

REGENCY MINES PLC ANNUAL REPORT AND ACCOUNTS 2015



Regency Mines plc is a small cap natural resources exploration and investment company listed on the Alternative Investment Market in London. The Company's focus lies on oil and gas and mineral investments, exploration and development, with current interests in Sudan, Australia, Papua New Guinea and the United States.



IN THIS REPORT

Strategic Report

- 02 Chairman's Statement
- 04 **Business Overview**
- 05 Resource Overview Project Overview
- Oil & Gas Exploration & Development 06
- 07 – Mineral Exploration
- Risks and Uncertainties 10
- Corporate Social Responsibility 10 and Health and Safety
- 11 **Board of Directors**

Governance

- 12 Directors' Report
- 15 Statement of Directors' Responsibilities
- 16 Corporate Governance Statement

Financial Statements

- 18 Independent Auditor's Report
- 19 Consolidated Statement of Financial Position
- 20 Consolidated Income Statement
- Consolidated Statement 21 of Comprehensive Income
- 22 Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows 23
- Company Statement of Financial Position 24
- Company Statement of Changes in Equity 25
- Company Statement of Cash Flows 26
- 27 Notes to the Financial Statements
- 52 Notice of Annual General Meeting
- 56 Notes
- Company Information and Advisers **IBC**











07 MINERAL EXPLORATION



Strategic Report // Chairman's Statement

A STRATEGIC SHIFT



SUMMARY

- 2014–15 a year of adjustment as commodity supercycle wanes
- Shift from mineral exploration to conservative and low-cost onshore oil and gas development
- Focus on value preservation and maximisation of current portfolio while adding new cash generative assets
- Significant reduction in overheads
 new lean organisational structure
- Asset disposals at Horse Hill and Ram Resources provide complementary funding



Our dealings in Ram and Alba as well as the Horse Hill consortium have been significant contributors to our business.



Dear Shareholders,

Overview

Regency Mines listed ten years ago in 2005 as a base metal exploration company focussed on nickel which would also actively seek mining finance and transactional opportunities. The latter, it was hoped, could give it greater stability through the exploration cycle and generate cash flow. The "commodity supercycle" created by demand from the industrialising economies and in particular China was at that time already under way; nickel prices had started to rise from their long-term trend levels in late 2003, and other metals followed in 2004.

The transactional opportunities came early for Regency and have become important again recently. Our dealings in Ram Resources Ltd, Alba Mineral Resources plc, and the Horse Hill oil exploration consortium have been significant contributors to our business with timelines and cost structures very different from and complementary to traditional exploration activities.

On the other hand, base metal exploration projects and related technology investments such as Direct Nickel Ltd have been a drain on our resources and difficult to progress as the natural resource markets declined. This despite high quality and often successful exploration work over the years, including the definition of a major nickel mineral resource at Mambare in Papua New Guinea and significant progress exploring for potash and phosphate in Sudan. Sudan in particular constituted the majority of the low-cost exploration undertaken in the year to 30 June 2015.

In 2015 we can see that a new supply-demand balance has been established and bottlenecks in supply no longer exist. The commodity supercycle appears over. Nickel, as it was the first to move on the way up, has been the first to retreat to a price which looks much like a continuation of the pre-2003 long-term price trend. Demand for stainless steel, into which two thirds of nickel will go, can be expected to show steady growth, but the shortages that drove high prices and drove technical innovation seem less likely today.

In the circumstances we have felt it prudent to take an impairment on our investment in nickel technology company Direct Nickel Ltd, reducing its carrying value from £4,188,415 to £762,439, as well as impairments on our various exploration tenements.

While endeavouring to retain assets with long-term value and those with established resources, the Company's emphasis remains,



The Company's emphasis remains on generating cash flow and returns for investors whether from sales or from the development of revenue producing assets.



as last year, on generating cash flow and returns for investors, whether from investment sales or from the development of revenue-producing assets. The Horse Hill investment last year led to no less than thirteen public announcements as the well was drilled and results assessed, and dominated discourse on the Company for a while, raising the profile of the business. It was subsequently disposed of when it became evident from the results that development of the project would not lead to a short-term production asset. To have kept it because it could possibly have turned into something different, with uncertain cash inflows hoped for in the long term but further substantial cash outflows very certain in the short term, would have been an unjustifiable abandonment of our investment rationale and would have been to adopt a much more aggressive and higher risk profile than we were comfortable with.

The emphasis on cash flow has had another consequence, with the majority of overhead costs having been eliminated in a programme which has been taking effect in stages since the year end. Geology and finance services will from now on be provided on an outsourced as-needed basis with little to no recurring fixed costs. Office costs have been reduced and are



Careful management of existing portfolio assets will aim at preserving and maximising value while restricting holding costs wherever possible.



expected to be further reduced by sub-letting excess space. Both administrative costs in London and the overseas costs of maintaining assets remain under constant review to ensure that they remain proportionate and justifiable to our shareholders.

The Company has been seeking further opportunities for taking participation interests in low cost onshore oil production that can match our current investment criteria. In furtherance of this Regency has formed close working relationships with prospective long-term partners, and some projects are already at an advanced stage of discussion with more news expected.



Today Regency has the opportunity to redefine its identity as a company engaging in transactional cash generative opportunities.



Discussion of the Results

The increase in loss for the year before taxation, from £1,515,447 to £5,888,742 is due primarily to the decision to impair the carrying value of the Direct Nickel holding by £3,425,976. The impairment level suggested by the accounting standard accords with the view of Regency's management. Direct Nickel is significantly impacted by the decline in the nickel price and a reduced appetite for technical innovation in the sector.

This impairment would account for the whole of the increased loss but for the different impacts of the sale of the Fraser Range tenements into Ram Resources Ltd (ASX:RMR) ("Ram"), and subsequent disposals of Ram stock, in each year. What is shown in the 2015 accounts is a loss on disposal of Ram stock. against a gain on the sale of tenements in the previous year. Taking the two together the underlying reality is that tenements with a total cost to Regency of AUD97,641 are today represented by AUD742,952.38 proceeds from sales of Ram stock, a 4% carried interest in the tenements which Regency can convert to AUD200,000 value of Ram stock, and 59,516,530 retained Ram shares with a current market value of approximately AUD119,033, plus a retained royalty.



The investment in and subsequent sale for £300,000 of the interest in Horse Hill gave rise to an £83,900 loss, included under exploration expenses. The underlying picture is clearer when one takes into account that as a result of the co-investment in Horse Hill with Alba Mineral Resources plc ("Alba"), the Alba price rose and Regency was able during the period to realise a profit on sale of investment of £131,756 from selling a holding previously carried at £48,821, and that Regency was also able to raise £447,700 before expenses in September 2014 at a price per share approximately double that achieved four months earlier and before investing in Horse Hill.

Administrative expenses are shown as rising as a result only of the inclusion of exchange losses within this heading, since these losses on translation rose to £217,934 from £41,126 in the previous year as a result of the strength of sterling over the period.

Prospects

The Company continues to focus on the identification and pursuit of cash flow generative opportunities in the onshore oil sector, and has made considerable progress since the end of the financial year.

The Company made an opportunistic and successful application for a major asset,



The necessary and often painful preparatory steps have been taken and we expect to move decisively going forward.



the low cost 555km2 licence at Motzfeldt in southern Greenland, which hosts what is believed to be the world's largest known tantalum resource, with a JORC Resource so far identified of 340m tons Ta2O5 at 120ppm, as well as resources of zirconium and niobium, and potential for other minerals. This, and an interest in a planned graphite mine development at Halberts in Western Australia, represent further potential transactional opportunities where the Company, through its continuing discussions, will seek greater liquidity for its interests. The holding in and conversion rights into Ram are considered a non-core asset where further value may be extracted.

Careful management of existing portfolio assets will aim at preserving and maximising value while restricting holding costs wherever possible.

Today Regency has the opportunity to redefine its identity as a company engaging in transactional and cash flow-generative opportunities, which is also a return to its roots at listing. For that purpose it must de-emphasise its back catalogue where appropriate in order to present a new clear and focussed identity that will be attractive to both current and future investors. The necessary and often painful preparatory steps have been taken over the past year, and we expect to move decisively going forward. We look ahead to announcing more detail on these plans and developments.

And noten

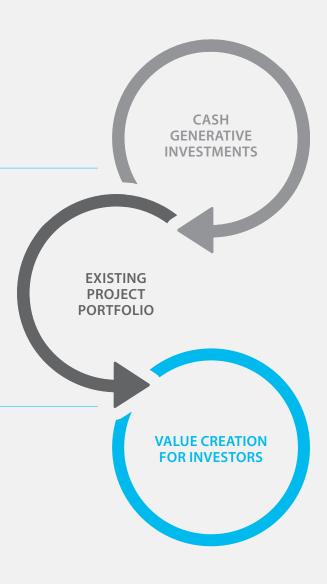
Andrew Bell Chairman and CEO 20 November 2015

Strategic Report // Business Overview

RGM BUSINESS MODEL

Regency Mines plc seeks to use its financial and technical skills to leverage and exploit opportunities in the natural resource space.

Regency Mines plc follows a long-term corporate strategy designed to create value for shareholders throughout all phases of the commodity cycle. Regency seeks to identify, develop, transact, and realise value from its projects at multiple stages of development with a strong emphasis on cash generative opportunities.



Financial Overview

The financial activities of the Company have been focused on securing funding for the Group and reducing debt. During the year, £1,049,765 of new equity was raised and current liabilities reduced from £991,690 to £688,675.

Key Performance Indicators

As the Company is traditionally a pure exploration business with no production or proven reserves, the Directors take the view that KPIs would not provide materially useful information to investors at this time. As the business develops further the addition of KPIs will be considered as appropriate.

Strategic Report // Resource Overview

MARKET INSIGHT

Oil & Gas Market Insight

If one looked at the pre-1970s long term trendline, to which oil usually returned, and at the price at which a lot of infrastructure was installed, one might conclude that the world could live with USD25 oil, and therefore might return there. However, in the 1970s oil became political, and since then its share of the energy mix has declined, while that taken by nuclear, gas, coal and unconventional energy sources has increased. These alternatives have also come to be affected by increasing political pressures, either promoting or discouraging their use, and some of them, including gas infrastructure investment and transport, have assumed or require high prices. It is possible that the rule whereby regulation generally increases cost may apply, and possible too that further declines in the oil price would produce an increase in oil's share in the energy mix. This may limit oil's potential for further price decline.

Regency is interested in oil projects that are onshore, close to infrastructure, with low cost and low geological risk, where participation and expenditure costs have come down, and where early cash flow can be achieved. When a project ceases to meet these criteria, it is disposed of. Following last year's participation in an onshore well in the UK, the Company has been focussed on project opportunities in the U.S..



Nickel Market Insight

Nickel was one of the first metals to react to increased Chinese demand at the start of the "global commodity supercycle" in late 2003, and rose from the USD5,000 to USD10,000 per ton range in which it had traded for nearly a decade and a half to hit an early peak of nearly USD50,000 per ton in 2007. It then declined very sharply, recovered to nearly USD28,000 in 2010, and in common with other commodities has drifted lower since, with an acceleration in the last year, where it has declined over 45% to under USD9,000 a ton. It is therefore the first major metal to return to its historic long-term trend level. The equivalent moves would be a return to USD3,000 a ton

for copper, USD20 a ton for iron ore, or USD300 an ounce for gold.

Nickel may have little scope for further decline, and this can be said with greater confidence than for some other metals. There may be scope for early improvement in price. Two thirds of nickel goes into stainless steel, which has seen a long term trend of demand growth at about 5.6% since 1980, and a growth trend is likely to resume. Regency will retain its nickel assets where this can be done without excessive cost, but with a view to the transactional possibilities rather than to exploration.



Agromineral Insight

Agromineral prices have been stable in the last year, albeit at prices below 2011-2013 levels. Regency became involved in agrominerals exploration because prices tend to be uncorrelated with the prices of the base metal commodities that Regency had traditionally targeted, and so diversified risk. The Food and Agricultural Organization of the United Nations ("FAO"), estimates that world food production will need to rise by 70% to meet the demand of the global population growth forecasted by 2050. If these predictions are correct, the importance of discovering new resources of phosphate, gypsum and potash, in particular to serve the growing populations of Asia where these commodities are in short supply, will become critical.

Others

Some minerals used in the electronics industry have shown relative price resilience, and Regency has some exposure to this sector. The Company holds what is believed to be the world's largest tantalum deposit in its licence at Motzfeldt, Southern Greenland, which also has niobium and rare earth potential. The Company also has an interest in a high grade graphite project, including a former producing mine, in Western Australia.

Strategic Report // Project Overview

OIL & GAS EXPLORATION & DEVELOPMENT



U.S. OIL DEVELOPMENT OPPORTUNITIES

As of Q4 2015 the Company announced its intentions to work with American Resources Inc, a Texas based oil and gas development firm to identify and develop opportunities in the Southern United States. The joint strategy will be to exploit underdeveloped assets through infield drilling, reworks, remediation and optimisation as well as secondary recovery techniques. The initial project identified is at North Francitas in Jackson and Matagorda Counties, Texas, with additional opportunities under consideration. The Company's view is that conservative current and near-term production oil and gas assets with further development potential represent the ideal investment target at this point in the commodities cycle. Located in safe commercial jurisdictions such as the United States these opportunities offer near-term cash generation potential with returns that remain attractive amidst low oil prices. More information on these developments will be released in due course.

