 June 2019 (2018: 1.69%). Red Rock Resources Plc had 2.31% interest in the Company as at 30 June 2019 (2018: 0.29%). Two Directors, Andrew Bell and Scott Kaintz, were also Directors of, and received a salary from, Red Rock Resources Plc during the year. The amount of their remuneration for their role as directors of Red Rock Resources Plc is not required to be disclosed in the Company Financial Statements but is fully disclosed in the Financial Statements of Red Rock Resources Plc.

Corporate Governance Statement

Corporate governance statement follows on pages 17 to 18.

Control Procedures

The Board has approved financial budgets and cash forecasts. In addition, it has implemented procedures to ensure compliance with accounting standards and effective reporting.

Environmental Responsibility

The Company is aware of the potential impact that its subsidiary companies may have on the environment. The Company ensures that it and its subsidiaries, at a minimum, comply with the local regulatory requirements and the revised Equator Principles, the industry standard for environmental and social risk.

Employment Policies

The Group is committed to promoting policies, which ensure that high calibre employees are attracted, retained and motivated, to ensure the on-going success for the business. Employees and those who seek to work within the Group are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

Health and Safety

The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective, the Group provides training and support to employees and sets demanding standards for workplace safety. Being an exploration company with very mobile staff personnel, the Company maintains and follows Emergency Response and Evacuation Plans ("EREP") in all its projects.

Going Concern

The consolidated entity has incurred a loss before tax of £2,607,978 for the year ended 30 June 2019 (2018: loss of £1,549,619) and had a net cash outflow of £543,387 (2018: outflow of £86,350) from operating and investing activities. At that date, there was a net current liability of £1,651,284 (2018: net current liability of £1,131,469). The loss resulted mainly from the impairment of the Group's investment in joint ventures £1,503,377 (2018: loss resulted mainly from impairment of the Group's investment in joint ventures totalling to £1,943,132).

Regency announced on 24 July 2019 that it planned to refocus its business on its nickel-cobalt asset at Mambare, its vanadium project in the Yukon, Canada and on further developing its investment in Allied Energy Services Ltd. These changes were designed to reduce the cost burden of unnecessary projects and to refocus available capital where it was deemed most likely to create future value. The end result was a leaner and more focused entity with a lower long-term rate of expenditure and shorter-term expectations of cash generation.

Regency owns liquid assets that it can sell to fund operations, the most significant being its 8.55% stake in Curzon Energy Plc, listed on the Standard List of the London Stock Exchange (LSE:CZN). The value of this holding, following in Q4 2019, was approximately £53,000. The Company also has an 100% ownership interest in Allied Energy Services Ltd and owns 0.67% of Red Rock Resources Plc listed on AIM (AIM:RRR).

On 5 December 2019, the Company announced a corporate restructuring, including Board changes, a proposed placing, a proposed share consolidation and debt reduction and restructuring. The end results of these actions, pending approval at a General Meeting scheduled for 23 December 2019, would be a reduction in total obligations outstanding from approximately £1.9m to £0.76m, new equity of £831,000 being raised, and the balance of the Company's debt being reprofiled into a new Loan Note with no payments due until December 2021 and carrying an 8% interest rate.

The successful results of these transactions will place the Company on much firmer financial footing with cash in the bank and a very manageable set of long-dated obligations on the balance sheet. The Company has historically demonstrated the ability to raise equity as required, as most recently demonstrated by a placing of £240,000 in April 2019.

The Directors believe, that based on these developments and the forecasts and projections prepared, that sufficient liquid resources will be available for the Company to continue to operate as a going concern for the foreseeable future, and that the Company will be able to access adequate capital to operate successfully.

By order of the Board

Nigel B

Nigel Burton
Non-Executive Chairman
18 December 2019

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the Company Financial Statements in accordance with IFRS as adopted by the EU.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that period.

In preparing the Group and Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures, disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Regency Mines Plc website.

Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Corporate Governance Statement

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Reporting Council incorporate the UK Corporate Governance Code, which sets out the principles of good governance, and the Code of Best Practice for listed companies. The UK Corporate Governance Code does not apply to AIM companies. The Company does not comply with the UK Corporate Governance Code. However, the Directors have reported on Corporate Governance arrangements by drawing upon the best practice available, including those aspects of the UK Corporate Governance Code, which are considered to be relevant to the company and best practice.

Role of the Board

The Board has a responsibility to govern the Company rather than to manage it and in doing so act in the best interests of the Company as a whole. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director. Non-Executive Directors receive formal letters of appointment setting out the key terms, conditions and expectations of their appointment.

Responsibilities of the Board

The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Director who is charged with consulting the Board on all significant financial and operational matters.

Board of Directors

The Board of Directors currently comprises three Directors, one of which is an Executive Director and Chief Executive Officer as of the year end. There is also a Non-Executive Chairman, Nigel Burton, and a second Independent Non-Executive Director, Ewen Ainsworth.

The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the UK Corporate Governance Code have been implemented to an appropriate level. The Board, through the Non-Executive Chairman, the Executive Director and the Independent Non-Executive Director, maintain regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

All Directors have access to the advice of the Company's solicitors and the Company Secretary, necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively and all Directors have access to independent professional advice, at the Company's expense, as and when required.

Board Meetings

The Board meets regularly throughout the year. During the year ended 30 June 2019, the Board met eleven times in relation to normal operational matters.

Board Committees

The Board has established the following committees, each of which has its own terms of reference:

Audit Committee

The Audit Committee considers the Group's financial reporting, including accounting policies, and internal financial controls. It is responsible for ensuring that the financial performance of the Group is properly monitored and reported on. The Audit Committee meets at least twice a year, once with the auditors, and is comprised of Ewen Ainsworth, the Independent Non-Executive Director, as Chairman and Nigel Burton, Non-Executive Director. The Chairman and other personnel attend the Committee as requested by the Committee.

It is the responsibility of the Committee to review the annual and half-yearly financial statements, to ensure that they adequately comply with appropriate accounting policies, practices and legal requirements, to recommend to the Board their adoption, and to consider the independence of and to oversee the management's appointment of the external auditors.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on Executive Directors' remuneration. It comprises the Non-Executive Director Nigel Burton as Chairman and Ewen Ainsworth, the Independent Non-Executive Director. The Executive Director and other senior personnel attend meetings as requested by the Committee, which meets at least twice a year.

Nominations Committee

The Board has not established a Nominations Committee. The Board considers that a separately established committee is not warranted at this stage of the Group's development and that the functions of such a committee are being adequately discharged by the Board as a whole.

Ethical Decision Making

Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and all staff have agreed to maintain confidentiality of non-public information except where disclosure is authorised or legally mandated.

Bribery

In accordance with the provisions of the Bribery Act, all Directors and staff acknowledge that it is an offence under the act to engage in any form of bribery. The Company has an Anti-Bribery and Whistleblowing Policy in force.

Internal Controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in the light of increased activity and further development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Insurance

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

Treasury Policy

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group. Decisions regarding the management of these assets are approved by the Board.

Securities Trading and Share Dealing

The Board has adopted the Share Dealing Code contained within the AIM Rules that applies to Directors, senior management and any employee who is in possession of "inside information". All such persons are prohibited from trading in the Company's securities if they are in possession of "inside information". Subject to this condition and trading prohibitions applying to "close periods" (usually two months prior to the publication of the interim and final audited accounts), trading can occur provided the relevant individual has received the appropriate prescribed clearance. All Directors and staff are required to advise the Executive Chairman of their intention to undertake a transaction in the Company's shares. Such a transaction will be precluded if the Director or employee is considered to be in possession of unpublished price sensitive information.

Relations with Shareholders

The Board recognises that it is accountable to shareholders for the performance and activities of the Company and Group and to this end is committed to providing effective communication with the shareholders of the Company.

Significant developments are disseminated through stock exchange announcements and regular updates of the Company website where descriptions of the Group projects are available and updated regularly. In addition, copies of press comments, broker notes, video updates and presentations are available. On the website, shareholders may sign up to receive news releases directly by email.

The Board views the Annual General Meeting as an important forum for communication between the Company and its shareholders and encourages shareholders to express their views on the Group's business activities and performance.

Financial Statements

Independent Auditor's Report

to the members of Regency Mines Plc

Opinion

We have audited the Financial Statements of Regency Mines plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2019, which comprise the Consolidated and Company Statements of financial position, the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity, and the related notes 1 to 26, including the principal Accounting Policies in note 1. The financial reporting framework, that has been applied in their preparation, is compliant with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2019 and of the Group's and the Parent Company's results for the year then ended;

- the Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and

- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or

- the Directors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Investments in Associates and Joint Ventures

The Group's Investments in Associates and Joint Ventures represent a significant asset on its statement of financial position totalling £1.95m as at 30 June 2019, this amount comprising the investment in joint venture in the Mambare Project via Oro Nickel of £1.66m and the investment in joint venture in the Dempster Vanadium Project of £0.29m.

Management and the Board are required to ensure that Investments in Associates and Joint Ventures are carried in the statement of financial position at fair value and accord with the Group's accounting policy.

Given the significance of the Investments in Associates and Joint Ventures on the Group's statement of financial position and the significant management judgement involved in the determination and the assessment of their carrying values there is an increased risk of material misstatement.

Carrying Value of Non-Current Receivables

The Group's non-current receivables represent a significant asset on its statement of financial position totalling £1.3m as at 30 June 2019, this amount comprising the recoverable costs in Oro Nickel.

How the Matter was Addressed in the Audit

The procedures included, but were not limited to, assessing and evaluating management's assessment and valuation methodology as applicable to the amounts recoverable from its joint venture assets with consideration of:

- the available financial information on the Joint Venture entities;
- the Impairment Review of the Joint Venture Projects in relation to the potential for future value creation; and
- the future funding and development plans in relation to the Joint Venture Projects.

We also assessed the disclosures included in the Financial Statements together with the amounts allocated to costs within the Income Statement.

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered to be material if it could reasonably be expected to change the economic decisions of a user of the Financial Statements. We used the concept of materiality to both focus our testing and to evaluate the impact of any misstatements identified. Based on professional judgement, we determined overall materiality for the group Financial Statements as a whole to be £90,000, less than 2.5% of Group Total Assets.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which We are Required to Report by Exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rowan J. Palmer (Senior Statutory Auditor)
for and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
18 December 2019

Consolidated Statement of Financial Position

as at 30 June 2019

	Notes	**30 June 2019 £**	30 June 2018 £
ASSETS			
Non-current assets			
Property, plant and equipment	10	—	195
Investments in associates and joint ventures	12	**1,949,985**	3,161,002
Goodwill		**42,471**	42,471
Financial instruments - fair value through other comprehensive income (FVTOCI)	13	**177,544**	1,094,422
Other receivables	14	**1,317,669**	1,274,569
Total non-current assets		**3,487,669**	5,572,659
Current assets			
Cash and cash equivalents	19	**63,735**	126,125
Financial instruments with fair value through profit and loss (FVTPL)	13	**5,060**	5,150
Trade and other receivables	14	**114,994**	136,758
Total current assets		**183,789**	268,033
Total assets		**3,671,458**	5,840,692
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Called up share capital	17	**1,998,972**	1,926,407
Share premium account		**21,113,220**	20,379,728
Other reserves		**(328,680)**	440,693
Retained earnings		**(20,959,611)**	(18,339,478)
Total equity attributable to owners of the Parent		**1,823,901**	4,407,350
Non-Controlling interests		**17,544**	38,990
Total equity		**1,841,445**	4,446,340
LIABILITIES			
Current liabilities			
Trade and other payables	14	**308,302**	296,752
Short-term borrowings	14	**1,521,711**	1,097,600
Total current liabilities		**1,830,013**	1,394,352
Total equity and liabilities		**3,671,458**	5,840,692

These Financial Statements on pages 22 to 66 were approved by the Board of Directors and authorised for issue on 18 December 2019 and are signed on its behalf by:

Nigel Burton
Non-Executive Chairman

The accompanying notes form an integral part of these Financial Statements.

Consolidated Income Statement

for the year ended 30 June 2019

	Notes	**Year to 30 June 2019 £**	Year to 30 June 2018 £
Gain on sale of available for sale investments (before IFRS 9 application)		**—**	1,482,609
Impairment of available for sale financial assets (before IFRS 9 application)		**—**	(215,372)
Gain of sale of financial instruments designated as FVTPL		**38,491**	—
Exploration expenses		**(69,975)**	643
Impairment of exploration assets		—	(40,403)
Impairment of investments in joint ventures	12	**(1,503,377)**	(1,943,132)
Impairment of loans and receivables		**(25,749)**	(95,033)
Administrative expenses	4	**(652,918)**	(640,664)
Foreign currency (loss) / gain		**(43,114)**	(3,312)
Other income		**26,487**	47,257
Finance costs, net	5	**(376,743)**	(142,212)
Share of loss of associates and joint ventures	12	**(1,080)**	—
Loss for the year before taxation	3	**(2,607,978)**	(1,549,619)
Tax credit	6	—	—
Loss for the year		**(2,607,978)**	(1,549,619)
Loss per share attributable to:			
Equity holders of the Parent		**(2,586,532)**	(1,543,889)
Non-controlling interest		**(21,446)**	(5,730)
		(2,607,978)	(1,549,619)
(Loss) per share attributable to owners of the Parent:			
Loss per share – basic	9	**(0.26) pence**	(0.23) pence
Loss per share – diluted	9	**(0.26) pence**	(0.23) pence

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2019

	30 June 2019 £	30 June 2018 £
Loss for the year	**(2,607,978)**	(1,549,619)
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss		
Decrease in AFS reserve in relation to disposals before IFRS 9 adoption	**—**	(322,507)
Surplus on revaluation of available for sale before IFRS 9 adoption	**—**	(163,111)
Decrease in revaluation reserves due to IFRS 9 adoption	**(38,452)**	—
Revaluation of FVTOCI investments	**(799,755)**	—
Decrease in FVTOCI revaluation reserve in relation to disposals	**(3,406)**	—
Gain/loss on sale of FVTOCI investments	**4,851**	—
Unrealised foreign currency gain on translation of foreign operations	**(4,664)**	20,367
Other comprehensive income for the year	**(841,426)**	(465,251)
Total comprehensive expense for the year attributable to owners of the Parent	**(3,449,404)**	(2,014,870)

All of the Group's operations are considered to be continuing.

