



## **FIRST QUARTER REPORT**

For the three months ended April 30, 2009

**REGENCY GOLD CORP.**  
**Three months ended April 30, 2009**  
**Management's Discussion and Analysis**

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The following discussion is management's assessment and analysis of the results of operations and financial conditions ("MD&A") of Regency Gold Corp. (the "Company" or "Regency") and should be read in conjunction with the accompanying unaudited interim consolidated financial statements and related notes thereto for the three months ended April 30, 2009 and the most recent audited consolidated annual financial statements for the year ended January 31, 2009 which are also available at the SEDAR website at [www.sedar.com](http://www.sedar.com).

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with Canadian generally accepted accounting principles and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this report is June 25, 2009.

### Overview

The Company was incorporated under the laws of the Province of British Columbia and continued under the Canada Business Corporation Act. On July 17, 2008 the Company changed its name to Regency Gold Corp. and commenced trading on the NEX board of the TSX Venture Exchange at the opening on July 17, 2008 under the symbol **RAU.H** and the common shares of Silvio Ventures Inc. (SIV.H) were delisted.

The Company's MD&A for the year ended January 31, 2009 with information up to April 17, 2009 is available at the SEDAR website at [www.sedar.com](http://www.sedar.com).

The Company is currently investigating business opportunities and mineral properties for potential acquisition and subsequent exploration and development. The Company will seek to conduct a share offering to raise capital to fund these activities.

### Results of Operations

#### *Results of Operations for the three months ended April 30, 2009 and 2008*

The Company recorded a net loss of \$59,422 or \$0.01 per share for the three months ended April 30, 2009 (2008 - \$271,575 / \$0.02).

#### Operating Expenses

Total expenses were \$59,422 for the three months ended April 30, 2009 (2008 - \$280,286). All categories of expenses are lower than the comparative period as the company is reviewing various opportunities and is keeping expenditures to a bare minimum.

### Summary of Quarterly Results

	<b>Apr 30 2009</b>	<b>Jan 31 2009</b>	<b>Oct 31 2008</b>	<b>July 31 2008</b>	<b>Apr 30 2008</b>	<b>Jan 31 2008</b>	<b>Oct 31 2007</b>	<b>July 31 2007</b>
Total revenues	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	(59,422)	(10,302)	(81,599)	(496,243)	(271,575)	(146,301)	(31,316)	(49,169)
Net loss per share								
- basic and diluted	(0.01)	(0.00)	(0.01)	(0.04)	(0.02)	(0.02)	(0.00)	(0.01)

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The Company is a mineral exploration company. At this time any issues of seasonality or market fluctuations have no impact. The Company currently defers its mineral interest acquisition and exploration costs. The Company expenses its project investigation and general and administration costs and these amounts are included in the loss for each quarter. The Company's treasury determines the levels of exploration. The Company does not currently have any interest in any mineral properties.

**Liquidity**

The Company began the 2010 fiscal year with cash of \$470,286. Cash expended on operations in the period, net of working capital changes was \$57,492. The Company ended at April 30, 2009 with cash of \$412,794.

**Capital Resources**

The Company had no commitments for material capital expenditures as of April 30, 2009.

The Company had 300,000 stock options outstanding at June 25, 2009 which if exercised would raise additional capital. The stock options are not in the money.

There can be no assurance that additional financing will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs until the Company acquires an operating business or achieves positive cashflow. The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital.

**Transactions with Related Parties**

Included in the determination of net loss for the period is \$12,000 of consulting fees paid to a company wholly owned by the Company's Chief Financial Officer and Corporate Secretary.

The above noted transactions have been in the normal course of business and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

**Disclosure of Outstanding Share Data**

The following details the share capital structure as of the date of this MD&A.

	<b>Common Shares Issued and Outstanding</b>	<b>Common Share Purchase Warrants</b>	<b>Stock Options</b>
Balance, April 30, 2009 and June 25, 2009	11,056,438	-	300,000

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**Financial Instruments**

All financial instruments are recorded initially at estimated fair value on the balance sheet and classified into one of five categories: held for trading, held to maturity, available for sale, loans and receivables and other liabilities

*Financial Risk Management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and accounts payable.

The Company has classified cash as held-for-trading and accounts payable as other liabilities, all of which are measured at amortized cost.

The fair values of cash and accounts payable approximate their book values because of the short-term nature of these instruments.

*Financial Instrument Risk Exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

*Credit Risk*

The Company's only exposure to credit risk is on its bank accounts. Bank accounts are with high credit quality financial institutions. The Company holds no investments and has no risk exposure to asset backed commercial paper or auction rate securities.