(i) KEY FACTS

- Cooperation agreement with American Resources to target and exploit underdeveloped oil and gas investments in the United States
- Strategy to find current and near-term production assets in safe commercial jurisdictions
- Techniques to include infill drilling, reworks, remediation and secondary recovery techniques
- RGM option to take 50% Working Interest/37% Net Revenue Interest in North Francitas Project
- Addition of salt water disposal capabilities no new drilling required
- Field models indicated initial production of 50-80 barrels of oil per day expected
- Robust economics project a 60% IRR and short payback period
- Near term cash generation potential for RGM

West Virginia

Regency retains an option to participate in a shallow-oil development project in West Virginia in the United States. The investors and operator have jointly agreed to delay initiation of this project due in large part to ongoing oil price volatility. Given the nature of such projects where a large percentage of total oil to be recovered can be expected in the first six months of production, the stakeholders feel that selling this initial production at current oil prices could materially impact overall project economics. As a result the project remains on hold as the operator looks for options to reduce costs while prices stabilise. While delays are disappointing the Company feels strongly that maximising potential returns on this investment are clearly in the best interests of shareholders.

Project Development Plan

The concept behind the West Virginia project is to identify and develop wells using open hole notch fracking ("OHNF") from up to 85 shallow oil fields containing over 2,000 wells originally drilled in West Virginia between 1860 and 1920. Original work on these fields was done with cable tool rigs using what would now be considered antiquated completion methods including shock completion and spring pole techniques, with little or no ability for secondary recovery. As a result of historic work, the operator believes that a majority of the original oil remains in place to be recovered. New wells will be drilled 500ft away from the historic well sites, based on experience with similar projects in Pennsylvania.

To date, two prospects, called Border and Mellin Ridge in Ritchie County, WV have been generated by Carter Oil and Gas, a Virginia based prospect generating company. Leasing and permitting for the initial wells has been completed and drilling awaits stakeholder approval to proceed.

Investment Summary

A 25% working interest ("WI") in the initial two wells to be drilled and operated by Abarta Oil & Gas Co. has been secured by Regency Resources Inc., a 100% owned subsidiary of Regency Mines Plc. The WI is equivalent to not less than 20.25% Net Revenue Interest ("NRI") as specified under the investment agreement. The remaining 75% working interest is to be held by various investors including a 25% stake by Abarta Oil & Gas Co.

MINERAL EXPLORATION



(i) KEY FACTS

- Three Block areas prospective for phosphate, potash, gypsum and lithium in stable areas of the Republic of the Sudan
- Four phosphorus geochemical anomalies identified at the Jebel Abyad Block with elevated phosphorus concentrations. Strong geological links with prolific phosphate mine trend
- Historical oil well records indicate four "potassium-rich" salt horizons may be present in the Red Sea Block, interpreted to include potash minerals polyhalite and sylvite
- Jebel Abyad and Red Sea Blocks expanded to include additional prospective areas

Agromineral Exploration **Sudan**

Sudan

Regency holds the right to farm-in up to a 51% interest in the concession holder, International Mineral Resources (Agrominerals Sudan) Ltd ("IMRAS"), by exploration leading to the development of two JORC resource estimates. The IMRAS concession agreement is comprised of three agromineral prospective blocks across Sudan.

The Jebel Abyad Phosphate Project (Block PHOS 7)

Jebel Abyad Block Phos 7, prospective for phosphate, is located in the stable Northern State of Sudan. Jebel Abyad's geology is interpreted to represent an embayment of the Tethys Ocean and is stratigraphically and lithologically similar to other South Tethyan Phosphorite Province ("STPP") phosphate deposits, a globally significant phosphate source. The block was recently extended to its current size of 31,406km², based on on-site exploration work and remote sensing studies.

In 2015, Regency conducted a stream, soil and rock chip sampling programme to develop and test ASTER spectral analysis anomalies generated in 2014. Results from stream sediments samples indicate four zones with elevated phosphate concentrations (up to $1.8\%\ P_2O_5$) within the block, which may indicate phosphate beds upstream of the sample location.

The Red Sea Potash Project (Block RS 9)

Block RS 9, recently expanded to 499km², is situated on the Red Sea coastline in northeast Sudan, 200km north along a coastal highway from the major port facilities of Port Sudan. Prospective for potash, gypsum and lithium, the coastal geology forms part of the Red Sea rift system, known for large potash deposits, such as the Colluli Potash Project in Eritrea and the Danakil Potash Project in Ethiopia.

Historic petroleum drill records directly south of the block contain geophysical signatures which suggest four potash salt horizons, interpreted by specialist consultants to potentially be polyhalite and high grade sylvite style potash minerals. Recent mapping, trenching and ground geophysics indicate five areas are prioritised for further assessment.

STRATEGIC INVESTING

Understanding the region and market

Sudan

Prior to the independence of South Sudan in 2011, Sudan's exploration activities for natural resources focussed mainly on oil and gas. As an underexplored country with great mineral potential, the Sudanese government is now actively promoting and encouraging investment from Western exploration companies in an attempt to diversify and expand the country's industry and economy.

Strategic Report // Project Overview

MINERAL EXPLORATION CONTINUED

Motzfeldt Project, Greenland

Location and Geology

The Motzfeldt licence is located on the seasonally ice free tip of southern Greenland, within 30km from an international airport at Narsarsuaq. The project is readily accessible year round by direct flights from Europe and has immediate deep water access.

The Motzfeldt Centre represents part of the Igaliko Alkaline Complex which consists of several igneous intrusions within the Proterozoic Gardar Province. The syenite and nepheline syenite rock units of the Motzfeldt Sø Formation host the pyrochlore mineralisation targeted by the Company. Mineralisation at Motzfeldt comprises of microsyenites that have been exposed to intense hydrothermal alteration (albitic, hematitic and silicic).

Aries Resource

The licence area contains one of the world's largest known niobium tantalum deposits, as defined in a Mineral Resource Estimate calculated by SRK Consulting (UK) Ltd in April 2012 on behalf of RAM Resources Ltd. The estimate was generated on the Aries Prospect using data from 21 drill holes, comprising nine drilled in 2001 by Angus & Ross plc, and 12 drilled by RAM Resources Ltd in 2011 and 2012. There is potential to increase the resource to the south, east and west, based on surface

Commodity	Ta ₂ O ₅	Nb ₂ O ₅	ZrO ₂	TREO	U	Th
Grade (ppm)	120	1,850	4,600	2,600	70	120
Product (t)	40,800	629,000	1,564,000	884,000	23,800	40,800
Tonnage (Mt)	340		-		-	-

Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and any resultant apparent errors are not considered to be material (SRK Consulting (UK) Ltd, April 2012). Based on a cut off operating cost value of USD60 per tonne.

and cliff sampling results that demonstrate the continuation of mineralisation along strike and possible repetition in overlying layers.

Exploration Potential

Motzfeldt is located in the same geological province (Gardar Province) and less than 50km from two world class multi element deposits, the Kvanefjeld and Kringlerne deposits, demonstrating the proven potential of the region's geology.

In addition to the resource at the Aries Prospect, nine other exploration targets and anomalies have been identified in the licence area, all of which warrant further ground investigation. The targets, prospective for niobium, tantalum, zirconium and rare earth elements, have been identified by the presence of radiometric anomalies and surface sampling. During the summer of 2015, Regency sponsored a group from University of St Andrews to sample and geologically map one of these targets with results expected later in the year.

(i) KEY FACTS

- 555km² licence (2014/01) 100% held by Regency Mines plc
- Licence area contains one of the world's largest undeveloped niobiumtantalum deposits:
- JORC Inferred Mineral Resource
 Estimate of 340Mt at 120ppm Ta₂O_s,
 4,600ppm ZrO₂, and 1,850ppm
 Nb₂O_s, with additional REE credits
- Vast exploration potential nine multielement targets ready for testing
- 35-50km along trend from the Kringlerne and Kvanefjeld Projects, which are considered to be among two of the world's largest undeveloped REE deposits



(i) KEY FACTS

- Developer of DNI process for processing nickel laterites
- Uses nitric acid as leaching agent

 largely recovered and recycled

 (95%+)
- Low capex and opex with valuable by-product credits
- Partnering with PT Antam to build first ever commercial scale DNI plant in Indonesia
- Backed by multiple blue chip investment partners
- Secure patents and IF

Direct Nickel Ltd (DNi)

Regency's joint-venture partner in Oro Nickel, Direct Nickel Ltd ("DNi"), are responsible for developing the DNi Process – a revolutionary hydrometallurgical process for extracting nickel from laterite deposits. Believed to be the first process capable of treating the full laterite profile and developed over eight years, the DNi Process has low capital and operating costs, reduced set-up time, and is fully scalable.

A commercial scale test plant was set up in Perth in 2013, which included all key process unit operations in the flow sheet and operated at one tonne per day for a year to prove the technology at scale. DNi have since partnered with PT ANTAM in Indonesia to develop the first-ever commercial DNi Process Plant, backed by multiple blue chip investment partners. A feasibility study for the new plant has been initiated alongside the formation of a new corporate entity, PT Nikel Halmahera Timur ("NHT"), to oversee the process. Direct Nickel's local 80%-owned subsidiary, PT Direct Nickel, holds a 50% interest in NHT.

Direct Nickel is currently focussing considerable efforts into marketing their technology to potential end users in China, Korea, Japan, Taiwan and Europe. Meanwhile, Direct Nickel is also making inroads into the Philippines and is looking at project opportunities there and elsewhere.

Regency has a 6.78% stake in DNi and a 50% direct stake in Oro Nickel (Vanuatu) Ltd which is licensed to use the DNi Process at Mambare.

6.78%

Regency holds 6.78% of Direct Nickel Ltd, developer of the revolutionary DNi Process.

Papua New Guinea

Investment

Regency Mines plc has a joint venture with Direct Nickel Ltd where each company holds 50% of Oro Nickel (Vanuatu) Ltd, the 100% licence holder of EL1390. The project is licensed to use Direct Nickel's revolutionary nickel laterite treatment process.

Geology

The weathered ultramafic bedrock has formed significant layers of nickel and cobalt bearing lateritic and sap-rolitic material which is overlain by volcanic ash up to about 6m thick.

History

Between 1960 and 1971 there were five exploration phases by five different operators totalling 240 auger holes, 56 test pits and one costean. In 1999, Anaconda Nickel Inc. conducted data compilation and evaluation.

The activities undertaken by Regency Mines from 2006 to the present day include:

- Resurveying, resampling and relogging of previous pits and holes
- 477 core holes, 57 auger holes, 45 wacker holes and five test pits
- Ground magnetometer surveys
- 87km ground penetrating radar survey

- · Airborne magnetics and radiometrics surveys
- · Satellite topographic surveys

Development Potential

Joint-venture efforts are currently focussed on examining options to take Mambare forward to maximise its potential, including discussions with possible project partners. EL1390 could potentially hold one of the world's largest nickel laterite deposits and only ~3% of the 80km² plateau (the main target) has been tested by drilling to date. The project is licensed to apply Direct Nickel's revolutionary nickel laterite treatment process and the pairing of significant scale and low-cost processing makes a highly compelling value proposition to investors.

Lake Trist

In 2014, Regency applied for an additional nickel laterite project in Papua New Guinea – a 1,284km² licence (ELA2323), still pending. The project has a historic (non-compliant) inferred resource of 70Mt at 0.68% Ni (grades up to 1.68%) and considerable potential for resource expansion. With the licence located just 15km from the coast and 75km from the major port city of Lae, the potential for Direct Shipping Ore of nickel is being reviewed and may be desirable to parties that have been affected by Indonesian supply disruptions.



(i) KEY FACTS

- Mambare Nickel-cobalt laterite deposit in eastern Papua New Guinea
- JORC Resource of 162.5 million tonnes ("Mt") at 0.94% Ni and 0.09% Co (1.53Mt of contained nickel)
- 256km² licence held through 50% JV Oro Nickel (Vanuatu) Ltd (nickel, cobalt) – EL1390
- Licence under application for Lake Trist nickel laterite project – Non-compliant historic resource of 70Mt at 0.68% Ni



(i) KEY FACTS

- RGM Fraser Range tenements vended into Ram Resources Limited (ASX:RAM) in 2013
- Regency retains 4% carried interest in the project and a 5.65% direct interest in Ram
- Ram has three Fraser Range projects: Fraser Range, Fraser Range North and Fraser Range South
- Adjacent projects include Sirius Resources' Nova deposit – Western Australia's largest base metals discovery in recent years
- Further drilling and ground geophysics planned

Ram Resources Investment

Investment

Ram Resources Limited is an Australian public company with a portfolio of high quality exploration projects in the Fraser Range belt in Western Australia. The Fraser Range belt is highly prospective for world-class deposits such as the massive nickel-copper discovery recently made by Sirius Resources at Nova-Bollinger. Ram's Fraser Range projects include Fraser Range, Fraser South and Fraser Range North.

Regency retains a 4% interest in the Fraser Range project plus royalty interest and a 5.65% interest in Ram Resources Ltd.

Geology

The Fraser Range projects are concentrated along the highly prospective margin between the Yilgarn craton, which covers most of the southern part of Western Australia, and the Albany-Fraser metamorphic terrane lying to the south and southeast.

