

6 October 2014

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

Drilling to Commence at Picachos

Highlights

- ✓ *Second drill program to commence at Picachos*
- ✓ *Approximately 4,000m to be drilled*
- ✓ *Targeting maiden Mineral Resource Estimate in 1Q2015*
- ✓ *Keeps the Company on track for production in 2015*
- ✓ *Recent geological field work has extended the Mineralisation over 1km in strike length*

Herencia Resources plc (AIM:HER), the Chile-focussed mineral exploration and development Company, is pleased to announce that drilling will shortly commence at its Picachos Copper Project ("Picachos" or the "Project"), located in northern Chile.

The second drilling program is scheduled to commence in four weeks and will comprise up to 4,000m of both RC and Diamond drilling. The program will target the high-grade 40m Shaft area and potentially the recently identified northern extensions of the Flor del Bosque/40m Shaft mineralisation mentioned below. The program will comprise approximately 30 drill holes ranging between 100m and 200m depth.

Analysis for copper and other elements will be conducted at ALS Laboratories in Chile. The program will be managed by the Company's Chief Geologist.

The aim of the upcoming drill program is to determine a JORC mineral resource estimate in the first quarter of 2015. The Mineral Resource estimate will underpin a mining feasibility study that is expected to be finalised the second quarter 2015. That study will look to establish an open pit mine plan and mine production schedule for the Picachos Project, prior to the project moving into a mine development and production phase in the second half of 2015.

The Company is also very pleased to report the discovery of a new area of copper mineralisation identified as part of the on-going detailed geological and structural mapping work at Picachos. The new area, named "Flor del Bosque North", shows similar lithological features and structure found at both the '40m Shaft' zone and the 'Flor del Bosque' zone with similar bornite-chalcopyrite assemblage hosted by limestones.

This discovery adds approximately 300 meters extension to the 40m Shaft mineralised strike length which now totals over 1,000 metres. This is only one of several mineralised structures/trends existing throughout the Picachos tenements.

Managing Director Graeme Sloan commented on this exciting phase in the Company's life:

“Following a successful capital raising, in which the directors personally contributed £180,000, it is now time to get down to work. By commencing drilling in the next few weeks, we are clearly focussed on our goal of bring Picachos into production in the near future. The plan is to have all our drill assay results to hand by Christmas to allow the mine feasibility study work to be finalised during 2Q2015, keeping us on track for production in 2H2015.

The discovery of the mineralised extension to Flor del Bosque is exciting, but not surprising and we expect to see more as we build the picture around Picachos. During our previous drill program nearly every we hole drilled intersected copper, with the majority intersecting high grade copper as announced in RNS’s released in June and July 2014.

What is important to note, is that at this time we are only focussing on one of the several working areas at Picachos, the 40m Shaft area. Once we get this into production and cash flow, our plan is to progressively drill and bring the others into the mine plan. The fact that we now have 1,100m of mineralisation along the same zone again demonstrates the enormous potential of Picachos, and that’s just in the open pit areas, the underground potential has, as yet, not been contemplated.”

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 where drilling is scheduled to commence this quarter and it has 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’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.

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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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