REGENCYMINES

NOW IN PRODUCTION

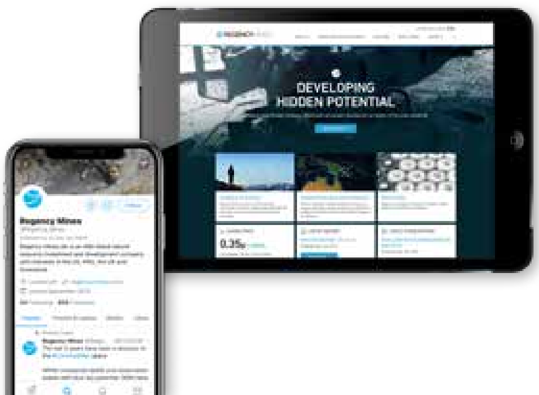
ANNUAL REPORT AND ACCOUNTS 2018

REGENCY MINES PLC

Regency Mines plc is a natural resource exploration and development company listed on the Alternative Investment Market of the London Stock Exchange. The Company manages a diverse portfolio of natural resource, energy storage and battery metals projects around the world.

Regency Mines can be found online at our website, on Twitter and at various investor events throughout the year.

We welcome all investor feedback and comments
www.regency-mines.com



@Regency_Mines
Follow us on Twitter to stay up to date with our latest news.

www.regency-mines.com
Visit our website for the latest announcements and investor information.

We are now formally a producing natural resource company; one with a solid basis in metallurgical coal in the United States, sitting astride an opportunity to further grow these assets and our production base in the region.

Now backed by this production, we offer investors material upside through our nickel-cobalt assets in Papua New Guinea as well as through our battery and energy storage related interests.

Read more about our investment proposition on pages 4–7.

STRATEGIC REPORT

GOVERNANCE

FINANCIAL STATEMENTS

2018 HIGHLIGHTS

£1,482,609
Gain on sales of investments

8.4%
Stake in Curzon Energy plc (LDN:CZN) oil and gas developer

47%
Interest in Mining Equity Trust – metallurgical coal producer

WHAT WE DO

Regency manages a diverse portfolio of mineral, oil and gas, and energy storage projects in multiple international locations at different stages of development.

With countries around the world demonstrating an increased demand for cleaner fuel sources, we have exposure to the entire energy storage value chain and are well positioned to leverage growth in clean hydrocarbons and battery usage.

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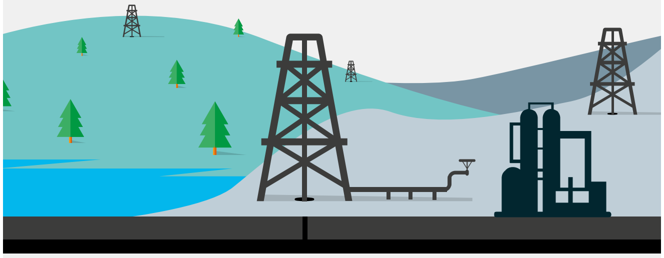

HYDROCARBONS

Metallurgical coal

Coal bed methane

As the world transitions to a decarbonised future many things will change, and some will remain the same. Metallurgical coal, a key ingredient in steel production, will for the foreseeable future be required to allow the world to continue to build out cities and infrastructure, whereas natural gas is fast becoming the key transition fuel that allows the world's economies to reduce their carbon emissions while exploring longer-term green initiatives.

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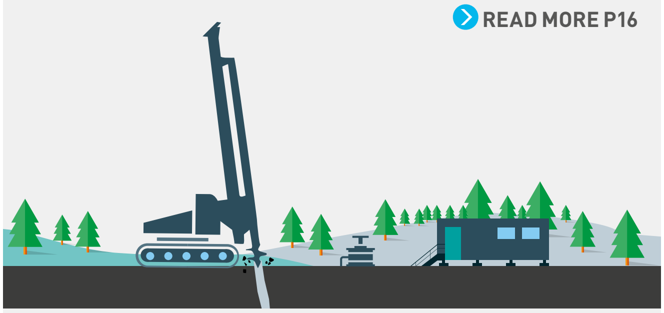

BATTERY METALS

Nickel-cobalt project

With the multifaceted rise of batteries, whether in our phones, automobiles or even our homes, comes a need to provide the raw materials that make this revolution possible. Regency is well leveraged to these trends with its proven interests in nickel and cobalt in Papua New Guinea ready to be further developed.

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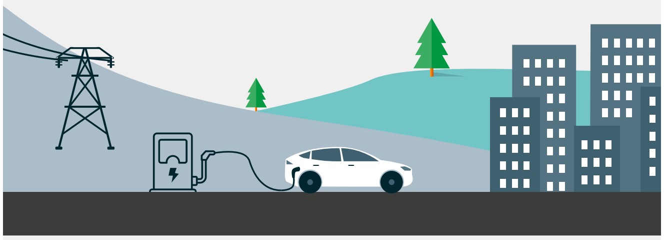


ENERGY STORAGE TECHNOLOGIES

Whitecar Ltd

Allied Energy Limited

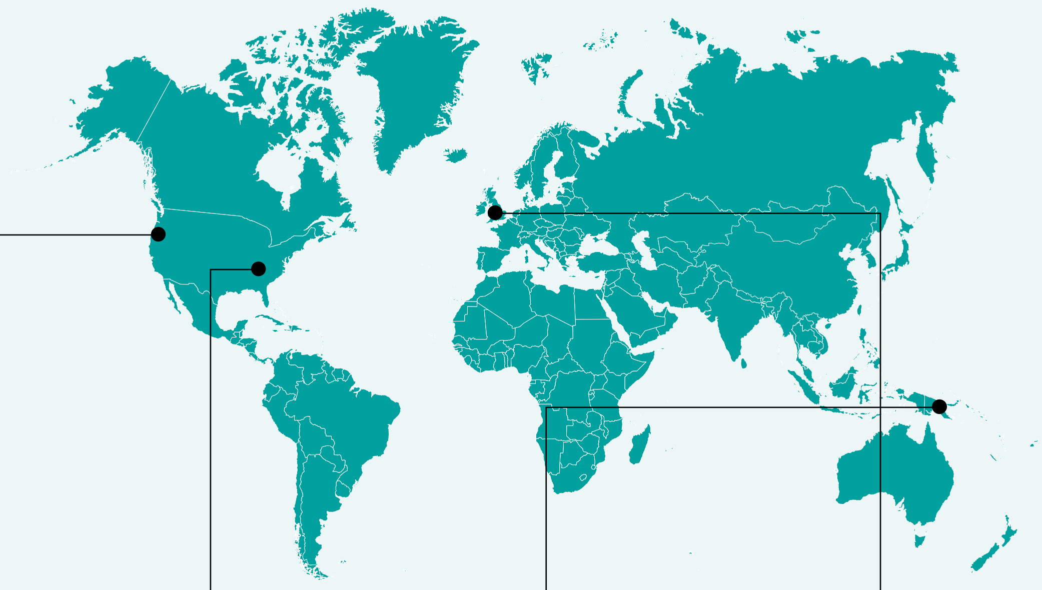
Energy storage is a fast-growing part of the overall electrification of society. As national grids move towards renewables they often encounter issues with load balancing and the lack of reliability in these power sources. Herein lies the opportunity for smaller power generators and larger grid storage batteries to step in and help smooth out these fluctuations. Meanwhile, as countries around the world look to reduce and eliminate emissions, the staid rental car market is ripe for disruption from agile players offering better service and green transport options to both individuals and corporate clients.

WHERE WE OPERATE

We are active in multiple international locations including the United Kingdom, Papua New Guinea and the United States.

READ MORE P21

RED ROCK RESOURCES PLC
A diversified natural resource development company with interests in manganese and ferrosilicon production, gold exploration and production, as well as oil exploration.



CURZON ENERGY PLC
A US focused oil and gas exploration and development business.

US MET COAL ASSETS
Regency Mines holds 47% of Mining Equity Trust ("MET"), a joint venture set up with Legacy Hill Resources to identify and acquire producing metallurgical coal assets in the United States.

MAMBARE
Regency owns 50% of a nickel-cobalt laterite deposit in eastern Papua New Guinea.

ESTEQ LIMITED
Whitecar Ltd
One Price - One Colour - The electric car hire company that breaks all the rules.

Allied Energy Services
Allied Energy Services will offer distributed power generation, grid management and trading services across the United Kingdom.

EXPOSURE TO THE ENTIRE ENERGY STORAGE VALUE CHAIN

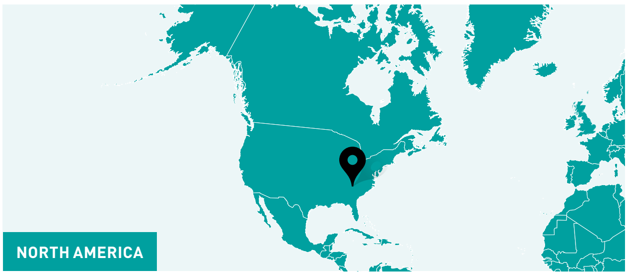
Clean fossil fuels (Curzon – coal bed methane) → Power generation → Power transmission → Battery metals (Mambare – nickel-cobalt) → Grid services / storage (Allied Energy Services) → Gigafactories → Battery end-uses (Whitecar)

FOUNDATIONAL PRODUCTION

NOW PRODUCING - METALLURGICAL COAL

MINING EQUITY TRUST ("MET")

Metallurgical coal



JOINT VENTURE WITH LEGACY HILL RESOURCES

Regency Mines holds 47% of Mining Equity Trust ("MET"), a joint venture set up with Legacy Hill Resources to identify and acquire metallurgical coal assets in the United States. With its first acquisition now completed, MET looks to acquire additional coal properties and interests in order to scale up production sufficiently to ultimately list in the United States.

KEY FACTS

Set up to identify and acquire operating metallurgical coal assets in the United States

Owns and operates Omega Holdings LLC in Virginia in the Appalachian coal fields

Focused on cash generation: pursuing US-based coal roll-up strategy

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2
Highwall miners in operation

47%
Interest in MET

750,000
Tonnes of annual coal production

EXPLORATION UPSIDE

BLUE-SKY DEVELOPMENT OPPORTUNITIES

MAMBARE
Nickel-cobalt

NICKEL-COBALT POTENTIAL

Mambare is a large nickel-cobalt deposit with a substantial JORC compliant Inferred and Indicated Mineral Resource, in which Regency has a 50% interest.

KEY FACTS

- Nickel-cobalt laterite deposit in eastern Papua New Guinea
- Oro Nickel joint venture with Direct Nickel Ltd together holds EL1390 covering 256km^2
- Licenced to use Direct Nickel's proprietary process: a hydrometallurgical process for cost effectively extracting nickel from laterite deposits
- JORC resource of 162.5 million tonnes @ 0.94% nickel and 0.09% cobalt
- In situ nickel within the Mambare Resource totals 1.53 million tonnes and in situ cobalt 146,000 tonnes

READ MORE P17

256km^2
Total licence area of EL1390

1.53m
Tonnes contained nickel metal

50%
Joint venture between Regency and Direct Nickel Ltd

3%
Of primary target drill tested

£1.48m
Gain from sale of investments

47%
Interest in producing metallurgical coal operation

£1.06m
Funds raised in 2017–18 financial year

DEAR SHAREHOLDERS,

Overview

Everyone invested in the mineral exploration and development sector of the market knows what the broad picture has been. After a multi-year decline from 2010 in commodity prices, which reached its nadir at the very beginning of 2016, and a corresponding decline in the liquidity of, and level of interest in, listed companies in the sector, a sharp recovery took place in the Spring of 2016.

Expanding economies worldwide consumed more natural resources, and in retrospect the 2015–16 prices, although an unsustainable aberration, had created expectations so low that the first stages of recovery saw significant price increases in oil and bulk cargo minerals, with base metals generally following behind.

Some easy money was made last year, and the setback in 2018 to date has been the first significant pullback in prices, affecting both commodities and share prices, and so in part a normal and healthy reaction. It has been amplified however by signs of a global slowdown, and by the strains on global liquidity as a result of the US reversal of quantitative easing, that has impacted economies outside the US through the dollar exchange rate.

There are two main views of future developments. One would hold that China will slow, other economies will decline under the pressure of dollar debts, the Euro area will face a crisis of slow growth exacerbating banking instability, the US economy is reaching full capacity and higher interest rates are inevitable, and the global economic expansion will end with either a short sharp shock or a decline into stagnation. The other would hold that Asia will continue to see managed growth, that intra-Asian trade will increase, and that the US economy will continue to grow adequately under the influence of tax cuts and renewed infrastructure investment.

We must prudently be prepared for either scenario. Any commodity-based business is to some extent a creature of the cycle, as stocking and destocking affect demand faster than production can adjust. What we can hope to do in order to manage our long-term strategies through periods of short-term volatility is, first, to create cash flow and revenue from cheap production, secondly, to build into our production some protections against price and demand declines, and thirdly to position ourselves in minerals and sectors seeing secular growth throughout the cycle.

Our high-quality metallurgical coal production at MET meets many of these requirements. We expect it to provide us with cash flows from cheap production of a relatively scarce commodity, that serves primarily the robust U.S. market and its recovering steel industry, where demand is underpinned by a fixed price supply contract for significant quantities of coal to a specialist biomass power station.

Our nickel-cobalt joint venture at Mambare in Papua New Guinea meets one, in that we are deliberately positioned in nickel because of the expected secular trend of demand growth for stainless steel, and in that the use of both metals in electric car and other battery technologies is growing and significant. We are currently studying the options for some DSO (direct shipping ore) production in order to generate near-term cash flows from this project.

The headline statement of this section of the Annual Report last year read "Our base metal interests can now be seen to be entirely composed of the cathode materials that are key for the new green car and energy storage revolution that is under way." A year later, that remains equally true.

Indeed, we have given form to the division set up last year to study and develop our interests in the technologies and services that will serve the electric car and battery sectors with the incorporation of ESTEQ Limited, which has invested in Whitecar Ltd, the leading electric vehicle rental company in the UK, and which has helped set up Allied Energy Services to provide power generation, grid back up and electricity storage from several identified sites.

With our investment in Curzon Energy plc, where we now have a seat on the board, we target the generation of cash flows from gas in the US, as this cleaner energy source progressively gains market share from coal in the US power generation mix. As this occurs, and related LNG distribution infrastructure expands to support rising production levels, we believe the US will continue to export LNG on an ever-wider scale to Asian and other overseas markets.

Leaving aside the possibility of capital transactions, the focus for cash flow from operations must be primarily metallurgical coal for the present, as this will be relatively resistant to any downturn. DSO nickel production depends on strong nickel prices, and so will be more likely short term in a benign environment in which economies grow and increased demand supports a rising nickel price.

> Our joint strategic vision for MET is a larger roll-up strategy, followed by the listing of a North American company worth several hundred million dollars; Omega is just the first step."

Andrew Bell
Chairman and CEO

CORPORATE GOVERNANCE
A spotlight on our governance framework

Q.
How do you ensure corporate governance is adhered to throughout the business?

A.
Regency's Board of Directors constantly assesses the performance of the Company through a lens of governance over management. This ensures that an appropriate mix of skills and experience is in place through ongoing processes of review and analysis of all aspects of the business.

Q.
How have you engaged with shareholders during the year?

A.
Regency makes an active effort to engage with shareholders and stakeholders more generally during the course of the year. This can include general communications mediums such as RNS announcements, Twitter and the Company website, to reaching out to its advisors, brokers and other consultants to better understand shareholder concerns. Regency also participates in investor evenings where direct engagement is possible, and has arranged trips, including one in late 2018, to the Company's assets to allow shareholders to better see their investments in action.

Q.
What are the Board's focus areas going into 2019?

A.
Now the Company has achieved commercial production through its MET investment in metallurgical coal in the United States, the focus shifts to consolidating that position and looking towards the next asset that can be added to that business to begin to scale it up. Meanwhile, Regency intends to push forward with activities planned in Papua New Guinea over the coming year, to effectively reactivate that project after a long period of inactivity and work to achieve both meaningful progress and prime the enterprise for third-party investment and involvement where appropriate.

READ MORE P24

BOARD MEETINGS ATTENDED

Andrew Bell –Chairman and CEO	**9/9**
Scott Kaintz – Executive Director and COO/CFO	**9/9**
Edmund Bugnosen – Non-executive Director	**9/9**

Review of the year

The earlier part of the year to 30 June 2018 saw Regency make profitable disposals of its interest in Horse Hill Developments, increase its stake in Curzon Energy plc at that company's IPO, establish its new energy metal technologies arm ESTEQ Limited make a maiden investment there in Whitecar Ltd.

On 30 January 2018, the Company's entire outstanding loan facility of USD835,115 was repaid, following a fundraising at 0.55p a share to raise £1,055,000, of which Directors contributed £100,000.

The purpose of the financing was stated to be to repay the loan, to expand the Company's coal footprint in the US, and to recommence activity at Mambare.

The announcement on 5 December 2017 of a MOU with Legacy Hill Resources Ltd ("LHR"), was then followed on 27 February by the announcement of a joint venture, and on 6 June by the incorporation and funding of a joint venture company, Mining Equity Trust, LLC ("MET"), to which Regency contributed USD2,000,000, taking out for the purpose a new loan of USD1,600,000. On 2 August, after the financial year end, MET took over the metallurgical coal operations and assets of Omega Holdings, LLC and other companies in Virginia, U.S.A.