Regional Projects

AngloGold Ashanti's Tropicana gold discovery lies to the northeast of Ram's ground, while

Sirius Resources' massive Nova nickelcopper discovery is located just 20km east of Ram's Fraser Range tenements. These discoveries opened up the Fraser Range area for exploration and created a great deal of excitement about the potential of the region, with the performance of some participants attracting significant industry attention.

Exploration

Ram has completed geophysical and geochemical analysis and aircore drilling at Fraser Range, identifying numerous targets which have been prioritised for further assessment for both gold and base metals.

Recent RC drilling at Fraser Range South intersected sulphides and confirmed the geological setting as an Igneous Complex within the Fraser Range Zone. Downhole electromagnetics are planned to test for additional conductors. Other anomalies remain to be tested by ground electromagnetics and drilling.

Strategic Report // Risks and Uncertainties, Corporate Social Responsibility and Health and Safety

MANAGING OUR BUSINESS

The principal risks facing the Group and Company are set out 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.



KEY RISKS

- General economic and market risks
- Funding risk
- 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.

General Economic and Market Risks

- Adverse movements in the equity and share markets in the United Kingdom and throughout the world
- Contractions in world economic growth and reduced expansion rates in China and other key natural resource markets impacting overall demand for natural resources
- Adverse changes in market sentiment towards the natural resource development industry generally
- Currency exchange rate fluctuations and, in particular, the relative prices of the UK Pound to foreign country currencies the Company operates in

Funding Risk

 The Group or the companies in which it has invested may not be able to raise sufficient funds to enable completion of planned exploration, investment and development projects

- Commodity and sector risk
- Exploration and development risks

Commodity and Sector Risk

- Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Company
- Achieving project disposals and finding buyers for the Group's assets may be difficult to achieve during periods of sector downturn

Exploration and Development Risk

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral or petroleum resources, recovery and production rates and capital and operating cost fluctuations
- Success in identifying economically recoverable reserves can never be guaranteed
- The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects
- The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country

CORPORATE SOCIAL RESPONSIBILITY

Engaged and Committed

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 CSR ("Corporate social responsibility") policy that aims to align exploration and investment activities with the expectation of local stakeholders in relation to environmental, economic and social impacts. As an explorer, Regency's impact on local communities is the most significant area of focus. The firm's CSR framework places 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 potential 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 world-wide.

Strategic Report // Board of Directors

CAPABLE AND SYNERGISTIC



Andrew Bell MA, LLB, FGS
Chairman and CEO

Andrew Bell began his career as a natural resources analyst at Morgan Grenfell & Co. in the 1970s. His business experience encompasses periods in fund management and advisory work at leading financial institutions, international corporate finance work and private equity. Andrew Bell's listed company directorships are Red Rock Resources plc (Executive Chairman), Greatland Gold plc (Non-executive Chairman), Jupiter Mines Limited (Non-executive Director) and Star Striker Limited (formerly Resource Star Limited) (Non-executive Chairman).



Scott Kaintz BS, MBA Executive Director and COO

Scott Kaintz began his career as a U.S. Air Force intelligence officer working across Europe, the Middle East and Central Asia. More recently he held managerial roles in the defence industry and worked in corporate finance and investment funds in London, focussing primarily on capital raising efforts and debt and equity investments in small-cap companies. He joined Regency Mines plc in 2011 in a Corporate Finance role and has subsequently become an Executive Director where he works to identify, evaluate and source funding for natural resource development projects. Scott has MBAs from London Business School in London and Columbia Business School in New York.



Edmund Bugnosen BSc Non-executive Director

Edmund Bugnosen studied Mining Engineering at Adamson University in the Philippines and Environmental Science at the International Institute of Hydraulics and Environmental Engineering in Holland. He started his mining career as exploration and mine engineer for mining companies in the Philippines. He also served the governments of the Philippines, Papua New Guinea and Namibia in various roles. He has practical experience in obtaining mining rights and establishing local mining companies in these countries. For over a decade, Edmund has been based in London as a consultant for governments, mining companies, NGOs and development agencies, including the UN, UNIDO, the World Bank, the EU, ILO, DFID, and the BGS. He has published and presented papers on mining laws and regulation, small-scale mining and related environmental, social and development issues.

Governance //

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Group and Parent Company, together with the Group financial statements for the year ended 30 June 2015.

RESULTS AND DIVIDENDS

The Group's results are set out in the Group Income Statement on page 20. The audited financial statements for the year ended 30 June 2015 are set out on pages 19 to 51.

The Group made a loss after taxation of £5,888,742 (2014: £1,508,812). The Directors do not recommend the payment of a dividend.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

FUNDRAISING AND SHARE CAPITAL

During the year, cash of £1,049,765 (2014: £1,212,805) was raised by the issue of new equity of 577,587,639 (2014: 369,352,851) 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 Julian M E Lee (resigned 30 September 2015) John Watkins (resigned 15 September 2015)

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2015 were as follows:

	Ordinary shares			As percentage of issued
	Direct	Beneficial*	Total	share capital
Andrew R M Bell	18,847,914	31,048,003	49,895,917	2.43%
Edmund Sr Bugnosen	200,000	14,089,203	14,289,203	0.70%
Scott C Kaintz	421,053	14,100,399	14,521,452	0.71%
Julian M E Lee	0	19,708,256	19,708,256	0.96%
John Watkins	4,150,000	14,100,399	18,250,399	0.89%

^{*}Each Director indirectly holds 14,100,399 shares held by the Share Incentive Plan Trustees apart from Ed Bugnosen who holds 14,089,203 shares, held by the Share Incentive Plan Trustees. In addition, Julian M E Lee holds 5,607,857 shares through HSBC Global Custody Nominee (UK) Limited and Andrew R M Bell has 16,947,604 shares held by Brewin 1762 Nominees Limited.

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are set out in note 25 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

In addition to those Directors whose interests are set out on page 12, the following were registered as being interested in 3% or more of the Company's ordinary share capital on 30 June 2015 and 26 October 2015:

	30 June	2015	26 October 2015	
	Ordinary shares of £0.0001 each	Percentage of issued share capital	Ordinary shares of £0.0001 each	Percentage of issued share capital
Barclayshare Nominees Limited	264,409,752	12.88%	296,055,692	11.85%
TD Direct Investing Nominees (Europe) Limited (excluding				
Reiner Rensch shares) – Designation SMKTNOMS	253,473,907	12.35%	257,751,499	10.32%
Regency Mines Share Incentive Plan	164,771,056	8.03%	164,771,056	6.60%
Yorkville Advisors (through JIM Nominees Limited)	139,164,318	6.78%	-	-
Reiner Rensch (through TD Direct Investing Nominees (Europe) Ltd)	96,000,000	4.68%	96,000,000	3.84%
HSDL Nominees Limited	95,097,276	4.63%	100,243,623	4.01%
Hargreaves Lansdown (Nominees) Limited – Designation "HLNOM"	75,457,496	3.68%	75,158,283	3.01%
SVS (Nominees) Limited	_	_	292,114,364	11.70%
SVS Securities (Nominees) ISA Limited	_	_	112,481,032	4.50%
TD Direct Investing Nominees (Europe) Limited – Designation SMKTISAS	_	-	75,616,586	3.03%
Total shares in issue	2,052,990,373		2,497,434,973	

MANAGEMENT INCENTIVES

In prior years, the Company has granted options over ordinary shares for the benefit of Directors and senior members of staff, none of which remain outstanding at 30 June 2015.

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

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

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

Further details on share options and Share Incentive Plan are set out in note 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 2015 are set out in note 7 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 4.87% interest as at 30 June 2015. Red Rock Resources plc has 1.65% interest in the Company as at 30 June 2015. Two Directors, Andrew Bell and John Watkins, 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

Corporate governance statement follows on pages 16 to 17.

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.

Governance //

DIRECTORS' REPORT CONTINUED

ENVIRONMENTAL RESPONSIBILITY

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

EMPLOYMENT POLICIES

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

HEALTH AND SAFETY

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

GOING CONCERN

The financial report has been prepared on the basis of a going concern.

The consolidated entity incurred a net loss before tax of £5,888,742 during the period ended 30 June 2015, and had a net cash outflow of £1,005,030 from operating and investing activities. The consolidated entity continues to be reliant upon completion of capital raising for continued operations, the provision of working capital and for the repayment of the £294,990 interest bearing loan due for repayment in December 2015, and January 2016. Whilst the Directors have instituted measures to preserve cash and secure additional finance, these circumstances create material uncertainties over future trading results and cash flows.

The Group's cash flow forecast for the 12 months ending 31 December 2016 highlights the fact that the company is expected to generate negative cash flow through that period. The Board of Directors are evaluating all the options available, including the injection of funds into the Group during the next 12 months, and are confident that the necessary funds will be raised in order for the Group to remain cash positive for the whole period.

The Company has in August 2015 announced the raising of £200,000 through a share placing of 444,444,600 ordinary shares. The Directors feel that a sizeable fundraising associated with a current or new project development plan will be the most likely scenario at this time.

In addition, the Group has further implemented plans to minimise its cash outflows by reducing its fixed costs and overheads by such measures as staff reductions both in the form of redundancies and natural employee attrition, as well as minimising marketing costs and other office and corporate expenditure. The decision was made during the year to close the geology and accounting departments and instead to rely on outsourced contractors on an ad hoc basis to perform residual functions, giving the Company a much lower level of fixed costs and much greater operational flexibility. The Group's income has traditionally arisen from the provision of management services and in 2015 this is expected to grow from additional rental income from subletting unneeded office space. As of H2 2015 the business strategy has been altered to include the identification and development of oil and gas projects with near-term cash generative potential. At the time of this note several projects were under consideration with negotiations underway on one in particular in the United States. A successful investment of the type being considered has the potential to begin to generate reliable cashflows to the Company in the first half of 2016 and ultimately has the potential to cover ongoing Company overheads.

If additional equity capital is not obtained, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. The Directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern. Nevertheless after making enquiries, and considering the uncertainties described above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

By order of the Board

Andrew Bell Chairman and CEO 20 November 2015

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.

Governance //

CORPORATE GOVERNANCE STATEMENT

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

ROLE OF THE BOARD

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

RESPONSIBILITIES OF THE BOARD

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

BOARD OF DIRECTORS

The Board of Directors currently comprises three Directors, two of whom are Executive Directors as of the year end; of these, one is Executive Chairman and Chief Executive Officer. There is one Non-executive Director, being Edmund Bugnosen.

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

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

EXECUTIVE CHAIRMAN

The Board acknowledges that, in having an Executive Chairman who is also the Chief Executive Officer, best practice is not being followed. However, it is the opinion of the Board as a whole that the current arrangements are appropriate to the Company and Group at this stage of development.

BOARD MEETINGS

The Board meets regularly throughout the year. During the year ended 30 June 2015 the Board met six times in relation to normal operational matters.

BOARD COMMITTEES

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

Audit Committee

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

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

Remuneration Committee

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

Nominations Committee

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

ETHICAL DECISION MAKING

Confidentiality

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

Bribery

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

INTERNAL CONTROLS

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

INSURANCE

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

TREASURY POLICY

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

SECURITIES TRADING AND SHARE DEALING

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

RELATIONS WITH SHAREHOLDERS

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

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

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

INDEPENDENT AUDITOR'S REPORT

to the members of Regency Mines plc

We have audited the financial statements of Regency Mines plc for the year ended 30 June 2015 which comprise the Consolidated and Company Statements of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 15, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's ("APB's") Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2015 and of the Group's loss for the year then ended;
- The Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EMPHASIS OF MATTER - GOING CONCERN

Without qualifying our opinion, we draw attention to note 1.2 in the financial statements which indicates that the Group incurred a net loss of £5,888,742 during the year ended 30 June 2015 and, as of that date, the Group's current liabilities exceeded its current assets by £368,216, on the basis of excluding amounts due from associates and joint ventures of £1,513,789.

As explained in note 1.2, the Group has implemented plans to minimise its cash outflows by reducing its overheads and corporate expenditure. The Group is also considering disposals of investments to improve liquidity.

These conditions, along with other matters as set forth in note 1.2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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.

