23 March 2018

Regency Mines Plc ("Regency" or the "Company"), the natural resources exploration and mineral investing company with interests in hydrocarbon and base metal exploration and production, announces its unaudited half-yearly results for the six months ended 31 December 2017.

Chairman's statement

Dear Shareholders,

It is with much pleasure that we present these interim results. The six month period to 31 December 2017 was one of significant activity, in which the Company completed the sale of its 5% participation in Horse Hill Developments Ltd, a private oil exploration company, and was able thereby to generate proceeds of £1,719,126, as well as receiving 6,467,500 shares in the AIM-listed Alba Mineral Resources plc.

A considerable profit was generated from this sale, only partially offset by an impairment of Regency's interest in a metallurgical coal joint venture in the U.S. The proceeds of this sale allowed the Company to increase by £400,000 its investment in Curzon Energy plc, which it had helped fund in 2016 and which listed on the Standard List of the London Stock Exchange during the half year under review, as well as to increase its current assets and reduce its current liabilities. Net current liabilities were consequently reduced by £629,047 from the 30 June total, while the liquidity of its available for sale financial assets of £1,249,980 was improved by the fact that the bulk of them now comprised London-listed investments.

These developments significantly improved the financial position of the Company.

Since the end of the calendar year, further funding of £1,050,000 was raised and the balance sheet has been further strengthened. The trade and other receivables have been reduced to near zero, so that current assets now comprise almost entirely cash, while the trade and other payables have also been reduced to near zero, and short term borrowings have been entirely eliminated, so that current liabilities have been almost entirely discharged. The Company now enjoys a substantial net current asset position.

It is worth reminding shareholders, many of whom have come on the register since 2010, how the high level of debt we have carried ever since that time and up until recently came about. We had entered into a joint venture in relation to our Mambare lateritic nickel-cobalt project in Papua New Guinea with a party that was expecting to raise substantial funding and obtain a listing. Neither eventualised, partly due to market conditions, and we were left with the unappetising choice of aborting our nearly completed exploration programme with no measurable outcomes or of taking shares in a private entity and carrying our partner financially in order to complete the programme and obtain a maiden JORC Resource. We chose the latter, and in consequence lived with an uncomfortable if reducing level of debt throughout the 2010 to 2016 downturn.

Whether we were right in the long term to make that decision will now be seen. We know that in the short and medium term it was proved wrong, for nickel, having failed to recover like other metals between the global financial crisis of 2008 and the commodity market peak in 2010, continued to perform poorly as other metals came out of the down-cycle in 2016. Last year began to see a recovery in the cobalt price, which continues, and this year has seen the start of a recovery in the nickel price, and a pattern of increasing demand for these materials for electric vehicle and other storage batteries that we expect to continue.

An opportunity now exists to reinvigorate the Mambare project, and the extremely large Resource we have proved up from what is only a small part of the deposit gives us a strong platform to work from.

Meanwhile we have continued to work on building up our presence in hydrocarbon energy sources. Although we have sold out of Horse Hill Developments Ltd, our increased 8.91% shareholding in Curzon Energy plc gives us exposure to the coal bed methane market in the U.S.

Our first steps last year into the metallurgical coal market in the U.S. did not generate early production as hoped, and we identified management and organisational deficiencies in our partner that led us to make a provision of £821,566 against the value of these assets. We have however learnt by our experiences and have strong expectations for the development of that business, primarily through our new $2,000,000 commitment to a joint venture with Legacy Hill Resources Ltd, a privately held company with the technical and operating expertise that is needed to develop a successful metallurgical coal project in the competitive U.S. marketplace.

The objective of the joint venture is to acquire and assemble a critical mass of production and reserves. We have known and worked with our partners at Legacy Hill for some time now, and have developed a high regard for their capabilities and strengths and an awareness of the degree to which they are complementary to our own. We are confident that we will be able to build a strong working relationship. Through this relationship, we will also try to address the potential of the Rosa mine and other coal assets.