At the Mambare nickel-cobalt project, Regency put forward a revised work plan incorporating initial ground penetrating radar work in order to provide a conceptual expansion of the deposit envelope and discussed with the contractor the cost and timings of that work. The settlement of certain partner issues was another post year end development, finally occurring in November 2018, and so allowing detailed preparation for work on site to begin.

In both cases, it was not until after the year end that real progress could be made and it was as disappointing to us as to other investors who sought a more aggressive timeline.

However, both the coal and the nickel-cobalt are strategic long-term projects central to our future, so thorough due diligence and proper structuring with appropriate partners were considered to be essential to achieve the best results.

We drilled out a major maiden Resource at Mambare at the beginning of the decade, and have made the painful effort to retain this asset through a bear market in nickel that began two years earlier than in other commodities and has scarcely ended now. We did this because of our confidence that when the nickel and cobalt market recovered, this would become a world class asset. We are not therefore now going to compromise our interests by taking any ill-thought-out actions.

In coal, we identified the potential for recovery in the metallurgical sector of the market near the bottom of the coal bear market, but finding an entry point that was going to work and be within our means has been difficult. Our initial partners proved a poor choice, but when we found that LHR with whom we shared an office had the same vision and very relevant expertise, we realised we had a desirable partner on hand. From that point to production of coal was less than a year. At the time these delays seemed frustrating, but in retrospect progress seems quite rapid. Our joint strategic vision is a larger roll-up strategy, followed by the listing of a North American company worth several hundred million dollars; Omega is just the first step. Both parties also intend that as cash is generated through operations, as much of it as possible should be returned to the partners, something that will soon feed into Regency's bottom-line.

Discussion of the results

In this transition year, the balance sheet at year end looked fairly similar to that at the beginning, despite the inflows and outflows that occurred during the year.

The reported loss increased from £634,267 to £1,549,619, as a £1,482,609 gain on sale of investments was more than offset by an impairment of our interests in joint venture activities with our former coal partner. We shall expect to reverse some of this impairment in time, and will aggressively pursue various avenues to do so. A further factor was that administration costs increased by £271,076 as despite a reduction in payroll costs, the one-off costs associated with downsizing our offices caused a temporary increase in rental and general administrative costs, while finance and legal costs increased as a result of the arrangements connected with financing the MET investment.

Principally as a result of this reported loss, total assets declined from £6,450, 885 to £5,840,692 over the year, and total equity declined from £5,278,164 to £4,446,340.

Prospects

Our objective for the current year is to restructure our balance sheet from short-term to longer-term liabilities, so that the impact of expected cash flows from coal production at MET can strengthen the financing capability of our developing nickel-cobalt operations at Mambare, and make us financially self-sufficient. To this end, we will control further our central overhead, and lay off some of our costs on to partner or investee enterprises, and pursue recoveries where we can.

We look to our joint venture operations at both MET and Mambare to progress, and will seek external funding where appropriate. We will look to issuing new capital to external investors at ESTEQ with a view to eventually listing that entity in London. We expect a rapid development in the business of Allied Energy Services.

We look to providing the market with profit guidance for MET as soon as reasonably possible, as we believe that when we do so that will have significant market impact.

We propose to strengthen and refresh the Board with new appointments as appropriate in the coming year.

The measures we have already begun to take to create market awareness and a steady flow of information will continue and intensify, in order both to increase engagement with existing shareholders, and to project to a new audience the identity and vision of the Company.

Success on the ground and success in the market will, we believe, be closely linked for us in the coming period, and so we must and will achieve both.

Andrew Bell
Chairman and CEO
21 December 2018

STRATEGY IN ACTION
Mining Equity Trust – metallurgical coal producer

OVERVIEW
In early 2017, the Board made diversifying Regency's portfolio to include metallurgical coal production a strategic imperative. This initially took the form of various exploratory agreements with partners who had already identified assets in Alabama and Virginia. After these arrangements proved unsatisfactory, the Board shifted its focus to the creation of MET, a joint venture with Legacy Hill Resources. MET immediately identified its first target, Omega Holdings LLC, the foundation of which is to become a much larger coal roll-up vehicle.

3m+
Long-term MET annual production goals

READ MORE P14

OMEGA HOLDINGS
MET identified Omega Holdings as the ideal target for its first acquisition in the US metallurgical coal space. It features a five-year track record of production and the ability to produce over 750k per year. Two highwall miners were already in operation and significant opportunities for economies of scale and optimisation existed. Completing this transaction came down to successfully passing a multi-month due diligence process. MET took control of the Omega operations in early August 2018 and set to work putting its own stamp on the business.

FUTURE POTENTIAL
With the Omega acquisition now completed, MET turns its attention to the next phase of its overarching coal roll-up strategy: identifying and acquiring sufficient additional reserves and production to facilitate a listing on an appropriate US stock exchange. While this will likely prove to be a multi-year effort, it demonstrates that consistent short-term execution will drive the longer-term results of the business.

STRATEGIC FOCUS

Regency Mines seeks to build a large-scale natural resource enterprise with multiple revenue streams and potential for outsized returns for investors.

Our Strategy

Regency Mines follows a long-term corporate strategy designed to create and realise value for shareholders throughout all phases of the commodity cycle. Regency employs its financial and technical skills to identify and develop natural resource projects and investments with attractive risk-weighted return profiles. These may include early stage exploration projects with higher risk and larger upside, as well as more mature and conservative investments with near-term cash flow potential.

Our Strategic Priorities

The Company targets investments and projects that meet its strict criteria across the spectrum of natural resources. With a firm level of production and ongoing revenue now in place, Regency looks to grow that foundation while seeking to expand and develop the value of its exploration portfolio. Regency looks for potential exit opportunities whether they be asset disposals, JVs or trade sales.

Financial Overview

The financial activities of the Company have been focused on increasing access to diverse sources of capital, lowering the Company's overall cost of capital for both new and existing projects, and reducing expenditure and corporate overheads.

During the year to 30 June 2018, £1.05m of new equity was raised, and corporate debt increased to £1.2m.

Key Performance Indicators

As the Company is traditionally a pure exploration business with no proven reserves and only recently having gone into production, the Directors take the view that KPIs would not provide materially useful information to investors at this time. As the business develops further and a greater comfort level achieved with the Company's operations in the US coal sector, the addition of KPIs centered on coal production and profitability are planned and will be added as appropriate.

FINANCIAL STATEMENTS P34

HYDROCARBONS

DRIVERS

- Interest in MET
- Curzon: US natural gas developer
- Metallurgical coal prices
- US exports of LNG
- Gas as clean transition fuel

2019 PRIORITIES

- Optimisation and expansion of Omega production
- Exploration and diligence of additional metallurgical coal targets
- Curzon's natural gas development efforts

BATTERY METALS

DRIVERS

- Mambare: nickel-cobalt project
- Nickel: key in battery energy density
- Cobalt: key to battery stability
- Supply of both cobalt and nickel under pressure
- Particular issues surround cobalt supplies

2019 PRIORITIES

- Restart project development at Mambare, Papua New Guinea
- Perform cost effective exploration
- Plan and execute renewed drilling programme
- Seek third-party partner and investor
- Consider additional battery metal projects

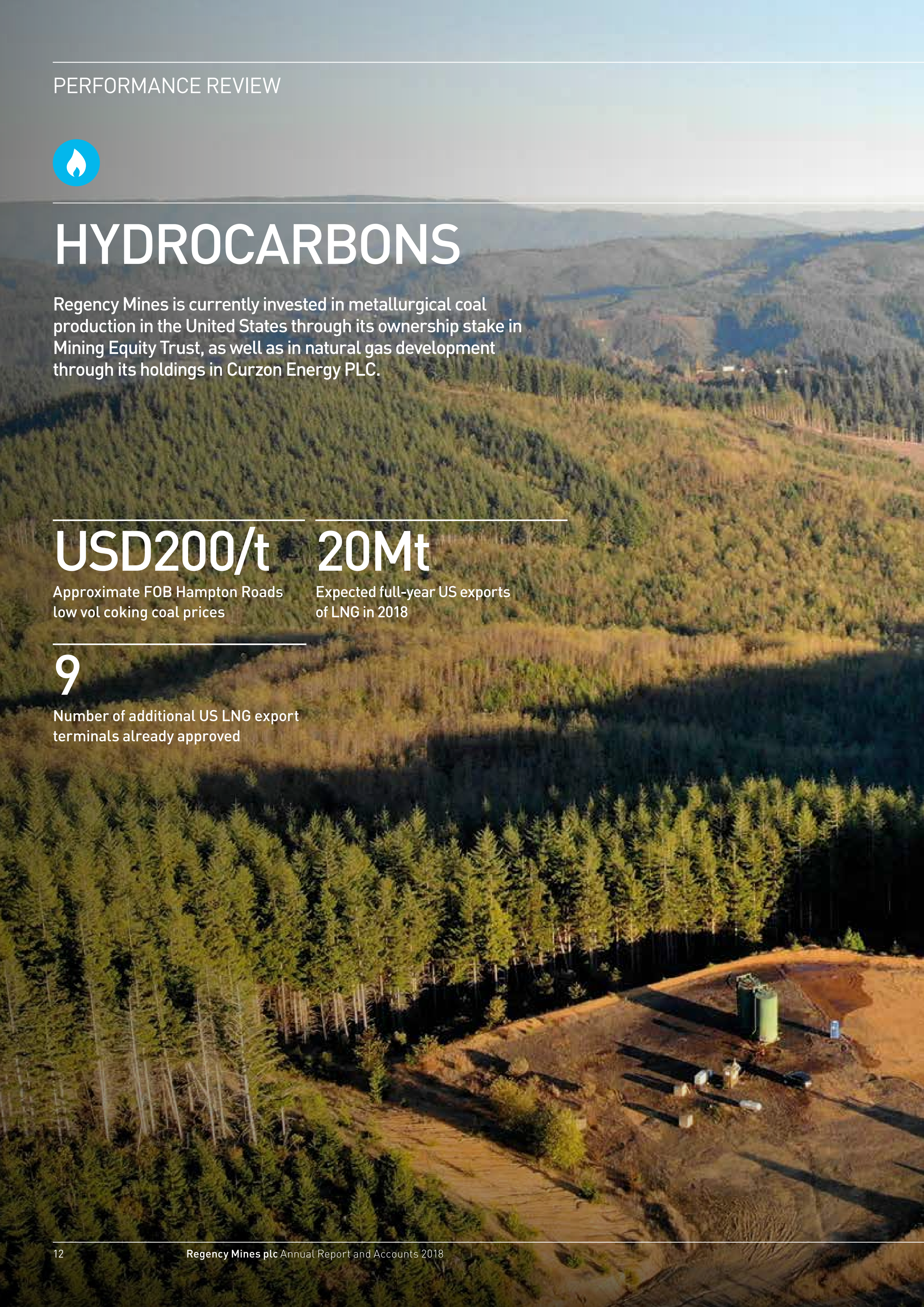
ENERGY STORAGE TECHNOLOGIES

DRIVERS

- Allied Energy Services
- Whitecar Ltd
- Changes in the UK grid
- Move to electric vehicles: transport as a service opportunities
- Corporates seeking to greenify travel policies

2019 PRIORITIES

- Assist Whitecar and Allied with ongoing development
- Develop addtional synergies with battery metal projects
- Seek to bring external funding into ESTEQ
- Explore spin-off or listing potential



HYDROCARBONS

Regency Mines is currently invested in metallurgical coal production in the United States through its ownership stake in Mining Equity Trust, as well as in natural gas development through its holdings in Curzon Energy PLC.

USD200/t
Approximate FOB Hampton Roads low vol coking coal prices

20Mt
Expected full-year US exports of LNG in 2018

9
Number of additional US LNG export terminals already approved

Read more about Hydrocarbons, visit:
www.regency-mines.com

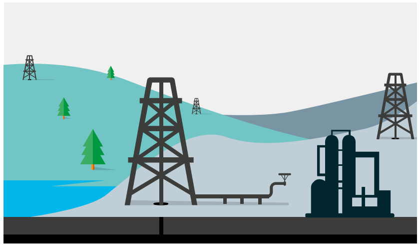
OVERVIEW

METALLURGICAL COAL

Metallurgical coal, also known as coking coal, is used to produce coke, the primary source of carbon used in steelmaking. Coal is a naturally occurring sedimentary rock formed over millions of years as plants and other organic materials are buried and subjected to geological forces. Heat and pressure cause physical and chemical changes that result in carbon-rich coal. Metallurgical coal differs from thermal coal, which is used for energy and heating, by its carbon content and its caking ability. Caking refers to the coal's ability to be converted into coke, a pure form of carbon that can be used in basic oxygen furnaces. Bituminous coal – generally classified as metallurgical grade – is harder and blacker and contains more carbon and less moisture and ash than low-rank coals.

NATURAL GAS

In its unprocessed form, natural gas is a mixture of naturally occurring flammable gases, with the main ones being methane, butane and propane. Like coal and oil, natural gas can form deep underground when the remains of ancient plants and animals decay under the intense heat and pressure created by the layers of sand, silt, rock and water above them. Over time, this geological pressure cooker causes the decaying materials' carbon atoms to break down, forming thermogenic natural gas. It is used mainly for heating, cooking and for generating electricity.



The use of natural gas in power generation provides a cleaner alternative to thermal coal and other fossil fuels, reducing carbon and other emissions and resulting in both immediate and long-term benefits for public health and the environment. Natural gas also produces more energy than any of the fossil fuels: it has a 92% efficiency rate from wellhead to home, compared to electricity generated by coal, which operates at only a 32% efficiency rate.

10%

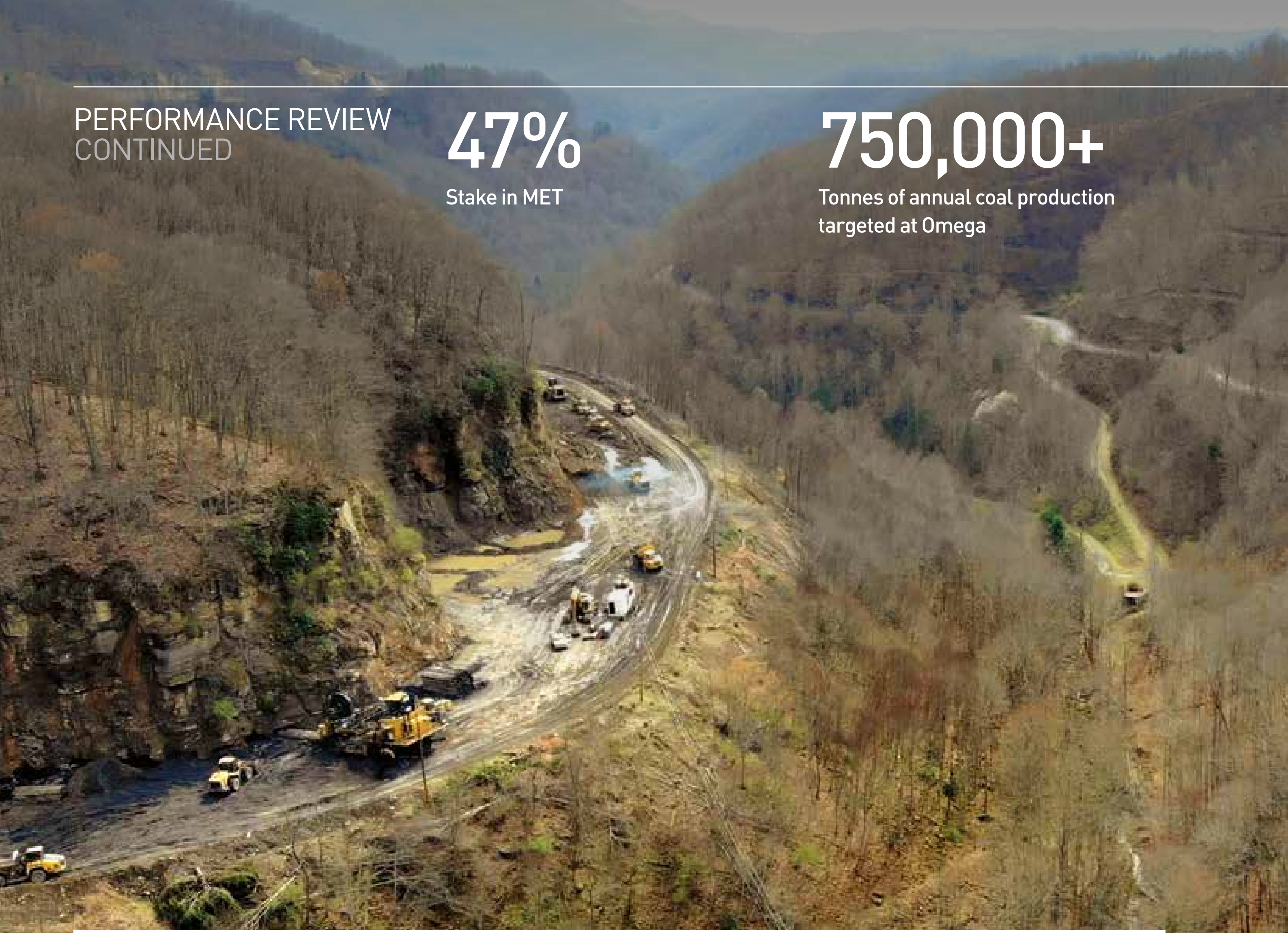
Share of metallurgical coal in total US coal production

32.1%

Natural gas contribution to US electricity generation in 2017

10%

Coal bed methane's contribution to US gas production



47%
Stake in MET

750,000+
Tonnes of annual coal production targeted at Omega

MINING EQUITY TRUST ("MET")
Metallurgical coal

Joint venture established
Regency Mines holds 47% of Mining Equity Trust ("MET"), a joint venture set up with Legacy Hill Resources to identify and acquire metallurgical coal assets in the United States. With its first acquisition now completed, MET looks to acquire additional properties and interests in order to scale up revenues and income sufficiently to list in the United States.

