

5 December 2011

**Herencia Resources plc
(the “Company”)**

Issue of Options

The Company announces the issue, on 3 December 2011, of options over ordinary shares of 0.1p each in the capital of the Company (the “Options”) to certain employees and directors.

In relation to the directors, the following Options were issued:-

Director	Options Issued	Total Options now held
John Moore	5,000,000	10,000,000
John Russell	5,000,000	10,000,000
Michael Bohm	10,000,000	20,500,000

The Options are exercisable at a price of 2.4p per share and can be exercised at any time up to 31 December 2014.

The exercise price of the options represents a premium to the closing price on Friday 2 December of 2.10p and a premium to the 7 day, 1 month and 3 month volume weighted average price (VWAP) indicators for Herencia.

Following the issue, the total number of Options in issue is 57,500,000 representing 3.64% of the issued share capital of the Company on a fully diluted basis.

Commenting on the issue of Options, Chairman John Moore stated *"2011 has seen Paguanta progressed on a number of fronts and a new project agreement, related to the Guamanga Project, signed and that project advanced to the drilling phase. The options have been issued to employees and directors to incentivise them to continue the good work into 2012 and beyond. The exercise price has been set at a premium to the current share price and several share indicators."*

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