Keith Fulton (Senior Statutory Auditor) for and on behalf of Chapman Davis LLP Chartered Accountants and Statutory Auditor London, United Kingdom 20 November 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Notes	30 June 2015 £	30 June 2014 £
ASSETS			
Non-current assets			
Property, plant and equipment	9	8,828	22,562
Investments in associates and joint ventures	11	1,660,854	2,234,244
Available for sale financial assets	12	995,011	4,611,833
Exploration assets	13	829,151	1,198,306
Total non-current assets		3,493,844	8,066,945
Current assets			
Cash and cash equivalents	20	3,565	267,325
Trade and other receivables	14	1,830,683	1,659,602
Total current assets		1,834,248	1,926,927
Total assets		5,328,092	9,993,872
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Called up share capital	18	1,815,326	1,475,403
Share premium account		16,700,261	15,944,484
Share-based payment reserve		_	41,512
Other reserves		60,140	(370,137)
Retained earnings		(13,936,310)	(8,089,080)
Total equity		4,639,417	9,002,182
LIABILITIES			
Current liabilities			
Trade and other payables	15	393,685	503,427
Short-term borrowings	15	294,990	488,263
Total current liabilities		688,675	991,690
Total equity and liabilities		5,328,092	9,993,872

These financial statements on pages 19 to 51 were approved by the Board of Directors and authorised for issue on 20 November 2015 and are signed on its behalf by:

Andrew R M Bell Chairman and CEO Scott Kaintz Director

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

CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2015 $\,$

		Year to 30 June	Year to 30 June
	Notes	2015 £	2014 £
Revenue			
Management services		29,640	77,571
Gain on sale of tenements		66,469	1,147,504
Total revenue		96,109	1,225,075
Loss on dilution of interest in associate		(215,157)	(24,232)
Loss on sales of investments		(382,678)	(435,374)
Impairment of available for sale financial assets		(3,425,976)	_
Exploration expenses		(559,843)	(876,245)
Administrative expenses (net)		(964,761)	(881,947)
Share of losses of associates and joint ventures (net of tax)		(420,418)	(494,398)
Finance costs, net	4	(16,018)	(28,326)
Loss for the year before taxation	3	(5,888,742)	(1,515,447)
Tax credit	5	-	6,635
Loss for the year attributable to owners of the Parent		(5,888,742)	(1,508,812)
Loss per share attributable to owners of the Parent			
Loss per share – basic	8	(0.34)p	(0.12)p
Loss per share – diluted	8	(0.34)p	(0.12)p

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 COMPREHENSIVE INCOME

for the year ended 30 June 2015

	30 June 2015 £	30 June 2014 £
Loss for the year	(5,888,742)	(1,508,812)
Other comprehensive (expense)/income		
Items that will be reclassified subsequently to profit or loss		
Deficit on revaluation of available for sale	394,641	(270,265)
Deferred tax on available for sale financial assets	_	(6,635)
Share of other comprehensive income of associates	(12,814)	53,651
Unrealised foreign currency gain	48,450	118,436
Other comprehensive income/(expense) for the year	430,277	(104,813)
Total comprehensive expense for the year attributable to owners of the Parent	(5,458,465)	(1,613,625)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

The movements in equity during the year were as follows:

	Share capital £	Share premium account £	Retained earnings £	Share-based payment reserve £	Other reserves £	Total equity £
As at 30 June 2013	1,106,050	15,025,276	(6,595,363)	56,607	(265,324)	9,327,246
Changes in equity for 2014						
Loss for the year	-	_	(1,508,812)	_	_	(1,508,812)
Other comprehensive income for the year	-	_	_	_	(104,813)	(104,813)
Transactions with owners						
Issue of shares	369,353	936,708	_	_	_	1,306,061
Share issue and fundraising costs	-	(17,500)	_	_	_	(17,500)
Share-based payment transfer	_	_	15,095	(15,095)	_	
Total transactions with owners	369,353	919,208	15,095	(15,095)	_	1,288,561
As at 30 June 2014	1,475,403	15,944,484	(8,089,080)	41,512	(370,137)	9,002,182
Changes in equity for 2015						
Loss for the year	-	_	(5,888,742)	_	_	(5,888,742)
Other comprehensive income for the year	-	_	_	_	430,277	430,277
Transactions with owners						
Issue of shares	339,923	782,132	_	_	_	1,122,055
Share issue and fundraising costs	-	(26,355)	_	_	_	(26,355)
Share-based payment transfer	-	-	41,512	(41,512)	-	
Total transactions with owners	339,923	755,777	41,512	(41,512)	_	1,095,700
As at 30 June 2015	1,815,326	16,700,261	(13,936,310)	_	60,140	4,639,417
			Available for sale financial asset reserve £	Associate investments reserve £	Foreign currency translation reserve £	Total other reserves £
As at 30 June 2013 Changes in equity for 2014			(35,034)	(457,640)	227,350	(265,324)
Other comprehensive (expense)/income for the year			(276,900)	53,651	118,436	(104,813)
As at 30 June 2014 Changes in equity for 2015			(311,934)	(403,989)	345,786	(370,137)
Other comprehensive (expense)/income for the year			394,641	(12,814)	48,450	430,277
As at 30 June 2015			82,707	(416,803)	394,236	60,140

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Year to 30 June 2015 £	Year to 30 June 2014 £
Cash flows from operating activities		
Loss before taxation	(5,888,742)	(1,515,447)
Increase in receivables	(93,569)	(46,330)
(Decrease)/increase in payables	(109,740)	66,569
Depreciation	13,734	25,783
Impairment of exploration properties	553,096	849,895
Share-based payments	72,290	93,255
Currency losses	154,425	228,923
Finance cost, net	16,018	28,326
Share of losses of associate	420,418	494,398
Loss on sale of investments	382,678	435,374
Gain on sale of tenements	(66,469)	(1,147,504)
Impairment of available for sale financial assets	3,425,976	_
Loss on dilution of interest in associate	215,157	24,232
Net cash outflow from operations	(904,728)	(462,526)
Cash flows from investing activities		
Interest received	17,003	13,715
Proceeds from sale of investments	605,123	275,317
Purchase of property, plant and equipment	_	(1,028)
Purchase of available for sale financial assets	(300,000)	(53,793)
Payments for exploration costs	(347,428)	(519,140)
Payments for investments in associates and joint ventures	(75,000)	(153,000)
Net cash outflow from investing activities	(100,302)	(437,929)
Cash inflows from financing activities		
Proceeds from issue of shares	1,049,765	1,212,805
Transaction costs of issue of shares	(26,355)	(17,500)
Interest paid	(33,021)	(42,041)
Proceeds of new borrowings	99,787	383,180
Repayment of borrowings	(348,906)	(381,425)
Net cash inflow from financing activities	741,270	1,155,019
Net (decrease)/increase in cash and cash equivalents	(263,760)	254,564
Cash and cash equivalents at the beginning of period	267,325	12,761
Cash and cash equivalents at end of period	3,565	267,325

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

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Notes	30 June 2015 £	30 June 2014 £
ASSETS			
Non-current assets			
Property, plant and equipment	9	8,828	22,562
Investments in subsidiaries	10	482	482
Investments in associates and joint ventures	11	1,827,454	2,815,969
Available for sale financial assets	12	909,749	4,611,833
Exploration assets	13	662,384	698,926
Total non-current assets		3,408,897	8,149,772
Current assets			
Cash and cash equivalents	20	2,432	264,577
Trade and other receivables	14	2,548,606	2,354,267
Total current assets		2,551,038	2,618,844
Total assets		5,959,935	10,768,616
EQUITY AND LIABILITIES			
Called up share capital	18	1,815,326	1,475,403
Share premium account		16,700,261	15,944,484
Other reserves		33,530	(336,651)
Retained earnings		(13,267,690)	(7,303,631)
Total equity		5,281,427	9,779,605
LIABILITIES			
Current liabilities			
Trade and other payables	15	383,518	500,748
Short-term borrowings	15	294,990	488,263
Total current liabilities		678,508	989,011
Total equity and liabilities		5,959,935	10,768,616

These financial statements on pages 19 to 51 were approved by the Board of Directors and authorised for issue on 20 November 2015 and are signed on its behalf by:

Sett Koung

Andrew R M Bell Chairman and CEO Scott Kaintz
Director

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

Registration number: 05227458.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

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 2013	1,106,050	15,025,276	(6,065,040)	(123,996)	9,942,290
Changes in equity for 2014					
Loss for the year		_	(1,253,686)	-	(1,253,686)
Other comprehensive expense for the year		_	-	(197,560)	(197,560)
Transactions with owners					
Issue of shares	369,353	936,708	-	-	1,306,061
Share issue and fundraising costs		(17,500)	-	-	(17,500)
Share based payment transfer	-	-	15,095	(15,095)	_
Total transactions with owners	369,353	919,208	15,095	(15,095)	1,288,561
As at 30 June 2014	1,475,403	15,944,484	(7,303,631)	(336,651)	9,779,605
Changes in equity for 2015					
Loss for the year	_	_	(6,005,571)	_	(6,005,571)
Other comprehensive income for the year	_	_	_	411,693	411,693
Transactions with owners					
Issue of shares	339,923	782,132	-	-	1,122,055
Share issue and fundraising costs	_	(26,355)	-	_	(26,355)
Share based payment transfer	-	-	41,512	(41,512)	_
Total transactions with owners	339,923	755,777	41,512	(41,512)	1,095,700
As at 30 June 2015	1,815,326	16,700,261	(13,267,690)	33,530	5,281,427
		Available for sale financial asset reserve £	Share-based payment reserve £	Currency reserve £	Total other reserves £
As at 30 June 2013 Changes in equity for 2014		(182,575)	56,607	1,972	(123,996)
Other comprehensive expense for the year		(197,560)	_	_	(197,560)
Share based payment transfer		-	(15,095)	-	(15,095)
As at 30 June 2014 Changes in equity for 2015		(380,135)	41,512	1,972	(336,651)
Other comprehensive income for the year		411,693	_	_	411,693
Share based payment transfer		-	(41,512)	-	(41,512)
As at 30 June 2015		31,558	_	1,972	33,530

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

COMPANY STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Year to 30 June	Year to 30 June
	2015 £	2014 £
Cash flows from operating activities		
Loss before taxation	(6,005,571)	(1,284,021)
Increase/(decrease) in receivables	(194,339)	12,090
Decrease/(increase) in payables	(117,230)	95,038
Depreciation	13,734	25,759
Share-based payments	72,290	93,255
Finance costs, net	16,018	28,326
Currency (gain)/loss	55,846	(40,962)
Loss on sale of investments	382,678	538,415
Impairment of associate	1,063,515	_
Impairment of available for sale investment	3,425,976	_
Impairment of exploration expenses	351,689	
Net cash outflow from operations	(935,394)	(532,100)
Cash flows from investing activities		
Interest received	17,003	13,715
Payments for exploration costs	(315,147)	(450,684)
Payments for investments in associates and joint ventures	(75,000)	(153,000)
Purchase of property, plant and equipment	_	(1,028)
Purchase of available for sale financial assets	(300,000)	(53,793)
Proceeds from sale of investments	605,123	275,115
Net cash outflow from investing activities	(68,021)	(369,675)
Cash inflows from financing activities		
Proceeds from issue of shares	1,049,765	1,212,805
Transaction costs of issue of shares	(26,355)	(17,500)
Interest paid	(33,021)	(42,041)
Proceeds of new borrowings	99,787	383,180
Repayments of borrowings	(348,906)	(381,425)
Net cash inflow from financing activities	741,270	1,155,019
Net (decrease)/increase in cash and cash equivalents	(262,145)	253,244
Cash and cash equivalents at the beginning of period	264,577	11,333
Cash and cash equivalents at end of period	2,432	264,577

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

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 2015 were authorised for issue by the Board on 20 November 2015 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 financial report has been prepared on the basis of a going concern.

The consolidated entity incurred a net loss before tax of £5,888,742 during the period ended 30 June 2015, and had a net cash outflow of £1,005,030 from operating and investing activities. The consolidated entity continues to be reliant upon completion of capital raising for continued operations, the provision of working capital and for the repayment of the £294,990 interest bearing loan due for repayment in December 2015, and January 2016. Whilst the Directors have instituted measures to preserve cash and secure additional finance, these circumstances create material uncertainties over future trading results and cash flows.

The Group's cash flow forecast for the 12 months ending 31 December 2016 highlights the fact that the company is expected to generate negative cash flow through that period. The Board of Directors are evaluating all the options available, including the injection of funds into the Group during the next 12 months, and are confident that the necessary funds will be raised in order for the Group to remain cash positive for the whole period.

The Company has in August 2015 announced the raising of £200,000 through a share placing of 444,444,600 ordinary shares. The Directors feel that a sizeable fundraising associated with a current or new project development plan will be the most likely scenario at this time.

In addition, the Group has further implemented plans to minimise its cash outflows by reducing its fixed costs and overheads by such measures as staff reductions both in the form of redundancies and natural employee attrition, as well as minimising marketing costs and other office and corporate expenditure. The decision was made during the year to close the geology and accounting departments and instead to rely on outsourced contractors on an ad hoc basis to perform residual functions, giving the Company a much lower level of fixed costs and much greater operational flexibility. The Group's income has traditionally arisen from the provision of management services and in 2015 this is expected to grow from additional rental income from subletting unneeded office space. As of H2 2015 the business strategy has been altered to include the identification and development of oil and gas projects with near-term cash generative potential. At the time of this note several projects were under consideration with negotiations underway on one in particular in the United States. A successful investment of the type being considered has the potential to begin to generate reliable cashflows to the Company in the first half of 2016 and ultimately has the potential to cover ongoing Company overheads.

If additional equity capital is not obtained, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. The Directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern. Nevertheless after making enquiries, and considering the uncertainties described above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

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 £6,005,571 (2014: £1,253,686). The Company's other comprehensive income for the financial year was £411,693 (2014: expense £197,560).

Amendments to published standards effective for the year ended 30 June 2015

The following standards have been adopted during the year:

- IFRS 10 "Consolidated Financial Statements";
- IFRS 11 "Joint Arrangements";
- IFRS 12 "Disclosure of Interests in Other Entities";
- IAS 27 (Revised) "Separate Financial Statements"; and
- IAS 28 (Revised) "Investments in Associates and Joint Ventures".

Additional disclosures, where applicable, have been provided to comply with the revised standards although the adoption of these amendments has had no significant impact on the financial position and performance of the Group.