Omega Holdings LLC
Currently MET owns and operates 100% of the Omega metallurgical coal operation located in Southwest Virginia, in the United States. Begun in 2011, Omega produces a high-quality metallurgical grade product, which is a primary ingredient in steel making and currently has no substitute. For the year ended 31 December 2017, Omega sold 749,000 tonnes of coal, generating revenues of USD34m. Omega employs approximately 70 people with strong mining experience, competencies and customer insights.

Production
Omega produces a high-quality metallurgical coal product mined from multiple seams across the area. Supplementing this mined coal, additional coal tonnage is purchased from regional suppliers and then blended at Omega's coal blending yard to the correct specifications for customer offtake. Over the next nine years Omega plans to sell more than 7m tonnes of coal from current operations, with much of the offtake blended downward and sold to a modern biomass power facility. With plans to expand production well beyond these levels, MET looks to become a major regional producer.

Highwall miners
Omega operates two Caterpillar HW300 highwall miners across different sites in Southwest Virginia, where it mines areas that had previously been contour mined. The highwall miners allow Omega to cost effectively extract metallurgical coal, reaching into the sides of the hills up to 1,000 feet and handling seams over 40 inches thick. These machines are cutting-edge technology, highly automated, and operable by a relatively small team of three to four people. Networked into Omega's operational headquarters, they provide real-time data to senior management, helping to optimise daily production and plan future operations with greater accuracy.

KEY FACTS
- MET set up to identify and acquire operating metallurgical coal assets in the United States
- Owns and operates Omega Holdings LLC in Virginia in the Appalachian coal fields
- Focus on cash generation: pursuing US-based coal roll-up strategy

Read more about Omega, visit:
www.regency-mines.com

5
Coal Bed Methane wells currently testing at Coos Bay

45,000
Leased acres with previously tested gas accumulations

CURZON ENERGY PLC
Oil and gas exploration and development

Coos Bay Energy
Curzon Energy Plc, through its US subsidiary Coos Bay Energy LLC is developing a coal bed methane ("CBM") project to recover natural gas held in the coals of the Coos Bay Basin, located along the Pacific coast of southwest Oregon. These geologically young, thermally immature coal deposits are shallow and structurally complex. Major targets are the Upper and Lower Coaledo coals which have been mapped across this area, subjected to limited sampling for coal bed gas contents and adsorption isotherms, and briefly production tested.

Read more about Curzon Energy, visit:
www.curzonenergy.com

Activity
As of December 2018, Curzon announced that it intends to cease well testing at Coos Bay as it steps back and reviews the situation in the field in order to more intelligently move it forward. It also announced that it intends to seek joint venture partners to share future development costs, and that ultimately, additional drilling and wells would be required to determine ultimate commericality.

Pared Energy MOU
In December 2018, Curzon announced that it had signed an MOU to evaluate an opportunity in Texas in the United States, to participate in the development of a major onshore natural gas project. The project offers multi-TCF potential and the terms and joint investment structure were being negotiated. The overall strategy to be employed on this project was the application of new technologies to known oil-bearing reservoirs.

KEY FACTS
- Regency holds 8.91% of Curzon Energy - US focused oil and gas developer
- 12 inch pipeline runs across the Coos Bay property: immediate access to gas sales
- Long-term local price premium to Henry Hub
- 711 BCF gas in place: 273 BCF of 2C contingent resource recoverable
- Extensive infrastructure: oversized pads already pre-cleared – includes several new well locations
- MOU signed with Pared Energy to develop multi-TCF Texas gas project

BATTERY METALS

The Company has several mineral and mining interests including a large-scale nickel-cobalt JORC resource at Mambare in Papua New Guinea.

OVERVIEW

NICKEL

While lithium and cobalt were highlighted as early winners from the battery revolution, it is nickel that has become the late player in the shift to a decarbonised future. What is particularly interesting about nickel is that future battery chemistries are likely to have more of it than they do today, as it provides critical energy density to batteries which, for example, gives electric vehicles much greater range. Given the potential for electric vehicles to dominate the light transport sector, the nickel market could be set to double in size as this transition unfolds.

162Mt

JORC resource including nickel and cobalt at Mambare

256km²

Total licence area of EL1390

COBALT

Originally used to produce blue glass and ceramics, cobalt was thrust into the public's eye due to its key role in lithium-ion batteries. Early versions of these batteries were found to be too reactive, resulting in frequent accidents. To combat this, cobalt began to be added as a stabiliser, resulting in battery proliferation in nearly every type of consumer electronics device on the market, and more recently in larger applications including airplanes and submarines. While alternative battery recipes do exist, they look unlikely in the near term to supplant or replace the current requirement for cobalt.

Read more about Battery Metals, visit: **www.regency-mines.com**

1.53m
Tonnes contained nickel

146,000
Tonnes contained cobalt

MAMBARE
Papua New Guinea

Location and geology
The project sits on licence EL1390 and contains a JORC Indicated and Inferred Mineral Resource Estimate of 162.5m tonnes at 0.94% nickel and 0.09% cobalt.

Activity
Following significant declines in the price of nickel after 2012, the joint venture partners have had the Mambare project on care and maintenance for several years. Activities have largely focused on licence and JORC resource retention such that the project could quickly and efficiently be reactivated once market conditions for mining and for nickel in particular warranted.

Potential
With only 3% of the 80km^2 main plateau target tested by drill to date, the Company has long indicated that the project potentially holds one of the world's largest nickel laterite deposits. Work undertaken by the Company to date indicates a likely continuity of mineralisation across the plateau surface, which ultimately may be demonstrated by ground penetrating radar work and by further drilling. Regency plans to be significantly more active at Mambare in 2019, having recently come to a new JV framework agreement with their partners, and looks forward to exploring both internal and external options for development.

KEY FACTS

Nickel-cobalt laterite deposit in eastern Papua New Guinea

50/50 Oro Nickel joint venture with Direct Nickel Ltd together holds EL1390 covering 256km^2 near Kokoda

Oro Nickel is licensed to use Direct Nickel's process: a patented hydrometallurgical process for extracting nickel from laterite deposits

Renewed exploration and drilling activity planned for 2019

Read more about Mambare, visit: **www.regency-mines.com**

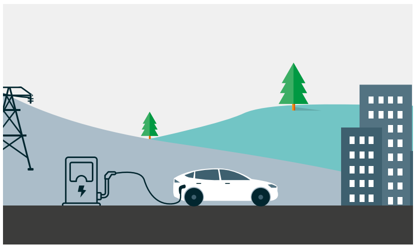
ENERGY STORAGE TECHNOLOGIES

Energy Storage Technologies, or ESTEQ, was formed in order to identify, assess and develop projects and investments in the exciting battery metals, energy storage, power generation and electric vehicle spaces. Whether this be through parent company Regency Mines' nickel-cobalt project in Papua New Guinea or through new avenues, ESTEQ is positioned at the intersection of natural resources and energy storage technologies.

OVERVIEW

BATTERY REVOLUTION

As energy production moves towards being more decentralised and distributed, energy storage technologies are playing an important role in this transition. While energy storage can take many forms, it is batteries that have become the primary benefactor of this shift, as they are flexible, scaleable and can support a wide variety of both generation and distribution requirements. Electric vehicles are another of the primary benefactors of these changes – the industry having come to the conclusion that power generation at the power plant level is significantly more efficient than combustion in individual light vehicles, resulting in nearly every major car manufacturer planning for a near-term electric propelled future.



GRID SERVICES

Applications for energy storage projects in the UK totalled just 2MW in 2012, and have since grown to 6,874MW in 2018, with more than 300 UK firms active in the space. The UK is now home to 3.3GW of storage capacity and planning consent has been given for a further 5.4GW of capacity. Services these installations offer include peak shaving, renewable self-consumption, and microgrid resilience. With an increasing reliance on renewables such as wind and solar, storage and flexible energy generation projects will be required in ever greater numbers to help balance the UK grid and to support the ongoing decarbonisation of the UK economy.

Read more about Energy Storage Technologies, visit:
www.regency-mines.com

2 ESTEQ investments

Whitecar Ltd and Allied Energy Services

Leveraging revolutionary shifts in energy production, storage and utilisation

ESTEQ

Whitecar Ltd

KEY FACTS

- ESTEQ currently holds 5.584% of Whitecar
- All electric fleet with no emissions – 32 vehicles
- Simple all-in-one price for a Tesla EV
- Delivery to and from customer's location
- Advanced technology stack
- Focus on customer experience

Started in 2016, Whitecar has quickly become the leading electric vehicle car rental company UK and is currently ranked the highest among UK car rental companies based on customer reviews. Currently operating in the UK and Norway, a larger European expansion is in progress with the five-year plan targeting over 1,400 cars across 10 countries.

Technology

One of the key aspects of the Whitecar investment proposition is the technology offering. Currently entering final development, it is set to deploy one platform to manage bookings, payments and fleet handling all in one system. With instant damage tracking and automated billing, this technology deployment will seek to set Whitecar apart from its peers not only in its relationships with end consumers, but in its internal operations as well.

Potential

Well positioned as a service and technology innovator in a growing market, Whitecar brings a fresh approach to a stale industry. With a rapid expansion planned, Whitecar's fleet is set to double every year for the next five years leading to either a potential exit/liquidity event from a trade buyer or the opportunity to explore a listing on a public market.

Allied Energy Services

KEY FACTS

- Heads of Terms signed with major industrial partner on 50MW site in the UK
- Formal planning permission submitted on second 20MW site
- Land lease options secured over 3 farmland sites located in the Liverpool area (each capable of hosting a 25MW energy storage/generating facility)
- Various forms and structures of finance being explored

Allied Energy Services was created to offer distributed power generation and grid management services to the National Grid and other commercial clients across the United Kingdom. It intends to identify, permit, plan and ultimately construct several combined battery and gas fired generation plants. It will also generate low carbon electricity and heat for the purpose of commercial trading to energy suppliers and commercial clients. Allied Energy's intended areas of operation include Frequency Response, Capacity Management, Triad Management, Energy Trading, and Private Wire/Heat networks.

Activity

Progress at Allied has been rapid over the past year with discussions advancing with manufacturers, EPC contractors and sources of potential finance. Allied is currently exploring options to both develop its own sites as well as to potentially purchase existing permitted sites as a more expedient route to market and has several sites already well advanced.

Potential

With the rise of renewables across the UK and Europe more broadly, comes the need to optimise and increase the ability of the power grids to deal with their unique characteristics. Allied Energy Services is positioned in this space at a key time in this sector's development. Allied looks to add material economic value during both the planning and permitting processes and once completed, expects these installations to be cash generative investments firmly underpinned by long-term contracts.

Read more about ESTEQ, visit:
www.regency-mines.com

ASSET IN FOCUS

RED ROCK RESOURCES PLC
Multi-commodity

Red Rock Resources is a diversified natural resource development company spun out of Regency Mines plc in 2005. Originally focused on gold exploration and the development of steel feed assets, the company has subsequently diversified into ferrosilicon production, as well as copper and cobalt exploration.

Red Rock's signature asset remains its 0.95% stake in Jupiter Mines, which owns 49.9% of the Tshipi manganese mine in South Africa. Tshipi is a large open cast mine with a homogeneous ore body with little grade variation. The mine is currently in production and offers an annual production capacity of over 3m tonnes. Tshipi is one of the five largest manganese operations in the world and one of the lowest cost producers. Demonstrating exceptionally consistent execution and performance; Jupiter has made distributions to its shareholders of over AUD251m since 2017.

Red Rock also controls a large gold exploration resource in Kenya, with a JORC resource consisting of 1.2m oz of gold. A 2015 decision to terminate the Company's licences made by the Ministry of Mining has been overturned as of late 2018, and the company expects to have these licences restored in the near term. Once renewed, the project's position in south-west Kenya, less than 30km from Acacia's prolific North Mara gold mine, remains compelling. Additionally, Red Rock holds several promising gold exploration tenements in the Ivory Coast as well as several very interesting copper/cobalt interests in the DRC.

Overall, Red Rock offers a diverse mix of cash generative production assets and blue-sky exploration upside, with a single investment underpinning the majority of its current market cap. Red Rock is well positioned for outperformance going forward.

USD3m

Total cash return to RRR from Jupiter IPO and dividends in 2018

KEY FACTS

- Regency retains a 1.69% stake in Red Rock Resources plc (AIM:RRR)
- Red Rock holds a diverse portfolio of natural resource exploration and production assets
- Interest in manganese production in South Africa
- Exciting Copper/Cobalt assets in the DRC
- Exposure to gold production and royalties in Colombia
- Gold exploration projects in Kenya and Ivory Coast

Read more about Red Rock Resources, visit: **www.rrrplc.com**

PRINCIPAL RISKS AND UNCERTAINTIES

▲ Increase ▶ Stable ▼ Decrease

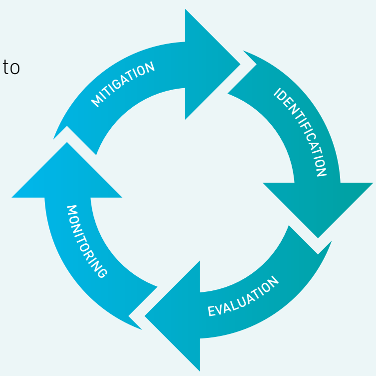
The principal risks facing the Group and Company include but are not limited to those listed below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

For the Company, the term 'risk' is understood as the probability of failure and refers to the probability of delivering an undesirable financial outcome for investors.

Key risk	Description	Potential impact	Mitigating actions	Likelihood	Change
MARKET AND FUNDING RISKS	• Continued access to equity and debt capital to maintain solvency and to fund operations • Excessive cost of available capital – interest rate fluctuations – discounted equity offerings • Currency volatility in the UK and in currencies in which the Company operates • Deterioration in commodity prices • Company share price volatility • Commodity investor risk appetite • Low world GDP growth: overall demand for commodities may decline • Natural resource market sentiment • Perceived oversupply of certain commodities results in extended periods of weak pricing	Access to markets and capital could dramatically affect the ability of the business to continue to invest and develop its projects, in particular those that are at a pre-revenue stage. If commodity prices were to move against the Company, its expected revenues could be reduced, and it may prove impossible to fund development of its exploration assets.	Long-term strategic planning is the key to identify operating needs and securing both the capital and expertise to allow the business to thrive regardless of external market conditions. Securing capital before it is required and having an adequate balance sheet to weather disruptions is important to ultimate success. Understanding market and investor sentiment remain critical to securing the funding needed to advance natural resource projects.	HIGH	▲
GEOLOGICAL RISKS	• Base probability of exploration and development success • Time and monetary costs of drilling unsuccessful prospects • Low rate of deposits and reserves developed from targets • Geological setting variations and data uncertainties • Style of mineralisation and variability of geological targets • Grade/tonnage issues: failure to achieve economic deposits or reserves during development • Uncertainty over recoverability of reserves	Mineral exploration projects will always carry with them a high degree of risk and little certainty that a project will prove to be economic and can be developed into a revenue generating asset. Even producing mines once brought into production vary in their underlying geology, which can prove to disrupt mine plans and ultimate project economics.	Careful selection of projects through due diligence and technical analysis remains the best way to avoid failure during exploration. Having a broader portfolio of assets at different stages of development can also contribute to reducing the risk that any one will unexpectedly be unable to be further developed.	MEDIUM	▶
OPERATIONAL RISKS	• Operational and development cost variability and uncertainty • Natural resource policy and regulatory changes impact operations • Social licence to operate: permitting and approvals may be denied and/or delayed • Resource nationalism: threatens project ownership during development and production • Infrastructure access: poor infrastructure may require government upgrades and investment • Staffing and expertise: key geological and operation staff may be difficult to recruit and retain • Breakdowns of key plant and equipment: mechanical and technical problems • Extreme weather conditions at operational sites may delay or increase the cost of operations • Exposure to and reliance on the performance of operating and joint venture partners	Government and local populations are a challenging variable for resource developers. Legal changes might alter project economics in meaningful ways and a lack of community support for a project's development can delay or block a project from proceeding, potentially causing a complete loss of the existing investment.	Early outreach to both the relevant governmental agencies and local communities is essential to work to minimise the risk of legislative and social licence to operate issues. Other challenges such as sourcing adequate technical talent, while often not immediately solvable from local populations, demonstrates why offering training and other services to local communities can make a meaningful difference over the longer term.	MEDIUM	▶

RISK MANAGEMENT

The Board considers risk assessment to be important in achieving its strategic objectives. Further details of the Group's financial risk management policies can be found in note 21.3.



