

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

Picachos Project Update

Second Processing Option for Picachos

Highlights

- ✓ *Herencia has entered into a second non-binding memorandum of understanding (MOU), for the sale or treatment of ore which may be mined from Picachos, with the owners of the Minera China processing plant located approximately 30 kms south of Picachos.*
- ✓ *The MOU with Minera China Co Limitada is structured along similar lines to that signed with the owners of the Tambillos copper processing plant, as announced last week, and covers the option of the outright purchase of Picachos ore from Herencia.*
- ✓ *This new arrangement confirms the multiple options available to Herencia in relation to treatment or sale of copper ore from Picachos.*

Herencia Resources plc (AIM:HER), the Chile-focussed mineral exploration and development Company, is pleased to announce that the Company has entered into a second Memorandum of Understanding (MOU) in relation to future sale or treatment of ore from its Picachos Copper Project ("Picachos" or the "Project"), located in northern Chile.

The Minera China Processing Plant is located approximately 30kms south of Herencia's Picachos copper-silver project and is one of four ore processing plants located in the immediate Picachos area. The owners of the Minera China plant have confirmed the ability of their plant to treat future ore mined at Picachos and their interest in negotiating a commercial agreement that includes the purchase and treatment for any ore mined at Picachos. Negotiations to agree final commercial and technical parameters (including timing and pricing), will commence in the coming weeks.

Managing Director Graeme Sloan commented on this development:

"The signing of this MOU with Minera China, coming only a week after signing a similar agreement with owners of the nearby Tambillos processing plant, clearly demonstrates the optionality we have to treat or sell ore which we anticipate to be mined at Picachos and also the flexibility of those treatment options. Moving forward we will look to finalise the terms around the toll treatment or direct sale options, and complete the next round in the work program to then move as quickly as possible into production mode, hopefully by 2H2015.

Securing the second MOU also highlights the ability of our team in Chile to get the job done - another reason why they will form the nucleus of our future production team."

About the Picachos Project

The Picachos Project is located approximately 50km south east of the coastal city of La Serena, 8km west of both the existing Andacollo copper-gold project operated by Teck Resources and the mining town of Andacollo (population approximately 10,000 people), and approximately 10km south of the privately owned Tambillos copper mine. The Project is very well positioned for infrastructure with existing high voltage power located approximately 3km east of the Project area and serviced by two all-weather access roads.

Small scale mining is currently being undertaken by private miners via small open pit and underground mining operations. Ore is being trucked to a Chilean government owned processing plant (ENAMI plant) for processing. This mining will continue up until such time as the Option to fully acquire Picachos is exercised (at Herencia's discretion) and is seen by the Company as an excellent mechanism to achieve geological and grade data across many zones of mineralisation.

A review of available data and Herencia's own geological programs has confirmed multiple zones of mineralisation with a combined strike length of over 8km contained within the Project area. In some areas the close relationship of these zones coupled with multiple occurrences of out-cropping wide zones of mineralisation, highlights the excellent potential for large scale open pit mining to take place at Picachos. Historic mining has focused mainly around the high grade structures, however in some areas the mantos have been mined up to 50m wide. Mineralisation generally commences from one to five metres below the surface and appears open at depth.

About Herencia

Herencia Resources plc, is an AIM quoted exploration and development company operating in Chile. In addition to the Picachos Copper Project, the Company has a Joint Venture with OZ Minerals at the Guamanga Project and it has completed a Feasibility Study in relation to its 70% owned Paguanta Project, a high grade zinc-silver-lead project located in northern Chile. The Company's corporate office is located in Perth and the main technical and management office is located in Santiago, Chile where it has been operating for over eight years.

For further information, please contact:

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References in this announcement to exploration results and potential have been approved for release by Mr Graeme Sloan (BAppSc Mining Engineering WASM) and Mr Antonio Valverde (Bsc Geology Universidad Complutense de Madrid), who have more than 20 years relevant experience in the field of activity concerned. Mr Sloan is a Member of the Australasian Institute of Mining and Metallurgy. Mr Sloan and Mr Valverde have consented to the inclusion of the material in the form and context in which it appears.

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

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