IFRS 10 is a new standard which establishes principles for the presentation and preparation of consolidated financial statements. As a result of its publication, the Directors are required to consider the application of the revised definition of control to determine whether additional entities will need to be consolidated and whether consolidation is still appropriate for those that currently are.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

1.2 Basis of preparation continued

Amendments to published standards effective for the year ended 30 June 2015 continued

The new definition of control will require the Directors to consider whether the Company has:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from involvement with the investee; and
- (c) The ability to use power over the investee to affect the amount of the investor's returns.

IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-monetary Contributions by Venturers". It removes the option to account for jointly controlled entities ("JCEs") using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. JCEs under current IAS 31 that will be classified as joint ventures under IFRS 11 will transition from proportionate consolidation to the equity method by aggregating the carrying values previously recorded, testing that amount for impairment and then using that amount as deemed cost for applying the equity method going forward. The Group recognises its interest in jointly controlled entities using the equity method of accounting. The application of this new standard will not impact the financial position of the Group.

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures related to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

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.

Adoption of standards and interpretations

As at the date of authorisation of these financial statements, there were standards and interpretations in issue but that are not yet effective and have not been applied in these financial statements, as listed below.

Standards, amendments and interpretations in issue but not effective

Effective for annual periods beginning on or after 1 January 2015:

• IFRS 9 "Financial Instruments: Classification and Measurement".

Effective for annual periods beginning on or after 1 January 2016:

- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations";
- IAS 1 "Presentation of Financial Statements (revised)"; and
- IAS 34 "Interim Financial Reporting (revised)".

The Directors do not anticipate that the adoption of these standards and interpretations in future periods could have a material effect on the financial position or performance of the Group and Company.

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;

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

1.3 Basis of consolidation continued

Subsidiaries continued

- · 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.

For the year ended 30 June 2015, the consolidated financial statements combine those of the Company with those of its subsidiaries, Red Rock Uranium Pty Limited, Regency Mines Australasia Pty Limited and Regency Resources Limited.

1.4 Summary of significant accounting policies

1.4.1 Investment in associates

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

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

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

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

In the Company accounts investments in associates are recognised and held at cost. The carrying value of the investment is tested for impairment when there is objective evidence of impairment.

1.4.2 Interests in joint ventures

The Group has a contractual arrangement with Direct Nickel Pty Ltd which represents a joint venture established through an interest in a jointly controlled entity, Oro Nickel (Vanuatu) Limited.

The Group recognises its interest in the entity's assets and liabilities using the equity method of accounting. Under the equity method, the interest in the joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of its net assets, less distributions received and less any impairment in value of individual investments. The Group Income Statement reflects the share of the jointly controlled entity's results after tax.

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

Financial statements of the jointly controlled entity are 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.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

1.4 Summary of significant accounting policies continued

1.4.3 Taxation continued

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 venture are the Australian dollar ("AUD") and the Papua New Guinea kina ("PNG").

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

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 statements of income with a corresponding increase in equity reserves – the share-based payment reserve.

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. There are no market vesting conditions. The exercise price is fixed at the date of grant. For other equity instruments granted during the year (i.e. other than share options), fair value is measured on the basis of an observable market price.

1.4.9 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 revenue 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

Financial assets and financial liabilities are recognised where the Group has become party to the contractual provisions of the instrument.

Financial assets

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.

Investments in associate 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.

Available for sale financial assets

Equity investments intended to be held for an indefinite period of time are classified as available for sale financial assets. 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 financial assets 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 financial assets 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.

Income from available for sale financial assets 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.

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.

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

1.4 Summary of significant accounting policies continued

1.4.11 Financial instruments continued

Trade and other receivables continued

After initial recognition these assets are measured at amortised cost using the effective interest method less provision for impairment.

Financial liabilities and equity

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.

Short-term borrowings

Short-term 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 profit or loss over the term of the instrument using an effective rate of interest.

Eauity instruments

Equity instruments issued by the Company are recorded at fair value as initial recognition net of issue costs.

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:

Recognition of holdings less than 20% as an associate

The Directors have classified, as an associate, an equity investment where 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.

Significant influence is presumed when the Company holds greater than 20% of the voting power of the investee, unless it can be clearly demonstrated that this is not the case. Conversely, if the Company holds less than 20% of the voting power of an investee, it is presumed that the Company does not have significant influence, unless such influence can be clearly demonstrated.

The Company owns 4.87% (2014: 9.80%) of the issued share capital of Red Rock Resources plc. Andrew Bell, Chairman and Chief Executive Officer of the Company, is also a member of the Board and the Executive Chairman of Red Rock Resources plc. In accordance with IAS 28, the Directors of the Company consider this to provide the Group with significant influence as defined by the standard. As such, it continues to recognise Red Rock Resources plc as an associate for the year ended 30 June 2015 despite its shareholding falling below 20%.

The effect of recognising Red Rock Resources as an available for sale financial asset would be to decrease the loss by £431,906 and increase other comprehensive income by £12,814.

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.

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

1.5 Significant accounting judgements, estimates and assumptions continued Significant accounting estimates and assumptions continued

Fair value measurement continued

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.

Fair value measurement continued

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.

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, no impairment (2014: no impairment) on available for sale investments was recognised in the income statement.

2. SEGMENTAL ANALYSIS

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

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

- Available cash;
- The balance available in the Standby Equity Distribution Agreement ("SEDA") with YA Global Master SPV Limited advised by Yorkville Advisors LLC; and
- The market value of the Group's listed investments.

At 30 June 2015 the Group had cash and cash equivalents of £3,565 and undrawn facilities available in the SEDA of £3.19m.

The market value of the most significant of the Group's listed investments at 30 June 2015 is as follows:

• Red Rock Resources plc: £113,560.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

2. SEGMENTAL ANALYSIS CONTINUED

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

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

	Investment in			Papua	Corporate	ate	
	Red Rock	Other	Australian	New Guinea	and		
V t. 20 L 2015	Resources plc	investments	exploration	exploration	unallocated	Total	
Year to 30 June 2015	£	£	£	£	£	£	
Revenue							
Management services	_	-	_	_	29,640	29,640	
Gain on sale of tenements	-	_	66,469	-	-	66,469	
	_	_	66,469	_	29,640	96,109	
Loss on dilution of interest in associate	(215,157)	_	_	_	_	(215,157)	
Loss on sale of investments	_	131,756	(514,434)	_	_	(382,678)	
Exploration expenses	_	(341,404)	(208,154)	(10,285)	_	(559,843)	
Administrative expenses*	_	-	(169,427)	_	(795,334)	(964,761)	
Share of losses in associates	(431,906)	-	_	11,488	_	(420,418)	
Impairment of available for sale investments	_	(3,425,976)	_	_	_	(3,425,976)	
Finance cost – net	-	-	-	-	(16,018)	(16,018)	
Net (loss)/profit before tax from continuing operations	s (647,063)	(3,635,624)	(825,546)	1,203	(781,712)	(5,888,742)	
	Investment in Red Rock	Other	Australian	Papua	Corporate		
	Resources plc	investments	Australian exploration	New Guinea exploration	and unallocated	Total	
Year to 30 June 2014	£	£	£	£	£	£	
Revenue							
Management services	-	_	_	-	77,571	77,571	
Gain on sale of tenements	-	-	1,147,504	-	-	1,147,504	
	_	_	1,147,504	_	77,571	1,225,075	
Loss on dilution of interest in associate	(24,232)	_	_	_	_	(24,232)	
Loss on sale of investments	_	(435,374)	_	_	_	(435,374)	
Exploration expenses	_		(869,082)	(7,163)	_	(876,245)	
Administrative expenses*	_	_	(94,259)	_	(787,688)	(881,947)	
Share of losses in associates	(394,805)	_	_	(99,593)	_	(494,398)	
Finance cost – net	_	_	_	-	(28,326)	(28,326)	
Net (loss)/profit before tax from continuing operation	s (419,037)	(435,374)	184,163	(106,756)	(738,443)	(1,515,447)	

^{*}Included in administrative expenses is depreciation charge of £13,734 (2014: £25,783) under Corporate and unallocated.