1. IDENTIFICATION
Risks recorded in controlled risk registers.

2. EVALUATION
Risk exposure reviewed and prioritised.

3. MONITORING
Risks analysed for impact and probability.

4. MITIGATION
Risk owners identified, and action plans implemented. Robust mitigation strategy subject to regular and rigorous review.

CORPORATE SOCIAL RESPONSIBILITY

OVERVIEW

OPERATING RESPONSIBLY

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 expectations 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 Company plans and activities where appropriate.

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 and 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.

Andrew Bell
Chairman and CEO
21 December 2018

DEAR SHAREHOLDERS,

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 for promotion of long-term value

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. These may include early stage exploration 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 exchange for listed shares of non-core assets.

Responsibilities of the Board

The Board has 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 Executive Directors, 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 Andrew Bell, the Chairman and CEO, Scott Kaintz, Executive Director and COO/CFO, and an Independent Non-executive Director Edmund Bugnosen. One third of the Executive Directors and Non-executive Directors retire by rotation under the Articles of Association of the Company and, if eligible, may offer themselves for re-election.

Board of Directors

The Board consists of three Directors and the Company believes that the current balance of resource 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.

Evaluation of Board performance

The internal evaluation of the Board, the Committees and individual Directors, including any succession planning, is undertaken on an annual basis, to determine the effectiveness of their performance and suitability to the changing business requirements. There is also a continuous and ongoing process of evaluation, which historically has resulted in an increase and then reduction in Board size and changes in composition, both at executive and non-executive level, as the business grew to 2010 and then shrank in the ensuing poor market for commodities, and as the needs of the business evolved.

The assessment criteria are based on the need to promote the Company's business model, industry practices and the need for balance, the Company's immediate aspirations as well as the specific skills, knowledge and capabilities that are required to perform certain roles.

The results and recommendations that come out of the appraisals of the Directors and members of the Committees identify the required changes and actions for the Board and the Committees as units as well as individually for the Directors and members of the Committees.

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 the 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 revenue generating mineral exploration projects and investments, 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.

Andrew Bell
Chairman and CEO
21 December 2018

BOARD OF DIRECTORS

Andrew Bell MA, LLB
Chairman and CEO

Committee membership
- Member of the Remuneration Committee

Biography
Andrew Bell began his career as an investment analyst, particularly specialising in oil and mining, at London merchant bankers Morgan Grenfell & Co in the 1970s. He then became a unit trust and fund manager and investment adviser at leading stockbrokers Grieveson, Grant & Co, specialising in Japanese and Far Eastern markets. He utilised these experiences in directorial roles in businesses in the UK and overseas engaged in fund management and advisory work, international corporate finance, mortgage finance and private equity.

In the early 2000s, seeing the impact that Asian economic development was likely to have on commodity demand, he focused on the mineral sector and in 2003 established a private investment company to exploit opportunities, leading among other things to the establishment in 2004, and subsequent listing on AIM in 2005, of Regency Mines.

Andrew has a BA Honours and an MA degree in Modern History from Oxford University and a LLB Honours degree in Law from London University.

Experience
Andrew has many years' experience as a listed company director across a number of companies. Currently, his principal company directorships are Red Rock Resources plc (Executive Chairman) and Jupiter Mines Ltd (Non-executive Director). Andrew Bell is also a former Director of various resource sector companies, including Star Striker Ltd (now Intiger Group Ltd) (ASX), and a former Non-executive Chairman of Greatland Gold plc (AIM).

2018 BOARD ACTIVITIES

Oversaw Regency's transition to a producing mining company

Explored options to renew activity at Mambare Nickel project

Broadened Regency's offerings to include battery metals and energy storage

BOARD MEETINGS ATTENDED

Andrew Bell –Chairman and CEO	**9/9**
Scott Kaintz – Executive Director and COO/CFO	**9/9**
Edmund Bugnosen – Non-executive Director	**9/9**

Scott Kaintz BS, MBA
Executive Director and COO/CFO

Committee membership
- Member of the Audit Committee

Biography
Scott Kaintz has extensive experience leading, funding and operating publicly traded natural resource exploration and development businesses on the London markets.

He started his career as a US Air Force Officer working across Europe, the Middle East and Central Asia. He subsequently held managerial and technology roles in the defence sector in Europe before transitioning to corporate finance and investment positions focused primarily on capital raising and making debt and equity investments in small-cap listed companies. Scott has significant experience in emerging markets, with a particular emphasis on the countries of the former Soviet Union.

Scott holds a BSLA in Russian language and Russian Area Studies from Georgetown University as well as MBA degrees from Columbia Business School and London Business School.

Experience
Scott joined Regency Mines plc in 2011 as Corporate Finance Manager and has subsequently taken on the role of Chief Operations Officer. He also serves as Executive Director of Red Rock Resources plc.

Edmund Bugnosen BSC
Non-executive Director

Committee membership
- Chairman of Audit Committee
- Chairman of the Remuneration Committee

Biography
Edmund Bugnosen studied Mining Engineering in the Philippines and Environmental Science in the Netherlands. For over two decades as a consultant, he has completed numerous assignments in various parts of the world for different clients, which include the UN, the ILO, the EU and the World Bank. Edmund also worked in the mining agencies of the governments of Namibia, Papua New Guinea and the Philippines.

Experience
Edmund is also a Director of Oro Nickel Ltd in Papua New Guinea, a joint-venture between Regency and Direct Nickel Ltd of Australia.

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 2018.

Results and dividends

The Group's results are set out in the Consolidated Income Statement on page 35. The audited financial statements for the year ended 30 June 2018 are set out on pages 34 to 75.

The Group made a loss after taxation of £1,549,619 (2017: loss of £534,267). The Directors do not recommend the payment of a dividend (2017: 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 1 to 23.

Fundraising and share capital

During the year, cash of £1,150,000, gross before deducting the associated transaction costs, (2017: £1,576,701) was raised by the issue of new equity of 209,090,908 (2017: 318,986,835) new ordinary shares; further details are given in note 18.

Directors

The Directors who served during the period to date are as follows:

- Andrew R M Bell
- Edmund Sr Bugnosen
- Scott C Kaintz

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

	Ordinary shares					
	Direct	Beneficial	Total	As percentage 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

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2017 were as follows:

	Ordinary shares					
	Direct	Beneficial	Total	As percentage of issued share capital	Options	Warrants
Andrew R M Bell	2,222,222	12,407,425	14,629,647	2.54%	13,360,000	2,222,222
Edmund Bugnosen	10,000	4,184,623	4,194,623	0.73%	560,000	—
Scott Kaintz	—	4,322,706	4,322,706	0.75%	12,420,000	—

Events after the reporting period

Events after the reporting period are set out in note 28 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 2018 and 1 December 2018, the following were registered as being interested in 3% or more of the Company's ordinary share capital:

	30 June 2018		1 December 2018	
	Ordinary shares of £0.0001 each	Percentage of issued share capital	Ordinary shares of £0.0001 each	Percentage of issued share capital
Share Nominees Ltd	104,213,963	13.17%	143,748,716	18.17%
Interactive Investor Services Nominees Ltd – Designation SMKTNOMS	85,140,719	10.76%	94,240,718	11.91%
Jim Nominees Ltd – Designation JARVIS	81,166,008	10.26%	74,213,006	9.38%
Barclays Direct Investing Nominees Ltd – Designation CLIENT1	76,948,900	9.73%	75,374,012	9.53%
Hargreaves Lansdown (Nominees) Ltd – Designation 15942	44,963,760	5.68%	37,159,878	4.70%
Interactive Investor Services Nominees Ltd – Designation SMKTISAS	36,154,871	4.57%	34,837,873	4.40%
Hargreaves Lansdown (Nominees) Ltd – Designation VRA	32,683,688	4.13%	28,585,505	3.61%
Hargreaves Lansdown (Nominees) Ltd – Designation HLNOM	30,949,593	3.91%	31,805,367	4.02%
Beaufort Nominees Ltd – Designation SSLNOMS	25,378,524	3.21%	—	—
HSDL Nominees Ltd	—	—	26,458,134	3.34%
Total number of shares in issue	**791,239,654**		**791,239,654**	

Management incentives
In the year to 30 June 2018, the Company has not granted any options over its ordinary shares (2017: a total of 20,000,000 options over ordinary shares). As at 30 June 2018, 27,060,000 options were outstanding (2017: 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 the Share Incentive Plan are set out in note 19 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. This has been achieved acknowledging 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 2018 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 1.69% interest as at 30 June 2018 (2017: 1.91%). Red Rock Resources plc had 0.29% interest in the Company as at 30 June 2018 (2017: 0.29%). Two Directors, Andrew Bell and Scott Kaintz, were also Directors of and received a salary from Red Rock Resources plc. 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
The corporate governance statement follows on pages 30 to 31.

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 ongoing 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 £1,549,619 for the year ended 30 June 2018 (2017: loss of £534,267) and had a net cash outflow of £86,350 (2017: £2,019,183) from operating and investing activities. At that date there was a net current liability of £1,131,469 (2017: £1,047,003). The loss resulted mainly from the impairment of the Group's investment in joint ventures £1,943,132 (2017: loss resulted mainly from impairment of exploration and available for sale assets totalling £229,262).

During the reporting year the Company has made significant strides in achieving financial stability through the acquisition of the first producing asset in its history. To acquire these producing metallurgical coal interests, the Company completed a Joint Venture Agreement with Legacy Hill Resources and established Mining Equity Trust ("MET").

On 2 August 2018, MET purchased the metallurgical coal interests of Omega Holdings in Cedar Bluffs, Virginia. The Company has a 47% stake in the associate and has forecasted revenues of USD30,468,239 for the 10 months to June 2019.

The Company completed its deleveraging process through the repayment of the convertible loan with YA PN Ltd on 30 January 2018. The Directors remain confident in the Company's ability to raise new finance from stock markets if it is required in 2019 and the Group has demonstrated a consistent ability to do so. On 11 January 2018, the Company raised £1,050,000 through the issue of 190,909,090 new ordinary shares at 0.01p each at a price of 0.55 per share.

Regency owns liquid assets that it can sell to fund operations, the most significant being its 8.9% stake in Curzon Energy Plc, listed on the Standard List of the London Stock Exchange The value of this holding in Q4 2018 was approximately £120k. The Company also has a 5.584% interest in Whitecar Ltd, and an 80% ownership interest in Allied Energy Ltd. During the past year the Company has disposed of its interest in Alba Resources plc for gross proceeds of £299k.

The Group has demonstrated the ability to raise debt as required, as most recently demonstrated by the Omega Holdings acquisition, where the Company raised USD1.6m from a group of institutional investors in May 2018.

The Directors believe that based on the forecasts and projections prepared, 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 debt and equity capital to supplement income from its US metallurgical coal operations.

By order of the Board

Andrew Bell
Chairman and CEO
21 December 2018

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 and in this it is guided by the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"). The QCA Code sets out 10 principles that are listed here together with a short explanation of how the Company applies each of the principles and reasons for any non-compliance. The full version of the Company's Corporate Governance statement can be found on the Company's website at www.regency-mines.com.

Principle One: Business model and strategy for promotion of long-term value

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. These may include early stage exploration projects with higher risk and larger upside as well as more mature and conservative investments with near-term cash flow potential. The Company is also interested in leveraging its existing portfolio of nickel-cobalt assets through exposure to the ongoing revolution in batteries and energy storage technologies. Through a policy in recent years of diversification into coal, oil and gas assets with shorter development timeframes and greater fungibility the Company seeks to balance the earlier stage and more capital intensive nature of its other assets. The aim is to create a cash-generative arm of the business through, in particular, metallurgical coal production, in order to allow the earlier stage assets, in particular the very large nickel-cobalt asset in Papua New Guinea, to be retained and advanced on their very different and longer time-frame. 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 exchange for listed shares of non-core assets. The Company also takes into consideration various risks and mitigation measures in order to minimize impacts on the environment and communities when executing its business strategy. The Company seeks to grow its business and make acquisitions and disposals to crystallise value added and enhance shareholder value.

Principle Two: Understanding shareholder needs and expectations

The Board understands the needs and expectations of its various shareholders, who all share a desire to maximise the value and growth of the business, but may do so with different time frames and outcomes in mind. The Company manages shareholder expectations by communicating clearly the Company plans, expectations and timelines, and providing regular updates on developments via regulatory announcements, newsletters, website and Twitter at @Regency_Mines, as well as interviews, informal and formal meetings, including phone-in meetings, in order to serve the needs of private and institutional investors, taking into consideration shareholders' views and suggestions. Group site visits are offered to shareholders expressing interest in particular operations. Shareholders are also encouraged to attend the Company's Annual General Meetings, where they have an opportunity to share their views on the business and ask questions.

Principle Three: Consider wider social responsibilities

The Board recognises that the long-term success of the Company will be enhanced by good relations with different internal and external groups, including direct and indirect employees, business partners, consultants and contractors as well as suppliers, service providers, regulators, governments and local communities, and to understand their needs, interest and expectations. The Board has established a range of processes and systems to ensure that there is ongoing two-way communication, control and feedback processes in place to enable appropriate and timely responses.

Principle Four: Risk management

To execute and deliver the Company's strategy, a Risk Management Framework has been developed, which identifies the risks to which the Company has been or could be exposed. This framework has been in use for number of years, changing depending on the Company's size and its business activities, and serves as an internal control measure. The Risk Management Framework takes into consideration the following key categories of the business, namely, the Management, Regulatory, Financial, Operational, HR, H&S, Political, Environmental and Other Risks. Each category identifies varied risks and addresses those risks separately, assigning a risk score, likelihood, control measures in place and control measures that need to be taken to mitigate the risks, identifying a responsible person and the action deadline. Risk management is an ongoing process and extends to overseas activities as it is appropriate, taking into consideration the local as well as the UK regulatory requirements. In addition, the Audit Committee overseas the Company's financial reporting, including accounting policies and internal financial controls and is responsible for ensuring that the financial performance of the Company is properly monitored and reported to the Board. Close day to day control is also exercised by the Executive Directors to ensure the effectiveness of the Company's control systems.

Principle Five: A well-functioning Board of Directors

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 Executive Directors, 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 Andrew Bell, the Chairman and CEO, Scott Kaintz, Executive Director and COO/CFO, and a Non-executive Director, Edmund Bugnosen. One third of the Executive Directors and Non-Executive Directors retire by rotation under the Articles of Association of the Company and, may offer themselves for re-election.

Principle Six: Appropriate skills and experience of the Directors

The Board consists of three Directors and the Company believes that the current balance of resource 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.

Principle Seven: Evaluation of Board performance

The internal evaluation of the Board, the Committees and individual Directors, including any succession planning, is undertaken on an annual basis, to determine the effectiveness of their performance and suitability to the changing business requirements. There is also a continuous and ongoing process of evaluation, which historically has resulted in changes in Board size and in composition, both at executive and non-executive level. The assessment criteria are based on the need to promote the Company's business model, industry practices and the need for balance. The criteria also include the Company's immediate aspirations as well as the specific skills, knowledge and capabilities that are required to perform certain roles. The results and recommendations that come out of the appraisals of the Directors and members of the Committees, identify the required changes and actions for the Board and the Committees as units as well as individually for the Directors and members of the Committees.

Principle Eight: Corporate culture

The Board recognises that its decisions regarding the business model, strategy and risks will impact the corporate culture of the Company and the tone and culture set by the Board will influence behaviour and performance. Therefore, respectful and open dialogue is emphasised, with sound ethical values and behaviour, if the Company is to successfully achieve its corporate objectives, and this culture is transmitted through the whole organisation and set a benchmark and send 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. The corporate governance arrangements that the Board has adopted, together with a punctilious observance of Employment Law, Health and Safety requirements, and other applicable regulatory requirements also form part of the corporate culture, requiring a standard of behaviour when they have interactions with shareholders, contractors, business partners, service providers, regulators and others. For example, the Company has adopted an Anti-Corruption and Bribery Policy, HR and H&S Policies that dictate the contractors' accepted behaviours, as well as the Share Dealing Code for Directors and employees, required for AIM-listed companies and in accordance with the requirements of the Market Abuse Regulation, which came into effect in 2016.

Principle Nine: Maintenance of governance structures and processes

The Board has 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, establishing and maintaining corporate structures and processes in line with current legislation, its business aspirations and its corporate culture, that are appropriate to its size and complexity, capacity and tolerance for risk.

Description of Roles

The Chairman & CEO is the leading representative of the Company presenting the Company's aims and policies to the outside world. His responsibilities include taking the Chair at Board Meetings and General Meetings, where he is responsible for ensuring the appropriate supply of information. He is also responsible for leading the development and execution of the Company's long-term strategy, overseeing matters pertaining to the running of the Company and ensuring that the Company meets all legal requirements and corporate responsibilities. He assists in the response to shareholder enquiries and meets or speaks to shareholders as required. The Company considers that having the same person as Chairman and CEO is appropriate to the Company at its current stage of development, and that sufficient experience and compliance structures exist within the Company to ensure that the governance functions that would be part of an independent Chairman's responsibility are carried out. The Independent Non-Executive Director sits on the Audit and Remuneration Committees, particulars of which appear hereafter, which are responsible for reporting the conclusions to the Board and for keeping up to date with the work of the corporate governance and liaising with those responsible for the Risk and Health and Safety management.

