



31 March 2017

Regency Mines Plc ("Regency" or the "Company"), the natural resources exploration and development company with interests in coal production, oil and base metal exploration, announces its unaudited half-yearly results for the six months ended 31 December 2016.

Chairman's statement

Dear Shareholders,

The six months to 31 December 2016 saw a £307,917 rise in total assets from the June 2016 year end level to £4,904,193, and a rise in shareholders' equity of £476,114 over the same period to £4,170,952.

Revenues over the six months saw a turnaround from a negative £70,740 in the six months to 31 December 2015 to a positive £98,637, with the sale for A\$100,000 of our 4% residual interest in the Fraser range tenements in Australia, and the pretax loss in consequence narrowed from £305,472 to £182,162. Administrative expenses rose slightly from £264,911 to £267,759 year on year; within that figure salary-related costs continued to reduce, with a year on year reduction of 43%, but this was offset by increases in audit and accountancy costs, while website and design costs increased as a result of the Company developing and launching a new website and online presence.

Minerals

The six months was one during which the Company concentrated on steadily repositioning and reducing non-core exposures, with few significant developments announced until the end of the period. After winding down its Sudanese involvement in the previous year, in this six months Regency disposed of Fraser Range for cash and reached a settlement with its 50% joint venture partner at the Mambare nickel-cobalt project, enabling it to recoup some expenditure incurred and share costs equitably going forward.

Oil and Gas

At Horse Hill, where the Company has a 5% interest in Horse Hill Development Ltd which is developing an oil project near Gatwick, the period was one when assessment and permitting rather than drilling or testwork were taking place; the only significant announcement during the period was of an increase of the estimated oil in place in the Portland sandstone horizon from 7mm barrels to 22.9mm barrels. Similarly at Curzon Energy's coal bed methane project in Oregon, where the company is a participant, the period was one of preparatory work for an initial public offering, with no news flow.

Coal

On 25th November the Company announced a conditional agreement to acquire 20% of the Rosa Mine, a metallurgical coal mine in Alabama, U.S.A. at a cost of £250,000. On 20th December the Company announced a placing to raise £210,000 towards that cost, and the purchase was completed shortly after the end of the period under review, in January 2017. In the last two months Regency has moved to further expand its coal footprint in the Appalachians while the Rosa mine is approaching production and the preparation/washing plant has been recommissioned and is already washing coal for third parties.

Prospects

Regency expects to see one and possibly two of its metallurgical coal assets enter into stable production by the 30th June year end, and to start generating profit. The Rosa shareholders' agreement provides for quarterly distribution of a substantial proportion of the income generated, and the next financial year should see the start of significant cash flows from this source. The Company expects to see the realisation of its objective of generating a stable source of recurring income within 2017.

The Company looks forward to the IPO of Curzon Energy as another potential source of long term growth and of income. Meanwhile non-core assets, whether in the oil or mineral sectors, will continue to be reviewed with a view to early disposal.

Regency's focus is now on the two aims of simplification of its structure and cash generation, with a view to becoming an institutionally held stock. With this in view, we expect at the appropriate time to take measures to further strengthen the board.

Andrew Bell
Chairman and CEO

31 March 2016

Consolidated statement of financial position
as at 31 December 2016

	Notes	31 December 2016 Unaudited £	31 December 2015 Unaudited £	30 June 2016 Audited £
ASSETS				
Non-current assets				
Property plant and equipment		18,300	7,470	21,716
Investments in associates and joint ventures		1,787,848	1,288,551	1,638,113
Available for sale financial assets		1,230,229	767,117	1,147,460
Exploration assets		244,985	868,476	233,900
Trade and other receivables		1,197,580	1,224,560	1,202,312
Total non-current assets		<u>4,478,942</u>	<u>4,156,174</u>	<u>4,243,501</u>
Current assets				
Cash and cash equivalents		93,630	36,404	7,960
Trade and other receivables		331,621	580,017	344,815
Total current assets		<u>425,251</u>	<u>616,421</u>	<u>352,775</u>
TOTAL ASSETS		<u>4,904,193</u>	<u>4,772,595</u>	<u>4,596,276</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Called up share capital	5	1,885,272	1,859,770	1,872,523
Share premium account		17,875,960	16,845,816	17,399,710
Share based payment reserve		87,945	-	22,945
Other reserves		405,969	(150,645)	301,691
Retained earnings		(16,084,194)	(14,241,781)	(15,902,031)
Total Equity		<u>4,170,952</u>	<u>4,313,160</u>	<u>3,694,838</u>
LIABILITIES				
Current liabilities				
Trade and other payables		465,237	204,063	619,139
Short term borrowings		268,004	255,372	282,299
Total current liabilities		<u>733,241</u>	<u>459,435</u>	<u>901,438</u>
TOTAL EQUITY AND LIABILITIES		<u>4,904,193</u>	<u>4,772,595</u>	<u>4,596,276</u>