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2019

The movements in equity during the year were as follows:

	Share capital £	Share premium account £	Retained earnings £	Other reserves £	Total Equity attributable to owners of the Parent £	Non-controlling interests £	Total Equity £
As at 1 July 2017	**1,904,933**	**19,272,873**	**(16,795,589)**	**895,947**	**5,278,164**	—	**5,278,164**
Changes in equity for 2018						—	
Loss for the year	—	—	(1,543,889)	—	(1,543,889)	(5,730)	(1,549,619)
Other comprehensive income for the year	—	—	—	(465,251)	(465,251)	—	(465,251)
Acquisition of new subsidiary	—	—	—	—	—	44,720	44,720
Transactions with owners							
Issue of shares	21,474	1,158,855	—	—	1,180,329	—	1,180,329
Share issue and fundraising costs	—	(52,000)	—	—	(52,000)	—	(52,000)
Share-based payment transfer	—	—	—	9,997	9,997	—	9,997
Total transactions with owners	**21,474**	**1,106,855**	—	**9,997**	**1,138,326**	—	**1,138,326**
As at 30 June 2018 (as reported)	**1,926,407**	**20,379,728**	**(18,339,478)**	**440,693**	**4,407,350**	**38,990**	**4,446,340**
Reserves transfer on IFRS9 first time application	—	—	(38,452)	38,452	—	—	—
As at 1 July 2018 (restated)	**1,926,407**	**20,379,728**	**(18,377,930)**	**479,145**	**4,407,350**	**38,990**	**4,446,340**
Changes in equity for 2019							
Loss for the year	—	—	(2,586,532)	—	(2,586,532)	(21,446)	(2,607,978)
Other comprehensive income for the year							
Revaluation of FVTOCI investments	—	—	—	(799,755)	(799,755)	—	(799,755)
Decrease in FVTOCI revaluation reserve in relation to disposals	—	—	—	(3,406)	(3,406)	—	(3,406)
Gain/loss on sale of FVTOCI investments	—	—	4,851	—	4,851	—	4,851
Unrealised foreign currency gain arising on re-translation of foreign operations	—	—	—	(4,664)	(4,664)	—	(4,664)
Total Other comprehensive income for the year	—	—	**4,851**	**(807,825)**	**(802,974)**	**—**	**(802,974)**
Transactions with owners							
Issue of shares	72,565	745,272	—	—	817,837	—	817,837
Share issue and fundraising costs	—	(11,780)	—	—	(11,870)	—	(11,780)
Total transactions with owners	**72,565**	**733,492**	—	—	**806,057**	—	**806,057**
As at 30 June 2019	**1,998,972**	**21,113,220**	**(20,959,611)**	**(328,680)**	**1,823,901**	**17,544**	**1,841,445**

See note 16 for a description of each reserve included above.

Consolidated Statement of Changes in Equity Continued

Other reserves	FVTOCI financial asset reserve £	Share-based payment reserve £	Foreign currency translation reserve £	Total other reserves £
As at 1 July 2017	**326,097**	**65,857**	**503,993**	**895,947**
Changes in equity for 2018				
Other comprehensive(expense) / income for the year				
Decrease in available for sale asset reserve in relation to disposals	(322,507)	—	—	(322,507)
Change in available for sale asset reserve due to revaluation	(163,111)	—		(163,111)
Unrealised foreign currency gain on translation of foreign operations	—	—	20,367	20,367
Total Other comprehensive (expense) / income for the year	(485,618)	—	20,367	(465,251)
Share based payment transfer	—	9,997	—	9,997
As at 30 June 2018	**(159,521)**	**75,854**	**524,360**	**440,693**
Reserves transfer on IFRS9 first time application	38,452	—	—	38,452
As at 1 July 2018 (restated)	**(121,069)**	**75,854**	**524,360**	**479,145**
Changes in equity for 2019				
Revaluation of FVTOCI investments	(799,755)	—	—	(799,755)
Decrease in FVTOCI revaluation reserve in relation to disposals	(3,406)	—		(3,406)
Unrealised foreign currency gain on translation of foreign operations		—	(4,664)	(4,664)
Total Other comprehensive expense for the year	**(803,161)**	**—**	**(4,664)**	**(807,825)**
As at 30 June 2019	**(924,230)**	**75,854**	**519,696**	**(328,680)**

See note 16 for a description of each reserve included above.

Consolidated Statement of Cash Flows

for the year ended 30 June 2019

	Year to 30 June 2019 £	Year to 30 June 2018 £
Cash flows from operating activities		
Loss before taxation	**(2,607,978)**	(1,549,619)
(Increase) / decrease in receivables	**(50,391)**	(108,653)
Increase/(decrease) in payables	**27,535**	44,000
Depreciation	**195**	15,325
Impairment of exploration properties	—	40,403
Share-based payments	**10,620**	35,017
Currency adjustments	**43,114**	3,313
Finance cost, net	**376,743**	142,212
Agents fees settled in Curzon's shares, recorded as Other income	—	(28,000)
Gain on sale of FVTPL investments	**(38,491)**	(1,482,609)
Share of loss in associates and joint ventures, net of tax	**1,080**	—
Impairment of available for sale financial assets	—	215,372
Impairment of investments in joint ventures	**1,503,377**	1,943,132
Impairment of loans and receivables	**25,749**	95,033
Net cash outflow from operations	**(708,447)**	(635,074)
Cash flows from investing activities		
Proceeds from sale of FVTOCI and FVTPL investments	165,060	1,791,758
Purchase of available for sale financial assets	—	(800,000)
Payments for investments in associates and joint ventures	—	(443,034)
Net cash outflow from investing activities	**165,060**	548,724
Cash inflows from financing activities		
Proceeds from issue of shares	**229,020**	1,124,310
Transaction costs of issue of shares	—	(59,500)
Interest paid	**(23)**	(136,730)
Proceeds of new borrowings, as received net of associated fees	**252,000**	—
Repayment of borrowings	—	(724,781)
Net cash inflow from financing activities	**480,997**	203,299
Net (decrease)/increase in cash and cash equivalents	**(62,390)**	116,949
Cash and cash equivalents at the beginning of period	**126,125**	9,176
Cash and cash equivalents at end of period	**63,735**	126,125

The accompanying notes and accounting policies form an integral part of these Financial Statements.

Company Statement of Financial Position

as at 30 June 2019

	Notes	**30 June 2019 £**	30 June 2018 £
ASSETS			
Non-current assets			
Property, plant and equipment	10	—	195
Investments in subsidiaries	11	**483**	483
Investments in associates and joint ventures*	12	**2,067,725**	1,774,285
Available for sale financial assets	13	**177,544**	694,423
Other receivables*	14	**1,891,599**	4,248,393
Total non-current assets		**4,137,351**	6,717,779
Current assets			
Cash and cash equivalents	19	**33,753**	6,505
Trade and other receivables	14	**94,196**	124,346
Total current assets		**127,949**	130,851
Total assets		**4,265,300**	6,848,630
EQUITY AND LIABILITIES			
Called up share capital	17	**1,998,972**	1,926,407
Share premium account		**21,113,220**	20,379,728
Other reserves		**(448,376)**	(79,453)
Retained earnings		**(20,181,057)**	(16,755,707)
Total equity		**2,482,759**	5,470,975
LIABILITIES			
Current liabilities			
Trade and other payables	15	**260,830**	280,055
Short-term borrowings	15	**1,521,711**	1,097,600
Total current liabilities		**1,782,541**	1,377,655
Total equity and liabilities		**4,265,300**	6,848,630

*Investment in associate was re-classified between the lines marked with asterisk in the comparative information to reflect indirect ownership of the MET associate. More details in note 1.6

These Financial Statements on pages 22 to 66 were approved by the Board of Directors and authorised for issue on 18 December 2019 and are signed on its behalf by:

Nigel B

Nigel Burton
Non-Executive Chairman

The accompanying notes form an integral part of these Financial Statements.

Company Statement of Changes in Equity

for the year ended 30 June 2019

The movements in reserves during the year were as follows:

	Share capital £	Share premium account £	Retained earnings £	Other reserves £	Total equity £
As at 30 June 2017	**1,904,933**	**19,272,873**	**(15,474,628)**	**496,514**	**6,199,692**
Changes in equity for 2018					
Loss for the year	—	—	(1,352,545)	—	(1,352,545)
Other comprehensive income for the year	—	—	71,466	(585,965)	(514,499)
Transactions with owners					
Issue of shares	21,474	1,158,855	—	—	1,180,329
Share issue and fundraising costs	—	(52,000)	—	—	(52,000)
Share based payment transfer	—	—	—	9,997	9,997
Total transactions with owners	**21,474**	**1,106,855**	**—**	**9,997**	**1,138,326**
As at 30 June 2018	**1,926,407**	**20,379,728**	**(16,755,707)**	**(79,454)**	**5,470,974**
Reserves transfer on IFRS9 adoption	—	—	(34,239)	34,239	—
As at 1 July 2018	**1,926,407**	**20,379,728**	**(16,789,946)**	**(45,215)**	**5,470,974**
Changes in equity for 2019					
Loss for the year	—	—	(3,395,962)	—	(3,395,962)
Other comprehensive income for the year					
Revaluation of FVTOCI investments	—	—	—	(3,406)	(3,406)
Decrease in FVTOCI revaluation reserve in relation to disposals	—	—	—	(399,755)	(399,755)
Gain on sale of FVTOCI investments	—	—	4,851	—	4,851
Total other comprehensive income for the year	**—**	**—**	**4,851**	**(403,161)**	**(398,310)**
Transactions with owners					
Issue of shares	72,565	745,272	—	—	817,837
Share issue and fundraising costs	—	(11,780)	—	—	(11,780)
Total transactions with owners	**72,565**	**733,492**	—	—	**806,057**
As at 30 June 2019	**1,998,972**	**21,113,220**	**(20,181,057)**	**(448,376)**	**2,482,759**

Company Statement of Changes in Equity Continued

Other reserves	FVTOCI financial asset reserve £	Share-based payment reserve £	Currency reserve £	Total other reserves £
As at 30 June 2017	**326,097**	**65,857**	**104,560**	**496,514**
Changes in equity for 2018				
Other comprehensive income for the year				
Decrease in available for sale asset reserve in relation to disposals	(355,602)	—	—	(355,602)
Change in available for sale asset reserve due to revaluation	(158,898)	—	—	(158,898)
Transfer between reserves	33,095	—	(104,560)	71,466
Total Other comprehensive (expenses) / income	**(481,405)**	**—**	**(104,560)**	**(585,965)**
Share based payment transfer	—	9,997	—	9,997
As at 30 June 2018	**(155,308)**	**75,854**	—	**(79,454)**
Reserves transfer on IFRS9 adoption	**34,239**	—	—	**34,293**
As at 1 July 2018	**(121,069)**	**75,854**	—	**(45,215)**
Changes in equity for 2019				
Other comprehensive income for the year				
Revaluation of FVTOCI investments	(3,406)	—	—	(3,406)
Decrease in FVTOCI revaluation reserve in relation to disposals	(399,755)	—	—	(399,755)
Total Other comprehensive expenses	**(403,161)**	—	—	**(403,161)**
As at 30 June 2019	**(524,230)**	**75,854**	—	**(448,376)**

See note 16 for a description of each reserve included above.

Company Statement of Cash Flows

for the year ended 30 June 2019

	Year to 30 June 2019 £	Year to 30 June 2018 £
Cash flows from operating activities		
Loss before taxation	**(3,395,962)**	(1,352,545)
(Increase)/Decrease in receivables *	**(53,171)**	(1,111,062)
(Decrease)/Increase in payables	**(936)**	44,000
Depreciation	**195**	15,325
Agents fees settled in Curzon's shares, recorded as Other income	—	(28,000)
Share-based payments	**10,620**	35,017
Finance (income)/costs, net	**376,743**	27,590
Currency gains / (losses)	**43,114**	(38,124)
Gain on sale of investments	**(38,491)**	(1,482,818)
Impairment of associate	—	1,943,132
Debtors write off	**2,439,079**	95,033
Impairment of available for sale investment before IFRS9 adoption	—	215,372
Impairment of exploration expenses	—	40,403
Net cash outflow from operations	**(618,809)**	(1,596,677)
Cash flows from investing activities		
Payments for investments in associates and joint ventures*	—	—
Purchase of available for sale financial assets	—	(400,000)
Proceeds from sale of available for sale investments	**165,060**	1,791,758
Net cash outflow from investing activities	**165,060**	1,391,758
Cash inflows from financing activities		
Proceeds from issue of shares	**229,020**	1,124,310
Transaction costs of issue of shares	—	(59,500)
Interest paid	**(23)**	(136,730)
Proceeds of new borrowings	**252,000**	—
Repayments of borrowings	—	(724,781)
Net cash inflow from financing activities	**480,997**	203,299
Net (decrease)/increase in cash and cash equivalents	**27,248**	(1,620)
Cash and cash equivalents at the beginning of period	6,505	8,125
Cash and cash equivalents at end of period	**33,753**	6,505

*Investment in associate was re-classified between the lines marked with asterisk in the comparative information to reflect indirect ownership of the MET associate. More details in note 1.6

The accompanying notes and accounting policies form an integral part of these Financial Statements.