2. SEGMENTAL ANALYSIS CONTINUED

Information by geographical area

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

Namagement services 29,640 Ca Ca Ca Ca Ca Ca Ca C		UK	Australia	Papua New Guinea	Sudan	Other	Total
Management services 29,640 - - - - - 20,640 Gain on sale of tenements - 66,469 - - - - 66,469 Gain on sale of tenements - 66,469 - - - - 66,469 Gain on sale of tenements - - 66,469 - - - - 66,469 Gain on sale of tenements - - - 66,469 Gain on sale of tenements - - - - - 66,469 Gain on sale of tenements - - - - - - - 66,0854 Gain on sale of tenements - - - - - - - - -	Year to 30 June 2015						
Gain on sale of tenements − 66,469 − − − 66,469 Total segment revenue 29,640 66,469 − − − 66,081 Non-current assets Investments in associates and joint ventures − − 1,660,854 − − − 8,828 Available for sale financial assets 147,307 847,704 − − − 995,011 Exploration assets 147,307 847,704 − − − 995,011 Exploration assets 156,135 996,845 1,660,854 626,810 53,200 3,493,844 − − 66,6810 53,200 3,493,844 − − 66,6810 53,200 3,201 3,493,844 − − 66,6810 53,200 3,493,844 − − 66,6810 53,200 3,493,844 − − − − €,626,810 53,200 3,493,844 − − − − − − − − − − −	Revenue						
Non-current assets Non-current N	Management services	29,640	_	_	_	_	29,640
Non-current assets Non-current Non-current Non-current Non-current Non-current Non-current Non-current Non-current Non-current Non-current Non-current Non-cur	_	_	66,469	_	_	_	66,469
Investments in associates and joint ventures	Total segment revenue	29,640	66,469	-	_	-	96,109
Property, plant and equipment 8,828 - - - - 995011 Available for sale financial assets 147,307 847,704 - - - 995011 Exploration assets 1 149,141 - 626,810 53,200 3,931,844 Total segment non-current assets 156,135 996,845 1,660,854 626,810 53,200 3,493,844 Vear to 30 June 2014 £ UK Australia Poppus Sudan Total £ £	Non-current assets						
Available for sale financial assets 147,307 847,704 — — — — — — 995,011 Exploration assets — 149,141 — 626,810 53,200 829,151 Total segment non-current assets 156,135 996,845 1,660,854 626,810 53,200 3,493,844 Page 100	Investments in associates and joint ventures	_	_	1,660,854	_	_	1,660,854
Exploration assets	Property, plant and equipment	8,828	_	-	_	-	8,828
Total segment non-current assets 156,135 996,845 1,660,854 626,810 53,200 3,493,844 Variable	Available for sale financial assets	147,307	847,704	_	_	_	995,011
Year to 30 June 2014 Australia f E Papua f E Sudan	Exploration assets	-	149,141	-	626,810	53,200	829,151
Vear to 30 June 2014 UK Australia f. New Guinea f. Sudan Total f. Revenue E £ </td <td>Total segment non-current assets</td> <td>156,135</td> <td>996,845</td> <td>1,660,854</td> <td>626,810</td> <td>53,200</td> <td>3,493,844</td>	Total segment non-current assets	156,135	996,845	1,660,854	626,810	53,200	3,493,844
Vear to 30 June 2014 UK Australia f. New Guinea f. Sudan Total f. Revenue E £ </td <td></td> <td></td> <td></td> <td></td> <td>Papua</td> <td></td> <td></td>					Papua		
Revenue Management services 77,571 - - 77,571 Gain on sale of tenements - 1,147,504 - - 1,147,504 Total segment revenue 77,571 1,147,504 - - 1,225,075 Non-current assets Investments in associates and joint ventures 584,878 - 1,649,366 - 2,234,244 Property, plant and equipment 22,562 - - - 2,2562 Available for sale financial assets 136,933 4,474,900 - - 461,1833 Exploration assets - 499,380 - 698,926 1,198,306 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION Group 2015 2014 £ £ £ Loss on ordinary activities before taxation is stated after charging: Auditor's remuneration: - £ £ £ £ £ £ £ £ £				Australia		Sudan	Total
Management services 77,571 - - - 77,571 Gain on sale of tenements - 1,147,504 - - 1,147,504 Total segment revenue 77,571 1,147,504 - - 1,225,075 Non-current assets Investments in associates and joint ventures 584,878 - 1,649,366 - 2,234,244 Property, plant and equipment 22,562 - - - 22,562 Available for sale financial assets 136,933 4,474,900 - - 4611,833 Exploration assets 744,373 4,974,280 1,649,366 698,926 1,198,306 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 Auditor's remuneration: Loss on ordinary activities before taxation is stated after charging: 201,401 1,549,906 15,000 1,500 1,500	Year to 30 June 2014		£	£	£	£	£
Gain on sale of tenements - 1,147,504 - - 1,147,504 Total segment revenue 77,571 1,147,504 - - 1,225,075 Non-current assets Investments in associates and joint ventures 584,878 - 1,649,366 - 2,234,244 Property, plant and equipment 22,562 - - - 2,236,244 Available for sale financial assets 136,933 4,474,900 - - 4,611,833 Exploration assets 744,373 4,974,280 1,649,366 698,926 1,198,306 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION 2015 2014 £ 2 <td>Revenue</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Revenue						
Total segment revenue 77,571 1,147,504 - - 1,225,075 Non-current assets Investments in associates and joint ventures 584,878 - 1,649,366 - 2,234,244 Property, plant and equipment 22,562 - - - 22,562 Available for sale financial assets 136,933 4,474,900 - - 4,611,833 Exploration assets 744,373 4,974,280 1,649,366 698,926 1,198,306 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION 2015 2014 £ £ Group 2015 2014 £ £ £ Loss on ordinary activities before taxation is stated after charging: 2014 £ £ Auditor's remuneration: - 15,000 15,000 15,000 16,000 16,000 16,000 16,000 15,000 15,000 16,000 16,000 16,000 16,000	Management services		77,571	_	_	_	77,571
Non-current assets Investments in associates and joint ventures 584,878 - 1,649,366 - 2,234,244 Property, plant and equipment 22,562 - - - 4,611,833 Exploration assets 136,933 4,474,900 - - 4,611,833 Exploration assets - 499,380 - 698,926 1,198,306 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION 2015 2014 £ £ Loss on ordinary activities before taxation is stated after charging: 2015 2014 £	Gain on sale of tenements		-	1,147,504	-	-	1,147,504
Investments in associates and joint ventures 584,878 - 1,649,366 - 2,234,244 Property, plant and equipment 22,562 - 22,562 Available for sale financial assets 136,933 4,474,900 - - 4,611,833 Exploration assets - 499,380 - 698,926 1,198,306 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 August	Total segment revenue		77,571	1,147,504	_	_	1,225,075
Property, plant and equipment 22,562 — — — 22,562 Available for sale financial assets 136,933 4,474,900 — — 4,611,833 Exploration assets — 499,380 — 698,926 1,198,306 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 Substitution of the company of the comp	Non-current assets						
Available for sale financial assets 136,933 4,474,900 - - 4,611,833 Exploration assets - 499,380 - 698,926 1,198,306 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION Group 2015 2014 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 15,000 15,000 - fees payable to subsidiary auditors for the audit of subsidiary financial statements 2,225 2,370 Depreciation 13,734 25,783 Directors' emoluments 204,401 185,343 Share-based payments – Directors 30,000 29,975 Share-based payments – Staff 42,290 63,280	Investments in associates and joint ventures		584,878	-	1,649,366	-	2,234,244
Exploration assets — 499,380 — 698,926 1,198,306 Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION Group 2015 2014 £ £ £ 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 15,000 15,000 - fees payable to subsidiary auditors for the audit of subsidiary financial statements 2,225 2,370 Depreciation 13,734 25,783 Directors' emoluments 204,401 185,343 Share-based payments – Directors 30,000 29,975 Share-based payments – Staff 42,290 63,280			22,562	-	-	-	
Total segment non-current assets 744,373 4,974,280 1,649,366 698,926 8,066,945 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION Group 2015 2014 £ £ £ 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 - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary financial st	Available for sale financial assets		136,933	4,474,900	-	-	4,611,833
3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION Group 2015 2014 £ £ £ 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 - fees payable to subsidiary auditors for the audit of subsidiary financial statements 15,000 15,000 - fees payable to subsidiary auditors for the audit of subsidiary financial statements 2,225 2,370 Depreciation 13,734 25,783 Directors' emoluments 2004,401 185,343 Share-based payments – Directors 30,000 29,975 Share-based payments – Staff 42,290 63,280	Exploration assets		_	499,380	_	698,926	1,198,306
Group 2015 2014 Loss on ordinary activities before taxation is stated after charging: 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 15,000 15,000 - fees payable to subsidiary auditors for the audit of subsidiary financial statements 2,225 2,370 Depreciation 13,734 25,783 Directors' emoluments 204,401 185,343 Share-based payments – Directors 30,000 29,975 Share-based payments – Staff 42,290 63,280	Total segment non-current assets		744,373	4,974,280	1,649,366	698,926	8,066,945
Group 2015 2014 Loss on ordinary activities before taxation is stated after charging: 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 15,000 15,000 - fees payable to subsidiary auditors for the audit of subsidiary financial statements 2,225 2,370 Depreciation 13,734 25,783 Directors' emoluments 204,401 185,343 Share-based payments – Directors 30,000 29,975 Share-based payments – Staff 42,290 63,280	3 LOSS ON OPDINARY ACTIVITIES REFORE T	'AYATION					
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 - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to the Company's auditors for the audit of consolidated and Company financial statements - fees payable to the Company's auditors for the audit of consolidated and Company financial statements - fees payable to the Company's auditors for the audit of subsidiary financial statements - fees payable to the Company's auditors for the audit of consolidated and Company financial statements - fees payable to the Company's auditors for the audit of consolidated and Company financial statements - fees payable to the Company's auditors for the audit of subsidiary financial statements - fees payable to the Company's auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary aud		AAATION					
Auditor's remuneration: - fees payable to the Company's auditor for the audit of consolidated and Company financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - fees payable to subsidiary auditors for the audit of subsidiary financial statements - 2,225 - 2,370 - 25,783 - 204,401 - 185,343 - 29,975 - 29,975 - 20,000 -		ıfter charging:					
- fees payable to subsidiary auditors for the audit of subsidiary financial statements 2,225 2,370 Depreciation 13,734 25,783 Directors' emoluments 204,401 185,343 Share-based payments – Directors 30,000 29,975 Share-based payments – Staff 42,290 63,280							
- fees payable to subsidiary auditors for the audit of subsidiary financial statements 2,225 2,370 Depreciation 13,734 25,783 Directors' emoluments 204,401 185,343 Share-based payments – Directors 30,000 29,975 Share-based payments – Staff 42,290 63,280	– fees payable to the Company's auditor for the aud	it of consolidated an	d Company finar	ncial statements		15,000	15,000
Depreciation 13,734 25,783 Directors' emoluments 204,401 185,343 Share-based payments – Directors 30,000 29,975 Share-based payments – Staff 42,290 63,280							
Directors' emoluments 204,401 185,343 Share-based payments – Directors 30,000 29,975 Share-based payments – Staff 42,290 63,280		,					
Share-based payments – Directors30,00029,975Share-based payments – Staff42,29063,280							
Share-based payments – Staff 42,290 63,280							
	Currency losses					217,934	41,126

As declared in note 7, Directors are remunerated in part by third parties with whom the Company and Group have contractual arrangements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

4. FINANCE COSTS, NET

	£	£
Interest expense	(33,021)	(42,041)
Interest income	17,003	13,715
	(16,018)	(28,326)
5. TAXATION	2015	2014
	£	£
Current period transaction of the Group		
UK corporation tax at 20.75% (2014: 22.50%) on profits for the period	-	_
Deferred tax		
Origination and reversal of temporary differences	_	(6,635)
Deferred tax assets derecognised	_	_
Tax (credit)	_	(6,635)
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(5,888,742)	(1,515,447)
Loss on ordinary activities at the average UK standard rate of 20.75% (2014: 22.50%)	(1,221,914)	(340,976)
Impact of subsidiaries and associates	(24,242)	69,803
Effect of tax benefit of losses carried forward derecognised	298,090	282,883
Effect of non-deductible expense	948,066	(18,345)
Other deductions for tax purposes	_	_
Current tax (credit)	-	(6,635)

2015

2014

In addition to the amounts charged to the Consolidated Statement of Income a deferred tax charge amounting to £nil (2014: £6,635) relating to the Group's investments was recognised in the Statement of Comprehensive Income.

Finance Act 2013 set the main rate of corporation tax at 21% from 1 April 2014 and at 20% from 1 April 2015. Therefore deferred tax assets/(liabilities) are calculated at 20% (2014: 21%).

6. STAFF COSTS

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

	2015	2014
	£	2014 £
Wages and salaries	455,774	585,559
Pension	18,743	25,176
Social security costs	40,785	50,111
Employee share-based payment charge	72,290	93,255
Total staff costs	587,592	754,101
The average number of Group employees (including Directors) during the year was:		
	2015 Number	2014 Number
Executives	5	5
Administration	7	8
Exploration	5	8
	17	21

6. STAFF COSTS CONTINUED

The Company's staff are employed both by the Company and Red Rock Resources plc ("Red Rock"). During the year, staff costs of £105,848 (2014: £174,863) 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.

7. DIRECTORS' EMOLUMENTS

2015	Directors' fees £	Consultancy fees £	Share-based payments – SIP £	Pension contributions £	Social security costs £	Total £
Executive Directors						
A R M Bell	48,000	15,000	6,000	2,930	4,531	76,461
S Kaintz	65,000	_	6,000	3,138	7,440	81,578
Non-executive Directors						
E Bugnosen	18,000	_	6,000	882	1,092	25,974
JMELee	18,000	-	6,000	-	1,163	25,163
J Watkins	18,000	_	6,000	-	1,225	25,225
	167,000	15,000	30,000	6,950	15,451	234,401
2014	Directors' fees £	Consultancy fees £	Share-based payments – SIP £	Pension contributions £	Social security costs £	Total £
Executive Directors						
A R M Bell	48,000	15,000	6,000	3,485	4,021	76,506
S Kaintz	39,000	_	6,000	3,284	7,333	55,617
Non-executive Directors						
E Bugnosen	23,740	_	5,975	1,232	1,836	32,783
JMELee	18,000	-	6,000	-	1,206	25,206
JWatkins	18,000		6,000		1,206	25,206
	146,740	15,000	29,975	8,001	15,602	215,318

E Bugnosen became a Non-executive Director with effect from 1 November 2013. For the three months prior to the year end he was paid on a per diem basis.

The number of Directors who exercised share options in year was nil (2014: nil).

During the year, the Company contributed to a Share Incentive Plan more fully described in the Directors' Report on pages 12 to 14. 4,285,714 (2014: 638,297) free shares were issued to each employee, including Directors, making a total of 21,428,571 (2014: 3,191,485) to Directors.

The Company also operates a contributory pension scheme more fully described in the remuneration details on page 13.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

8. LOSS PER SHARE

The basic 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 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.

The following reflects the loss and share data used in the basic and diluted loss per share computations:

	2015	2014
Loss attributable to equity holders of the Parent	£(5,888,742)	£(1,508,812)
Weighted average number of ordinary shares of £0.0001 (2014: £0.001) in issue	1,740,350,467	1,243,943,418
Loss per share – basic	(0.34)p	(0.12)p
Weighted average number of ordinary shares of £0.0001 (2014: £0.001) in issue inclusive of dilutive outstanding options Loss per share $-$ fully diluted	1,740,350,467 (0.34)p	1,243,943,418 (0.12)p

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

	2015 £	2014 £
Loss per share denominator Weighted average number of dilutive share options	1,740,350,467 -	1,243,943,418 –
Diluted loss per share denominator	1,740,350,467	1,243,943,418

In accordance with IAS 33, the diluted earnings per share denominator takes into account the difference between the average market price of ordinary shares in the year and the weighted average exercise price of the outstanding options. The Group has weighted average share options of 3,201,099 (2014: 14,072,329) which were not included in the calculation of diluted loss per share because they are non-dilutive for the year presented.

9. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements £	Office furniture and equipment £	Total £
Cost			
At 1 July 2013	14,822	123,779	138,601
Additions	_	1,028	1,028
Disposals	_	(201)	(201)
Currency exchange	-	(45)	(45)
At 30 June 2014	14,822	124,561	139,383
Additions	_	-	_
At 30 June 2015	14,822	124,561	139,383
Depreciation			
At 1 July 2013	(1,395)	(89,667)	(91,062)
Charge	(9,361)	(16,422)	(25,783)
Currency exchange	-	24	24
At 30 June 2014	(10,756)	(106,065)	(116,821)
Charge	(4,066)	(9,668)	(13,734)
At 30 June 2015	(14,822)	(115,733)	(130,555)
Net book value			
At 30 June 2015	_	8,828	8,828
At 30 June 2014	4,066	18,496	22,562
	Leasehold	Office furniture	
Company	improvements £	and equipment £	Total £
Cost			
At 1 July 2013	14,822	123,342	138,164
Additions	-	1,028	1,028
At 30 June 2014	14,822	124,370	139,192
Additions	_	-	
At 30 June 2015	14,822	124,370	139,192
Depreciation			
At 1 July 2013	(1,395)	(89,476)	(90,871)
Charge	(9,361)	(16,398)	(25,759)
At 30 June 2014	(10,756)	(105,874)	(116,630)
Charge	(4,066)	(9,668)	(13,734)
At 30 June 2015	(14,822)	(115,542)	(130,364)
Net book value			
At 30 June 2015	-	8,828	8,828
At 30 June 2014	4,066	18,496	22,562

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

10. INVESTMENTS IN SUBSIDIARIES

Company	£
Cost	
At 30 June 2015 and 2014	482
Impairment At 30 June 2015 and 2014	_
Net carrying value Net book amount at 30 June 2015 and 2014	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
Red Rock Uranium Pty Limited	Australia	Ordinary	100%	Mineral exploration
Regency Mines Australasia Pty Limited	Australia	Ordinary	100%	Mineral exploration
Regency Resources Limited	Australia	Ordinary	100%	Dormant
Regency Resources Inc	USA	Ordinary	100%	Oil exploration

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Group	Company
Carrying balance	£	£
At 30 June 2013	2,546,222	2,662,969
Additions	153,000	153,000
Loss on dilution of interest	(24,232)	_
Share of total comprehensive loss for the year	(440,746)	_
At 30 June 2014	2,234,244	2,815,969
Additions	75,000	75,000
Impairment	_	(1,063,515)
Loss on dilution of interest	(215,157)	_
Share of total comprehensive loss for the year	(433,233)	_
Net book amount at 30 June 2015	1,660,854	1,827,454

The market value of investments in listed associates as at 30 June 2015 was £113,560 (2014: £530,933).