*Liquidity Risk*

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand.

*Market Risk*

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

*Exchange Risk*

As at April 30, 2009 all of the Company's cash was held in Canada in Canadian dollars and has minimal exposure to foreign exchange currency risk.

*Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

**Forward-Looking Statements**

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future exploration

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activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, and continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual result or developments may differ materially from those projected in the forward-looking statements.

**Risks**

Should the Company stay in the mineral exploration business, mineral exploration is subject to a high degree of risk, which a combination of experience, knowledge, and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities are also expensive. The Company will therefore require additional financing to carry on its business and such financing may not be available when it is needed.

**Other Information**

Additional information relating to the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Regency Gold Corp.**

### **Interim Consolidated Financial Statements**

(Unaudited – Prepared by Management)

**For the three months ended April 30, 2009**

#### **Notice to Reader**

These interim consolidated financial statements of Regency Gold Corp. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim consolidated financial statements, notes to financial statements and the related interim Management Discussion and Analysis.

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**Regency Gold Corp.**  
**Interim Consolidated Balance Sheets**

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	April 30, 2009 (unaudited)	January 31 2009
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 412,794	\$ 470,286
Amounts receivable	2,368	2,520
	<u>415,162</u>	<u>472,806</u>
Equipment (Note 4)	2,066	2,295
	<u>\$ 417,228</u>	<u>\$ 475,101</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 11,604	\$ 10,055
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (Note 5)	70,600,552	70,600,552
Contributed Surplus (Note 5)	2,741,793	2,741,793
Deficit	<u>(72,936,721)</u>	<u>(72,877,299)</u>
	<u>405,624</u>	<u>465,046</u>
	<u>\$ 417,228</u>	<u>\$ 475,101</u>

Nature and continuance of operations (Note 1)

Approved by the Directors:

"William Radvak" Director

"Doris Meyer" Director

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

**Regency Gold Corp.**  
**Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit**

	Three months ended	
	April 30, 2009 (Unaudited)	April 30, 2008 (Unaudited)
<b>Expenses</b>		
Amortization	\$ 229	\$ 459
Foreign exchange	(9)	3,125
Interest and bank charges	603	812
Consulting fees and salary (Note 6)	21,620	25,951
Office	458	5,505
Professional fees	19,969	36,813
Property investigation costs	-	67,528
Shareholder relations	9,054	16,786
Stock-based compensation	-	89,867
Transfer agent and filing fees	7,498	30,501
Travel	-	2,939
	<b>59,422</b>	<b>280,286</b>
Other item:		
Interest income	-	8,711
	<b>(59,422)</b>	<b>(271,575)</b>
<b>Net loss and comprehensive loss for the period</b>	<b>(59,422)</b>	<b>(271,575)</b>
<b>Deficit, beginning of period</b>	<b>(72,877,299)</b>	<b>(72,017,580)</b>
<b>Deficit, end of period</b>	<b>\$ (72,936,721)</b>	<b>\$ (72,289,155)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of shares outstanding</b>	<b>11,056,438</b>	<b>11,131,438</b>

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

**Regency Gold Corp.**  
**Interim Consolidated Statements of Cash Flows**

	<b>Three months ended</b>	
	<b>April 30,</b>	April 30,
	<b>2009</b>	2008
	<b>(Unaudited)</b>	(Unaudited)
<b>Cash flows to operating activities</b>		
Net loss for the period	\$ (59,422)	\$ (271,575)
Items not involving cash:		
Amortization	229	459
Stock-based compensation	-	89,867
Changes in non-cash working capital items:		
Amounts receivable	152	(6,389)
Prepaid expenses	-	2,248
Accounts payable and accrued liabilities	1,549	51,588
	<u>(57,492)</u>	<u>(133,802)</u>
<b>Cash flows to investing activities</b>		
Equipment	-	(2,754)
Mineral properties	-	(108,028)
	<u>-</u>	<u>(110,782)</u>
<b>Increase (decrease) in cash</b>	<b>(57,492)</b>	<b>(244,584)</b>
<b>Cash beginning of period</b>	<b>470,286</b>	<b>1,211,076</b>
<b>Cash, end of period</b>	<b>\$ 412,794</b>	<b>\$ 966,492</b>
<b>Supplementary non-cash investing information</b>		
Shares issued for mineral properties	\$ -	\$ 117,500

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

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**Regency Gold Corp.**  
**Notes to Interim Consolidated Financial Statements**  
**Three months ended April 30, 2009 and 2008**

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**1. Nature and continuance of operations**

Regency Gold Corp. (the "Company"), formerly Silvio Ventures Inc., was incorporated under the laws of the Province of British Columbia and continued under the Canada Business Corporation Act. The Company is currently listed on the NEX board of the TSX Venture Exchange.

These financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year.

The Company has no mineral properties and is investigating properties for potential acquisition and subsequent exploration and development.

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at April 30, 2009, the Company has working capital of \$403,558. Although cash could provide sufficient funds through the current fiscal year to maintain the Company, the capital expenditures required to acquire mineral properties, and subsequently explore or develop the mineral properties to achieve profitable operations may be substantial. The continuation of the Company as a going concern for a period longer than the current fiscal year is dependent upon the ability of the Company to obtain necessary equity financing to continue operations.

The Company is currently investigating mineral properties for potential acquisition and subsequent exploration and development. The Company will seek to conduct a share offering to raise capital to fund these activities.

**2. Significant accounting policies**

These interim consolidated financial statements for the Company have been prepared in accordance with generally accepted accounting principles in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company's audited financial statements including the notes thereto for the year ended January 31, 2009 which may be found on [www.sedar.com](http://www.sedar.com).

The accounting policies followed by the Company are set out in note 2 to the audited financial statements for the year ended January 31, 2009 and have been consistently followed in the preparation of these interim financial statements.

**3. Financial Instruments**

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**Regency Gold Corp.**  
**Notes to Interim Consolidated Financial Statements**  
**Three months ended April 30, 2009 and 2008**

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**4. Equipment**

	<b>April 30, 2009</b>			January 31, 2009	
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>	Net book value	
Computer equipment	\$ 2,754	\$ 688	\$ 2,066	\$	2,295
	<b>\$ 2,754</b>	<b>\$ 688</b>	<b>\$ 2,066</b>	\$	2,295

**Regency Gold Corp.**  
**Notes to Interim Consolidated Financial Statements**  
**Three months ended April 30, 2009 and 2008**

**5. Share Capital**

a) Authorized

Unlimited Class A common shares, without par value

b) Issued

	Shares	Share capital	Contributed Surplus
Balance, January 31, 2009 and April 30, 2009	11,056,438	70,600,552	2,741,793

c) Stock Options

On October 30, 2007 the Board of Directors adopted a stock option incentive plan (the "Plan") subject to regulatory approval. Stock options may be granted to the Company's directors, senior officers, employees, consultants and consultant's companies. The stock option plan: (i) provides that the number of common shares reserved for issuance, within a one year period, to any one optionee, shall not exceed 5% of the outstanding common shares; (ii) provides the maximum number of common shares reserved for issuance pursuant to options granted may not exceed 10% of the issued common shares; and (iii) contains other provisions to ensure the stock option plan is compliant with stock exchange regulations.

Expiry date	Exercise price	Balance, January 31, 2009	Granted	Forfeitures	Balance, April 30, 2009
October 31, 2012	\$0.55	250,000	-	-	250,000
March 12, 2013	\$0.57	50,000	-	-	50,000
		300,000	-	-	300,000
Weighted average exercise price		\$ 0.55	\$ -	\$ -	\$ 0.55

All of the stock options were vested and exercisable at April 30, 2009

During the three months ended April 30, 2008 the Company recorded \$89,867 in stock-based compensation for the vested portion of the stock options granted. The fair value of the stock options granted was estimated on the date of grant using the Black-Scholes option pricing model using a risk free interest rate of 2.93% to 2.97%, an expected life of five years, volatility of 150% and no expected dividends resulting in a fair value of \$0.50 to \$0.52 per option.

**6. Related Party Transactions**

During the three months ended April 30, 2009, \$12,000 (April 30, 2008 – \$12,000) in consulting fees were paid to a company wholly owned by the Company's Chief Financial Officer and Corporate Secretary for corporate and financial reporting services.

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**Regency Gold Corp.**  
**Notes to Interim Consolidated Financial Statements**  
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Included in accounts payable and accrued liabilities are amounts owed to related parties at April 30, 2009 of \$124 (April 30, 2008: \$6,325) which were paid shortly after April 30 in each year.

All of the above noted transactions have been in the normal course of business and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

## **7. Management of Capital**

The Company manages its common shares, stock options and warrants as capital (see Note 5). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

The Company does not expect its current capital resources will be sufficient to carry out its acquisition and exploration plans and operations through the 2009 operating period and will be attempting to raise additional capital through an equity transaction when market conditions permit and when the Company has identified a new project for acquisition.