At the end of 2017, we announced the formation of a Battery and Storage Technologies Division, which complements our hydrocarbon energy and battery metal activities and will address new developments in battery technology and developing uses for the metals in our portfolio. The first investment made was of £400,000 in White Car Ltd, a new Tesla-operating car hire company that aims to be a disruptor of the car hire market, and where my colleague Scott Kaintz now sits on the board.

We thank our shareholders for their strong support during a period of transition, and look forward to an exciting period in which, from a solid financial base, we start to reap the rewards of investments undertaken and decisions made.

Andrew Bell
Chairman and CEO

23 March 2018

Consolidated statement of financial position
as at 31 December 2017

	Notes	31 December 2017 Unaudited, £	31 December 2016 Unaudited, £	30 June 2017 Audited, £
ASSETS				
Non-current assets				
Property plant and equipment		586	18,300	15,520
Investments in associates and joint ventures	6	2,764,191	1,787,848	3,585,757
Available-for-sale financial assets	7	1,249,980	1,230,229	1,443,707
Exploration assets		40,402	244,985	40,402
Trade and other receivables		1,653,388	1,197,580	1,239,779
Total non-current assets		5,708,547	4,478,942	6,325,165
Current assets				
Cash and cash equivalents		38,473	93,630	9,176
Trade and other receivables		305,372	331,621	116,544
Total current assets		343,845	425,251	125,720
TOTAL ASSETS		6,052,392	4,904,193	6,450,885
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Called up share capital	8	1,905,163	1,885,272	1,904,933
Share premium account		19,287,043	17,875,960	19,272,873
Other reserves		472,679	493,914	895,947
Retained earnings		(16,374,292)	(16,084,194)	(16,795,589)
Total Equity		5,290,593	4,170,952	5,278,164
LIABILITIES				
Current liabilities				
Trade and other payables		193,048	465,237	401,634
Short term borrowings		568,751	268,004	771,087
Total current liabilities		761,799	733,241	1,172,721
TOTAL EQUITY AND LIABILITIES		6,052,392	4,904,193	6,450,885

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

Consolidated statement of income
for the period ended 31 December 2017

	Notes	6 months to 31 December 2017 Unaudited, £	6 months to 31 December 2016 Unaudited, £
Revenue			
Management services		—	42,000
Gain/(loss) on sale of tenements		—	56,637
		—	98,637
Administrative expenses	3	(257,515)	(306,548)
Gain on dilution of interest in associate		—	3,295
Impairment of investment in joint ventures	6	(821,566)	—
Gain/(loss) on sale of investments	7	1,485,611	—
Share of gains in associates		—	3,265
Other income		59,621	38,789
Finance costs, net		(44,854)	(19,600)
Profit /(loss) for the period before taxation from continuing operations		421,297	(182,162)
Tax expense		—	—
Profit /(loss) for the period after taxation from continuing operations		421,297	(182,162)
Earnings per share			
Profit /(loss) per share – basic	**4**	0.073 pence	(0.06) pence
Profit /(loss) per share – diluted	**4**	0.072 pence	(0.06) pence

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

Consolidated statement of comprehensive income
for the period ended 31 December 2017

	6 months to 31 December 2017 Unaudited, £	6 months to 31 December 2016 Unaudited, £
Profit /(loss) for the period	421,297	(182,162)
Revaluation of available for sale investments	(335,700)	(2,231)
Group's share of associates' other comprehensive (expense)/ income	—	143,174
Unrealised foreign currency gain/(loss) arising upon retranslation of foreign operations	(95,193)	(36,667)
Total comprehensive loss for the period	**(9,596)**	**(77,886)**

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

Consolidated statement of changes in equity
for the period ended 31 December 2017

The movements in equity during the period were as follows:

	Share capital	Share premium account	Retained earnings	Other reserves	Total equity
	£	£	£	£	£
As at 30 June 2016	1,872,522	17,399,710	(15,902,032)	324,638	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)	493,914	4,170,952
As at 30 June 2017	1,904,933	19,272,873	(16,795,589)	895,947	5,278,164
Changes in equity for 2017					
Profit/ (loss) for the period	—	—	421,297	—	421,297
Other comprehensive (loss)/income for the period	—	—	—	(430,894)	(430,894)
Transactions with owners					
Issue of shares	230	14,170	—	—	14,400
Share issue and fundraising costs	—	—	—	—	—
Share-based payment transfer	—	—	—	7,625	7,625
Total Transactions with owners	230	14,170	—	7,625	22,025
As at 31 December 2017	**1,905,163**	**19,287,043**	**(16,374,292)**	**472,679**	**5,290,593**