The Parent Company of the Group, as at 30 June 2015, 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				
Red Rock Resources plc	England and Wales	Ordinary	4.87%	30 June 2015
Oro Nickel (Vanuatu) Limited	Vanuatu	Ordinary	50.00%	30 June 2015

Summarised financial information for the Company's associates and joint ventures, where available, as at 30 June 2015 is given below:

	For	For the year ended 30 June 2015		As as 30 June 2015	
			Total comprehensive		
Name	Revenue £	Loss £	expense £	Assets £	Liabilities £
Red Rock Resources plc	-	(8,411,541)	(8,604,716)	9,625,758	(2,098,270)

12. AVAILABLE FOR SALE FINANCIAL ASSETS

	Group	Company
	±	<u>_</u>
Net book amount		
At 30 June 2013	4,343,140	4,343,140
Additions during the year	1,249,449	1,249,449
Disposals during year	(710,491)	(813,531)
Revaluation	(270,265)	(167,225)
At 30 June 2014	4,611,833	4,611,833
Additions during the year	402,314	300,000
Disposals during year	(987,801)	(987,801)
Impairments during year	(3,425,976)	(3,425,976)
Revaluation	394,641	411,693
Net book value at 30 June 2015	995,011	909,749

Note: see Note 21 for details of listed and unlisted AFS assets.

13. EXPLORATION ASSETS

13. EXPLORATION ASSETS	Grou	Group		Company	
	2015 £	2014 £	2015 £	2014 £	
Cost					
At 30 June 2014	2,684,318	2,412,505	698,926	248,242	
Additions during the year	347,428	519,140	315,147	450,684	
Disposals in the year	(200,647)	(48,152)	_	_	
Exchange gains	(290,355)	(199,175)	-	_	
At 30 June 2015	2,540,744	2,684,318	1,014,073	698,926	
Impairment					
At 30 June 2014	(1,486,012)	(683,864)	_	_	
Impairments recognised in the year	(553,096)	(849,895)	(351,689)	_	
Disposals in the year	87,290	_	_	_	
Exchange gains	240,225	47,747	-	-	
At 30 June 2015	(1,711,593)	(1,486,012)	(351,689)	_	
Net book value					
At 30 June 2015	829,151	1,198,306	662,384	698,926	
At 30 June 2014	1,198,306	1,728,641	698,926	248,242	

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

14 TRADE AND OTHER RECEIVARIES

14. TRADE AND OTHER RECEIVABLES	Group		Com	pany
	2015 £	2014 £	2015 £	2014 £
Sundry debtors	287,211	200,533	91,794	36,116
Prepayments	29,683	52,424	29,683	52,424
Amounts owed by Group undertakings	_	_	913,340	859,082
Amounts owed by related parties:				
– due from associates and joint ventures	1,513,789	1,398,799	1,513,789	1,398,799
– due from key management	_	7,846	_	7,846
Total	1,830,683	1,659,602	2,548,606	2,354,267

15. TRADE AND OTHER PAYABLES	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade and other payables	192,034	270,549	181,867	268,874
Accruals	197,680	231,874	197,680	231,874
Amounts due to related parties:				
- due to associates	_	1,004	_	-
– due to key management	3,971	-	3,971	
Trade and other payables	393,685	503,427	383,518	500,748
Short-term borrowings	294,990	488,263	294,990	488,263
Total	688,675	991,690	678,508	989,011

YA Global Master SPV Limited

A short-term loan of £99,787 (2014: £288,263 and £200,000) was provided by YA Global Master SPV Limited. Interest is charged on this loan at a rate of 12% (2014: 12% and 10%) per annum. Repayments are made either in cash or by issue of shares in the Company in line with the terms of the agreement. The Company has pledged all of its shares in Oro Nickel (Vanuatu) Limited as well as 85,000,000 shares in Red Rock Resources plc as security for the loans.

16. DEFERRED TAX ASSETS/(LIABILITIES)

The movement in the Company's and Group's net deferred tax position is as follows:

Group and Company	2015 £	2014 £
At 30 June 2014	_	_
Deferred tax credit recognised in the Income Statement	_	6,635
Deferred tax (charge) recognised in the Statement of Other Comprehensive Income	_	(6,635)
At 30 June 2015	-	_

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon during the period:

Group and Company	Investments £	Other £	Total £
Asset/(liability) at 30 June 2013	_	_	_
Credit to the Income Statement for the year	6,635	_	6,635
Charge to the Statement of Comprehensive Income for the year	(6,635)	-	(6,635)
Asset/(liability) at 30 June 2014 and 30 June 2015	-	_	_

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 investment reserve

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

Share-based payment reserve

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

NOTES TO FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

18. SHARE CAPITAL - COMPANY

The share capital of the Company is as follows:

	2015 £	2014 £
Issued and fully paid		
1,788,918,926 deferred shares of £0.0009 each	1,610,027	_
1,475,402,734 ordinary shares of £0.001 each	-	1,475,403
2,052,990,373 ordinary shares of £0.0001 each	205,299	-
As at 30 June	1,815,326	1,475,403
	Number	Nominal £
Movement in share capital		
Ordinary shares of £0.001 each		
As at 30 June 2013	1,106,049,883	1,106,050
Shares issued in the year to 30 June 2014	369,352,851	369,353
As at 30 June 2014	1,475,402,734	1,475,403
Issued 12 August 2014 at 0.28p per share	60,500,063	60,500
Issued 29 August 2014 at 0.28p per share	56,321,437	56,321
Issued 29 September 2014 at 0.40p per share	61,925,000	61,925
Issued 29 September 2014 at 0.477263p per share	41,905,659	41,906
Issued 27 November 2014 at 0.1721p per share	92,864,033	92,864
As at 20 February 2015, pre-share re-organisation	1,788,918,926	1,788,919
20 February 2015, Share Re-organisation (see below)		
Issue of deferred shares of £0.0009 each	(1,788,918,926)	(1,610,027)
Issue of new ordinary shares of £0.0001 each	1,788,918,926	178,892
Issued 2 April 2015 at 0.07p per share	124,907,129	12,491
Issued 30 June 2015 at 0.071858p per share	139,164,318	13,916
Total shares issued in the year	577,587,639	339,923
As at 30 June 2015 – ordinary shares of £0.0001 each	2,052,990,373	205,299

Change in Nominal Value/share re-organisation

The nominal value of shares in the Company was originally 0.1p. At a shareholders meeting on 20 February 2015, the Company's shareholders approved a re-organisation of the Company's shares which resulted in the creation of two classes of shares, being:

- Ordinary shares with a nominal value of 0.01p, which will continue as the Company's listed securities.
- Deferred shares with a value of 0.09p which, subject to the provisions of the Companies Act 2006, 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.

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 the plan, the options were granted for no consideration; they were granted for the periods specified and vested immediately. Options granted under the plan carry no dividend or voting rights.

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.

The expense was charged in full during the previous years. There is no charge during the year.

The Company and Group have no outstanding options to subscribe for ordinary shares.

	2015		2014	
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	13,200,000	3.00	18,000,000	3.00
Expired	(13,200,000)	3.00	(4,800,000)	3.00
Outstanding at the end of the period	-	-	13,200,000	3.00
Exercisable at the end of the period	_	_	13,200,000	3.00

Share Incentive Plan

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 ("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.

The fair value of services provided is recognised as an expense in the Income Statement at grant date and is determined indirectly by reference to the fair value of the free and matching shares granted. Fair value of shares is measured on the basis of an observable market price, i.e. share price as at grant date.

During the financial year, a total of 103,271,418 free and matching shares were awarded with a fair value of 0.07p, resulting in a share-based payment charge of £72,290 in the income statement.

20. CASH AND CASH EOUIVALENTS

Group	30 June 2015 £	Cash flow £	30 June 2014 £
Cash in hand and at bank	3,565	(263,760)	267,325
Company	30 June 2015 £	Cash flow £	30 June 2014 £
Cash in hand and at bank	2,432	(262,145)	264,577

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

21. FINANCIAL INSTRUMENTS

21.1 Categories of financial instruments

The Group and Company holds a number of financial instruments, including bank deposits, short-term investments, loans and receivables and trade payables.

The carrying amounts for each category of financial instrument, measured in accordance with IAS 39 as detailed in the accounting policies, are as follows:

Group 30 June 2015	2015 £	2014 £
Financial assets		
Available for sale financial assets at fair value through other comprehensive income		
Quoted equity shares	232,572	423,418
Available for sale financial assets at cost		
Unquoted equity shares	762,439	4,188,415
Total available for sale financial assets	995,011	4,611,833
Loans and receivables		
Trade and other receivables	1,830,683	1,659,602
Total financial assets	2,825,694	6,271,435
Total current	1,830,683	1,659,602
Total non-current	995,011	4,611,833

The carrying value of non-current financial assets in the Company equals that of the Group. The carrying value of current financial assets in the Company is higher than that of the Group mainly due to intercompany debt eliminated at the Group level.

Available for sale financial assets at cost

As at 30 June 2015, £762,439 of the Group's available for sale financial assets are valued at cost less impairment due to the investment being privately held and no quoted market price information is available. This consists of the Group's investment in Direct Nickel Ltd. There is currently no intention to dispose of this investment in the foreseeable future.

Financial instruments held at cost less impairment can be reconciled from beginning to ending balances as follows:

	<u>Unlisted inve</u>	stments at cost
Group and Company	2015 £	2014 £
Brought forward Additions/(disposals)	4,188,415	4,188,415 -
Impairment	(3,425,976)	_
Carried forward	762,439	4,188,415

21. FINANCIAL INSTRUMENTS CONTINUED

21.1 Categories of financial instruments continued

Available for sale financial assets at cost continued

Group 30 June 2015	2015 £	2014 £
Financial liabilities		
Loans and borrowings		
Trade and other payables	393,685	503,427
Short-term borrowings	294,990	488,263
Total financial liabilities	688,675	991,690
Total current	688,675	991,690
Total non-current	-	_

Current financial liabilities in the Company are lower than that of the Group, due to trade and other payables in subsidiary companies.

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 2015				
Available for sale financial assets at fair value through other comprehensive income				
– Quoted equity shares	232,572	_	_	232,572
– Unquoted equity shares	_	762,439	_	762,439
30 June 2014				
Available for sale financial assets at fair value through other comprehensive income				
– Quoted equity shares	423,418	_	_	423,418
– Unquoted equity shares	_	4,188,415	_	4,188,415

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

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 to the Group.

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

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

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

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

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

Liquidity risk

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

- · Monitoring undrawn credit facilities;
- · Obtaining funding from a variety of sources; and
- Maintaining a reputable credit profile.

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

Market risk

Interest rate risk

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

Equity price risk

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

The Group's exposure to price risk on listed investments is as follows:

Group	2015 £	2014 £
Change in equity: – increase in listed investments by 10%	23,257	42,342
- decrease in listed investments by 10%	(23,257)	(42,342)

21. FINANCIAL INSTRUMENTS CONTINUED

21.3 Financial risk management policies continued

Foreign exchange risk

The Group's transactions are carried out in a variety of currencies, including Australian dollar, Canadian dollar, Papua New Guinea kina and UK sterling.

To mitigate the Group's exposure to foreign currency risk, non-sterling cash flows are monitored. The Group does not enter into forward exchange contracts to mitigate the exposure to foreign currency risk as amounts paid and received in specific currencies are expected to largely offset one another and the currencies most widely traded in are relatively stable.

The Directors consider the balances most susceptible to foreign currency movements to be the available for sale financial assets at market price.

These assets are denominated in the following currencies:

Group	GBP	AUD	CAD	Total
30 June 2015	£	\$	\$	£
Available for sale investments at market price	144,732	85,265	2,575	232,572
Group	GBP £	AUD	CAD	Total
30 June 2014		\$	\$	£
Available for sale investments at market price	129,138	286,485	7,795	423,418

The following table illustrates the sensitivity of the value of investments at market price in regards to the GBP, Australian dollar and Canadian dollar exchange rates.

It assumes a +/-8% (2014: +/-8%) change in the AUD/GBP exchange rate and a +/-6% (2014: +/-6%) change in the CAD/GBP exchange rate for the year ended 30 June 2015. These percentages have been based on the average market volatility in exchange rates in the previous twelve months.

Impact on available for sale financial assets at market price

	2015 £	2014 £
8%/8% increase in AUD fx rate against GBP 8%/8% decrease in AUD fx rate against GBP	6,821 (6,821)	22,919 (22,919)
6%/6% increase in CAD fx rate against GBP	155	468
6%/6% decrease in CAD fx rate against GBP	(155)	(468)

Exposures to foreign exchange rates vary during the year depending on the volume and nature of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

22. SIGNIFICANT AGREEMENTS AND TRANSACTIONS

UK Onshore Oil and Gas Project

• On 11 July 2014, the Company announced that it signed a Heads of Agreement ("HOA") with Horse Hill Developments Ltd ("HHDL") for the Company to acquire a 5% stake in HHDL. HHDL is a newly incorporated special purpose company which has a 65% participating interest in the Petroleum Exploration and Development Licence 137 ("PEDL 137") in the Weald Basin, UK. The participants in the Horse Hill -1 well are HHDL as operator with a 65% interest and Magellan Petroleum Corporation with a 35% interest.