The Executive Director and COO, whose responsibilities encompass those of a Finance Director/CFO, is responsible for the day-to-day management of the business, works with the Chairman to develop and execute the long-term strategy of the business, and is responsible for its implementation. He also develops budgets and identifies changes in the financial outlook of the Company and recommends responses. He shares responsibility for ensuring that the Company meets its legal requirements and corporate responsibilities, and oversees the Annual Report, website, and various staffing and compliance issues. He works jointly with the Chairman on shareholder and communication issues.

Audit Committee

The Audit Committee considers the Company's financial reporting, accounting policies and internal financial controls. It is also responsible for ensuring that the financial performance of the Company is properly monitored and reported on. The Committee reviews 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 auditor. The Audit Committee is comprised of Edmund Bugnosen, Non-Executive Director as Chairman and Andrew Bell, Chairman. The Audit Committee meets at least twice a year, once with the auditor. The CFO will attend the Audit Committee's meetings as requested by the Committee.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on Executive Directors' remuneration. It comprises of Edmund Bugnosen, Non-Executive Director as Chairman and (pro tem) Andrew Bell, Chairman. Other senior personnel attend the Remuneration Committee's meetings as requested by the Committee, which meets at least twice a year.

Nominations Committee

The Board has not established a Nominations Committee. Matters that would normally be dealt with by the Nominations Committee will be discussed by the Remuneration Committee and referred to the Board as a whole.

Non-Executive Appointment Terms

The Non-Executive Directors have the same legal responsibilities to the Company as any other Director, including attendance at the regular Board Meetings, the Committees' Meetings and the General Meetings.

Matters Reserved for 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 delegated to the Executive Directors, 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. Corporate governance is an ongoing and proactive process that encompasses the regulatory requirements and the changing needs of the business.

Principle Ten: 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 interviews, broker notes, video updates and presentations, all of which are available on the Company's website www.regency-mines.com, where the shareholders may sign up to receive news releases directly by e-mail. Shareholders are also encouraged to attend the Company's Annual General Meetings, which is viewed by the Board as an important forum for communication between the Company and its shareholders.

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 2018 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 29, including the principal accounting policies in note 1. The financial reporting framework that has been applied in their preparation is 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 2018 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 £3,161,002 as at 30 June 2018, this amount comprising the investments in joint ventures in Oro Nickel with Direct Nickel Ltd of £1,657,625 and the investment in joint ventures in Mining Equity Trust LLC with Legacy Hill Resources Limited of £1,503,377.

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 £1,274,569 as at 30 June 2018 this amount comprising the recoverable costs in the Oro Nickel Joint Venture.

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 Mining Equity Trust LLC in relation to the Virginia coal operations and the revenues generated therefrom post reporting period;
- the Impairment Review on the Mambare Nickel Exploration Project in relation to the potential for future value creation; and
- the future plans of the joint venture projects in respect of funding, viability and development.

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 £115,000, less than 2% of Total Group Assets with a lower materiality set at £83,000 for Investments in associates and joint ventures together with Non-current receivables, less than 1.9% of the carrying value of these 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.

Keith Fulton (Senior Statutory Auditor)
for and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
21 December 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	30 June 2018 £	30 June 2017 £
ASSETS			
Non-current assets			
Property, plant and equipment	10	195	15,520
Investments in associates and joint ventures	12	3,161,002	3,585,757
Goodwill		42,471	—
Available for sale financial assets	13	1,099,572	1,443,707
Exploration assets	14	—	40,402
Trade and other receivables	15	1,274,569	1,239,779
Total non-current assets		**5,577,809**	**6,325,165**
Current assets			
Cash and cash equivalents	20	126,125	9,176
Trade and other receivables	15	136,758	116,544
Total current assets		**262,883**	**125,720**
Total assets		**5,840,692**	**6,450,885**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Called up share capital	18	1,926,407	1,904,933
Share premium account		20,379,728	19,272,873
Other reserves		440,693	895,947
Retained earnings		(18,339,478)	(16,795,589)
Total equity attributable to owners of the Parent		**4,407,350**	**5,278,164**
Non-controlling interests		**38,990**	**—**
Total equity		**4,446,340**	**5,278,164**
LIABILITIES			
Current liabilities			
Trade and other payables	16	296,752	401,634
Short-term borrowings	16	1,097,600	771,087
Total current liabilities		**1,394,352**	**1,172,721**
Total equity and liabilities		**5,840,692**	**6,450,885**

These financial statements on pages 34 to 75 were approved by the Board of Directors and authorised for issue on 21 December 2018 and are signed on its behalf by:

Andrew Bell
Chairman and CEO

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

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Year to 30 June 2018 £	Year to 30 June 2017 £
REVENUE			
Management services		—	113,350
Total revenue		**—**	**113,350**
Gain on sale of available for sale investments	13	1,482,609	—
Gain on sale of tenements		—	55,183
Impairment of available for sale financial assets		(215,372)	—
Exploration expenses		643	(930)
Impairment of exploration assets		(40,403)	(229,262)
Administrative expenses (net)	4	(735,697)	(464,621)
Foreign currency (loss)/gain		(3,312)	49,678
Other income		47,257	—
Impairment of investments in joint ventures	12	(1,943,132)	—
Finance costs, net	5	(142,212)	(57,665)
Loss for the year before taxation	3	(1,549,619)	(534,267)
Tax credit	6	—	—
Loss for the year		**(1,549,619)**	**(534,267)**
Loss per share attributable to:			
Equity holders of the Parent		(1,543,889)	(534,267)
Non-controlling interest		(5,730)	—
		(1,549,619)	(534,267)
Loss per share attributable to owners of the Parent			
Loss per share – basic	9	(0.23) pence	(0.13) pence
Loss per share – diluted	9	(0.23) pence	(0.13) pence

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	30 June 2018 £	30 June 2017 £
Loss for the year	**(1,549,619)**	**(534,267)**
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss		
Decrease in AFS reserve in relation to disposals	(322,507)	—
Surplus on revaluation of available for sale financial assets	(163,111)	110,242
Unrealised foreign currency gain on translation of foreign operations	20,367	58,865
Other comprehensive income for the year	**(465,251)**	**169,107**
Total comprehensive expense for the year attributable to owners of the Parent	**(2,014,870)**	**(365,160)**

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 2018

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 2016	**1,872,522**	**17,399,710**	**(15,902,032)**	**324,638**	**3,694,838**	**—**	**3,694,838**
Changes in equity for 2017							
Loss for the year	**—**	**—**	**(534,267)**	**—**	**(534,267)**	**—**	**(534,267)**
Other comprehensive income for the year	**—**	**—**	**(359,290)**	**528,397**	**169,107**	**—**	**169,107**
Transactions with owners							
Issue of shares	32,411	1,918,253	—	—	1,950,664	—	1,950,664
Share issue and fundraising costs	—	(45,090)	—	—	(45,090)	—	(45,090)
Share-based payment transfer	—	—	—	42,912	42,912	—	42,912
Total transactions with owners	**32,411**	**1,873,163**	**—**	**42,912**	**1,948,486**	**—**	**1,948,486**
As at 30 June 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	**1,926,407**	**20,379,728**	**(18,339,478)**	**440,693**	**4,407,350**	**38,990**	**4,446,340**

Other reserves	Available for sale financial asset reserve £	Share-based payment reserve £	Associate investments reserve £	Foreign currency translation reserve £	Total other reserves £
As at 1 July 2016	**267,004**	**22,945**	**(410,439)**	**445,128**	**324,638**
Changes in equity for 2017					
Other comprehensive income for the year	110,242	—	—	58,865	169,107
Transfer to retained earnings	(51,149)	—	410,439	—	359,290
Share-based payment transfer	—	42,912	—	—	42,912
As at 30 June 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**

See note 17 for a description of each reserve included above.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Year to 30 June 2018 £	Year to 30 June 2017 £
Cash flows from operating activities		
Loss before taxation	(1,549,619)	(534,267)
(Increase)/decrease in receivables	(108,653)	1,501
Increase/(decrease) in payables	44,000	(217,503)
Depreciation	15,325	6,197
Impairment of exploration properties	40,403	229,262
Share-based payments	35,017	91,359
Currency adjustments	3,313	(49,679)
Finance cost, net	142,212	57,665
Agents fees settled in Curzon's shares, recorded as Other income	(28,000)	—
Gain on sale of investments	(1,482,609)	—
Gain on sale of tenements	—	(55,183)
Impairment of available for sale financial assets	215,372	—
Impairment of investments in joint ventures	1,943,132	—
Impairment of loans and receivables	95,033	—
Net cash outflow from operations	**(635,074)**	**(470,648)**
Cash flows from investing activities		
Proceeds from sale of available for sale investments	1,791,758	—
Proceeds from sale of tenements	—	58,837
Purchase of available for sale financial assets	(800,000)	(75,000)
Payments for exploration costs	—	(594)
Payments for investments in associates and joint ventures	(443,034)	(1,531,778)
Net cash inflow/(outflow) from investing activities	**548,724**	**(1,548,535)**
Cash flows from financing activities		
Proceeds from issue of shares	1,124,310	1,576,701
Transaction costs of issue of shares	(59,500)	(45,090)
Interest paid	(136,730)	(72,048)
Proceeds of new borrowings	—	771,087
Repayment of borrowings	(724,781)	(210,251)
Net cash inflow from financing activities	**203,299**	**2,020,399**
Net (decrease)/increase in cash and cash equivalents	**116,949**	**1,216**
Cash and cash equivalents at the beginning of period	9,176	7,960
Cash and cash equivalents at end of period	**126,125**	**9,176**

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

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	30 June 2018 £	30 June 2017 £
ASSETS			
Non-current assets			
Property, plant and equipment	10	195	15,520
Investments in subsidiaries	11	483	482
Investments in associates and joint ventures	12	3,277,662	3,702,417
Available for sale financial assets	13	694,423	1,433,858
Exploration assets	14	—	40,402
Trade and other receivables	15	2,745,016	2,045,053
Total non-current assets		**6,717,779**	**7,237,732**
Current assets			
Cash and cash equivalents	20	6,505	8,125
Trade and other receivables	15	124,346	116,286
Total current assets		**130,851**	**124,411**
Total assets		**6,848,630**	**7,362,143**
EQUITY AND LIABILITIES			
Called up share capital	18	1,926,407	1,904,933
Share premium account		20,379,728	19,272,873
Other reserves		(79,453)	496,514
Retained earnings		(16,755,707)	(15,474,628)
Total equity		**5,470,975**	**6,199,692**
LIABILITIES			
Current liabilities			
Trade and other payables	16	280,055	391,364
Short-term borrowings	16	1,097,600	771,087
Total current liabilities		**1,377,655**	**1,162,451**
Total equity and liabilities		**6,848,630**	**7,362,143**

These financial statements on pages 34 to 75 were approved by the Board of Directors and authorised for issue on 21 December 2018 and are signed on its behalf by:

Andrew Bell
Chairman and CEO

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

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

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 2016	**1,872,522**	**17,399,710**	**(15,148,556)**	**240,772**	**4,364,448**
Changes in equity for 2017					
Loss for the year	**—**	**—**	**(326,072)**	**—**	**(326,072)**
Other comprehensive income for the year	**—**	**—**	**—**	**212,830**	**212,830**
Transactions with owners					
Issue of shares	32,411	1,918,253	—	—	1,950,664
Share issue and fundraising costs	—	(45,090)	—	—	(45,090)
Share-based payment transfer	—	—	—	42,912	42,912
Total transactions with owners	**32,411**	**1,873,163**	**—**	**42,912**	**1,948,486**
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**

Other reserves	Available for sale financial asset reserve £	Share-based payment reserve £	Currency reserve £	Total other reserves £
As at 30 June 2016	**215,855**	**22,945**	**1,972**	**240,772**
Changes in equity for 2017				
Other comprehensive income for the year	110,242	—	102,588	212,830
Share-based payment transfer	—	42,912	—	42,912
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)**

See note 17 for a description of each reserve included above.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Year to 30 June 2018 £	Year to 30 June 2017 £
Cash flows from operating activities		
Loss before taxation	(1,352,545)	(326,072)
(Increase)/decrease in receivables	(668,028)	54,214
(Decrease)/increase in payables	44,000	(223,661)
Depreciation	15,325	6,197
Agents fees settled in Curzon's shares, recorded as Other income	(28,000)	—
Share-based payments	35,017	91,359
Finance (income)/costs, net	27,590	(47,771)
Currency gains/(losses)	(38,124)	33,612
Gain on sale of investments	(1,482,818)	—
Impairment of associate	1,943,132	—
Debtors write off	95,033	—
Impairment of available for sale investment	215,372	—
Impairment of exploration expenses	40,403	—
Net cash outflow from operations	**(1,153,643)**	**(412,122)**
Cash flows from investing activities		
Payments for investments in associates and joint ventures	(443,034)	(1,531,778)
Purchase of available for sale financial assets	(400,000)	(75,000)
Proceeds from sale of available for sale investments	1,791,758	—
Net cash inflow/(outflow) from investing activities	**948,724**	**(1,606,778)**
Cash flows from financing activities		
Proceeds from issue of shares	1,124,310	1,576,701
Transaction costs of issue of shares	(59,500)	(45,090)
Interest paid	(136,730)	(72,048)
Proceeds of new borrowings	—	771,087
Repayments of borrowings	(724,781)	(210,251)
Net cash inflow from financing activities	**203,299**	**2,020,399**
Net (decrease)/increase in cash and cash equivalents	**(1,620)**	**1,499**
Cash and cash equivalents at the beginning of period	8,125	6,626
Cash and cash equivalents at end of period	**6,505**	**8,125**

The accompanying notes and accounting policies form an integral part of these 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 2018 were authorised for issue by the Board on 21 December 2018 and signed on the Board's behalf by Andrew Bell and 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 financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below.

Going concern

The consolidated entity has incurred a loss before tax of £1,549,619 for the year ended 30 June 2018 (2017: loss of £534,267) and had a net cash outflow of £86,351 (2017: £2,019,183) from operating and investing activities. At that date there was a net current liability of £1,131,469 (2017: £1,047,003). The loss resulted mainly from the impairment of the Group's investment in joint ventures £1,943,132 (2017: loss resulted mainly from impairment of exploration and available for sale assets totalling £229,262).

During the reporting year the Company has made significant strides in achieving financial stability through the acquisition of the first producing asset in its history. To acquire these producing metallurgical coal interests, the Company completed a Joint Venture Agreement with Legacy Hill Resources and established Mining Equity Trust ("MET").

On 2 August 2018, MET purchased the metallurgical coal interests of Omega Holdings in Cedar Bluffs, Virginia. The Company has a 47% stake in the associate and has forecasted revenues of USD30,468,239 for the 10 months to June 2019.

The Company completed its deleveraging process through the repayment of the convertible loan with YA PN Ltd on 30 January 2018. The Directors remain confident in the Company's ability to raise new finance from stock markets if it is required in 2019 and the Group has demonstrated a consistent ability to do so. On 11 January 2018, the Company raised £1,050,000 through the issue of 190,909,090 new ordinary shares at 0.01p each at a price of 0.55 per share.

Regency owns liquid assets that it can sell to fund operations, the most significant being its 8.9% stake in Curzon Energy Plc, listed on the Standard List of the London Stock Exchange. The value of this holding in Q4 2018 was approximately £120k. The Company also has a 5.584% interest in Whitecar Ltd, and an 80% ownership interest in Allied Energy Ltd. During the past year the Company has disposed of its interest in Alba Resources plc for gross proceeds of £299k.

The Group has demonstrated the ability to raise debt as required, as most recently demonstrated by the Omega Holdings acquisition, where the Company raised USD1.6m from a group of institutional investors in May 2018.

The Directors believe that based on the forecasts and projections prepared, sufficient 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 debt and equity capital to supplement income from its US metallurgical coal operations.

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 £1,352,545 (2017: loss of £324,423). The Company's other comprehensive loss for the financial year was £481,405 (2017: income £110,242).

Amendments to published standards effective for the year ended 30 June 2018.

New standards, amendments and interpretations effective for the periods from 1 July 2017

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:

- Amendments to IAS 12 Deferred Tax relating to recognition of deferred tax assets for unrealised losses, effective for the periods beginning on or after 1 January 2017.
- Amendments to IAS 7 Financial Instruments: Disclosures, effective for accounting periods beginning on or after 1 January 2017.
- Annual Improvements to IFRSs (2014-2016 cycle), Amendments to IFRS 12, effective for accounting periods beginning on or after 1 January 2017.

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 July 2017 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 9 Financial Instruments	Various	01-Jan-18
IFRS 15 Revenue from contracts with customers	28-May-14	01-Jan-18
Clarifications to IFRS 15 Revenue from contracts with customers	12-Apr-16	01-Jan-18
Amendments to IFRS 15: Effective date of IFRS 15	15-Sep-15	01-Jan-18
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[1]	18-May-17	01-Jan-21
Amendments to Existing Standards		
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	20-Jun-16	01-Jan-18
Annual Improvements to IFRSs (2014-2016 Cycle)	08-Dec-16	01-Jan-17 and 01-Jan-18
IFRIC 22 Foreign Currency Transactions and Advance Consideration	08-Dec-16	01-Jan-18
Amendments to IFRS 9: Prepayment features with negative compensation	12-Oct-17	01-Jan-19
Amendments to IAS 40: Transfers of investment property	08-Dec-16	01-Jan-18
Amendments to IAS 28: Long-term interests in associates and joint ventures[1]	12-Oct-17	01-Jan-19
Annual improvements to IFRSs (2015-2017 Cycle)[1]	12-Dec-17	01-Jan-19
Amendments to IAS 19: Plan amendment, curtailment or settlement[1]	07-Feb-18	01-Jan-19
Amendments to References to the conceptual framework in IFRSs[1]	29-Mar-18	01-Jan-20
Amendments to IAS 1 and IAS 8: Definition of Material[1]	31-Dec-18	01-Jan-20

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

1. Principal accounting policies continued

1.2 Basis of preparation continued

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, except for IFRS 9 as detailed below.