Notes to Financial Statements

1. Principal Accounting Policies

1.1 Authorisation of Financial Statements and Statement of Compliance with IFRS

The Group Financial Statements of Regency Mines Plc ("the Company" or "Regency"), for the year ended 30 June 2019, were authorised for issue by the Board on 18 December 2019 and signed on the Board's behalf by Scott Kaintz. Regency Mines Plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM.

1.2 Basis of Preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as endorsed by the EU ("IFRS") and the requirements of the Companies Act applicable to companies reporting under IFRS.

The principal accounting policies adopted are set out below.

Going Concern

The consolidated entity has incurred a loss before tax of £2,607,978 for the year ended 30 June 2019 (2018: loss of £1,549,619) and had a net cash outflow of £543,387 (2018: outflow of £86,350) from operating and investing activities. At that date there was a net current liability of £1,651,284 (2018: net current liability of £1,131,469). The loss resulted mainly from the impairment of the Group's investment in joint ventures £1,503,377 (2018: loss resulted mainly from impairment of the Group's investment in joint ventures totalling £1,943,132).

Regency announced on 24 July 2019 that it planned to refocus its business on its nickel-cobalt asset at Mambare, its vanadium project in the Yukon, Canada and on further developing its investment in Allied Energy Services Ltd. These changes were designed to reduce the cost burden of unnecessary projects and to refocus available capital where it was deemed most likely to create future value. The end result was a leaner and more focused entity with a lower long-term rate of expenditure and shorter-term expectations of cash generation.

Regency owns liquid assets that it can sell to fund operations, the most significant being its 8.55% stake in Curzon Energy Plc, listed on the Standard List of the London Stock Exchange (LSE:CZN) The value of this holding, following in Q4 2019, was approximately £53,000. The Company also has an 100% ownership interest in Allied Energy Services Ltd and owns 0.67% of Red Rock Resources Plc listed on AIM (AIM:RRR).

On 5 December 2019, the Company announced a corporate restructuring including Board changes, a proposed placing, a proposed share consolidation and debt reduction and restructuring. The end results of these actions, pending approval at a General Meeting scheduled for 23 December 2019, would be a reduction in total obligations outstanding from approximately £1.9m to £0.76m, new equity of £831,000 being raised, and the balance of the Company's debt being reprofiled into a new loan note with no payments due until December 2021 and carrying an 8% interest rate.

The successful results of these transactions will place the Company on much firmer financial footing with cash in the bank and a very manageable set of long-dated obligations on the balance sheet. The Company has historically demonstrated the ability to raise equity as required, as most recently demonstrated by a placing of £240,000 in April 2019.

The Directors believe that based on these developments and the forecasts and projections prepared, that sufficient liquid resources will be available for the Company to continue to operate as a going concern for the foreseeable future, and that the Company will be able to access adequate capital to operate successfully.

Company Statement of Comprehensive Income

As permitted by Section 408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's loss for the financial year was £3,395,962 (2018: loss of £1,352,545). The Company's other comprehensive loss for the financial year was £3,828,511 (2018: loss £481,405).

1. Principal Accounting Policies Continued

Amendments to Published Standards Effective for the Year Ended 30 June 2019

New Standards, Amendments and Interpretations Effective for the Periods from 1 July 2018

The following new standards, amendments and interpretations are effective for the first time in these Financial Statements. However, none have a material effect on the Group and Company:

IFRS 9 "Financial Instruments" impact both the measurement and disclosures of Financial Instruments. The Group has not retrospectively re-stated prior period. The Group has analysed its investments into equity instruments on investment-by-investment basis and took a decision to designate two of its Available for sale investments held at the date of IFRS 9 adoption as fair value through profit and loss (FVTPL) and the rest as fair value through other comprehensive income financial assets (FVTOCI). Those of the Group's investments into equity instruments, that were held by the Group at 30 June 2018, and re-classified as FVTOCI on the date of the IFRS 9 adoption, are held by the Group with a long-term view and are not held for trading. For equity instruments designated at FVTOCI under IFRS 9, only dividend income will be recognised in profit or loss, all other gains and losses will be recognised in OCI without reclassification on derecognition. More details are provided in the note 13.

IFRS 15 "Revenue from Contracts with Customers" – the Company is pre-revenue hence the adoption of this standard had no impact on the reported results.

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 July 2018 that had a significant effect on the Group's Financial Statements.

New Standards, Amendments and Interpretations Not Yet Adopted

At the date of authorisation of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective for the year presented:

	Issued Date	IASB mandatory effective date, for the periods beginning on or after
New Standards and Interpretations		
IFRS 16 Leases	13-Jan-16	01-Jan-19
IFRIC 23 Uncertainty over Income Tax Treatments	07-Jun-17	01-Jan-19
IFRS 17 Insurance contracts*	18-May-17	01-Jan-21
Amendments to Existing Standards		
Amendments to IAS 28: Long-term interests in associates and joint ventures	12-Oct-17	01-Jan-19
Annual improvements to IFRSs (2015-2017 Cycle)	12-Dec-17	01-Jan-19
Amendments to IAS 19: Plan amendment, curtailment or settlement	07-Feb-18	01-Jan-19
Amendments to References to the conceptual framework in IFRSs*	29-Mar-18	01-Jan-20
Amendment to IFRS 3 Business Combinations*	22-Oct-2018	01-Jan-20
Amendments to IAS 1 and IAS 8: Definition of Material*	31-Dec-18	01-Jan-20

* Not yet endorsed for use in the EU at the time these accounts were authorised for issue.

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the Group in future periods.

Adoption of IFRS 16 will result in the Group recognising right of use of assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual Financial Statements the total commitment. Due to the fact that the Group currently only has short term (less than 12 months) operating leases, IFRS 16 will not have a material impact on the results or balance sheet of the Group. All the exploration areas land lease agreements that the Company has for its areas of interest are outside of IFRS16 scope.

1. Principal Accounting Policies Continued

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The Group does not have any contract that fall within the scope of this standard and therefore it would have no impact on the reported results.

IFRIC 23 is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. This interpretation is unlikely to have a material effect of the reported results.

Standards Adopted Early by the Group
The Group has not adopted any standards or interpretations early in either the current or the preceding financial year.

1.3 Basis of Consolidation

The consolidated Financial Statements of the Group incorporate the Financial Statements of the Company and entities controlled by the Company, its subsidiaries, made up to 30 June each year.

Subsidiaries
Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain economic benefits from their activities. Subsidiaries are consolidated from the date on which control is obtained, the acquisition date, until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Provisional fair values are adjusted against goodwill if additional information is obtained within one year of the acquisition date about facts or circumstances existing at the acquisition date. Other changes in provisional fair values are recognised through profit or loss.

Intra-group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation, except to the extent that intra-group losses indicate an impairment.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Any impairment recognised for goodwill is not reversed.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Non-Controlling Interests
Profit or loss and each component of other comprehensive income are allocated between the Parent and non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any differences between the adjustment for the non-controlling interest and the fair value of consideration paid or received are recognised in equity.

1. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies

1.4.1 Investment in Associates

An associate is an entity over which the Company is in a position to exercise significant influence, but not control or jointly control, through participation in the financial and operating policy decisions of the investee.

Investments in associates are recognised in the consolidated Financial Statements using the equity method of accounting. The Group's share of post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income are recognised directly in other comprehensive income. The carrying value of the investment, including goodwill, is tested for impairment when there is objective evidence of impairment. Losses in excess of the Group's interest in those associates are not recognised unless the Group has incurred obligations or made payments on behalf of the associate.

Where a Group company transacts with an associate of the Group, unrealised gains are eliminated to the extent of the Group's interest in the relevant associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

Where the Company's holding in an associate is diluted, the Company recognises a gain or loss on dilution in profit and loss. This is calculated as the difference between the Company's share of proceeds received for the dilutive share issue and the value of the Company's effective disposal.

In the Company accounts investments in associates are recognised and held at cost. The carrying value of the investment is tested for impairment when there is objective evidence of impairment. Impairment charges are included in the Consolidated Statement of Comprehensive Income.

1.4.2 Interests in Joint Ventures

A joint venture is a joint arrangement whereby the partners who have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of the joint arrangement, which exists only when decisions on relevant activities require the unanimous consent of the parties sharing control. The Group recognises its interest in the entity's assets and liabilities, using the equity method of accounting. Under the equity method, the interest in the joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of its net assets, less distributions received and less any impairment in value of individual investments. The Group Income Statement reflects the share of the jointly controlled entity's results after tax.

Any goodwill arising on the acquisition of a jointly controlled entity is included in the carrying amount of the jointly controlled entity and is not amortised. To the extent that the net fair value of the entity's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of the entity's profit or loss in the period in which the investment is acquired.

Financial Statements of the jointly controlled entity will be prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies used into line with those of the Group and to reflect impairment losses where appropriate. Adjustments are also made in the Group's Financial Statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entity. The Group ceases to use the equity method on the date from which it no longer has joint control over, or significant influence in, the joint venture.

At 30 June 2019, the Group had following contractual arrangements, which were classified as investments into associates and joint ventures:

- Oro Nickel Ltd, a contractual arrangement with Battery Metals Pty Ltd, which represents a joint venture established through an interest in a jointly controlled entity, in order to develop and exploit the Mambare nickel project;
- Mining Equity Trust (MET), LLC ("MET"), a Delaware-incorporated limited liability company, is a contractual arrangement with Legacy Hill Resources Ltd ("LHR") and Carraigbarre Capital Ltd ("CCL"), and the Company (as a minority shareholder) holds their interests in the MET associate. More details are disclosed in note 12.

1.Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies

1.4.3 Taxation

Corporation tax payable is provided on taxable profits at the current rate. The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity, or items charged or credited directly to other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax relates to income tax levied by the same tax authorities on either:

- the same taxable entity; or
- different taxable entities which intend to settle current tax assets and liabilities on a net basis or to realise and settle them simultaneously in each future period when the significant deferred tax assets and liabilities are expected to be realised or settled.

1.4.4 Property, Plant and Equipment

Property, plant and equipment acquired and identified as having a useful life that exceeds one year is capitalised at cost and is depreciated on a straight-line basis at annual rates that will reduce book values to estimated residual values over their anticipated useful lives as follows:

Office furniture, fixtures and fittings	– 33% per annum
Leasehold improvements	– 5% per annum

1.4.5 Foreign Currencies

Both the functional and presentational currency of Regency Mines Plc is Sterling (£). Each Group entity determines its own functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

The functional currencies of the foreign subsidiaries and joint ventures are the Australian Dollar ("AUD"), the Papua New Guinea Kina ("PNG") and the US Dollar ("USD").

Transactions in currencies other than the functional currency of the relevant entity are initially recorded at the exchange rate prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income when the changes in fair value are recognised directly in other comprehensive income.

On consolidation, the assets and liabilities of the Group's overseas operations are translated into the Group's presentational currency at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates have fluctuated significantly during the year, in which case the exchange rate at the date of the transaction is used. All exchange differences arising, if any, are recognised as other comprehensive income and are transferred to the Group's foreign currency translation reserve.

1. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies Continued

1.4.6 Exploration Assets

Exploration assets comprise exploration and development costs incurred on prospects at an exploratory stage. These costs include the cost of acquisition, exploration, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads directly associated with those projects. These costs are carried forward in the Statement of Financial Position as non-current intangible assets less provision for identified impairments.

Recoupment of exploration and development costs is dependent upon successful development and commercial exploitation of each area of interest and will be amortised over the expected commercial life of each area once production commences. The Group and the Company currently have no exploration assets where production has commenced.

The Group adopts the “area of interest” method of accounting whereby all exploration and development costs, relating to an area of interest, are capitalised and carried forward until abandoned. In the event that an area of interest is abandoned, or if the Directors consider the expenditure to be of no value, accumulated exploration costs are written off in the financial year in which the decision is made. All expenditure incurred prior to approval of an application is expensed, with the exception of refundable rent, which is raised as a receivable.

Upon disposal, the difference between the fair value of consideration receivable for exploration assets and the relevant cost within non-current assets is recognised in the Income Statement.

1.4.7 Impairment of Non-Financial Assets

The carrying values of assets, other than those to which IAS 36 “Impairment of Assets” does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised immediately in the consolidated statement of comprehensive income.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.4.8 Share-Based Payments

Share Options

The Group operates an equity-settled share-based payment arrangement whereby the fair value of services provided is determined indirectly by reference to the fair value of the instrument granted.

