

13 November 2013

**Herencia Resources plc
("Herencia" or "the Company")**

**Herencia Announces
New Cornerstone Investor**

Highlights

- Herencia Resources plc ("Herencia") secures new cornerstone investor to facilitate advancement of its main Chilean projects, focussing on the Picachos and Paguanta Projects
- Up to GBP£2.48 million (~US\$4.0 million) to be invested by blue-chip Hong Kong Investment Fund
- Investment priced at 0.62p per share, approximately 15% premium to the 45 day VWAP and 25% premium to current share price
- Places the Company in a strong financial position to advance its first-class projects
- Existing funding facility with Lind to be terminated

Herencia Resources plc (AIM:HER), the Chile-focussed mineral exploration and development Company, is pleased to announce an exciting new funding arrangement with a Hong Kong based investment fund, Shining Capital Management Ltd ("Shining").

The Company confirms that it has executed a binding term sheet in relation to a GBP£2.48 million investment in Herencia by Shining.

The term sheet provides for funding in two tranches:

1. The first tranche ("Tranche One Investment") of GBP£620,000 will be paid within five (5) days of the signing of a Subscription Agreement (anticipated to be signed on or before 18 November 2013).
2. The second tranche ("Tranche Two Investment") of GBP£1,860,000 will be paid upon successful completion of Due Diligence and associated legal documentation (anticipated on or before 15 December 2013).

Under the terms of the Tranche One Investment, Shining will subscribe for 100 million new ordinary shares in Herencia at a price of 0.62p per share for a total consideration of GBP£620,000. Subsequent to the issue of the Tranche One Investment shares, Shining will hold 100 million ordinary shares representing approximately 4.7% of the total issued shares of the Company.

Subject to successful Due Diligence, Shining will subscribe for an additional 300 million new ordinary shares in Herencia at a price of 0.62p per share (the Tranche Two Investment). Subsequent to the issue of the Tranche Two Investment shares, Shining would hold 400 million ordinary shares representing approximately 16.4% of the total issued shares of the Company.

Subject to Shining completing the Tranche Two Investment, and at any time thereafter that Shining maintain their shareholding in Herencia at or above 10% of the shares on issue, Shining would have the right to:

- nominate one Director to the Board of Herencia Resources plc (subject to normal AIM regulatory approval); and
- subscribe for shares in new share issues to maintain their pro-rate equity position in Herencia

The funds raised from this issue of equity will predominantly be used to:

- Advance the Picachos Copper Project including initiating a drilling program in the first half of 2014 to potentially fast-track identification of a maiden mineral resource estimate during 2014.
- Advance permitting, logistical and community engagement activities in relation to the Paguanta Silver-Zinc-Lead Project.
- Potentially undertake a drilling program targeting the very strong Induced Polarisation (IP) anomalies immediately along strike from the existing Patricia Mineral Resource.
- Advance first-pass exploration work on i) the 'Loretto' Project located immediately adjacent to the Paguanta Project targeting a large surface anomaly in this world class copper belt, and ii) the La Serena Project targeting copper mineralisation in this highly prospective part of Chile.

Upon signing of the Subscription Agreement application will be made to admit the Tranche One Investment shares to trading on AIM. An announcement will be made in due course in relation to when dealings in these shares will commence.

Following the issue of the First Subscription Shares, the total number of shares in issue will be 2,143,960,817. There are no shares held in treasury, therefore the total number of voting rights in the Company will be 2,143,960,817. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest under the Disclosure and Transparency Rules.

Managing Director, Graeme Sloan, commented:

"This is fantastic news for Herencia. To have attracted a Hong Kong-based investment fund of the calibre of Shining again demonstrates the quality of the asset suite owned by Herencia. We have already established an excellent working relationship with the management team at Shining and I have no doubt this will continue as we progress the Projects.

We believe the ingredients for Herencia's success are now in place and we plan to move quickly and confidently to undertake significant value-adding work, which we believe will deliver positive project results and consistent news-flow throughout 2014 and beyond.

These funds will allow the existing Lind Facility to be terminated immediately. This facility allowed the Company to progress key projects during 2013 and I thank the Lind management team for their support.

The new investment by Shining really sets the Company on a solid footing to hit the ground running in 2014 and advance our high quality projects."

Managing Director of Shining Capital Management, Mr Jimmy Lim, commented:

"We were attracted to Herencia by the quality of its projects. In particular, the significant growth potential of all the projects, the attractive commodity suite, the excellent location and importantly, the quality and leadership of Herencia's management both in Australia and Chile.

We see ourselves as long-term supporters of Herencia and we are very supportive of what Graeme and his team are striving to achieve in Chile. We look forward to all of the Company's projects advancing and potentially making the transition to production over the next 24 to 36 months".

About Herencia

Herencia Resources plc, is an AIM quoted exploration and development company operating in Chile. The Company has recently completed a Feasibility Study in relation to its 70% owned Paguanta Project, a high grade silver-zinc-lead project located in northern Chile. The Company has also entered into an option to acquire the producing Picachos Copper Project in central Chile.

The Company is also seeing the Guamanga Project advance rapidly after entering into a Joint Venture with a wholly owned subsidiary of one of Australia's largest copper miners, OZ Minerals.

About Shining Capital Management

Shining Capital is an investment management company based in Hong Kong. Shining Capital's team of investment professionals is focused on areas within key sectors, including natural resources, which hold potential for long-term superior growth.

For further information, please contact:

Graeme Sloan, Herencia Resources plc	+61 8 9481 4204
Katy Mitchell, WH Ireland Limited	+44 161 832 2174

Further background details on the Company can be found at www.herenciaresources.com

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