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

Consolidated statement of income
for the period ended 31 December 2016

	Notes	6 months to 31 December 2016 Unaudited £	6 months to 31 December 2015 Unaudited £
Revenue			
Management services		42,000	910
Gain/(loss) on sale of tenements		56,637	(71,650)
		98,637	(70,740)
Gain/(loss) on dilution of interest in associate		3,295	(84,014)
Loss on sale of investments		—	(12,210)
Exploration expenses		—	(587)
Administrative expenses		(267,759)	(264,911)
Share of gains in associates		3,265	126,990
Finance costs, net		(19,600)	—
Loss for the period before taxation from continuing operations		(182,162)	(305,472)
Tax expense		—	—
Loss for the period after taxation from continuing operations		(182,162)	(305,472)
Earnings per share			
Loss per share – basic	3	(0.06) pence	(0.01) pence
Loss per share – diluted	3	(0.06) pence	(0.01) pence

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

**Consolidated statement of comprehensive income
for the period ended 31 December 2016**

	6 months to 31 December 2016 Unaudited £	6 months to 31 December 2015 Unaudited £
Loss for the period	(182,162)	(305,472)
Revaluation of available for sale investments	(2,231)	(68,615)
Group's share of associates' other comprehensive (expense)/ income	143,174	(154)
Unrealised foreign currency gain/(loss) arising upon retranslation of foreign operations	(36,667)	(142,016)
Total comprehensive loss for the period	(77,886)	(516,257)

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

**Consolidated statement of changes in equity
for the period ended 31 December 2016**

The movements in equity during the period were as follows:

	Share capital	Share premium account	Retained earnings	Share based payment reserve	Other reserves	Total equity
	£	£	£	£	£	£
As at 30 June 2015	1,815,326	16,700,261	(13,936,309)	—	60,140	4,639,417
Changes in equity for 2015						
Total comprehensive (loss)/income for the period	—	—	(305,472)	—	(210,785)	(516,257)
Transactions with owners						
Issue of shares	44,444	155,556	—	—	—	200,000
Share issue and fundraising costs	—	(10,000)	—	—	—	(10,000)
Share-based payment transfer	—	—	—	—	—	—
Total Transactions with owners	44,444	145,556	—	—	—	190,000
As at 31 December 2015	1,859,770	16,845,816	(14,241,781)	—	(150,645)	4,313,160
As at 30 June 2016	1,872,522	17,399,710	(15,902,032)	22,945	301,693	3,694,838
Changes in equity for 2016						
Total comprehensive (loss)/income for the period	—	—	(182,162)	—	104,276	(77,886)
Transactions with owners						
Issue of shares	12,750	497,250	—	—	—	510,000
Share issue and fundraising costs	—	(21,000)	—	—	—	(21,000)
Share-based payment transfer	—	—	—	65,000	—	65,000
Total Transactions with owners	12,750	476,250	—	65,000	—	554,000
As at 31 December 2016	1,885,272	17,875,960	(16,084,194)	87,945	405,969	4,170,952
			Available for sale trade investments reserve	Associate investments reserve	Foreign currency translation reserve	Total other reserves
			£	£	£	£
As at 30 June 2015			82,707	(416,803)	394,236	60,140
Changes in equity for 2015						
Total comprehensive income/(loss) for the period			(51,564)	12,660	(171,881)	(210,785)
As at 31 December 2015			31,143	(404,143)	222,355	(150,645)
As at 30 June 2016			267,004	(410,439)	445,128	301,693
Changes in equity for 2016						
Total comprehensive income/(loss) for the period			(2,231)	143,174	(36,667)	104,276
As at 31 December 2016			264,773	(267,265)	408,461	405,969

Consolidated statement of cash flows
for the period ended 31 December 2016

	6 months to 31 December 2016 Unaudited £	6 months to 31 December 2015 Unaudited £
Cash flows from operating activities		
Loss before taxation	(182,162)	(790,586)
Decrease in receivables	17,926	103,618
(Decrease)/increase in payables	(153,903)	(189,625)
Share based payments charge	65,000	—
Share of gains in associates	(3,265)	(127,026)
Interest payable	19,600	—
Currency adjustments	(49,771)	206,645
(Gain)/loss on dilution of interest in associates	(3,295)	569,164
Loss on sale of available for sale investments	—	71,650
(Gain)/loss on sale of tenements	(56,638)	12,209
Depreciation	3,417	3,700
Net cash flows from operations	(343,091)	(140,251)
Cash flows from investing activities		
Proceeds from sale of investments	58,939	61,807
Payments to acquire available for sale investments	(85,000)	—
Exploration payments	(284)	(36,756)
Payments to acquire property plant and equipment	—	(2,343)
Net cash flows from investing activities	(26,345)	22,709
Cash flows from financing activities		
Proceeds from issue of shares	510,000	200,000
Transaction costs of issue of shares	(21,000)	(10,000)
Interest paid	(19,600)	—
Repayment of borrowings	(14,294)	(39,619)
Net cash flows from financing activities	455,106	150,381
Net increase in cash and cash equivalents	85,670	32,839
Cash and cash equivalents at the beginning of period	7,960	3,565
Cash and cash equivalents at end of period	93,630	36,404