The fair value of options granted to Directors and others in respect of services provided is recognised as an expense in the income statement with a corresponding increase in equity reserves – the share-based payment reserve until the award has been settled and then make a transfer to share capital. On exercise or lapse of share options, the proportion of the share-based payment reserve relevant to those options is transferred to retained earnings. On exercise, equity is also increased by the amount of the proceeds received.

The fair value is measured at grant date and charged over the vesting period during which the option becomes unconditional.

The fair value of options is calculated using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. The exercise price is fixed at the date of grant.

Non-market conditions are performance conditions that are not related to the market price of the entity’s equity instruments. They are not considered when estimating the fair value of a share-based payment. Where the vesting period is linked to a non-market performance condition, the Group recognises the goods and services it has acquired during the vesting period based on the best available estimate of the number of equity instruments expected to vest. The estimate is reconsidered at each reporting date, based on factors such as a shortened vesting period, and the cumulative expense is ‘trued up’ for both the change in the number expected to vest and any change in the expected vesting period.

Market conditions are performance conditions that relate to the market price of the entity’s equity instruments. These conditions are included in the estimate of the fair value of a share-based payment. They are not taken into account for the purpose of estimating the number of equity instruments that will vest. Where the vesting period is linked to a market performance condition, the Group estimates the expected vesting period. If the actual vesting period is shorter than estimated, the charge is be accelerated in the period that the entity delivers the cash or equity instruments to the counterparty. When the vesting period is longer, the expense is recognised over the originally estimated vesting period.

For other equity instruments, granted during the year (i.e. other than share options), fair value is measured on the basis of an observable market price.

1. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies Continued

Share Incentive Plan

Where the shares are granted to the employees under Share Incentive Plan, the fair value of services provided is determined indirectly by reference to the fair value of the free, partnership and matching shares granted on the grant date. Fair value of shares is measured on the basis of an observable market price, i.e. share price as at grant date and is recognised as an expense in the Income Statement on the date of the grant. For the partnership shares the charge is calculated as the excess of the mid-market price on the date of grant over the employee’s contribution.

1.4.9 Pension

The Group operates a defined contribution pension plan, which requires contributions to be made to a separately administered fund. Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable.

1.4.10 Finance Income/Expense

Finance income and expense is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts/re-payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

1.4.11 Financial Instruments

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Fair Value through Profit or Loss (FVTPL)

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the statement of financial position at fair value with changes in fair value recognised in the Consolidated Statement of Comprehensive Income in the finance income or expense line. Other than derivative financial instruments, which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost

These assets comprise the types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9, using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For the receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

1. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies Continued

1.4.11 Financial Instruments Continued

Fair Value through Other Comprehensive Income (FVTOCI)

The Group has a number of strategic investments in listed and unlisted entities, which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets, measured at fair value through other comprehensive income, are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

Financial Liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired:

Fair Value through Profit or Loss (FVTPL)

This category comprises out-of-the-money derivatives where the time value does not offset the negative intrinsic value or any liabilities held for trading. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the Consolidated Statement of Comprehensive Income. The Group did not hold any such liabilities at the date of IFRS 9 adoption or at the end of the reporting year.

Other Financial Liabilities

Other financial liabilities include

- Borrowings, which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Liability components of convertible loan notes are measured as described further below.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1.4.12 Investments in the Company Accounts

Investments in subsidiary companies are classified as non-current assets and included in the Statement of Financial Position of the Company at cost at the date of acquisition less any identified impairments.

For acquisitions of subsidiaries or associates achieved in stages, the Company re-measures its previously held equity interests in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in profit or loss. Any gains or losses, previously recognised in other comprehensive income, are transferred to profit and loss.

Investments in associates and joint ventures are classified as non-current assets and included in the statement of financial position of the Company at cost at the date of acquisition less any identified impairment.

1.4.13 Share Capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

Notes to Financial Statements

for the year ended 30 June 2019

1. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies Continued

1.4.14 Convertible Debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debt option reserve" within shareholders' equity, net of income tax effects.

1.4.15 Warrants

Derivative contracts that only result in the delivery of a fixed amount of cash or other financial assets for a fixed number of an entity's own equity instruments are classified as equity instruments. Warrants relating to equity finance and issued together with ordinary shares placement are valued by residual method and treated as directly attributable transaction costs and recorded as a reduction of share premium account based on the fair value of the warrants. Warrants classified as equity instruments are not subsequently re-measured (i.e., subsequent changes in fair value are not recognised).

1.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Significant Judgements in Applying the Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated Financial Statements:

Impairment of Investments in Associates and Joint ventures

The carrying amount of investments in joint ventures is tested for impairment annually. In addition, assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. During the year, the investment into MET associate was fully impaired.

Following a failure to arrange the planned level of debt at the time of initial purchase, MET removed working capital from the Omega operating business to meet its ongoing purchase payments to the sellers of the Omega metallurgical coal operations during the months after initial close. This process put additional stress and pressure on the finances of Omega, and disrupted key activities such as forward bonding, maintenance and ultimately production of coal. As the planned debt was never ultimately secured and a funding gap remained, an investment by Carraigbarre Capital Ltd was agreed in July 2019, with a view to recapitalising the operating business. Following further delays in the funds associated with this investment arriving in the USA, the operating business was unable to continue production, and mining was finally terminated. The decision to fully impair the investment was made following discussions with the manager of MET, Legacy Hill Resources Ltd, in which it was deemed that little to no value is likely to be recovered from the assets in Virginia going forward.

Impairment of Loans to Subsidiaries in the Company Accounts

The loans made to Regency Resources Inc and Regency Mines Australasia Pty Ltd have been fully impaired as the view of the Directors that neither subsidiary is likely to be able to reasonably be expected to repay these borrowings going forward.

Significant Accounting Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-Based Payment Transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined using the Black-Scholes model.

1.5 Significant Accounting Judgements, Estimates and Assumptions Continued

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and, for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.6 Re-Statement of Prior Period Error

In the year ended 30 June 2018, a loan of £1,503,377, granted to the Company's subsidiary Regency Resources Inc, was included in the line "Investments in associates and joint ventures" on the face of the Company's statement of financial position. To reflect the fact that the Company holds the interest in MET indirectly via Regency Resources Inc, the loan has been included into the line "Other receivables" within non-current section of the Company's statement of financial position in the comparative year. Relevant changes have also been made in the Company's statement of cashflows.

2. Segmental Analysis

As with all natural resource exploration and development ventures yet to generate cash from operations, ensuring adequate cash is available to meet operational obligations and to provide for investment opportunities is critical. This is therefore the main focus of management information presented to the chief operational decision makers, being the Executive Chairman and the Board of Directors.

The only sources of funds are issues of new equity and sales of exploration rights, investments or other assets. Therefore, in addition to monitoring the current market perception of the Company to shareholders, brokers and other possible providers of equity finance, constant attention is paid to:

- available cash;
- the market value of the Group's listed investments.

At 30 June 2019, the Group had cash and cash equivalents of £63,735 (2018: £126,125).

2. Segmental Analysis Continued

Once the Group's main focus of operations becomes production of natural resources, the nature of management information examined by the Board will alter to reflect the need to monitor revenues, margins, overheads and trade balances, as well as cash.

IFRS 8 requires the reporting of information about the revenues derived from the various areas of activity, the countries in which revenue is earned regardless of whether this information is used in by management in making operating decisions.

Year to 30 June 2019	Nickel (PNG) £	Energy storage (UK) £	Vanadium (Canada) £	Corporate and unallocated £	Total £
Revenue	**—**	**—**	**—**	**—**	**—**
Management services	—	—	—	—	—
Impairment of investment in joint ventures	—	—	—	(1,503,377)	**(1,503,377)**
Gain on sale of FVTOCI financial instruments	—	—	—	38,491	**38,491**
Exploration expenses	—	—	—	(69,975)	**(69,975)**
Administrative expenses*	—	(134,290)	—	(518,628)	**(652,918)**
Currency (loss)/gain	—	—	—	(43,114)	**(43,114)**
Share of profits in joint ventures	(1,080)	—	—	—	**(1,080)**
Impairment of financial assets carried at amortised cost	—	—	—	(25,749)	**(25,749)**
Other income	—	16,447	—	10,040	**26,487**
Finance cost – net	—	—	—	(376,743)	**(376,743)**
Net (loss) before tax from continuing operations	**(1,080)**	**(117,843)**	**—**	**(2,489,055)**	**(2,607,978)**

Year to 30 June 2018	Nickel (PNG) £	Energy storage (UK) £	Vanadium (Canada) £	Corporate and unallocated £	Total £
Revenue					
Management services	—	—	—	—	—
Impairment of investment in joint ventures	—	—	—	(1,943,132)	(1,943,132)
Gain on sale of available for sale investments	—	—	—	1,482,609	1,482,609
Exploration expenses	—	—	—	643	643
Administrative expenses*	—	(54,216)	—	(681,481)	(735,697)
Currency (loss)/gain	—	—	—	37,102	(3,312)
Share of profits in associates	—	—	—	—	—
Impairment of exploration assets	—	—	—	(40,403)	(40,403)
Impairment of available for sale investments	—	—	—	(215,372)	(215,372)
Other income	—	12,250	—	35,007	47,257
Finance cost – net	—	—	—	(142,212)	(142,212)
Net (loss) before tax from continuing operations	—	(41,966)	—	(1,507,653)	(1,549,619)

* Included in administrative expenses is depreciation charge of £195 (2018: £15,325) under Corporate and unallocated.

2. Segmental Analysis Continued

Information by Geographical Area

Presented below is certain information by the geographical area of the Group's activities. Investment sales revenue and exploration property sales revenue are allocated to the location of the asset sold.

Year to 30 June 2019	UK £	Australia £	Papua New Guinea £	USA £	Canada £	Total £
Revenue	**—**	**—**	**—**	**—**	**—**	**—**
Gain on sale of investments	38,491	—	—	—	—	38,491
Total segment revenue and other gains	**38,491**	**—**	**—**	**—**	**—**	**38,491**
Non-current assets						
Investments in associates and joint ventures	—	—	1,656,545	—	293,440	1,949,985
Goodwill	42,471	—	—	—	—	42,471
Receivable from a joint venture	—	—	1,317,669	—	—	1,317,669
FVTOCI financial instruments	30,526	49,236	—	95,856	1,926	177,544
Total segment non-current assets	**72,997**	**49,236**	**2,974,214**	**95,856**	**295,366**	**3,487,669**

Year to 30 June 2018	UK £	Australia £	Papua New Guinea £	USA £	Canada £	Total £
Revenue	**—**	**—**	**—**	**—**	—	**—**
Gain on sale of investments	1,482,609	—	—	—	—	1,482,609
Total segment revenue and other gains	**1,482,609**	**—**	**—**	**—**	—	**1,482,609**
Non-current assets					—	
Investments in associates and joint ventures	—	—	1,657,625	1,503,377	—	3,161,002
Goodwill	42,471	—	—	—	—	42,471
Property, plant and equipment	195	—	—	—	—	195
Receivable from a joint venture	—	—	1,274,569	—	—	1,274,569
Available for sale financial assets	583,350	47,328	—	468,894	—	1,099,572
Total segment non-current assets	**626,017**	**47,328**	**2,932,194**	**1,972,270**	—	**5,577,809**

3. Loss on Ordinary Activities Before Taxation

Group	2019 £	**2018 £**
Loss on ordinary activities before taxation is stated after charging:		
Auditor's remuneration:		
– fees payable to the Company's auditor for the audit of consolidated and Company Financial Statements	16,000	16,200
– fees payable to subsidiary auditors for the audit of subsidiary Financial Statements	—	—
Depreciation	195	15,352
Directors' emoluments (note 8)	183,962	204,689
Share-based payments – Directors	—	9,997
Share-based payments – Staff	—	—

As declared in note 8, Directors are remunerated in part by third parties with whom the Company and Group have contractual arrangements.

4. Administrative Expenses

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Staff costs				
Payroll	**174,360**	167,200	169,860	165,700
Pension	**11,893**	11,953	11,893	11,953
Share-based payments	**10,620**	29,707	10,620	29,707
Consultants	**21,900**	24,800	15,000	15,000
Insurance	**2,562**	422	2,562	422
Employers NI	**5,834**	12,436	5,834	12,436
Professional services				
Accounting	**62,609**	55,628	58,692	55,628
Legal	**35,790**	46,106	13,230	43,977
Marketing	**21,828**	14,256	21,693	14,256
Other	**25,846**	37,856	25,846	37,856
Regulatory compliance	**83,441**	61,844	83,441	61,844
Travel	**11,375**	26,394	10,712	26,172
Office and Admin				
General	**74,937**	69,384	8,871	28,104
IT related costs	**9,055**	11,489	9,055	11,489
Rent	**96,361**	65,742	63,767	65,742
Insurance	**4,507**	5,447	4,507	5,447
Total administrative expenses	**652,918**	640,664	**515,583**	585,733

5. Finance Costs, Net

Group	**2019 £**	**2018 £**
Interest expense	**(376,743)**	(142,212)
Interest income	**—**	—
	(376,743)	(142,212)

6. Taxation

	2019 £	2018 £
Current period transaction of the Group		
UK corporation tax at 19.00% (2018: 19.00%) on profits for the period	—	—
Deferred tax		
Origination and reversal of temporary differences	—	—
Deferred tax assets derecognised	—	—
Tax (credit)	—	—
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(2,607,978)	(1,549,619)
Loss on ordinary activities at the average UK standard rate of 19% (2018: 19.00%)	(495,516)	(294,428)
Effect of non-deductible expense	460,429	382,207
Indexation allowance on gains	—	(5,529)
Effect of tax benefit of losses carried forward	35,087	37,445
Tax losses brought forward	—	(119,695)
Current tax (credit)	—	—

Deferred tax amounting to £nil (2018: £nil) relating to the Group's investments was recognised in the statement of comprehensive income. No deferred tax charge has been made due to the availability of trading losses, which are estimated circa £3,389 thousand (2018: £3,204), and capital losses estimated circa £nil (2018: £nil).