IFRS 9 "Financial Instruments" will impact both the measurement and disclosures of financial instruments. The Group is planning to first apply this standard at the beginning of the next reporting year to 30 June 2019. The Group will not retrospectively re-state prior period but will recognise any difference between the previous carrying amount and the carrying amount at 1 July 2018 in the opening retained earnings at 1 July 2018 for the assets that have not been disposed of at the date of initial application. All the investments in equity instruments, that are held by the Group at 30 June 2018 are currently included in available for sale financial assets line in the Statement of Financial Position. The Group is analysing its investments in equity instruments on an investment-by-investment basis and in respect of each one plans to make an irrevocable election to present subsequent changes in the fair value either in profit and loss (FVTPL) or in other comprehensive income (FVTOCI). 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. This differs from the current treatment of AFS equity instruments under IAS 39 where gains and losses recognised in OCI are reclassified on derecognition or impairment.

IFRS 15 "Revenue from Contracts with Customers" – the Company is pre-revenue hence the adoption would have no impact on the reported results.

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. Since the Group currently only has short-term (less than 12 months) operating leases, IFRS 16 will not have an impact on the results or balance sheet of the Group.

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 falls 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 on 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.

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 aims of 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.

1.4 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 joint 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.

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.

1. Principal accounting policies continued

1.4 Summary of significant accounting policies continued

1.4.2 Interests in joint ventures continued

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 2018, the Group had following contractual arrangements:

- Oro Nickel Limited, a contractual arrangement with Direct Nickel Projects 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, LLC ("MET"), a new Delaware-incorporated limited liability company, this is a contractual arrangement with Legacy Hill Resources Ltd ("LHR"), a privately-owned mining company, (as majority shareholder) and the Company (as minority shareholder) will hold their interests in MET joint venture. More details are disclosed in note 12.

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.

1.4.6 Revenue

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of the Group and the Company, when those inflows result in increases in equity.

Revenue is measured at the fair value of the consideration received or receivable for investment asset disposals in the normal course of business and is recognised when revenue and associated costs can be measured reliably, and future economic benefits are probable.

In addition, revenue from management services is recognised on an accruals basis when the services have been delivered and any associated costs have been incurred.

1.4.7 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. Principal accounting policies continued

1.4 Summary of significant accounting policies continued

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 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.

When a share-based payment is modified, the Group determines whether the modification affects the fair value of the instruments granted, affects the number of equity instruments granted or is otherwise beneficial to the employee. In cases where the exercise price of options granted to employees is reduced, the Group recognises the incremental change in fair value (along with the original fair value determined at grant date) over the remaining vesting period as an expense and an increase in equity. Decreases in the fair value are not considered. To determine if an increase has occurred, management compares the fair value of the modified award with the fair value of the original award at the modification date. Any other benefit to the employee is taken into account in estimating the number of equity instruments that are expected to vest.

Share Incentive Plan

Where the shares are granted to the employees under the 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 costs/revenue

Borrowing costs are recognised on an accruals basis using the effective interest method.

Finance income 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 through the expected life of the financial asset to the net carrying amount of the financial asset.

1.4.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised where the Group has become party to the contractual provisions of the instrument.

Investments

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.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity or fair value through profit and loss.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise through the provision of goods or services (trade receivables), but also incorporate other types of contractual monetary asset. 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 provision is recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such provision being the difference between the net carrying amount and the net present value of the future expected cash flows associated with the impaired receivable.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1. Principal accounting policies continued

1.4 Summary of significant accounting policies continued

Restricted cash
Cash which is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period is not considered cash and cash equivalents and is classified as restricted cash.

Trade and other receivables
Trade receivables, which generally have 30-day terms, are recognised at original invoice amount less an allowance for any uncollectable amounts. An allowance for impairment is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Available for sale financial assets
Non-derivative financial assets not included in the above categories are classified as available for sale and comprise principally the Group's strategic investments in entities not qualifying for subsidiaries, associates or jointly controlled entities. These equity investments are intended to be held by the Group for an indefinite period of time. They are carried at fair value, where this can be reliably measured, with movements in fair value recognised in other comprehensive income and debited or credited to the available for sale trade investments reserve. Where the fair value cannot be reliably measured, the investment is carried at cost or a lower valuation where the Directors consider the value of the investment to be impaired.

Available for sale investments are included within non-current assets. On disposal, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had previously been recognised directly in reserves is recognised in the Income Statement, the cost of such disposed of investments is written off on a first in first out method.

Income from available for sale investments is accounted for in the Income Statement when the right to receive it has been established.

The Group assesses at each reporting date whether there is objective evidence that an investment is impaired. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the Income Statement – is removed from other comprehensive income and recognised in the Income Statement. Impairment losses on equity investments are not reversed through the Income Statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

Financial liabilities and equity

The Group classifies its financial liabilities into one of the two categories: fair value through profit and loss or other financial liabilities. The Group has not classified any of its financial liabilities as fair value through profit and loss.

Other financial liabilities comprise trade and other payables and borrowings.

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).

Trade and other payables
Trade and other payables are initially recognised at fair value and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Borrowings
Borrowings are recorded initially at their fair value, plus directly attributable transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement or redemption, are recognised in the Income Statement over the term of the instrument using an effective rate of interest.

Deferred and contingent consideration
Where it is probable that deferred or contingent consideration is payable on the acquisition of a business based on an earn out arrangement, an estimate of the amount payable is made at the date of acquisition and reviewed regularly thereafter, with any change in the estimated liability being reflected in the Income Statement. Where deferred consideration is payable after more than one year the estimated liability is discounted using an appropriate rate of interest.

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 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, investments into two joint ventures, Vali Carbon Corporation and Carbon Minerals Corporation, were fully impaired. The Directors have taken the view that insufficient management controls and a lack of efficacy by the Company's JV partner and operator in the United States has led to an inability to bring these businesses into metallurgical coal production along the timelines originally envisioned. Efforts to assist in correcting these operating deficiencies were ultimately unsuccessful and as such the Directors feel an impairment of these assts is appropriate.

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.

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. Principal accounting policies continued

1.5 Significant accounting judgements, estimates and assumptions continued

Impairment of available for sale financial assets

The Group follows the guidance of IAS 39 to determine when an available for sale financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which fair value of an investment is less than its cost.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Mining share prices typically have more volatility than most other shares and this is taken into account by management when considering if a significant decline in the fair value of its mining investments has occurred. Management would consider that there is a prolonged decline in the fair value of an equity investment when the period of decline in fair value has extended to beyond the expectation management have for the equity investment. This expectation will be influenced particularly by the company development cycle of the investment.

As a result of the Group's evaluation, impairment of £215,372 (2017: £nil) on available for sale investments was recognised in the income statement.

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

At 30 June 2018 the Group had cash and cash equivalents of £126,125 (2017: £9,176).

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.

2. Segmental analysis continued

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

Year to 30 June 2018	**Australian exploration £**	**Battery storage, battery metals, and energy storage £**	**Other investments £**	**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[1]	(715)	(54,216)	—	(680,766)	(735,697)
Currency (loss)/gain	(40,414)	—	—	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	**(40,486)**	**(41,966)**	**(716,298)**	**(750,869)**	**(1,549,619)**

Year to 30 June 2017	Australian exploration £	Battery storage, battery metals, and energy storage £	Other investments £	Corporate and unallocated £	Total £
Revenue					
Management services	—	—	—	113,350	113,350
	—	—	—	113,350	113,350
Gain on sale of tenements	55,183	—	—	—	55,183
Gain/(loss) on sale of investments	—	—	—	—	—
Exploration expenses	(930)	—	—	—	(930)
Administrative expenses[1]	(278)	—	—	(464,343)	(464,621)
Impairment of exploration assets	(229,262)	—	—	—	(229,262)
Impairment of available for sale investments	—	—	—	—	—
Finance cost – net	—	—	—	(57,665)	(57,665)
Net (loss) before tax from continuing operations	**(91,997)**	**—**	**—**	**(442,270)**	**(534,267)**

1 Included in administrative expenses is a depreciation charge of £15,325 (2017: £6,197) under Corporate and unallocated.

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 2018	UK £	Australia £	Papua New Guinea £	USA £	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
Available for sale financial assets	**583,350**	**47,328**	**—**	**468,894**	**1,099,572**
Total segment non-current assets	**626,017**	**47,328**	**1,657,625**	**1,972,270**	**4,303,240**

Year to 30 June 2017	UK £	Australia £	Papua New Guinea £	USA £	Total £
Revenue					
Management services	113,350	—	—	—	113,350
Gain on sale of tenements	—	55,183	—	—	55,183
Total segment revenue and other gains	**113,350**	**55,183**	**—**	**—**	**168,533**
Non-current assets					
Investments in associates and joint ventures	15,811	—	1,622,302	828,160	2,466,273
Property, plant and equipment	15,520	—	—	—	15,520
Available for sale financial assets	1,183,025	260,682	—	—	1,443,707
Exploration assets	—	—	—	40,402	40,402
Total segment non-current assets	**1,214,356**	**260,682**	**1,622,302**	**868,562**	**3,965,902**

3. Loss on ordinary activities before taxation

Group	2018 £	2017 £
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	16,200	16,000
– fees payable to subsidiary auditors for the audit of subsidiary financial statements	—	—
Depreciation	15,352	6,197
Directors' emoluments (note 8)	204,689	257,967
Share-based payments – Directors	9,997	87,340
Share-based payments – Staff	—	4,019

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 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Staff costs				
Payroll	197,329	269,472	195,829	269,472
Pension	11,953	—	11,953	—
Consultants	24,800	15,000	15,000	15,000
Employer's NI	12,436	11,970	12,436	11,970
Professional services				
Accounting	55,628	45,176	55,628	45,176
Legal	46,106	9,376	43,977	9,376
Marketing	14,256	1,375	14,256	1,375
Other	37,856	9,213	37,856	9,213
Regulatory compliance	61,844	69,109	61,844	69,109
Travel	26,394	16,939	26,172	16,939
Office and admin				
General	164,419	(34,491)	123,139	(34,769)
IT-related costs	11,489	19,223	11,489	19,223
Rent	65,742	28,489	65,742	28,489
Insurance	5,477	3,771	5,477	3,771
Total administrative expenses	**735,697**	**464,621**	**680,766**	**464,343**

5. Finance costs, net

Group	2018 £	2017 £
Interest expense	(142,212)	(57,665)
Interest income	—	—
	(142,212)	**(57,665)**

6. Taxation

	2018 £	2017 £
Current period taxation of the Group		
UK corporation tax at 19.00% (2017: 19.75%) 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	(1,549,619)	(534,267)
Loss on ordinary activities at the average UK standard rate of 19% (2017: 19.75%)	(294,428)	(105,518)
Effect of non-deductible expense	382,207	45,279
Indexation allowance on gains	(5,529)	—
Effect of tax benefit of losses carried forward	37,445	60,239
Tax losses brought forward	(119,695)	—
Current tax (credit)	**—**	**—**

The Finance Act 2013 set the main rate of corporation tax at 20% from 1 April 2016 and at 19% from 1 April 2017.

Deferred tax amounting to £nil (2017: £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 £3,204 thousand (2017: £2,266 thousand), and capital losses estimated circa £nil (2017: £30,000).

7. Staff costs

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

	2018 £	2017 £
Wages and salaries	165,700	163,900
Pension	11,953	10,201
Social security costs	12,436	15,189
Employee share-based payment charge	35,017	91,359
Total staff costs	**225,106**	**280,649**

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

	2018 Number	2017 Number
Executives	3	3
Administration	1	1
	4	**4**

The Company's staff are employed both by the Company and Red Rock Resources plc ("Red Rock"). During the year, staff costs of £nil (2017: nil) were recharged to Red Rock. Such recharges are offset against administration expenses in the Income Statement.

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

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**

2017	Directors' fees £	Consultancy fees £	Share Incentive Plan £	Share-based payments options £	Pension contributions £	Social security costs £	Total £
Executive Directors							
A R M Bell	49,800	15,000	15,141	21,935	3,700	4,227	109,803
S Kaintz	66,800	—	15,141	20,217	3,907	7,196	113,261
Non-executive Directors							
E Bugnosen	18,000	—	14,564	333	1,002	1,005	34,904
	134,600	**15,000**	**44,846**	**42,485**	**8,609**	**12,428**	**257,968**

The number of Directors who exercised share options in the year was nil (2017: nil).

During the year, the Company contributed to a Share Incentive Plan more fully described in the Directors' Report on pages 26 to 28. 2,304,000 free shares (2017: 1,371,428) were issued to each employee, including Directors, making a total of 4,539,788 (2017: 3,870,248) free and matching shares 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 27.

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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.

	2018 £	2017 £
(Loss) attributable to equity holders of the Parent Company	(1,543,889)	(534,267)
Weighted average number of ordinary shares of £0.0001 in issue, used for basic EPS	672,554,882	398,184,727
Earnings/(loss) per share – basic	(0.23) pence	(0.13) pence
Earnings/(loss) per share – fully diluted	(0.23) pence	(0.13) pence

At 30 June 2018 and at 30 June 2017, 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 in 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:

	2018 £	2017 £
(a) Number of convertible potential shares – convertible loans, assume converted at the most beneficial price for the holder. More details are disclosed in this note below	—	147,717,876
(b) Share options granted to employees – total, of them	27,060,000	27,060,000
– Vested at the end of reporting period	25,330,000	15,330,000
– Not vested at the end of the reporting period	1,730,000	11,730,000
(c) Number of warrants given to shareholders as a part of placing equity instruments	434,665,467	236,685,670
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	**461,725,467**	**411,463,546**

Convertible loans

On 29 May 2018, the Company took a loan of £1,060,343, net of arrangement fees, (USD1,600,000 gross of arrangement fees in original currency of borrowing) from institutional investors to fund its 47% interest in a joint venture Mining Equity Trust, LLC ("MET"). More information on this loan is disclosed in note 16. The loan's initial term is six months with an extension option. If extended, the loan may be converted by the noteholder at a fixed price equal to 130% of the 10-day VWAP prior to the initial repayment date/date of the available six-month extension period (the "Fixed Price"). If paid in shares, the payment amount will be convertible at the lower of (i) the Fixed Price, or (ii) a price equal to 90 per cent of the lowest daily VWAP over the five trading days immediately preceding the date of the relevant payment date.

On 5 April 2017, the Company raised an unsecured USD1,000,000 (USD900,000 net of fees) one-year convertible loan bearing interest at 12%. The lender had an option to convert any part of the loan at any time during the twelve months into the Company's ordinary shares at the lower of a fixed conversion price of 1.155 pence per share and a variable conversion price of 90 per cent. of the lowest daily VWAP at which the shares have traded in the five trading days prior to each conversion. This loan was repaid in cash in full on 30 January 2018. For the purposes of the inclusion into this disclosure, the conversion price most beneficial for the lender was applied, which is 90% of the VWAP for five days before 30 June 2017.

There were no ordinary share transactions after 30 June 2018, 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 2016	32,822	126,712	159,534
Additions	—	—	—
Disposals	—	—	—
At 30 June 2017 and at 30 June 2018	**32,822**	**126,712**	**159,534**
Depreciation			
At 1 July 2016	(15,422)	(122,395)	(137,817)
Charge	(3,900)	(2,297)	(6,197)
At 30 June 2017	(19,322)	(124,692)	(144,014)
Charge	(13,500)	(1,825)	(15,325)
At 30 June 2018	**(32,822)**	**(126,517)**	**(159,339)**
Net book value			
At 30 June 2018	**—**	**195**	**195**
At 30 June 2017	13,500	2,020	15,520

11. Investments in subsidiaries and goodwill

Company	£
Cost	
At 1 July 2016 and 30 June 2017	**482**
Additions	1
At 30 June 2018	**483**
Impairment	
At 1 July 2016, 30 June 2017 and 30 June 2018	**—**
Net book amount at 30 June 2018	**483**
Net book amount at 1 July 2016 and 30 June 2017	482

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, trading and grid backup

Goodwill

On 10 November 2017, RGM formed a new 100% owned subsidiary, ESTEQ Limited, to act as the vehicle for development of opportunities in the battery and storage technology sector. On 15 March 2018, ESTEQ Limited committed to investing £250,000 into newly issued shares of Allied Energy Services Limited, representing 80% interest in that entity. Non-controlling shareholders brought with them land rights and connections for seven projects where combined battery and gas fired generation plants could be connected to the UK national grid. These seven projects had a combined export capacity potential of 140MW. They also have engaged in discussions with multi-national technology and equipment manufacturers to supply the plant required for the construction of the projects. Further advanced contractual discussions have occurred with several approved engineering, procurement and construction contractors to construct, connect and commission each generation plant. Allied Energy had also previously negotiated a five-year framework agreement with a major network player to develop grid services, to tender for services on Allied Energy's behalf, and to manage the resulting revenue contracts. Further, the existing management team offers many years of experience in renewable energy, from procuring finance to finding key partners and in constructing multiple anaerobic digestion plants across the United Kingdom.