Half-yearly report notes
for the period ended 31 December 2016

1 Company and Group

As at 30 June 2016 and 31 December 2016 the Company had one or more operating subsidiaries and has therefore prepared full and interim consolidated financial statements respectively.

The Company will report again for the full year ending 30 June 2017.

The financial information contained in this half yearly report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the year ended 30 June 2016 has been extracted from the statutory accounts of the Group for that year. Statutory accounts for the year ended 30 June 2016, upon which the auditors gave an unqualified audit report which did not contain a statement under Section 498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies.

2 Accounting Policies

Basis of preparation

The consolidated interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2016, which have been prepared in accordance with IFRS.

3 Loss per share

	6 months to 31 December 2016	6 months to 31 December 2015
	£	£
These have been calculated on loss for the period after taxation of:	(182,162)	(305,472)
Weighted average number of Ordinary shares of £0.001 in issue	305,950,145	2,376,002,022
Loss per share – basic	(0.06) pence	(0.01) pence
Weighted average number of Ordinary shares of £0.001 in issue inclusive of outstanding options	305,950,145	2,376,002,022
Loss per share fully diluted	(0.06) pence	(0.01) pence

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

	2016 Number	2015 Number
Earnings per share denominator	305,950,145	2,376,002,022
Weighted average number of exercisable share options	19,409,727	—
Diluted earnings per share denominator	325,359,872	2,376,002,022

In accordance with IAS 33, the diluted earnings per share denominator takes into account the difference between the average market price of ordinary shares in the year and the weighted average exercise price of the outstanding options. The Group has weighted average share options of 19,409,727 for the current period. These were not included in the calculation of diluted earnings per share because all the options are not likely to be exercised given that even the lowest exercise price is substantially higher than the market price and are therefore non-dilutive for the period presented.

Half-yearly report notes
for the period ended 31 December 2016, continued

4 Segmental analysis

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

	Investment in Red Rock Resources plc	Other investments	Australian exploration	Papua New Guinea exploration	Corporate and unallocated	Total
For the 6 month period to 31 December 2016	£	£	£	£	£	£
Management services	—	—	—	—	42,000	42,000
Revenue	—	—	56,637	—	—	56,637
Result						
Segment results	6,560	—	35,985	—	(303,744)	(261,199)
Loss before tax and finance costs						(162,562)
Interest receivable						—
Interest payable						(19,600)
Loss for the period before taxation						(182,162)
Taxation expense						—
Loss for the period after taxation						(182,162)

	Investment in Red Rock Resources plc	Other investments	Australian exploration	Papua New Guinea exploration	Corporate and unallocated	Total
For the 6 month period to 31 December 2015	£	£	£	£	£	£
Management services	—	—	—	—	910	910
Revenue	—	—	(71,650)	—	—	(71,650)
Result						
Segment results	31,488	(12,210)	4,059	11,488	(269,557)	(234,732)
Loss before tax and finance costs						(305,472)
Interest receivable						—
Interest payable						—
Loss for the period before taxation						(305,472)
Taxation expense						—
Loss for the period after taxation						(305,472)

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

Half-yearly report notes
for the period ended 31 December 2016, continued

5 Share Capital of the company

The share capital of the Company is as follows:

	Number	Nominal £
<i>Allotted, issued and fully paid</i>		
As at 30 June 2016	252,384,571	1,872,522
Issued 30 August 2016 at 0.40 pence per share	75,000,000	7,500
Issued 20 December 2016 at 0.40 pence per share	52,500,000	5,250
At 31 December 2016	379,884,571	1,885,272

6 Capital Management

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

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

There are no externally imposed capital requirements.

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

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

7 Subsequent events

- On 18 January 2017 the company raised £60,000 by way of placings of 15,000,000 new ordinary shares of 0.01 pence each in the Company at a price of 0.4p per share.
- On 19 January 2017 the company raised £50,000 by way of placings of 12,500,000 new ordinary shares of 0.01 pence each in the Company at a price of 0.4p per share.
- On 8 February 2017 the company raised £105,000 by way of a placing of 21,000,000 new ordinary shares of 0.01 pence each in the Company at a price of 0.5p per share.