The initial consideration payable by the Company under the HOA was £300,000. A non-refundable deposit of £10,000 was paid on signing of the HOA and the balance subject to completion and execution of definitive agreements. The Company made further payments of the remaining £290,000 according to cash calls required for drilling the well. Following the payments, the Company announced on 18 September 2014 that the HOA previously put in place for the Company to own a 5% interest in HHDL was converted to a definitive Investment Agreement confirming the Company owns 5% of HHDL

The Company also owns an additional 0.47% indirect interest in HHDL by virtue of its 9.39% ownership in Alba Mineral Resources Plc ("Alba"). Alba owns 5% of HHDL.

The Company's interest in Alba was subsequently sold in the second half of 2015.

• On 12 March 2015, the Company announced that it has executed a binding term sheet to sell its interests in Horse Hill Developments Ltd ("HHDL") for a total consideration of £300,000 payable in cash. The sale was completed on 8 April 2015.

West Virginia Shallow Oil Project

• On 24 September 2014, the Company announced that Regency Resources Inc. ("RRI"), a newly-formed 100% owned subsidiary of the Company, signed an exploration and investment agreement to participate in an unincorporated joint venture with Carter Oil and Gas and others for RRI to obtain a 25% working interest ("WI") in the West Virginia Shallow-Oil Project ("WVSO") which initially includes two wells to be drilled and operated by Abarta Oil & Gas Co. The WI is equivalent to not less than 20.25% Net Revenue Interest ("NRI") as specified under the investment agreement. The remaining 75% working interest is to be held by various investors including a 25% stake by Abarta Oil & Gas Co. An initial consideration of USD19,500 was settled on signing. As of quarter 4 2015 the project was considered on hold depending on movements in oil prices and a decision by the parties involved.

Fraser West Project in Australia

- On 20 February 2015, the Company announced that RAM Resources ("RAM") had issued 35,000,000 shares to the Company by conversion
 of 5.6% out of the 13.5% carried interest retained by the Company in the Fraser Range tenements. The shares have been issued to the Company
 at a deemed issue price of AUD0.8c, valuing the shares at AUD280,000.
- On 3 June 2015, the Company announced that RAM had agreed to issue a further 39,000,000 shares at AUD0.005 per share reflecting conversion of 3.9% of its carried interest in the Fraser West Project following RAM placing of up to AUD1.6m. Following this conversion RAM will own 96% of the Fraser West Project and the Company will retain a 4% carried interest.

Munglinup Graphite

On 20 May 2015, the Company announced that it has reached agreements with the holders of adjacent tenements formerly held by Graphite
Australia Pty Ltd (the "GAPL Tenements") and other parties. These agreements will enable development of the neighbouring Halberts property,
formerly a mine producing high quality graphite, to proceed. Under the agreements, Regency Mines Australasia Pty Ltd ("RGMA") will surrender
its interest in the Munglinup tenements. Gold Terrace Pty Ltd, a private Australian company, and the holder of the GAPL Tenements, will within
a year of execution use its best endeavours to issue RGMA with 3,000,000 shares in the capital of the proposed listed vehicle, with a current value
of approximately AUD200,000, and in the event of failing to do so will pay RGMA the sum of AUD200,000 within 54 weeks of execution.

Share Incentive Plan

• On 14 April 2015, the Company announced that it had approved the issue of 124,907,129 shares under the Company's Share Incentive Plan with reference to mid-market price of 0.07p on 31 March 2015.

Reorganisation of Share Capital

• On 20 February 2015, the Company announced that a resolution was passed at the General Meeting held that day whereby each of the 1,788,918,926 existing Ordinary Shares will be subdivided into one new Ordinary Share of 0.01p each and one Deferred Share of 0.09p each.

23. COMMITMENTS

As at 30 June 2015, the Company had entered into the following commitments:

- Exploration commitments: On-going exploration expenditure is required to maintain title to the Group mineral exploration permits. No provision has been made in the financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.
- The Company has an existing joint lease agreement with Red Rock Resources plc and Greatland Gold plc relating to Ivybridge House, 1 Adam Street, London WC2N 6LE. The lease is non-cancellable until 1 December 2017. Future minimum annual rental and service charges payable by the Company is £38,850.

24. RELATED PARTY TRANSACTIONS

- On 5 April 2013, Regency Mines plc, Red Rock Resources plc and Greatland Gold plc, companies of which Andrew Bell and John Watkins are also directors, entered into a joint lease at Ivybridge House, 1 Adam Street, London WC2N 6LE. The three companies also share service costs and other outgoings of an office. The total of these costs charged to Red Rock Resources plc during the year was £151,632 (2014: £178,327), of which £48,725 (2014: £55,784) represented the Company's share of the office rent and the balance services provided. Regency charges Greatland Gold plc fixed quarterly fees for rent and office costs which totals to £24,000 during the year (2014: £24,000).
- Professional staff employed by the Company are sub-contracted to Red Rock Resources plc to work on specific assignments as necessary.
 During the year, total costs were £105,848 (2014: £174,863).
- The costs incurred by the Company on behalf of Red Rock Resources plc are invoiced at each month end and settled as soon as may be possible. By agreement, the Company charges 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 £16,865 (2014: £11,602).
- Related party receivables and payables are disclosed in notes 14 and 15, respectively.
- The key management personnel are the Directors and their remuneration is disclosed within note 7.

25. EVENTS AFTER THE REPORTING PERIOD

Issue of equity

• On 20 August 2015, the Company issued 444,444,600 new ordinary shares of 0.01p each at a price of £0.00045 per share for a total consideration of £200,000. Additionally, for every two new ordinary shares subscribed for, one warrant will be issued to the subscriber. The warrants will enable the holder to subscribe for one new ordinary share in the Company at an exercise price of £0.00065 at any time from 4 September 2015 to 3 March 2017.

Board changes

- On 15 September 2015, John Watkins resigned from the Board of Directors.
- On 30 September 2015, Julian Lee resigned from the Board of Directors.

Sale of interest

• On 22 October 2015, the Company announced that it sold the whole of its residual 4.23% interest in Alba Mineral Resources plc ("Alba") for net proceeds of £91,878. The interest comprised 29,715,006 Ordinary Shares in Alba which at the mid-market closing price on 21 October 2015 had a market value of £96,574. The sale represents a £17,861 surplus over book cost of £74,017.

Oil and Gas Co-operation Agreement

On 16 November 2015, the Company announced that it has begun active co-operation with American Resources Inc aimed at identifying and
pursuing oil and gas investment opportunities in the Southern United States. The first project is contingent on satisfactory leasing arrangements
and would involve the Company taking a 50% Working Interest in the planned redevelopment of the North Francitas Oil project in Jackson and
Matagorda Counties Texas, USA, for an aggregate cost of up to USD430,000.

26. 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 lyybridge House, 1 Adam Street, London WC2N 6LE on 23 December 2015 at 11.00 am 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 1-6 and as special resolutions in the cases of resolutions 7-8.

ORDINARY BUSINESS

Ordinary Resolutions

- 1. To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 June 2015.
- 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 £1,000,000 provided that:
 - (a) 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;
 - (b) upon the passing and coming into effect of resolutions 5, 6, and 8 this authority shall be varied so that the maximum nominal amount to be allotted hereunder shall be £50,000.
- 5. That, subject to the passing of resolutions 6 and 8, with effect from 23.58 hours on the date of the passing of this resolution each of the existing issued ordinary shares of 0.01p each in the capital of the Company ("Existing Ordinary Shares") be subdivided into one A deferred share of 0.0095p each ("A Deferred Shares") and one new ordinary shares of 0.0005p each.
- 6. That, subject to the passing of resolutions 5 and 8, with effect from 23.59 hours on the date of passing of the resolution:
 - 6.1 every twenty ordinary shares of 0.0005p each in the capital of the Company be and are hereby consolidated into one new ordinary share of 0.01p each ("New Ordinary Shares") provided that where a holder of ordinary shares of 0.0005p each shall have a fractional entitlement to a New Ordinary Share of 0.01p each such fractional entitlements shall be aggregated and may be sold in the market and the net proceeds of sale retained for the benefit of the Company; and
 - 6.2 the new Ordinary Shares will have the same rights and be subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares in the Company's Articles of Association and the A Deferred Shares will have the rights and be subject to the restrictions attached to A Deferred Shares as set out in the Articles of Association.

Special Resolutions

- 7. 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 £200,000 (provided that upon the passing and coming into effect of resolutions 5, 6, and 8 this authority shall be varied so that the maximum aggregate nominal amount to be allotted under this sub-paragraph shall be £10,000); and
 - (c) to the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £800,000 in respect of any other issues for cash consideration (provided that upon the passing and coming into effect of resolutions 5, 6, and 8 this authority shall be varied so that the maximum aggregate nominal amount to be allotted under this sub-paragraph shall be £40,000);

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.

- 8. That, subject to the passing of resolutions 5 and 6, the articles of association of the Company be amended as follows:
 - (a) by inserting the following definition at article 1:
 "A Deferred Shares: the A deferred shares in the capital of the Company with the rights set out in Article 13";
 - (b) by inserting the following as article 13:
 - "13. The rights and restrictions attached to the A Deferred Shares shall be as follows:
 - 13.1 As regards income the holders of the A Deferred Shares shall not be entitled to receive any dividend out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year or any other income or right to participate therein.
 - 13.2 As regards capital on a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption on purchase by the Company of any of its shares) the holders of the A Deferred Shares shall be entitled to receive the amount paid
 - up on their shares after there shall have been distributed (in cash or in specie) to the holders of the Ordinary Shares the amount of £100,000,000 in respect of each Ordinary Share held by them respectively. For this purpose distributions in currency other than sterling shall be treated as converted into sterling, and the value for any distribution in specie shall be ascertained in sterling, in each case in such manner as the Directors of the Company in general meeting may approve. The A Deferred Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.
 - 13.3 As regards voting the holders of A Deferred Shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat.
 - 13.4 The rights attached to the A Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or pari passu with or subsequent to such shares. In addition neither the passing by the Company of any resolution for the cancellation of the A Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company nor the making by the Court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the A Deferred Shares and accordingly the A Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with applicable legislation without sanction on the part of the holders of the A Deferred Shares.
 - 13.5 Notwithstanding any other provision of these Articles, the Company shall have the power and authority at any time to purchase all or any of the A Deferred Shares for an aggregate consideration of £1.
 - 13.6 The Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of the A Deferred Shares a transfer/cancellation of the A Deferred Shares and/or an agreement to transfer/cancel the same, without making any payment to the holders of the A Deferred Shares to such person or persons as the Company may determine as custodian thereof and, pending such transfer and/or cancellation and/or purchase, to retain the certificate(s) if any, for such shares.
 - 13.7 The Company may, at its option and subject to compliance with the provisions of applicable legislation, at any time after the adoption of this Article, cancel such shares by way of reduction of capital for no consideration.
 - 13.8 Notwithstanding any other provision of these Articles, and unless specifically required by the provisions of applicable legislation, the Company shall not be required to issue any certificates or other documents of title in respect of the A Deferred Shares."
 - (c) subsequent numbering of the articles of association to be sequentially amended.

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 Suite E, First Floor 9 Lion and Lamb Yard Farnham, Surrey GU9 7LL

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: Third Floor 55 Gower Street London WC1E 6HQ By order of the Board Andrew Fennell Company Secretary 20 November 2015

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 Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL 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 at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL 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 20 November 2015, the Company's issued share capital comprised 2,497,434,973 ordinary shares of £0.0001 each with voting rights and 1,788,918,926 deferred shares of £0.0009 each with no 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 20 November 2015 is 2,497,434,973.

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 euroclear.com/CREST).

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.

NOTES

COMPANY INFORMATION AND ADVISERS

DIRECTORS
Andrew R M Bell
Chairman and CEO

Scott C Kaintz
Executive Director

Edmund Sr Bugnosen Non-executive Director

All of Ivybridge House 1 Adam Street London WC2 6LE 020 7747 9960

SECRETARY Andrew Fennell

REGISTERED OFFICE 55 Gower Street London WC1E 6HQ

WEBSITE www.regency-mines.com

AUDITOR
Chapman Davis LLP
2 Chapel Court
London SE1 1HH

SOLICITORS Ronaldsons LLP 55 Gower Street

London WC1E 6HQ

NOMINATED ADVISER Beaumont Cornish Limited

29 Wilson Street London EC2M 2SJ

ACCOUNTANTS AND TAX ADVISERS Baker Tilly Tax and Accounting Limited

One London Square, Cross Lanes Guildford Surrey GU1 1UN

BROKER Dowgate Capital Stockbrokers LimitedTalisman House

Jubilee Walk
Three Bridges, Crawley
West Sussex RH10 1LQ

BANKERS Coutts & Co 440 Strand London WC2R 0QS

REGISTRARS
Share Registrars Limited

Suite E, First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL 01252 821390

REGISTERED NUMBER

05227458





Ivybridge House 1 Adam Street London WC2N 6LE United Kingdom 020 7747 9960

www.regency-mines.com