12. Investments in associates and joint ventures

Carrying balance	Group £	Company £
At 1 July 2016	1,638,113	1,754,776
Additions	1,928,134	1,928,131
Transferred to available for sale investments	(40,881)	(40,881)
Gain on re-translation from functional into Group presentation currency	60,391	60,391
At 30 June 2017	3,585,757	3,702,417
Additions	1,503,377	1,503,377
Impairment of investment in joint ventures	(1,928,132)	(1,928,132)
Net book amount at 30 June 2018	**3,161,002**	**3,277,662**

On 11 June 2017, the Company signed a shareholders' agreement with Legacy Hill Resources Ltd, in accordance with which the Company will hold 47% of Mining Equity Trust, LLC ("MET"), a new 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) will hold their interests in the MET joint venture. This 47% stake represents Regency's proportionate share of cash and non-cash contributions to the establishment of the JV. The contribution of Regency to the JV has been funded in part by a USD1,600,000 loan provided by Cuart Investments PCC Ltd and YA II PN Ltd; the loan details are further described in the note 16.

During the year, investments in Vali Carbon Corporation and Carbon Minerals Corporation were impaired. The Directors have taken the view that insufficient management controls and a lack of efficacy by the Company's JV partner and operator in the United States have led to an inability to bring these businesses into metallurgical coal production along the timelines originally envisioned. Efforts to assist in correcting these operating deficiencies were ultimately unsuccessful and as such the Directors feel an impairment of these assets is appropriate.

At 30 June 2018, 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	Status at 30 June 2018	Accounting year end
Direct					
Mining Equity Trust, LLC ("MET")[1]	USA	Ordinary	47%	Active	31 December 2018
Carbon Minerals Corporation	USA	Ordinary	20%	Fully impaired	31 December 2018
Vali Carbon Corporation	USA	Ordinary	20%	Fully impaired	31 December 2018
Oro Nickel Limited[1]	Papua New Guinea	Ordinary	50%	Active	30 June 2018

1 These entities have not yet completed financial statements at the time of preparation of the financial statements of Regency Mines plc. Financial statements will be available after the accounting year end of the entities.

12. Investments in associates and joint ventures continued

At 30 June 2017, 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	Accounting year end
Direct				
Carbon Minerals Corporation[1]	USA	Ordinary	20%	31 December 2017
Vali Carbon Corporation[1]	USA	Ordinary	20%	31 December 2017
Oro Nickel Limited[1]	Papua New Guinea	Ordinary	50%	30 June 2017

1 These entities have not yet completed financial statements at the time of preparation of the financial statements of Regency Mines plc. Financial statements will be available after the accounting year end of the entities.

As of 1 July 2017, a decision was taken that Red Rock Resources, an AIM listed company, accounted as associate up until 30 June 2016, should be carried in the accounts as available for sale financial asset. Market value of shares at 1 July 2017 was £40,881.

13. Available for sale financial assets

	Group £	Company £
Carrying value		
At 1 July 2017	1,147,460	1,147,460
Additions during the year	145,127	135,278
Transfer from investment in associates (note 12)	40,881	40,881
Revaluation	110,239	110,239
Value at 30 June 2017	**1,443,707**	**1,433,858**
Additions during the year	1,336,502	936,502
Disposals during the year	(1,318,181)	(1,318,181)
Revaluation	(163,597)	(158,897)
Impairment	(215,372)	(215,372)
Impairment reversal	16,513	16,513
Value at 30 June 2018	**1,099,572**	**694,423**

Market value of investments

The market value as at 30 June 2018 of the available for sale listed and unlisted investments was as follows:

	Group		Company	
	2018 £	2017 £	**2018 £**	2017 £
Quoted on London AIM	183,349	80,758	183,349	80,758
Quoted on Standard List of LSE	468,894	—	468,894	—
Quoted on other foreign stock exchanges	42,179	47,577	42,179	37,728
Unquoted investments at fair value	405,150	1,315,372	—	1,315,372
At 30 June	**1,099,572**	**1,443,707**	**694,422**	**1,433,858**

In August 2017 the Company disposed of 1.9% of its stake in Horse Hill Development 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 gross proceeds of £1.3m.

On 29 November 2017, the Company completed a sale of its remaining 3.1% interest in HHDL for £630,000, of which £315,000 was delivered in cash and 50% in shares of the buyer, Alba Mineral Resources plc ("Alba"). These shares were subsequently sold for gross proceeds of £299,286.

Total gain recognised on sale of available for sale investments during the reporting year was £1,482,609, of which gain on sale of HHDL shares amounted to £453,502 and gain on sale of UKOG shares £1,029,185.

During the reporting year the Company sold part of its shares in Alba, recognising a loss on sale of those shares in the amount of £21,481.

Gain on sale of shares in Greatland Gold plc, that were also sold by the Company during the year, was recorded in the amount of £21,403.

On 4 October 2017, Curzon Energy Plc, classified under unquoted investments at fair value in the comparative period in the table above, listed its shares at the Standard Listing segment of the Official List, to trade on London Stock Exchange's main market for listed securities.

On 22 December 2017, ESTEQ Ltd, the Company's 100% owned subsidiary, made an initial investment of £200,000 in Whitecar Ltd., a company currently operating electric vehicle rental car services in several UK locations. It was followed by another £200,000 investment in Whitecar by ESTEQ in February 2018. These two tranches gave ESTEQ an initial holding of 5.8% in Whitecar Ltd. Whitecar has continued its European expansion during and after the year end, opening a new operating branch in Oslo, Norway and preparing for its first two operating locations in Germany, while significantly increasing the size of its operating fleet in the United Kingdom. Whitecar closed its most recent fundraise during Q3 2018 at a share price of £0.04, implying a valuation of the Company's holdings of £462,160. With this in consideration, the Directors believe that the value of the contribution paid for the original investment represents fair value of the residual 5.59% investment at the year end and no impairment is required.

14. Exploration assets

	Group		Company	
	2018 £	2017 £	**2018 £**	2017 £
Cost				
At 30 June	2,894,837	2,785,118	1,050,372	1,050,372
Additions during the year	—	594	—	—
Disposals in the year	—	(2,321)	—	—
Exchange gains	—	111,446	—	—
At 30 June	**2,894,837**	**2,894,837**	**1,050,372**	**1,050,372**
Impairment				
At 30 June	(2,854,435)	(2,551,218)	(1,009,970)	(1,009,970)
Impairments recognised in the year	(40,402)	(229,262)	(40,402)	—
Exchange gains	—	(73,955)	—	—
At 30 June	**(2,894,837)**	**(2,854,435)**	**(1,050,372)**	**(1,009,970)**
Net book value				
At 30 June	**—**	**40,402**	**—**	**40,402**

15. Trade and other receivables

	Group		Company	
	2018 £	2017 £	**2018 £**	2017 £
Non-current				
Amounts owed by Group undertakings	—	—	1,470,447	805,274
Amounts owed by related parties				
– due from associates and joint ventures	1,274,569	1,239,779	1,274,569	1,239,779
Total	**1,274,569**	**1,239,779**	**2,745,016**	**2,045,053**
Current				
Sundry debtors	105,686	66,170	98,674	65,912
Prepayments	24,809	44,111	19,409	44,111
Amounts owed by related parties				
– due from key management	6,263	6,263	6,263	6,263
Total	**136,758**	**116,544**	**124,346**	**116,286**

16. Trade and other payables

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade and other payables	59,754	212,164	43,057	201,892
Amounts due to related parties:				
– due to Red Rock Resources plc	203,498	118,015	203,498	118,015
Accruals	33,500	71,455	33,500	71,457
Trade and other payables	296,752	401,634	280,055	391,364
Short-term borrowings (note 22)	1,097,600	771,087	1,097,600	771,087
Total	**1,394,352**	**1,172,721**	**1,377,655**	**1,162,451**

Trade and other payables include a balance of £203,498 (2017: £118,015) owing to Red Rock Resources plc, a related party entity as a result of same directorships.

Loan from Cuart and YA II PN to fund MET JV

On 29 May 2018, the Company took a loan of £1,060,343, net of arrangement fees, (USD1,600,000 gross original value) from institutional investors to fund its 47% interest in a joint venture Mining Equity Trust, LLC ("MET"). The loan carries a 10% interest rate and is for an initial term of six months and is subject to an implementation fee of USD96,000. A further six-month extension is available for a 5% fee. If extended, the loan may be converted by the noteholder at a fixed price equal to 130% of the 10-day VWAP prior to the initial repayment date of the available six-month extension period (the "Fixed Price"). If paid in shares, the payment amount will be convertible at the lower of (i) the Fixed Price, or (ii) a price equal to 90 per cent of the lowest daily VWAP over the five trading days immediately preceding the date of the relevant payment date. The Company has the right to prepay the loan at any time in full for a 3% redemption fee, provided that after the First Repayment Date the Company may only prepay the loan if the stock price is trading below the Fixed Price at the time of prepayment.

YA II PN Limited

A short-term loan of £nil (2017: £771,087) was provided by YA II PN Limited. Interest on the balance of this loan is charged at a rate of 12% per annum. This loan and all accumulated interest was repaid in full on 30 January 2018.

17. 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.

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 investments 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.

18. Share capital of the Company

The share capital of the Company is as follows:

Issued and fully paid	2018 £	2017 £
791,239,654 (2017: 576,491,064) ordinary shares of £0.0001 each	79,124	57,650
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	**1,926,407**	**1,904,933**

Movement in ordinary shares	Number	Nominal £
As at 1 July 2016 – ordinary shares of £0.0001 each	**252,384,571**	**25,239**
Issued 30 August 2016 at £0.004 per share	65,625,000	6,563
Issued 13 October 2016 at £0.004 per share	9,375,000	937
Issued 20 December 2016 at £0.004 per share	52,500,000	5,250
Issued 18 January 2017 at £0.004 per share	15,000,000	1,500
Issued 20 January 2017 at £0.004 per share	12,500,000	1,250
Issued 08 February 2017 at £0.005 per share	21,000,000	2,100
Issued 22 February 2017 at £0.0065 per share	11,538,461	1,154
Issued 28 February 2017 at £0.008 per share	18,125,000	1,812
Issued 01 March 2017 at £0.0039 per share	17,898,183	1,790
Issued 13 March 2017 at £0.013 per share	576,923	58
Issued 20 March 2017 at £0.008 per share	625,000	63
Issued 21 March 2017 at £0.008 per share	4,000,000	400
Issued 27 March 2017 at £0.008 per share	3,750,000	375
Issued 03 April 2017 at £0.01 per share	32,020,493	3,202
Issued 04 April 2017 at £0.0105 per share	5,119,658	512
Issued 10 April 2017 at £0.008 per share	500,000	50
Issued 21 April 2017 at £0.008 per share	2,175,000	217
Issued 03 May 2017 at £0.009 per share	33,999,996	3,400
Issued 05 May 2017 at £0.009 per share	17,777,779	1,778
As at 30 June 2017 – ordinary shares of £0.0001 each	**576,491,064**	**57,650**
Issued 06 Dec 2017 at £0.00625 per share	2,304,000	230
Issued 11 Jan 2018 at £0.0055 per share	190,909,090	19,091
Issued 29 Jan 2018 at £0.0055 per share	18,181,818	1,818
Issued 06 Apr 2018 at £0.00475 per share	3,353,682	335
As at 30 June 2018 – ordinary shares of £0.0001 each	**791,239,654**	**79,124**

18. Share capital of the Company continued

Share re-organisation

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

- Ordinary shares with a nominal value of 0.01 pence, which are the Company's listed securities.
- Deferred shares with a value of 0.09 pence.
- A Deferred shares with a value of 0.0095 pence.

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 2018, the Company had 434,665,467 warrants in issue (2017: 236,685,670) with exercise price ranging £0.008-£0.018 (2017: £0.0039-£0.018). Out of those, 264,090,904 (2017: 54,999,996) have market performance conditions that accelerate the expiry date. Weighted average remaining life of the warrants at 30 June 2018 was 395 days (2017: 637 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	2018 number of warrants	2017 number of warrants
Outstanding at the beginning of the period	236,685,670	11,111,111
Granted during the period	209,090,908	255,326,482
Exercised during the period	—	—
Lapsed during the period	(11,111,111)	(29,751,923)
Outstanding at the end of the period	**434,665,467**	**236,685,670**

At 30 June 2018 the Company had the following warrants to subscribe for shares in issue:

Grant	Expiry date	Warrant exercise price £	Number of warrants
30 Aug 2016	11 Mar 2019	0.008	64,137,500
19 Oct 2016	11 Mar 2019	0.008	9,375,000
20 Dec 2016	19 Dec 2018	0.013	26,062,500
18 Jan 2017	17 Jan 2019	0.013	13,750,000
19 Jan 2017	18 Jan 2019	0.008	12,500,000
10 Feb 2017	20 Feb 2019	0.010	21,000,000
22 Feb 2017	27 Aug 2018	0.013	10,961,538
10 Apr 2017	20 Oct 2018	0.013	16,010,246
05 May 2017	07 May 2019	0.018	17,777,779
08 May 2017	07 May 2019	0.018	33,999,996
23 Jan 2018	22 Jan 2020	0.010	190,909,090
12 Feb 2018	11 Feb 2020	0.010	18,181,818
Total warrants in issue at 30 June 2018			**434,665,467**

The aggregate fair value related to the share warrants granted during the reporting period was £nil (2017: £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.

19. 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.

At 30 June 2018 and at 30 June 2017, 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 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**

	2018		2017	
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	7,060,000	0.45
Granted during the year	—	—	20,000,000	0.80
Cancelled during the year	—	—	—	—
Outstanding at the end of the period	**27,060,000**	**0.71**	**27,060,000**	**0.71**

No options were granted during the reporting year. During the financial year ended 30 June 2017, 20,000,000 options were issued at an exercise price of 0.8 pence and they expire on 9 September 2022. The options were granted in four tranches, first tranche vested immediately and the other three tranches had time vesting conditions attached.

The weighted average fair value of each option granted during the year was 0.244 pence (2017: 0.244 pence).

The exercise price of options outstanding at 30 June 2018 and 30 June 2017 ranged between 0.45p and 0.8p. Their weighted average contractual life was 4.014 years (2017: 5.014 years).

Of the total number of options outstanding at 30 June 2018, 25,330,000 (2017: 15,330,000) had vested and were exercisable.

The weighted average share price (at the date of exercise) of options exercised during the year was nil (2017: nil) as no options were exercised.

19. Share-based payments continued

The following information is relevant in the determination of the fair value of options granted under equity-settled share-based remuneration schemes:

	Granted on 9 September 2016	Granted on 14 June 2016
Option pricing model used	Black-Scholes model	Black-Scholes model
Weighted average shares price at grant date, pence	0.55	0.35
Exercise price, pence	0.80	0.45
Weighted average contractual life, months	62.00	55.00
Expected volatility, %	58.843	61.986
Expected dividend growth rate, %	0	0
Risk-free interest rate, %	0.309	0.679

Share-based remuneration expense related to the share options grant is included in the administrative expenses line in the Consolidated Income Statement in the amount of £9,997 (2017: £42,912).

Share Incentive Plan

In January 2012 the Company implemented 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 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 5,657,682 free, matching and partnership shares were awarded (2017: 6,491,086) with a fair value ranging between 0.475 to 0.625 pence (2017: fair value ranging between 0.425 pence to 1.05 pence) resulting in a share-based payment charge of £25,020 (2017: £48,446), included in the administrative expenses line in the Consolidated Income Statement.

20. Cash and cash equivalents

Group	**30 June 2018 £**	30 June 2017 £
Cash in hand and at bank	126,125	9,176

Company	**30 June 2018 £**	30 June 2017 £
Cash in hand and at bank	6,505	8,125

21. Financial instruments

21.1 Categories of financial instruments

The Group and Company hold 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 2018 £	30 June 2017 £
FINANCIAL ASSETS		
Available for sale financial assets at fair value through other comprehensive income		
Quoted equity shares	694,422	128,332
Unquoted equity shares	405,150	1,315,375
Total available for sale financial assets carried at fair value	**1,099,572**	**1,443,707**
Cash and cash equivalents	126,125	9,176
Loans and receivables		
Trade and other receivables	1,411,327	1,356,323
Total financial assets held at amortised cost	**1,411,327**	1,356,323
Total financial assets	**2,637,025**	**2,809,206**
Total current	**262,883**	**125,720**
Total non-current	**2,374,141**	**2,683,486**

Company	30 June 2018 £	30 June 2017 £
FINANCIAL ASSETS		
Available for sale financial assets at fair value through other comprehensive income		
Quoted equity shares	694,422	118,485
Unquoted equity shares	—	1,315,375
Total available for sale financial assets	**694,422**	**1,433,860**
Cash and cash equivalents	6,505	8,125
Loans and receivables		
Trade and other receivables	2,869,362	2,161,339
Total financial assets held at amortised cost	**2,869,362**	2,161,339
Total financial assets	**3,570,290**	3,595,199
Total current	**130,851**	**116,286**
Total non-current	**3,439,439**	**3,478,913**

21. Financial instruments continued

21.1 Categories of financial instruments continued

Available for sale financial assets carried at fair value using valuation techniques other than observable market value

As at 30 June 2018, £405,150 (2017: £1,315,372) of the Group's available for sale 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	
Company and Group	**2018 £**	2017 £	**2018 £**	2017 £
Brought forward	1,315,372	1,139,873	1,315,372	1,139,873
Additions	753,000	75,000	353,000	75,000
Disposals	(850,000)	—	(850,000)	—
Revaluation	5,150	100,499	—	100,499
Reclassified to listed (Curzon Energy Plc)	(603,000)	—	(603,000)	—
Impairment	(215,372)	—	(215,372)	—
	405,150	**1,315,372**	**—**	**1,315,372**

During the year the Group made an additional cash investment of £353,000 in Curzon Energy Plc (formerly Westport Energy Plc), which brought the value of its investment to £603,000 (2017: £250,000). This investment was held at cost until its shares were admitted to trading on Standard Listing of the LSE on 4 October 2017, since then it has been carried at observable market value.