7. Staff Costs

The aggregate employment costs of staff for the Group (including Directors) for the year was:

	2019 £	2018 £
Wages and salaries	**174,360**	167,200
Pension	**11,893**	11,953
Social security costs, net of allowances	**5,834**	12,436
Medical costs	**2,562**	422
Employee share-based payment charge	**10,620**	29,707
Total staff costs	**205,269**	221,718

The average number of Group employees (including Directors) during the year was:

	2019 Number	2018 Number
Executives	**3**	**3**
Administration	**1**	**1**
	4	**4**

During the year, for all Directors and employees who have been employed for more than three months, the Company contributed to a defined contributions pension scheme as described under Directors' remuneration in the Directors' Report and a Share Incentive Plan ("SIP") as described under Management incentives in the Directors' Report.

8. Directors' Emoluments

2019	Directors' fees £	Consultancy fees £	Share Incentive Plan £	Share-based Payments (options) £	Pension contributions £	Social security costs £	Total £
Executive Directors							
A R M Bell	**50,400**	**15,000**	**3,600**	—	**3,754**	**4,785**	**77,540**
S Kaintz	**67,400**	—	**3,600**	—	**4,726**	**7,117**	**82,844**
Non-executive Directors							
E Bugnosen	**18,000**	—	**3,420**	—	**1,204**	**954**	**23,578**
	135,800	**15,000**	**10,620**	—	**9,685**	**12,857**	**183,962**

2018	Directors' fees £	Consultancy fees £	Share Incentive Plan £	Share-based Payments (options) £	Pension contributions £	Social security costs £	Total £
Executive Directors							
A R M Bell	50,400	15,000	7,200	5,199	3,835	4,571	86,205
S Kaintz	67,400	—	7,200	4,799	4,726	7,146	91,271
Non-executive Directors							
E Bugnosen	18,000	—	7,020	—	1,204	989	27,213
	135,800	15,000	21,420	9,997	9,766	12,706	204,689

The number of Directors who exercised share options in year was nil (2018: nil).

During the year, the Company contributed to a Share Incentive Plan, more fully described in the Directors' Report on pages 12 to 15, where shares were issued to each employee, including Directors, making a total of 14,160,000 (2018: 4,539,788) partnership and matching shares. Those shares were issued in relation to services provided by those employees during the reporting year.

The Company also operates a contributory pension scheme more fully described in the remuneration details on page 14.

9. Loss per Share

The basic earnings / (loss) per share is derived by dividing the loss for the year attributable to ordinary shareholders of the Parent by the weighted average number of shares in issue. Diluted earnings / (loss) per share is derived by dividing the loss for the year attributable to ordinary shareholders of the Parent by the weighted average number of shares in issue plus the weighted average number of Ordinary shares that would be issued on conversion of all dilutive potential Ordinary shares into Ordinary shares.

	2019	2018
	£	£
(Loss) attributable to equity holders of the parent company	**(2,586,532)**	(1,543,889)
Weighted average number of Ordinary shares of £0.0001 in issue, used for basic EPS	**976,727,961**	672,554,882
Earnings/(loss) per share – basic	**(0.26) pence**	(0.23) pence
Earnings/(loss) per share – fully diluted	**(0.26) pence**	(0.23) pence

At 30 June 2019 and at 30 June 2018, the effect of all the instruments in issue is anti-dilutive as it would lead to a further reduction of loss per share, therefore they were not included into the diluted loss per share calculation.

Options and warrants with conditions not met at the end of the period, that could potentially dilute basic EPS in the future, but were not included in the calculation of diluted EPS for the periods presented:

	2019	2018
	£	£
(a) Share options granted to employees - total, of them	**27,060,000**	**27,060,000**
- Vested at the end of reporting period	25,330,000	25,330,000
- Not vested at the end of the reporting period	1,730,000	1,730,000
(b) Number of warrants given to shareholders as a part of placing equity instruments	**689,567,098**	**434,665,467**
Total number of contingently issuable shares that could potentially dilute basic earnings per share in future and anti-dilutive potential ordinary shares that were not included into the fully diluted EPS calculation	**716,627,098**	**461,725,467**

9. Loss per Share Continued

Convertible Loans

In January 2019, the Company has raised £676,000 by the issue of £676,000 of Convertible Notes ("Notes") with accompanying warrants to institutional and high net worth investors. The Notes are being issued at par and are convertible into ordinary shares of the Company at a price of £0.0042 per share. Each Note has a denomination of £1,000 and is convertible into 238,095 ordinary shares in the Company. Conversion may take place at any time up to the final redemption date of 30 May 2020.

There were no ordinary share transactions after 30 June 2019, that that could have changed the EPS calculations significantly if those transactions had occurred before the end of the reporting period.

10. Property, Plant and Equipment

Group and Company	Leasehold improvements £	Office furniture and equipment £	Total £
Cost			
At 1 July 2017	32,822	126,712	159,534
Additions	—	—	—
Disposals	—	—	—
At 30 June 2018 and at 30 June 2019	32,822	126,712	159,534
Depreciation			
At 1 July 2017	(19,322)	(124,692)	(144,014)
Charge	(13,500)	(1,825)	(15,325)
At 30 June 2018	(32,822)	(126,517)	(159,339)
Charge	—	(195)	(195)
At 30 June 2019	—	**(126,712)**	**(159,534)**
Net book value			
At 30 June 2019	—	—	—
At 30 June 2018	—	195	195

11. Investments in Subsidiaries and Goodwill

Company	£
Cost	
At 1 July 2017	482
Additions	1
At 30 June 2019 and at 30 June 2018	483
Impairment	
At 1 30 June 2019 and 30 June 2018	—
Net book amount at 30 June 2019 and at 30 June 2018	483

The Parent Company of the Group holds more than 50% of the share capital of the following companies, the results of which are consolidated:

Company	Country of registration	Class	Proportion held by Group	Nature of business
Regency Mines Australasia Pty Limited	Australia	Ordinary	100%	Mineral exploration
Regency Resources Inc	USA	Ordinary	100%	Natural resources
ESTEQ Limited	UK	Ordinary	100%	Holding company
Allied Energy Services Ltd (indirectly owned through ESTEQ Limited)	UK	Ordinary	80%	Energy storage and trading and grid backup

Goodwill

On 10 November 2017, RGM formed a 100% owned subsidiary, ESTEQ Ltd, to act as the vehicle for development of opportunities in the battery and energy storage technology sector across the UK. On 15 March 2018, ESTEQ Ltd committed to investing up to £250,000 into Allied Energy Services Ltd, representing an 80% interest in that entity. Non-controlling shareholders brought with them a development pipeline, including land rights and connections for combined battery and gas and anaerobic digestion generation plants to be constructed and operated across the UK. Further, the existing management team offers many years of experience in renewable energy, from procuring finance to finding key partners and constructing multiple anaerobic digestion plants across the United Kingdom.

12. Investments in Associates and Joint Ventures

Carrying balance	Group £	Company £
At 1 July 2017	3,585,757	3,702,417
Additions	1,503,377	—
Impairment of investment in joint ventures	(1,928,132)	(1,928,132)
At 30 June 2018	3,161,002	1,774,285
Additions	293,440	293,440
Share of loss in joint venture	(1,080)	—
Impairment of investment in associate	(1,503,377)	—
Net book amount at 30 June 2019	**1,949,985**	**2,067,725**

On 11 June 2017, the Company's subsidiary Regency Resources Inc. signed a shareholders agreement with Legacy Hill Resources Ltd, in accordance with which the company was issued 47% of Mining Equity Trust (MET), LLC ("MET") a Delaware-incorporated limited liability company in and through which Legacy Hill Resources Ltd ("LHR"), a privately-owned mining company, (as majority shareholder) and the Company (as minority shareholder) hold their interests in MET joint venture. This 47% stake represented Regency's proportionate share of cash contributions. The contribution of Regency to the JV was funded in part by a US$1,600,000 loan provided by Cuart Investments PCC Ltd and YA II PN, Ltd, the loan details are further described in the note 15.

On 9 July 2019, the Company announced that the shareholders of MET had agreed to accept a new investor, Carraigbarre Capital Ltd, who invested US$750,000 in exchange for a 45.02% stake in the business. Following delays in these funds arriving, mining activities ceased at the Omega operating assets, and considering subsequent conversations with the operator at Omega, Legacy Hill Resources, the Directors have decided to write off the investment in MET in full.

At 30 June 2019, the Parent Company of the Group had a significant influence by virtue other than a shareholding of over 20% or had joint control through a joint venture contractual arrangement in the following companies:

Name	Country of registration	Class	Proportion held by Group at 30 June 2019	Proportion held by Group at 30 June 2018	Status at 30 June 2019	Accounting year end
Direct						
Mining Equity Trust (MET), LLC	USA	Ordinary	25.84%	47%	Active	31 December 2018
Oro Nickel Ltd	Papua New Guinea	Ordinary	50%	50%	Active	30 June 2018

13. Financial Instruments with Fair Value through Other Comprehensive Income FVTOCI) and with Fair Value through Profit and Loss (FVTPL)

The Group has analysed its investments into equity instruments on investment-by-investment basis and took a decision to designate two of its available for sale investments held at the date of IFRS 9 adoption as fair value through profit and loss (FVTPL) and the rest as fair value through other comprehensive income financial assets (FVTOCI). Those of the Group's investments into equity instruments, that were held by the Group at 30 June 2018, and re-classified as FVTOCI on the date of the IFRS 9 adoption, are held by the Group with a long-term view and are not held for trading.

	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Group	Group	Company	Company
	£	£	£	£
Available for sale financial instruments at the beginning of the period (audited)	**1,099,572**	**1,443,707**	**694,423**	**1,433,858**
Transferred to FVTPL category on 1 July 2018	(113,096)	—	(107,947)	—
Transferred to FVTOCI category on 1 July 2018	(986,476)	—	(586,476)	—
Additions	—	1,336,502	—	936,502
Disposals	—	(1,318,181)	—	(1,318,181)
Revaluations	—	(163,597)	—	(158,897)
Impairment	—	(215,372)	—	(215,372)
Reversal of impairment	—	16,513	—	16,513
Available for sale financial assets at the end of the period (audited)	**—**	**1,099,572**	**—**	**694,423**

	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Group	Group	Company	Company
	£	£	£	£
FVTOCI financial instruments at the beginning of the period	**—**	**—**	**—**	**—**
Transferred from Available for sale category	986,476	—	586,476	—
Additions	10,000		10,000	
Disposals	(19,177)		(19,177)	
Revaluations and impairment	(799,755)	—	(399,755)	—
FVTOCI financial assets at the end of the period (audited)	**177,544**	**—**	**177,544**	**—**

	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Group	Group	Company	Company
	£	£	£	£
FVTPL financial instruments at the beginning of the period	**—**	**—**	**—**	**—**
Transferred from Available for sale category	113,096	—	107,947	—
Disposals	(107,947)	—	(107,947)	—
Revaluations	(89)	—	—	—
FVTPL financial assets at the end of the period (audited)	**5,060**	**—**	**—**	**—**

13. Financial Instruments with Fair Value through Other Comprehensive Income FVTOCI) and with Fair Value through Profit and Loss (FVTPL) Continued

Market Value of Investments

The market value as at 30 June 2019 of the investments' available for sale listed and unlisted investments was as follows:

	Group		Company	
	2019 £	2018 £	**2019 £**	**2018 £**
Quoted on London AIM	**30,526**	183,349	**30,526**	183,349
Quoted on Standard List of LSE	**95,856**	468,894	**95,856**	468,894
Quoted on other foreign stock exchanges	**51,162**	42,179	**51,162**	42,179
Unquoted investments at fair value	—	405,150	—	—
At 30 June	**177,544**	1,099,572	**177,544**	694,422

During the reporting year, the Company sold the remaining shares of its shares in Alba, recognising a loss on sale of those shares in the amount of £38,491.