	Available-for-sale investments reserve	Associate investments reserve	Share-based payments reserve	Foreign currency translation reserve	Total other reserves
	£	£	£	£	£
As at 30 June 2016	267,004	(410,439)	22,945	445,128	324,638
Changes in equity for 2016					
Total comprehensive income/(loss) for the period	(2,231)	143,174	—	(36,667)	104,276
Transaction with owners					
Share-based payment transfer	—	—	65,000	—	65,000
As at 31 December 2016	264,773	(267,265)	87,945	408,461	493,914
As at 30 June 2017	326,097	—	65,857	503,993	895,947
Changes in equity for 2017					
Total comprehensive income/(loss) for the period	(335,700)	—	—	(95,193)	(430,893)
Transaction with owners					
Share-based payment transfer	—	—	7,625	—	7,625
As at 31 December 2017	**(9,603)**	—	**73,482**	**408,800**	**472,679**

Consolidated statement of cash flows
for the period ended 31 December 2017

	Note	**6 months to 31 December 2017 Unaudited £**	6 months to 31 December 2016 Unaudited £
Cash flows from operating activities			
Profit /(loss) before taxation		421,297	(182,162)
(Increase)/decrease in receivables		(601,465)	17,926
(Decrease) in payables		(208,584)	(153,903)
Impairment in JVs	6	821,566	—
Share based payments charge		22,025	65,000
Share of gains in associates		—	(3,265)
Broker's fee received in Curzon Energy Plc's shares		(28,000)	—
Reversal of prior year impairment		(21,614)	—
Interest payable		44,854	19,600
Currency adjustments		—	(49,771)
Loss on dilution of interest in associates		—	(3,295)
Gain on sale of available-for-sale investments	7	(1,485,611)	—
(Gain)/loss on sale of tenements		—	(56,638)
PPE write off/Depreciation		14,934	3,417
Net cash flows from operations		**(1,020,598)**	**(343,091)**
Cash flows from investing activities			
Proceeds from sale of available-for-sale investments		1,719,126	58,939
Payments to acquire available-for-sale investments		(400,000)	(85,000)
Exploration payments		—	(284)
Net cash flows from investing activities		**1,319,126**	**(26,345)**
Cash flows from financing activities			
Proceeds from issue of shares		—	510,000
Transaction costs of issue of shares		—	(21,000)
Interest paid		(44,854)	(19,600)
Repayment of borrowings		(224,377)	(14,294)
Net cash flows from financing activities		**(269,231)**	**455,106**
Net increase in cash and cash equivalents		**29,297**	**85,670**
Cash and cash equivalents at the beginning of period		9,176	7,960
Cash and cash equivalents at end of period		**38,473**	**93,630**

Half-yearly report notes
for the period ended 31 December 2017

1 Company and Group

As at 30 June 2017 and 31 December 2017 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 2018.

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 2017 has been extracted from the statutory accounts of the Group for that year. Statutory accounts for the year ended 30 June 2017, 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 Polices

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 2017, which have been prepared in accordance with IFRS.

3 Administrative expenses

	6 months to 31 December 2017 Unaudited £	6 months to 31 December 2016 Unaudited £
Staff Costs:		
Payroll	104,875	146,325
Pension	6,353	4,743
Consultants	7,500	7,500
HMRC / PAYE	8,813	7,601
Professional Services:		
Accounting	15,530	46,294
Legal	-	4,248
Marketing	2,588	19,086
Other	7,800	713
Regulatory Compliance	32,365	34,570
Travel	2,029	5,745
Office and Admin Costs:		
General	24,651	2,257
IT related costs	3,709	114
Rent	41,302	27,352
Total administrative expenses	**257,515**	**306,548**

4 Loss per share

The following reflects the profit/(loss) and share data used in the basic and diluted profit/(loss) per share computations:

	6 months to 31 December 2017 Unaudited, £	6 months to 31 December 2016 Unaudited, £
Profit/(loss)/profit attributable to equity holders of the parent company	421,297	(182,162)
Weighted average number of Ordinary shares of £0.0001 in issue	576,805,818	305,950,145
Effect of dilutive options	5,330,000	—
Weighted average number of Ordinary shares of £0.0001 in issue inclusive of outstanding dilutive options	582,135,818	305,950,145
(Loss)/profit per share – basic	**0.073 pence**	**(0.06) pence**
(Loss)/profit per share – fully diluted	**0.072 pence**	**(0.06) pence**

Options and warrants with all conditions met, that were also in the money at the end of each respective period:

	6 months to 31 December 2017 Unaudited, £	6 months to 31 December 2016 Unaudited, £
Share options granted to employees, fully vested and in the money at the end of the respective period	5,330,000	—
Warrants given to shareholders as a part of placing equity instruments, fully vested and in the money at the end of the respective period	—	17,898,183
Total instruments fully vested and in the money	5,330,000	17,898,183

At 31 December 2016, the effect of all the instruments (fully vested and in the money) 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 because they are anti-dilutive for the periods presented:

	6 months to 31 December 2017 Unaudited, £	6 months to 31 December 2016 Unaudited, £
Share options granted to employees – not vested and/or out of the money	21,730,000	7,060,000
Warrants given to shareholders as a part of placing equity instruments – not all conditions met and/or out of the money	236,685,670	138,611,111
Total options and warrants with not all conditions met and/or out of the money	258,415,670	145,671,111
Total number of instruments in issue not included into the fully diluted EPS calculation	258,415,670	163,569,294

Half-yearly report notes
for the period ended 31 December 2017, continued

5 Segmental analysis

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

For the 6 month period to 31 December 2017	Investment in Red Rock Resources plc £	Other investments £	Australian exploration £	Papua New Guinea exploration £	Corporate and unallocated £	Total £
Management services	—	—	—	—	—	—
Revenue	—	—	—	—	—	—
Result						
Segment results	—	—	(3,644)	—	469,795	466,151
Loss before tax and finance costs						466,151
Interest receivable						—
Interest payable						(44,854)
Loss for the period before taxation						421,297
Taxation expense						—
Loss for the period after taxation						421,297

For the 6 month period to 31 December 2016	Investment in Red Rock Resources plc £	Other investments £	Australian exploration £	Papua New Guinea exploration £	Corporate and unallocated £	Total £
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)

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 2017, continued

6 Investments in associates and joint ventures

	31 December 2017 Unaudited	31 December 2016 Unaudited	30 June 2017 Audited
	£	£	£
At the beginning of the period	3,585,757	1,638,113	1,638,113
Additions	—	190,616	1,928,132
Gain on re-translation into group presentation currency	—	—	60,393
Transferred to available-for-sale investments	—	(40,881)	(40,881)
Impairment	(821,566)	—	—
At the end of the period	**2,764,191**	**1,787,848**	**3,585,757**

As a result of the Group's evaluation of its non-financial assets, an impairment loss of £821,566 on investments in associates and joint ventures was recognised in the income statement (2016: £nil). This relates to the Company's investments in Vali Carbon Corporation, a company targeting the acquisition and development of metallurgical coal assets in Virginia, as announced on 6 February 2017, 9 March 2017 and on 16 March 2017.

The Directors recognise that Vali Carbon Corporation has suffered from significant managerial and organizational deficiencies to date, particularly a lack of financial capital and focus from the majority owner of the business. As such the Company considers advancement of these assets to be on hold pending further negotiation and discussion with the majority partner.

Simultaneously, the Company is exploring options to potentially inject some of its metallurgical coal investments into the joint venture with Legacy Hill Resources first announced on 27 February 2018, as part of a larger US metallurgical coal investment and development strategy.

Given the broad uncertainty around the future of these assets, the fact that the metallurgical coal market remains buoyant and the original investment thesis sound with multiple potential pathways for future development, an impairment value of £821,566 for the year was determined to most appropriately reflect the present situation and pervading uncertainties.