The Group's investment in Direct Nickel Ltd was further impaired to zero value during the year. At 30 June 2017 it was carried at cost less impairment and valued at £215,372. There is currently no intention to dispose of this investment in the foreseeable future.

In the comparative year, the Group made a cash and share investment of £445,000 in Horse Hill Developments Ltd, that was further re-valued to £850,000. During the reporting period, all the shares in Horse Hill Developments Ltd. were sold.

During the reporting period, the Company's 100% owned subsidiary ESTEQ Limited invested £400,000 into shares of Whitecar Ltd ("Whitecar"), a company currently operating electric vehicle rental car services out of Heathrow and several UK locations; this represented 5.8% of Whitecar Ltd issued share capital at 30 June 2018.

Group	**30 June 2018 £**	30 June 2017 £
Financial liabilities		
Loans and borrowings		
Trade and other payables	296,753	401,634
Short-term borrowings	1,097,600	771,087
Total financial liabilities	1,394,353	**1,172,721**
Total current	**1,394,353**	**1,172,721**
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.

21.2 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 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
30 June 2017				
Available for sale financial assets at fair value through other comprehensive income				
– Quoted equity shares	128,332	—	—	128,332
– Unquoted equity investments	—	1,315,375	—	1,315,375

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	—	—	—	—
30 June 2017				
Available for sale financial assets at fair value through other comprehensive income				
– Quoted equity shares	118,485	—	—	118,485
– Unquoted equity investments	—	1,315,375	—	1,315,375

21. Financial instruments continued

21.3 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.

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 for 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 nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in note 15.

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, Papua New Guinea Kina and UK Sterling.

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

22. Reconciliation of liabilities arising from financing activities

	30 June 2017 £	Cash flows loan repayment £	Non cash flow loan funds transferred directly to MET JV escrow by the lender £	Non cash flow forex movement £	Non cash flow interest and arrangement fees accreted £	**30 June 2018 £**
Cuart and YA II PN loan to finance MET	—	—	1,060,343	9,719	27,537	1,097,600
YA II PN loan	771,087	(861,511)	—	(24,251)	114,675	—
	771,087	(861,511)	1,060,343	(14,532)	142,212	**1,097,600**

Significant non cash flow transactions

During the year a loan from a group of institutional investors in the amount of £1,060,343, net of arrangement fees of £146,156, (USD1,407,287 net of arrangement fees of USD192,713 in the original loan currency), was paid directly to the MET JV escrow account as Regency's share of investment into MET JV.

23. Operating lease commitments

On 5 April 2013, Red Rock Resources plc entered into a joint lease agreement with Regency Mines plc and Greatland Gold plc at Ivybridge House, 1 Adam Street, London WC2N 6LE. The lease was non-cancellable until 1 December 2017. The Company let the lease expire on 1 December 2017 and moved into new offices.

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		Company	
	2018 £	2017 £	**2018 £**	2017 £
Not later than one year	86,638	12,069	86,638	12,069
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	**108,388**	**12,069**	**108,388**	**12,069**

24. Significant agreements and transactions

Financing

- On 11 January 2018, the Company raised £1,050,000 through the issue of 190,909,090 new ordinary shares at 0.01p each at a price of 0.55 per share. Directors Andrew Bell and Scott Kaintz invested an aggregate of £100,000 cash in the strategic financing to acquire 18,181,818 shares. Each share issued had an attached warrant to subscribe for a further share at 1.0p. The warrants were issued with the Company being able to accelerate warrant conversion if the volume weighted average price of shares equalled or exceeded 3.5p for 10 consecutive days.
- Further to this, on 29 January 2018 Regency Mines announced that it had successfully closed an additional £100,000 fundraise through the Teathers mobile application, which was fully subscribed. 18,181,818 new ordinary shares of 0.01p each were issued under the fundraise at a price of 0.55p per ordinary share on the same terms as described in the announcement dated 11 January 2018.
- On 30 January 2018, the Company announced that it had repaid its convertible loan with YA PN Ltd. The final pay-out amounted to USD835,115. It included USD725,647 of principal and USD33,548 of accrued interest with a reduced pre-payment fee of 10%.
- On 6 June 2018 the Company announced that it had agreed to borrow gross proceeds of USD1,600,000 from institutional investors in order to fund a portion of its obligations under the MET coal joint venture. The loan will carry a 10% interest rate and be for an initial term of six months, subject to an implementation fee of USD96,000. A further six-month extension would be available for a 5% fee and if extended the loan may be converted by the noteholder at a fixed price equal to 130% of the 10 day VWAP prior to the date of the extension period. If extended beyond six months the loan is subject to a repayment schedule with payments to be paid in cash or shares at the discretion of the Company. If paid in shares the payment amounts will be convertible at the lower of the fixed price noted above, or a price equal to 90% of the lowest daily VWAP over the five trading days immediately proceeding the date of the relevant repayment date. The Company has the right to repay the loan at any time for a 3% redemption fee provided that the Company may only repay the loan if the stock is trading below the fixed price at the time of prepayment. The lender was also to receive three performance bonuses of USD50,000 if the Company's share price traded above either £0.008, £0.01 and £0.0125 for ten consecutive days.

24. Significant agreements and transactions continued

Sale of interests

- On 10 July 2017, the Company announced the sale of 1.9% of its interest in Horse Hill Developments Ltd, to UK Oil and Gas Plc ("UKOG") for total consideration of £323,000. £268,502 of the total was delivered in UKOG shares and the balance was a cash payment that was applied to Regency's proportionate share of outstanding Horse Hill cash calls. UKOG was also granted a right of first refusal for 18 months over Regency's remaining 3.1% stake in Horse Hill Developments Ltd. The sale was announced as completed on 24 August 2017.
- On 18 October 2017, the Company announced the conditional sale of the remainder of its 3.1% interest in Horse Hill Developments Ltd, to Alba Mineral Resources Plc ("Alba") for total consideration of £630,000. Of the consideration 50% was expected to be paid in cash, £315,000, and the balance in Alba shares at a price equal to the volume weighted average price of Alba shares in the 15 days prior to completion. On 29 November 2017, Regency Mines announced that it had completed the sale.

US metallurgical coal interests

- On 24 November 2017 the Company announced that it had paid a refundable advance of £34,800 giving the Company the option to buy the 80% balance of the Rosa Metallurgical Coal Mine owned by Carbon Minerals Corporation, that the Company did not currently own. Regency had a sixty-day period in which to carry out due diligence on the mine and complex. Should due diligence have proven favourable Regency would have been able to acquire the mine, wash plant and other property rights, rights of action, leases, licences, permits, shareholdings, and other rights including ownership of MCoal Corporation, the direct holder of the assets, for the sum of £250,000. This option was subsequently allowed to lapse.
- On 6 December 2017, Regency Mines plc announced that it had entered into a Memorandum of Understanding with Legacy Hill Resources Ltd for co-operation in structuring, financing and owning coal investments in the US. On 27 February 2018, Regency Mines plc announced the execution of a Joint Venture Agreement with Legacy Hill Resources. According to the terms of the agreement, LHR would own 30% of the JV initially and would subsequently contribute a further USD1m in cash. Regency was to contribute a further USD2m and equity contributions were capped at USD3m cash.
- On 6 June 2018, the Company announced that it had deposited USD2,000,000 in an escrow towards its joint venture funding and 47% holding of Mining Equity Trust. Mining Equity Trust is the limited liability company in and through which Legacy Hill Resources and Regency Mines hold their interests in the metallurgical coal joint venture. Regency agreed to borrow gross proceeds of USD1,600,000 from institutional investors to fund a portion of its obligations under the JV. The loan carried an interest rate of 10% and was subject to an implementation fee of USD96,000.

Curzon Energy Plc investment

- On 28 September 2017 the Company announced Curzon Energy Plc's intention to raise gross proceeds of £2.3m and to seek admission of its shares to the Standard Listing segment of the Official list to trade on the London Stock Exchange. Regency further announced its intention to follow its pre-IPO investment with a further £400,000 as part of the IPO fundraising.
- On 4 October 2017 Curzon's shares were admitted to trading on the London Stock Exchange and Regency received 6,467,500 new Curzon shares, including a 7% broking fee on its IPO subscription rebated in Curzon shares, and post IPO held a 8.91% stake in Curzon.

Battery and Storage Technologies Division (ESTEQ)

- On 14 November 2017, Regency Mines announced the creation of a new Battery and Storage Technologies Division. A new company, ESTEQ Limited, was formed to act as the vehicle for development of opportunities in the battery and storage technology sector.
- On 22 December 2017, ESTEQ agreed terms for an investment in the battery storage and technology space. An initial investment of £200,000 was planned in Whitecar Ltd, a company operating electric vehicle rental car services out of Heathrow and several UK locations. Following the initial investment, it was decided that ESTEQ will subscribe for a further £200,000 in February 2018 on the condition that Whitecar successfully closes a Crowdcube funding of at least £650,000. Initial investment gave ESTEQ 3.3% of Whitecar and a Regency representative joined the Whitecar board. On February 2018, ESTEQ had a fully diluted holding of 5.8% in Whitecar following the subsequent investment of £200,000.
- ESTEQ also committed to investing up to a maximum of £250,000 in developing a new project in energy storage and grid backup, under the name Allied Energy Services Ltd. The Company received 80% of the share capital of Allied Energy Services Ltd following its investment.

Change of broker

- On 1 November 2017 the Company announced the appointment of First Equity Limited as broker to the Company with immediate effect.

Change of registered office

- On 28 March 2018 the Company announced that its registered office had changed to Salisbury House, London Wall, London, EC2M 5PS.

25. Commitments

As at 30 June 2018, the Company had entered into the following commitments:

- Exploration commitments: Ongoing 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.

26. Pledged assets

- On 6 June 2018 the Company announced a USD1,600,000 loan had been agreed in order to fund Regency's commitments to the MET coal joint venture in the United States. As part of this loan facility the Company agreed to pledge the 470 shares of capital stock in Mining Equity Trust and to allow the shares to be held in escrow for the duration of the loan.

27. Related party transactions

- On 5 April 2013, Regency Mines plc, Red Rock Resources plc, where Andrew Bell currently is a Director, and Greatland Gold plc, where Andrew Bell previously was a Director, entered into a joint lease at Ivybridge House, 1 Adam Street, London WC2N 6LE. The total cost to the Company for these expenses during the year was £17,397 (2017: £121,046), of which £14,497 represented the Company's share of the office rent and the balance is services provided (2017: £60,523). The Company let this agreement lapse at expiration on 1 December 2017.
- 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 £42,200 (2017: £15,869). Of this, £13,376 was outstanding at 30 June 2018.
- The costs incurred by the Company on behalf of Red Rock Resources plc were £45,699 (2017: £44,646). Of this, £14,096 was outstanding at 30 June 2018.
- Related party receivables and payables are disclosed in notes 15 and 16, respectively.
- The Company held 9,084,760 shares (1.91%) in Red Rock Resources plc as at 30 June 2018 and at 30 June 2017.
- The key management personnel are the Directors and their remuneration is disclosed within note 8.

28. Events after the reporting period

- On 2 August 2018, Mining Equity Trust completed its purchase of the metallurgical coal operations at Cedar Bluff, Southwest Virginia of Omega Holdings LLC.
- On 19 October 2018 Regency announced that its 47% owned subsidiary MET had sold 44,020 tonnes of coal in September and had achieved total revenues of USD1.96m. For the ten months to June 2019 the Company announced forecasts of 691,192 tonnes of coal sales and revenues of USD30.5m.
- On 14 November 2018 Regency announced an update regarding its Mambare nickel-cobalt project in Papua New Guinea. Regency announced that it had reached a new framework agreement with its 50% JV partner, Direct Nickel Projects Limited, in which Regency consented to a change of control and anticipated a further change where DNi Projects would move its 50% JV interest into a separate special purpose vehicle. The parties further agreed that Regency would act as the main information hub of the JV and would be responsible for budgets and work programmes. All decisions on budgets, personnel, programmes and strategy would be taken jointly. Regency further announced that it had been approached by third parties interested in co-operating on the Mambare project.
- On 20 December 2018, Curzon Energy announced that it had suspended well testing operations at Coos Bay, and would conduct a comprehensive review of its strategy to determine the optimal way forward. Curzon indicated that it was considering joint venture partners for the project, and that the ultimate commerciality would only be determined through additional appraisal drilling. Curzon also announced that negotiations with Pared Energy regarding a potential multi-TCF Texas gas project were proceeding constructively.

29. Control

There is considered to be no controlling related party.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Regency Mines plc ("the Company") will be held at WeWork Waterhouse Square 138 Holborn, London, EC1N 2SW, Room 4A on 25 January 2019 at 9am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions in the cases of resolutions 1-4 and as a special resolution in the case of resolution 5.

Ordinary resolutions

1. To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 June 2018.

2. To re-elect Andrew Bell as a Director of the Company, who retires by rotation under the Articles of Association of the Company and, being eligible, offers himself for re-election.

3. To re-appoint Chapman Davis LLP as auditors of the Company to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine the remuneration of the auditors.

4. That in substitution for all existing and unexercised authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 ("the Act") to exercise all or any of the powers of the Company to allot equity securities (within the meaning of Section 560 of the Act) up to a maximum nominal amount of £50,000 provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire on the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of this Resolution, unless renewed or extended prior to such time except that the Directors of the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Special resolutions

5. That in substitution for all existing and unexercised authorities and subject to the passing of resolution 4, the Directors of the Company be and they are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 5 as if section 561(1) of the Act did not apply to any such allotment provided that the power conferred by the Resolution, unless previously revoked or varied by special resolution of the Company in general meeting, shall be limited:

   (a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective numbers of the ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory;

   (b) the grant of a right to subscribe for, or to convert any equity securities into ordinary shares otherwise than under sub-paragraph (a) above, up to a maximum aggregate nominal amount of £15,000;

   (c) to the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £25,000 in respect of any other issues for cash consideration;

and shall expire on the earlier of the date of the next Annual General Meeting of the Company or 15 months from the date of the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

If you are a registered holder of ordinary shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on a poll on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided.

This may be sent by facsimile transfer to 01252 719 232 or by mail using the reply paid card to:

The Company Secretary
Regency Mines Plc
c/o Share Registrars Limited The Courtyard
17 West Street
Farnham, Surrey GU9 7DR

In either case, the signed proxy must be received no later than 48 hours (excluding non-business days) before the time of the meeting, or any adjournment thereof.

Registered Office
Salisbury House
London Wall
London EC2M 5PS

By order of the Board
Stephen Ronaldson
Company Secretary
21 December 2018

Registered in England and Wales Number: 5227458

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by facsimile transmission to 01252 719 232; and
- received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

In the case of a member, which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority, under which the proxy form is signed (or a duly certified copy of such power or authority), must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Share Registrars Limited on 01252 821 390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited

The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by facsimile transmission to 01252 719 232. In the case of a member, which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority, under which the revocation notice is signed (or a duly certified copy of such power or authority), must be included with the revocation notice.

In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. As at 1 December 2018, the Company's issued share capital comprised 791,239,654 ordinary shares of £0.0001 each with voting rights. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 1 December 2018 is 791,239,654.

Communications with the Company

11. Except as provided above, members who have general queries about the Meeting should telephone Miss Rasa Vaitkute on 020 7747 9960 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

CREST

12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com).

The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: 7RA36) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

COMPANY INFORMATION AND ADVISERS

Directors
Andrew R M Bell
Chairman and CEO

Scott C Kaintz
Executive Director and COO/CFO

Edmund Sr Bugnosen
Non-executive Director

All of:
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71-91 Aldwych House
London WC2B 4HN

Telephone
020 7747 9960

Secretary
Stephen Ronaldson

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London Wall
London, EC2M 5PS

Website
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Auditor
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Solicitors
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Salisbury House
London Wall
London, EC2M 5PS

Nominated adviser
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Accountants
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Tax advisers
Cameron & Associates Limited
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Broker
First Equity Limited
Salisbury House
156 London Wall
London, EC2M 5QQ

Bankers
Coutts & Co
440 Strand
London, WC2R 0QS

Registrars
Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey, GU9 7DR

Registered number
05227458

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