14. Trade and Other Receivables

	Group		Company	
	2019 £	2018 £	**2019 £**	2018 £
Non-current				
Amounts owed by Group undertakings	—	—	**573,930**	2,973,825
Amounts owed by related parties				
– due from associates and joint ventures	**1,317,669**	1,274,569	**1,317,669**	1,274,569
Total	**1,317,669**	1,274,569	**1,891,599**	4,248,393
Current				
Sundry debtors	**90,991**	105,686	**67,193**	67,673
Prepayments	**17,740**	24,809	**17,740**	19,409
Amounts owed by related parties				
– due from key management	**6,263**	6,263	**9,263**	37,263
Total	**114,994**	136,758	**94,196**	124,346

15. Trade and Other Payables

	Group		Company	
	2019 £	2018 £	**2019 £**	2018 £
Trade and other payables	**158,381**	59,754	**110,909**	43,057
Amounts due to related parties: - due to Red Rock Resources plc	**122,109**	203,498	**122,109**	203,498
Accruals	**27,812**	33,500	**27,812**	33,500
Trade and other payables	**308,302**	296,752	**260,830**	280,055
Short-term borrowings (note 20)	**1,521,711**	1,097,600	**1,521,711**	1,097,600
Total	**1,830,013**	1,394,352	**1,782,541**	1,377,655

Trade and other payables include a balance of £122,109 (2018: £203,498) owing to Red Rock Resources Plc, a related party entity as a result of having common Directors.

Loan from Cuart and YA II PN

On 29 May 2018, the Company took a loan of £1,060,343, net of arrangement fees, (US$1,600,000 gross original value) from institutional investors to fund its 47% interest in a joint venture Mining Equity Trust (MET), LLC. The loan carries a 10% interest rate and is for an initial term of six months and is subject to an implementation fee of US$96,000. A further six-month extension was available for a 5% fee. A share pledge was put in place over certain shares in the capital of MET in fa form agreed between the parties.

On 14 January 2019, the Company announced that a Deed of Variation had been agreed with the lenders and that a US$580,000 repayment would be made, of which then US$500,000 would be subscribed for £395,000 convertible loan notes. A US$160,000 repayment was to be made from the proceeds of any fundraising, an extension fee and US$20,000 of a restructuring fee of US$156,000 was to become immediately repayable in shares of which 22,571,428 were issued at a price of £0.0035 per share. The balance of the restructuring fee became payable at maturity, which was extended to 28 February 2020 at an interest rate of 12% per annum. Repayments were to start in May 2019 and last through February 2020 with a monthly combination of principal and interest amounting to US$50,000 per month. The balance of the loan and fees was due in the form of a bullet repayment at maturity. Were the Company to complete any financing over £200,000 while the loan remained outstanding, one third of the net proceeds were to be applied to early repayment of the loan.

15. Trade and Other Payables Continued

On 15 April 2019, the Company announced that it was fully up to date on all outstanding obligations relating to its loan, and that the loan repayment schedule had been amended with the next payment due in July 2019. The Company further agreed to provide and perfect security over Regency Resources Inc, Regency Mines Australasia Pty Ltd, Oro Nickel Vanuatu Ltd, and EsTeq Ltd, within 20 business days of the deed.

On 22 July 2019, the Company announced that it refinanced its existing loan obligations over a five-year period ending in July 2024, with no repayment due until January 2020. Warrants over 20,000,000 shares priced at £0.0025 per share were issued to the lenders, and the loan carried no conversion rights. The refinanced loan notes totalling US$1.254m, included a 4.5% implementation fee, and carried 10% interest per annum and a 2% repayment fee. The Company further agreed to make an initial minimum payment of the lower of 10% or US$65,000 as part of any fundraising, and further committed to paying the lenders at least 10% of the proceeds of any placing or other capital raising. Regular payments are to commence in 2020 and are to be paid on a quarterly basis until 2024.

On 5 December 2019, the Company announced that the holders of the Promissory Notes, first announced on 6 June 2018, and most recently updated on 22 July 2019, have agreed to extinguish the entire remaining balance, through a subscription for new Loan Notes and a share conversion. The partial conversion of the Promissory Notes will result in the issuance of 2,596,363,636 new ordinary shares of the Company, and the investors have agreed to lock up the resulting promissory conversion shares, 100% of the total for three months, 70% of the total shares for a subsequent six months, and 40% of the total shares of the promissory conversion shares for a further six-month period. The approximate residual balance of £286,756 of the promissory notes will be retired, and YA PN II Ltd and Riverfort Global Capital Ltd will subscribe for new two-year loan notes payable on 23 December 2021, bearing 8% interest per annum with no conversion rights. The Company further announced that it will publish a circular to convene a general meeting to propose resolutions to enable completion of the conversion and retirement of the outstanding Promissory Notes.

Convertible Loan Notes

In January 2019, the Company raised £676,000 by the issue of £676,000 of convertible loan notes with accompanying warrants to institutional and high net worth investors. The notes were issued at par and are convertible into ordinary shares of the Company at a price of £0.0042 per share. Each note has a denomination of £1,000 and is convertible into 238,095 ordinary shares in the Company. Conversion may take place at any time up to the final redemption date of 30 May 2020. Each noteholder also receives 119,047 Warrants for each note subscribed. Each Warrant entitles the holder to subscribe for one Share at any time up to 31 May 2021 at a price of £0.006 per Share. The interest rate on the Notes is 12.5% per annum, accruing monthly. The Convertible Loan Notes constitute a general, unconditional obligation of the Company secured upon the interests of the Company in Curzon Energy Plc and in the Mambare nickel-cobalt asset.

On 5 December 2015, the Company announced that of the outstanding Convertible Loan Notes, first announced on 14 January 2019, holders of £281,113 of these notes have agreed to convert these obligations into 1,022,229,140 new ordinary shares of the Company at a price of £0.000275 per share. The terms of 88,015,874 warrants, originally issued to the Convertible Loan Note holders, will be varied, and the new terms of these warrants allow exercise into new ordinary shares of the Company at a price of £0.00055p for a period of 36 months. YA PN II Ltd and Riverfort Global Capital Ltd, existing holders of £442,516 of Convertible Loan Notes, have agreed to extinguish the balance of these notes and to subscribe for an equivalent amount of new Loan Notes, payable in December 2021 and bearing 8% interest per annum.

A small residual balance of Convertible Loan Notes, representing £30,000 of principal, will remain payable by the Company in May 2020 on the existing Convertible Loan Note terms, and the warrants associated with this note will remain in place under the existing terms as announced on 14 January 2019. The Company has further been informed by YA II PN Ltd and Riverfort Global Capital Ltd that, following the subscription for the New Loan Notes, both parties have granted an option over their interests in the new Loan Notes, totalling £729,272, to C4 Energy Ltd, a UK incorporated private company. The Company further announced that it will publish a Circular to convene a general meeting to propose resolutions to enable completion of the conversion of the Convertible Loan Notes.

16. Reserves

Share Premium

The share premium account represents the excess of consideration received for shares issued above their nominal value net of transaction costs.

Foreign Currency Translation Reserve

The translation reserve represents the exchange gains and losses that have arisen on the retranslation of overseas operations.

16. Reserves Continued

Retained Earnings

Retained earnings represent the cumulative profit and loss net of distributions to owners.

Available for Sale Financial Asset Reserve

The available for sale financial asset reserve represents the cumulative revaluation gains and losses in respect of available for sale trade investments.

Associate Investment Reserve

The associate investments reserve represents the cumulative share of gains/losses of associates recognised in the Statement of Other Comprehensive Income.

Share-Based Payment Reserve

The share-based payment reserve represents the cumulative charge for options granted, still outstanding and not exercised.

17. Share Capital of the Company

The share capital of the Company is as follows:

Issued and fully paid	**2019** **£**	2018 £
1,516,894,159 (2018: 791,239,654) ordinary shares of £0.0001 each	151,689	**79,124**
1,788,918,926 deferred shares of £0.0009 each	1,610,027	**1,610,027**
2,497,434,980 A deferred shares of £0.000095 each	237,256	**237,256**
As at 30 June	**1,998,972**	**1,926,407**

Movement in ordinary shares	Number	Nominal, £
As at 1 July 2017 – ordinary shares of £0.0001 each	**576,491,064**	**57,650**
Issued on 6 Dec 2017 at £0.00625 per share (non-cash, SIP shares)	2,304,000	230
Issued on 11 Jan 2018 at £0.0055 per share (cash)	190,909,090	19,091
Issued on 29 Jan 2018 at £0.0055 per share (cash)	18,181,818	1,818
Issued on 6 Apr 2018 at £0.00475 per share (non-cash, SIP shares)	3,353,682	335
As at 30 June 2018 – ordinary shares of £0.0001 each	**791,239,654**	**79,124**
Issued on 6 Dec 2018 at £0.005 per share (non-cash, settlement for the option to acquire interest in North American Vanadium project)	5,000,000	500
Issued on 14 Jan 2019 at £0.0035 per share (non-cash, loan fees settlement)	22,571,428	2,258
Issued on 24 Jan 2019 at £0.005 per share (non-cash, settlement with vendor of Vanadium project)	53,109,600	5,311
Issued on 24 Jan 2019 at £0.045 per share (non-cash, settlement of investor relations communications expenses)	5,333,333	533
Issued on 15 Mar 2019 at £0.000823 per share (non-cash, loan conversion)	97,292,904	9,729
Issued on 25 Mar 2019 at £0.000729 per share (non-cash, loan conversion)	121,107,242	12,111
Issued on 15 Apr 2019 at £0.0006 per share (cash)	399,999,998	40,000
Issued on 18 Apr 2019 at £0.00075 per share (non-cash, SIP shares)	21,240,000	2,123
As at 30 June 2019 – ordinary shares of £0.0001 each	**1,516,894,159**	**151,689**

The Company's share capital consists of three classes of shares, being:

- Ordinary shares with a nominal value of £0.0001, which are the company's listed securities;
- Deferred shares with a value of £0.0009;

17. Share Capital of the Company Continued

- A Deferred shares with a value of £0.000095.

Subject to the provisions of the Companies Act 2006, the deferred shares may be cancelled by the company, or bought back for £1 and then cancelled. These deferred shares are not quoted and carry no rights whatsoever.

Warrants
At 30 June 2019, the Company had 689,567,098 warrants in issue (2018: 434,665,467) with exercise price ranging £0.0010-£0.01 (2018: £0.008-£0.018). Out of those, 609,090,906 (2018: 264,090,904) have market performance conditions that accelerate the expiry date. Weighted average remaining life of the warrants at 30 June 2019 was 524 days (2018: 395 days). All the warrants are issued by the Group to its shareholders in the capacity of shareholders and therefore are outside of IFRS 2 scope.

Group and Company	2019 number of warrants	2018 number of warrants
Outstanding at the beginning of the period	434,665,467	236,685,670
Granted during the period	480,476,190	209,090,908
Exercised during the period	—	—
Lapsed during the period	(225,574,559)	(11,111,111)
Outstanding at the end of the period	**689,567,098**	**434,665,467**

At 30 June 2019 the Company had the following warrants to subscribe for shares in issue:

Grant date	Expiry date	Warrant exercise price, £	Number of warrants
23 Jan 2018	22 Jan 2020	0.010	190,909,090
12 Feb 2018	11 Feb 2020	0.010	18,181,818
14 Jan 2019	31 May 2021	0.006	80,476,192
15 Apr 2019	14 Apr 2021	0.001	399,999,998
Total warrants in issue at 30 June 2019			**689,567,098**

The aggregate fair value related to the share warrants granted during the reporting period was £nil (2018: £nil).

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.

18. Share-Based Payments

Employee Share Options

In prior years, the Company established an employee share option plan to enable the issue of options as part of the remuneration of key management personnel and Directors to enable them to purchase ordinary shares in the Company. Under IFRS 2 "Share-based Payments", the Company determines the fair value of the options issued to Directors and employees as remuneration and recognises the amount as an expense in the Income Statement with a corresponding increase in equity.

No options were granted during the reporting year (2018: nil).

At 30 June 2019 and at 30 June 2018, the Company had outstanding options to subscribe for Ordinary shares as follows:

	Options issued 14 June 2016 exercisable at 0.45 pence per share expiring 29 January 2022 Number	Options issued 9 September 2016 exercisable at 0.8p per share, expiring on 9 September 2022, Number	Total Number
A R M Bell	2,960,000	10,400,000	13,360,000
S Kaintz	2,820,000	9,600,000	12,420,000
E Bugnosen	560,000	-	560,000
Employees	720,000	-	720,000
Total	**7,060,000**	**20,000,000**	**27,060,000**

	2019		2018	
Company and Group	**Number of options Number**	**Weighted average exercise price Pence**	Number of options Number	Weighted average exercise price Pence
Outstanding at the beginning of the period	**27,060,000**	**0.71**	27,060,000	0.71
Granted during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Outstanding at the end of the period	**27,060,000**	**0.71**	27,060,000	0.71

The exercise price of options outstanding at 30 June 2019 and 30 June 2018, ranged between £0.0045 and £0.008. Their weighted average contractual life was 3.014 years (2018: 4.014 years). Of the total number of options outstanding at 30 June 2019, 25,330,000 (2018: 25,330,000) had vested and were exercisable. The weighted average share price (at the date of exercise) of options exercised during the year was nil (2018: nil) as no options were exercised during the reporting year (2018: nil).

Share based remuneration expense, related to the share options grant, is included into the Administrative expenses line in the Consolidated Income Statement in the amount of £nil (2018: £9,997).

Share Incentive Plan

In January 2012, the Company implemented a tax efficient Share Incentive Plan (SIP), a government approved scheme, the terms of which provide for an equal reward to every employee, including Directors, who have served for three months or more at the time of issue. The terms of the plan provide for:

- each employee to be given the right to subscribe any amount up to £150 per month with Trustees who invest the monies in the Company's shares;
- the Company to match the employee's investment by contributing an amount equal to double the employee's investment ("matching shares"); and
- the Company to award free shares to a maximum of £3,600 per employee per annum.