7 Available-for-sale financial assets

	31 December 2017 Unaudited	31 December 2016 Unaudited	30 June 2017 Audited
	£	£	£
At the beginning of the period	1,443,707	1,147,457	1,147,457
Additions	936,502	44,122	145,127
Disposals	(1,166,442)	—	—
Revaluations	14,598	(2,231)	110,242
Reversal of impairment	21,614	—	—
Transfer from investments in associates	—	40,881	40,881
At the end of the period	**1,249,979**	**1,230,229**	**1,443,707**

In August 2017 the Company disposed of 1.9% of its stake in Horse Hill Developments Ltd ("HHDL") to UK Oil and Gas ("UKOG"). For this interest the Company received £54,498 in obligations assumed by the buyer as well as £268,502 of value in UKOG shares. These shares were subsequently sold for proceeds of £1,298,555.
On 29 November 2017, Regency announced that it has completed the sale to dispose of its remaining 3.1% interest in HHDL for £630,000, of which 50% would was delivered in cash and 50% in shares of the buyer, Alba Mineral Resources plc ("Alba").

Half-yearly report notes
for the period ended 31 December 2017, continued

8 Share Capital of the company

The share capital of the Company is as follows:

	Number	Nominal, £
Allotted, issued and fully paid		
As at 30 June 2017	576,491,064	1,904,933
Issued 6 December 2017 at 0.625 pence per share in relation to SIP	2,304,000	230
At 31 December 2017	578,795,064	1,905,163

9 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.

Half-yearly report notes
for the period ended 31 December 2017, continued

10 Subsequent events

ESTEQ Investment into Whitecar Ltd.

On 22 December 2017 the Company announced that its wholly owned subsidiary, EsTeq Ltd, had agreed to invest £400,000 into Whitecar Ltd, in two tranches, one at closing and a further in February 2018. In February 2018 EsTeq completed the terms of this investment by investing the second £200,000 tranche into Whitecar Ltd, bringing the total invested to £400,000 and its shareholding to 5.8% of Whitecar.

Strategic Fundraising and Loan Repayment

On 11 January 2018 the Company raised £1,050,000 through the issuance of 190,909,090 new ordinary shares of 0.01 pence each. Each participant in the placing received a warrant along with each share purchased to subscribe for a further share at 1.0 pence for 24 months. The Company retains the ability to call these warrants in the event that the volume weighted average price of the Company's shares equals or exceeds 3.5 pence for ten consecutive business days.

On 30 January 2018 the Company further announced that it had repaid in full all of its outstanding convertible loan notes with YA II PN, Ltd. This payment totalled $835,115 and was broken down into $725,647 of principal and $33,548 of interest.

Joint Venture with Legacy Hill Resources

On 27 February 2018 the Company announced that it had executed a joint venture agreement with Legacy Hill Resources ("LHR"), a privately-owned mining company, setting out a framework for cooperation. The purpose of the joint venture was to structure and finance acquisitions in the U.S. metallurgical coal sector including their subsequent management and operation.

Under the terms of the joint venture, LHR will own 30% of the joint venture, to reflect their efforts in financing, conducting due diligence and managing the acquisition process to date. LHR will contribute $1m in cash and Regency will contribute up to $2m in cash, with the total equity contributions under this agreement capped at $3m. Regency will thereby hold a proportion of the joint venture equal to 70% of its relative cash contributions. If more than $3m of cash investment was required, a new agreement would be entered into for that additional amount. LHR was to be responsible for day to day operations of the investments and all these terms and relationships were to be formalized in a full agreement when appropriate.

Update on Rosa Mine Due Diligence

On 27 February 2018 the Company announced that alongside Legacy Hill Resources due diligence had been carried out on the Company's option to acquire 80% of the Rosa metallurgical coal mine and wash plant not already owned by Regency. While the original sixty-day timeline had expired, Regency was continuing to review information gathered on the Rosa mine, to reach out and speak with stakeholders, and to discuss additional partnership options regarding this asset with Legacy Hill Resources. The Company further explained that the eventual terms of any potential transaction regarding Rosa might require additional negotiation and would likely be different than those originally announced.