The subscriptions remain free of taxation and national insurance if held for five years.

All such shares are held by SIP Trustees and the Ordinary shares cannot be released to participants until five years after the date of the award.

During the financial year, a total of 21,240,000 free, matching and partnership shares were awarded (2018: 5,657,682) with a fair value of £0.00075 (2018: fair value ranging between £0.00475 to £0.00625) resulting in a share-based payment charge of £10,620 (2018: £25,020), included into administrative expenses line in the Consolidated Income Statement.

19. Cash and Cash Equivalents

Group	30 June 2019 £	30 June 2018 £
Cash in hand and at bank	63,735	126,125

Company	30 June 2019 £	30 June 2018 £
Cash in hand and at bank	33,753	6,505

20. Financial Instruments

20.1 Categories of Financial Instruments

The Group and Company holds a number of financial instruments, including bank deposits, short-term investments, loans and receivables and trade payables. The carrying amounts for each category of financial instrument, measured in accordance with IAS 39 as detailed in the accounting policies, are as follows:

Group 30 June	2019 £	2018 £
Financial assets		
Available for sale financial assets at fair value through other comprehensive income		
Quoted equity shares	**177,544**	694,422
Unquoted equity shares	—	405,150
Total available for sale financial assets carried at fair value	**177,544**	1,099,572
Cash and cash equivalents	**63,735**	126,125
Loans and receivables		
Trade and other receivables	**1,432,663**	1,411,327
Total financial assets held at amortised cost	**1,496,398**	1,411,327
Total financial assets	**1,673,942**	2,637,025
Total current	**178,729**	262,883
Total non-current	**1,495,213**	2,374,141

Company 30 June	2019 £	2018 £
Financial assets		
Available for sale financial assets at fair value through other comprehensive income		
Quoted equity shares	**177,544**	694,422
Unquoted equity shares	—	—
Total available for sale financial assets	**177,544**	694,422
Cash and cash equivalents	**33,753**	6,505
Loans and receivables		
Trade and other receivables	**1,985,795**	2,869,362
Total financial assets held at amortised cost	**2,019,548**	2,869,362
Total financial assets	**2,197,092**	3,570,290
Total current	**127,949**	130,851
Total non-current	**2,069,143**	3,439,439

20. Financial Instruments Continued

20.1 Categories of Financial Instruments Continued

FVTOCI Financial Instruments Carried at Fair Value Using Valuation Techniques Other than Observable Market Value

As at 30 June 2019, none (2018: £405,150) of the Group's FVTOCI financial assets are valued using valuation techniques other than observable market price due to the investment being privately held and no quoted market price information is available. Financial instruments valued using other valuation techniques can be reconciled from beginning to ending balances as follows:

	Group		Company	
Group and Company	**2019 £**	2018 £	**2019 £**	2018 £
Brought forward	405,150	1,315,372	—	1,315,372
Additions	—	753,000	—	353,000
Disposals	—	(850,000)	—	(850,000)
Revaluation	—	5,150	—	—
Reclassified to listed (Curzon Energy Plc)	—	(603,000)	—	(603,000)
Reclassified to FVTPL	**(5,150)**	—	—	—
Impairment	**(400,000)**	(215,372)	—	(215,372)
	—	405,150	—	—

During the comparative year, the Company's 100% owned subsidiary ESTEQ Ltd invested £400,000 into shares of White Car Ltd ("White Car"), a company that operated electric rental car services out of Heathrow and several UK locations, this represented 5.8% of White Car Ltd at 30 June 2018 issued share capital.

Group **30 June**	2019 £	2018 £
Financial liabilities		
Loans and borrowings		
Trade and other payables	**308,302**	296,753
Short-term borrowings	**1,521,711**	1,097,600
Total financial liabilities	**1,830,013**	1,394,353
Total current	**1,830,013**	1,394,353
Total non-current	**—**	—

Trade Receivables and Trade Payables

Management assessed that other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Borrowings

The carrying value of interest-bearing loans and borrowings is determined by calculating present values at the reporting date, using the issuer's borrowing rate.

20. Financial Instruments Continued

20.2 Fair Values

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The carrying amount of the Group and Company's financial assets and liabilities is not materially different to their fair value. The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Where a quoted price in an active market is available, the fair value is based on the quoted price at the end of the reporting period. In the absence of a quoted price in an active market, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Group	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
30 June 2019				
Financial assets at fair value through other comprehensive income				
– Quoted equity shares	177,544	—	—	177,544
– Unquoted equity investments	—	—	—	—

Group	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
30 June 2018				
Available for sale financial assets at fair value through other comprehensive income				
– Quoted equity shares	694,422	—	—	694,422
– Unquoted equity investments	—	405,150	—	405,150

Company	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
30 June 2019				
Financial assets at fair value through other comprehensive income				
– Quoted equity shares	177,544	—	—	177,544
– Unquoted equity investments	—	—	—	—

Company	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
30 June 2018				
Available for sale financial assets at fair value through other comprehensive income				
– Quoted equity shares	694,422	—	—	694,422
– Unquoted equity investments	—	—	—	—

20.3 Financial Risk Management Policies

The Directors monitor the Group's financial risk management policies and exposures and approve financial transactions.

The Directors' overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of credit risk policies and future cash flow requirements.

20. Financial Instruments Continued

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk and market risk consisting of interest rate risk, liquidity risk, equity price risk and foreign exchange risk.

Credit Risk

Exposure to credit risk, relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial liability of significant customers and counterparties), ensuring, to the extent possible, that customers and counterparties to transactions are of sound creditworthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Directors have otherwise cleared as being financially sound.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in note 14.

There are no amounts of collateral held as security in respect of trade and other receivables.

The consolidated Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated Group.

Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources; and
- maintaining a reputable credit profile.

The Directors are confident that adequate resources exist to finance operations to commercial exploration and that controls over expenditure are carefully managed. All financial liabilities are due to be settled within the next twelve months.

Market Risk

Interest Rate Risk

The Company is not exposed to any material interest rate risk because interest rates on loans are fixed in advance.

Equity Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities, but also include political, economic, social, technical, environmental and regulatory factors.

Foreign Exchange Risk

The Group’s transactions are carried out in a variety of currencies, including Australian Dollar, Canadian Dollar, Papua New Guinea Kina and UK Sterling.

To mitigate the Group’s exposure to foreign currency risk, non-Sterling cash flows are monitored.

21. Reconciliation of Liabilities Arising from Financing Activities

	30 June 2018	Cash flows Loans received	Non-cash flow Restructuring	Non-cash flow Conversion	Non-cash flow Forex movement	Non-cash flow Interest and arrangement fees accreted	30 June 2019
	£	£	£	£	£	£	£
Riverfort Capital Ltd and YA II PN Ltd loan	1,097,600	—	(396,000)	(247,360)	42,753	317,167	814,160
Convertible loan notes	—	252,000	396,000	—	—	59,551	707,551
	1,097,600	**252,000**	—	**(247,360)**	**42,753**	**376,718**	**1,521,711**

22. Operating Lease Commitments

On 21 August 2017, the Company entered into a new lease agreement for office space with WeWork Aldwych House. The initial lease runs from 1 October 2017 through 30 September 2019 and is non-cancellable during this period. Thereafter, the lease can be terminated by giving one full calendar month notice.

The Group and Company's total of future minimum lease payments under non-cancellable operating leases are as presented in the table below:

	Group 2019	Group 2018	**Company 2019**	Company 2018
	£	£	**£**	£
Not later than one year	**45,250**	86,638	**21,750**	**86,638**
Later than one year and not later than five years	**—**	21,750	**—**	**21,750**
Later than five years	**—**	—	**—**	**—**
Total non-cancellable operating lease commitments at 30 June	**45,250**	108,388	**21,750**	**108,388**

23. Significant Agreements and Transactions

Financing

- On 14 January 2019, the Company announced that it had raised £676,000 by the issuance of £676,000 of Convertible Loan Notes with accompanying warrants to institutional and high net worth investors. The convertible loan notes are were issued at par and are convertible into ordinary shares at a price of £0.0042 per share. Each note is convertible into 238,095 new shares of the Company. Conversion may take place at any time up to the final redemption date of 30 May 2020. Each note also receives 119,047 warrants for each note subscribed, which gives the owner the right to subscribe for one share at any time up to 31 May 2021 at a price of £0.006 per share. Up to £1,100,000 of notes can be issued in one or more tranches and the interest rate on the notes is 12.5% per annum accruing monthly.

  Also, on 14 January 2019, the Company announced the partial repayment and restructuring of the Loan Notes, first announced on 6 June 2018. The Company announced that it had agreed on a US$580,000 repayment made to the lenders of the Loan Notes of which US$500,000 will then be subscribed by the lenders for 395 Convertible Loan Notes at a cost of £395,000. A US$160,000 repayment will be made from the proceeds of any third-party financing, including the issuance of any further tranche of Convertible Loan Notes. A US$80,000 extension fee and US$20,000 of a restructuring fee of US$156,000 becomes immediately payable and which would be satisfied by the subscription of 22,571,428 new shares of the Company at a price of £0.0035 per share. The balance of the restructuring fee becomes payable at maturity of the loan, which is extended to 28 February 2020 and carries an interest rate of 12% per annum. From May 2019 to February 2020, the Company will make monthly payments of principal and interest amounting to US$50,000 per month. A bullet repayment would become due in February 2020 and would include the balance of the restructuring fee. Were the Company to complete a financing or fundraising of over £200,000, while loan amounts remain outstanding, one third of the net proceeds shall be applied to early repayment of the loan.

23. Significant Agreements and Transactions Continued

- On 14 January 2019, the Company announced that it had issued and applied for admission to trading on AIM of 22,571,428 new ordinary shares issued as payment for fees in accordance with the terms of the restructuring of the loan agreement also announced on 14 January 2019.
- On 15 March 2019, the Company announced that it had received notice from YA II PN Ltd and Riverfort Global Capital Ltd of the conversion of US$105,705.69 (£80,072) of its outstanding US$1,279,800 (£969,447) Loan Notes, originally announced on 6 June 2018 and updated on 14 January 2019. The Company therefore issued 97,292,904 new ordinary shares at a price of £0.000823 per share. The price was calculated under the terms in effect from the original agreement following an initial six-month period where conversion occurs on the basis of a price equal to 90% of the lowest volume weighted average price over the five trading days immediately preceding the conversion notice being submitted.
- On 25 March 2019, the Company announced that it had received notice from YA II PN Ltd and Riverfort Global Capital Ltd of the conversion of US$117,138.36 (£88,287.18) of its outstanding US$1,115,000 (£840,375.50) Loan Notes, originally announced on 6 June 2018 and updated on 14 January 2019. The Company therefore issued 121,107,242 new ordinary shares at a price of £0.000729 per share. The price was calculated under the terms in effect from the original agreement following an initial six-month period where conversion occurs on the basis of a price equal to 90% of the lowest volume weighted average price over the five trading days immediately preceding the conversion notice being submitted. YA PN II Ltd and Riverfort Global Capital Ltd have agreed in principle to a hold period on the converted shares, discussions about which remain ongoing. While there can be no guarantee of agreement being reached, the investors have no current intention of selling their stock or of making further conversions.
- On 15 April 2019, the Company announced the completion of a £240,000 placing as well as an update on its existing borrowings. Regency raised £240,000 by way of a placing of 399,999,998 new ordinary shares at a price of £0.0006 per share with 1 for 1 warrants exercisable at a price of £0.001 per share for twenty four months. Each warrant included an accelerated exercise condition such that in the event that the Company's volume weighted average share price exceeds £0.005 for a period of ten consecutive trading days, the Company shall have the right but not the obligation to give holders of the warrants 14 clear calendar days' notice that the warrants must be exercised within a further 14 calendar days, following which they will otherwise expire.

  To facilitate the forward development of the Company YA II PN Ltd and Riverfort Capital Ltd the lenders of the Company's outstanding Loan Notes, have agreed to lock up 218,400,146 shares for a six-month period. At the same time, the lenders agreed that the Company is fully up to date on all outstanding obligations relating to its Loan Notes, announced on 6 June 2019 and 14 July 2019. The loan repayment schedule was further amended with the next repayment due in July 2019.

US Metallurgical Coal Interests

- On 2 August 2018, the Company announced that it had been informed by Legacy Hill Resources Ltd, the 53% owners of Mining Equity Trust LLC, that as of this date Mining Equity Trust LLC had taken over operation of the metallurgical coal operations at Cedar Bluff, Virginia, of Omega Holdings LLC and certain other companies.

Mortzfeldt Niobium Tantalum Project

- On 6 December 2018, the Company announced that it had advised the Greenlandic authorities of its intention to surrender the niobium-tantalum license 2014/01 at Mortzfeldt, Greenland at the end of 2018.

Dempster Vanadium Project

- On 6 December 2018, the Company announced that had secured a 45-day option over a 50% interest in a North American vanadium exploration project. The option fee of £25,000 is payable through the issuance of 5,000,000 shares in the Company at a price of £0.005 per share, a 42.9% premium to the mid-market price at the time the transaction was agreed. The Company further indicated that it would provide more details on the transaction in the event of successful due diligence and exercise the option.
- On 24 January 2019, the Company announced that it had exercised its option to acquire a 50% interest in the Dempster Vanadium Project, following a 45-day due diligence and option period from venders represented by and including Breakaway Exploration Management Inc, a Yukon company. The CAD$450,000 (agreed as £265,548) consideration is payable in new shares of the Company at a price of £0.005 equating to 53,109,600 shares representing approximately 6.05% of the total shares outstanding post transaction. Regency will be prohibited from selling its 50% interest in the project for a period of 12 months post-acquisition, and thereafter the vendors of the asset will retain a right of first refusal to acquire Regency's interest on the same terms as any sale agreed by Regency. The subscription shares issued to the vendors will be subject to a 4 month holding period where the shares may not be traded except if Regency should close at or above £0.008 for 7 consecutive trading days, in which case the vendors have the right to sell 25% of their position. Should Regency close at or above £0.01 for 7 consecutive trading days, the vendors have the right to sell a further 25% of their position.

23. Significant Agreements and Transactions Continued

Ownership of the project will be held by DVY196, and the vendors will have the right to nominate two Directors to the Board and will appoint the Company Secretary and Legal Counsel. All contracts of work are to be awarded to agreed technical consultants on an arm's length commercial basis. Regency has the right to nominate two members of the Board of DVY196. Regency will commit to fund a minimum spend of CAD$150,000 of exploration costs in the 12 months post acquisition and upon completion of this funding the joint venture will revert to a shared funding or dilution agreement in line with industry standards. Should Regency fail to expend on a pro-rata basis CAD$950,000 or more within 24 months of acquisition (inclusive of the initial CAD$150,000), the original sellers have the right to reacquire 40% of Regency's interest in the project for Regency's then book cost.

The residual 50% DVY interest will be owned by a UK registered private entity, representing the collective vendor interests. The vendors will receive a 3% net smelter royalty to be held by the UK private entity. Regency will have the right of first refusal to purchase within three months of first commercial production 1% of the net smelter royalty for cash consideration of £1,000,000. The vendors are further to receive payment in cash and equity in a 50/50 ratio of CAD$250,000 upon the release of a compliant maiden resource, a further payment in a 50/50 ratio of CAD$1,500,000 upon commercial production, and a final payment in a 50/50 ratio of CAD$500,000 upon a decision to proceed being made post a completed feasibility study. The prices of the equity component in the three aforementioned payments will be determined by using the volume weighted average price for the 7 days immediately preceding the date of the relevant market announcements.

24. Commitments

As at 30 June 2019, the Company had entered into the following commitments:

- Exploration commitments: On-going exploration expenditure is required to maintain title to the Group mineral exploration permits. No provision has been made in the Financial Statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.
- On 21 August 2017, the Company entered into a new lease agreement for office space with WeWork Aldwych House. The initial lease runs from 1 October 2017 through 30 September 2019 and is non-cancellable during this period. Thereafter, the lease can be terminated by giving one full calendar month notice.

25. Related Party Transactions

- The costs incurred on behalf of the Company by Red Rock Resources Plc are invoiced at each month end and settled on a quarterly basis. By agreement, the Company pays interest at the rate of 0.5% per month on all balances outstanding at each month end until they are settled. The total charged to Red Rock Resources Plc for the year was £49,135 (2018: £42,200). Of this, £31,372 was outstanding at 30 June 2019 (2018: £13,376).
- The costs incurred by the Company on behalf of Red Rock Resources Plc were £58,329 (2018: £45,699). Of this, £2,342 was outstanding at 30 June 2019 (2018: £14,096).
- Related party receivables and payables are disclosed in notes 14 and 15, respectively.
- The Company held 5,759,760 shares (0.85%) in Red Rock Resources Plc as at 30 June 2019 (2018: 9,084,760 shares (1.91%)).
- The key management personnel are the Directors and their remuneration is disclosed within note 8.

26. Events After the Reporting Period

- On 9 July 2019, the Company announced that Mining Equity Trust LLC had agreed to accept an investment of US$750,000 by Carraigbarre Capital Ltd in exchange for a 45.02% stake in the business and a Board seat. Legacy Hill Resources Ltd has agreed to remain as operator of the Omega metallurgical coal assets, with the new funds deployed to partially recapitalise MET and its Omega coal operations. Previously a forbearance agreement was signed with the original sellers of the assets, by which obligations of US$8.17m were rescheduled over a period to October 2020, however, at the time of the announcement the forbearance agreement was in default. Following the investment by Carraigbarre Capital Ltd, Regency retained a 25.84% stake in the expanded share capital of MET. It was further noted that additional funding would be required to ensure the long-term stability of the business with plans in place to install a wash plant and upgrade the saleable metallurgical coal product subject to additional capital being made available. The investment into MET valued Regency's existing stake at US$430,000 compared to the carrying cost in the most recent interim accounts of US$298,000.
- On 22 July 2019, the Company announced that its outstanding Loan Notes totalling US$1.254m, including a 4.5% implementation fee which had been added to the outstanding principal, would be repaid over a period of five years, will carry interest of 10% per annum and will incur a 2% fee upon redemption. The Company has agreed to make an initial minimum payment of the lower of 10% or US$65,000 by way of a fundraising or issuance of securities when next undertaken. The Company has also agreed to pay the noteholders at least 10% of any fundraising thereafter. Regular repayments of the outstanding Loan Notes will

26. Events After the Reporting Period Continued

commence in 2020 and are to be paid quarterly until 2024. In addition, warrants to subscribe for 20,000,000 shares at a subscription price of £0.0025 per share and valid until July 2024 were to be issued to the lenders.

- On 24 July 2019, the Company announced the results of its strategic review. Following several Board changes and a multi-month review process, the Company had decided to refocus itself around its existing mineral interests in nickel and vanadium alongside its interest in Allied Energy Services Ltd, a developer of UK based energy storage and biogas projects. The Company's interests in metallurgical coal and natural gas were declared to be non-core and held for future value realisation as appropriate.
- On 12 September 2019, the Company announced the resignation for immediate effect of Andrew Bell, as a Director of the Company.
- On 20 September 2019, the Company announced that Allied Energy Services Ltd, an investment held through the Company's EsTeq Ltd subsidiary had executed an exclusivity agreement with the leaseholder of the Southport Energy Centre, as previously announced on 24 July 2019. The agreement gave Allied Energy Services Ltd a period of exclusivity of three months over Phase 1 of the project, during which time the leaseholder will refrain from entering into any agreement that would prevent Allied Energy Services Ltd from executing a commercial lease as contemplated by the letter of intent signed by the parties in February 2019. The agreement further includes a right of first refusal from the date of this agreement for a period of six months over Phase 2 of the project, conditional on Allied Energy Services Ltd, making an investment in Phase 1 during the period. The leaseholder must offer Allied Energy Services Ltd the right to participate in Phase 2 of the project on the same terms as any third party, which Allied Energy Services Ltd may then consider at its own discretion.
- On 5 December 2019, the Company announced a corporate restructuring including board changes, a proposed placing, a proposed share consolidation and debt reduction and restructuring.
    - James Parsons proposed to join the Board of Regency as Executive Chairman following completion of regulatory due diligence.
    - Regency proposed to raise £831,000 by way of a placing of 3,021,818,173 new ordinary shares of £0.0001 at a price of £0.000275 per share. Alongside the placing an additional 530,030,036 shares representing obligations of £145,758.3 have been issued to Red Rock Resources Plc in full extinguishment of outstanding obligations.
    - The holders of the Promissory Notes, first announced on 6 June 2018, and most recently updated on 22 July 2019, have agreed to extinguish the entire remaining balance, owed under the Promissory Notes, through a subscription for new Loan Notes and a share conversion. The partial conversion of the Promissory Notes will result in the issuance of 2,596,363,636 new ordinary shares of the Company, and the investors have agreed to lock up the Promissory Conversion Shares, 100% of the total for three months, 70% of the total shares for a subsequent six months, and 40% of the total shares of the Promissory Conversion Shares for a further six-month period.
    - The approximate residual balance of £286,756 of the Promissory Notes will be retired, and YA PN II Ltd and Riverfort Global Capital Ltd will subscribe for new two-year Loan Notes payable on 23 December 2021, bearing 8% interest per annum with no conversion rights.
    - Of the outstanding Convertible Loan Notes, first announced on 14 January 2019, holders of £281,113 of these notes have agreed to convert these obligations into 1,022,229,140 new ordinary shares of the Company at a price of £0.000275 per share. The terms of 88,015,874 warrants, originally issued to the Convertible Loan Note holders, will be varied, and the new terms of these warrants allow exercise into new ordinary shares of the Company at a price of £0.00055 for a period of 36 months.
    - YA PN II Ltd and Riverfort Global Capital Ltd, existing holders of £442,516 of Convertible Loan Notes, have agreed to extinguish the balance of these notes and to subscribe for an equivalent amount of new Loan Notes, as more fully described above.
    - A small residual balance of Convertible Loan Notes, representing £30,000 of principal, will remain payable by the Company in May 2020 on the existing Convertible Loan Note terms, and the warrants associated with this note will remain in place under the existing terms as announced on 14 January 2019.
    - The Company has further been informed by YA II PN Ltd and Riverfort Global Capital Ltd that, following the subscription for the new Loan Notes, both parties have granted an option over their interests in the new Loan Notes, totalling £729,272, to C4 Energy Ltd ("C4"), a UK incorporated private company.
    - The issuance of the transaction shares consisting of 3,021,818,173 placing shares, 530,030,036 subscription shares, 2,596,363,636 promissory conversion shares and 1,022,229,140 convertible conversion shares, is conditional upon, inter alia, the passing of resolutions to be put to shareholders of the Company at a general meeting of the Company to be held on 23 December 2019 to provide authority to the Directors to issue and allot the required shares on a non-pre-emptive basis. A circular, containing a notice of the General Meeting, will be posted to shareholders.
    - Conditional on the passing of the resolutions at the General Meeting, application will be made for the transaction shares to be admitted to trading on AIM and it is expected that their admission to AIM will take place on or around 24 December 2019.
    - The Transaction Shares as a whole would, if the required resolutions are approved at the General Meeting, result in the issuance of 7,170,440,985 Ordinary Shares, representing, in aggregate, 82.54% of the newly enlarged share capital

26. Events After the Reporting Period Continued

of the Company. The Transaction Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of the Company.

- ○ James Parsons has been awarded 304,056,730 three-year vest, five-year expiry options with an exercise price of £0.000275 per share.
- ○ Red Rock Resources Plc, subscriber of the Subscription Shares, has in common with Regency an Executive Director, Scott Kaintz, and a previous Director within the last twelve months, Andrew Bell.
- ○ Riverfort Global Capital Ltd and YA II PN Ltd, the participants in the Promissory Conversion, jointly held 19.93% in the past twelve months, and as such are deemed substantial shareholders during the last twelve months.
- ○ For the purposes of the Transaction, the Subscription by Red Rock Resources Plc and the Promissory Conversion by Riverfort Global Capital Ltd and YA II PN Ltd, constitute related party transactions as defined in Rule 13 of the AIM Rules for Companies.
- ○ Nigel Burton and Ewen Ainsworth, being the Directors of the Company who are independent of the Transaction, having consulted with the Company's nominated advisor, Beaumont Cornish Ltd, consider the terms of the Subscription Shares and the Promissory Conversion to be fair and reasonable insofar as the Company's shareholders are concerned.
- ○ The Company will publish a Circular to convene the General Meeting to propose resolutions to enable completion of the Transaction.
- ○ The General Meeting will be held on 23 December 2019 at 12 noon at the Company's offices at WeWork, 71-91 Aldwych House, London, WC2B 4HN.
- ○ The Circular, containing the notice of General Meeting, will be published and sent to shareholders and will be available shortly thereafter on the Company's website, www.regency-mines.com.
- ○ Following the Transaction, the Company will have 8,687,335,144 Ordinary Shares in issue, each with a nominal value of £0.0001. The Directors consider that it is in the best interests of the Company's long-term development as a publicly quoted company to have a smaller number of shares in issue and a higher share price.
- ○ As set out in the Notice of General Meeting Circular, shareholders will be asked to consider, and if thought fit, pass resolutions which will have the following effect: that every 100 ordinary shares of £0.0001 on the Record Date are consolidated into one new ordinary share of £0.0001 each.
- ○ As the expected issued share capital of the Company is not divisible by 100 without leaving a fraction of a share following the Reorganisation, it is intended to conditionally issue and allot, subject to approval of the Reorganisation by shareholders at the General Meeting, 56 new Ordinary Shares on the Record Date. The issued share capital of the Company as at the Record Date will therefore be 8,687,335,200 Ordinary Shares.
- ○ Assuming completion of the Transaction and the Consolidation following the General Meeting, the Company will have a total of 86,873,352 ordinary shares of £0.0001 in issue.

- On 19 December the Company announced that it had agreed to purchase the 20% minority interest in Allied Energy Services Ltd that it does not currently own. The minority shareholders in Allied Energy Services would be paid 2,461,538 post consolidation new ordinary shares of Regency and would be locked in for six months following the date of the agreement. A second share issuance of up to £80,000 would be priced based on a trailing 10 day volume weighted average price calculation, and would come due on the combination of Regency trading at a market cap of over £10m for consecutive days, and when Allied Energy Services had secured £30m in funding for its first project, the Southport Energy Centre.

27. Control

There is considered to be no controlling related party.