

20 October 2014

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

Contract Awarded for Picachos Drill Program

Highlights

- ✓ *Drilling contractor appointed for the Picachos Project*
- ✓ *Contract to include both reverse circulation drilling and diamond drilling*
- ✓ *Up to 4,500m to be drilled*
- ✓ *Targeting maiden Mineral Resource Estimate in 1Q2015*
- ✓ *Keeps the Company on track for production in 2015*

Herencia Resources plc (AIM:HER), the Chile-focussed mineral exploration and development Company, is pleased to announce that it has completed the tender process for the upcoming drill program at its Picachos Copper Project ("Picachos" or the "Project"), located in northern Chile.

Seven companies submitted bids for the reverse circulation (RC) and diamond drill (DD) work program and AC Perforaciones was chosen to execute the work. AC Perforaciones is a local drilling company founded in 2006 and experienced in both diamond and reverse circulation drilling. Their major clients include Barrick, CAP, SQM, Teck Resources and Freeport.

Drilling is expected to begin in the first week of November with the duration of the campaign estimated at approximately one month. The objective is to complete approximately 3,500 to 4,500m of drilling comprising 2,000 to 3,000m of RC drilling and 1,000 to 1,500m of diamond drilling. It is anticipated that the program will comprise 30 to 40 holes with depths ranging between 80m and 200m. As previously advised, the program will target the high-grade 40m Shaft area and the recently identified northern extensions of the Flor del Bosque/40m Shaft mineralisation.

The aim of the drill program is to determine a JORC mineral resource estimate which will underpin a mining feasibility study. The study is expected to be finalised in the second quarter 2015, and will focus on the open pit potential of the area and target mine development and copper production in the second half of 2015.

The Company has also engaged Geodatos to undertake a geophysical survey program involving Resistivity and Induced Polarization (IP) methods to assist in the determination of depth and lateral extensions to the high-grade copper mineralisation at Picachos. This work has already commenced and is expected to be completed this month with the result available shortly after.

Managing Director Graeme Sloan commented on the upcoming drill program:

“It is exciting to be kicking off our second drill program at Picachos, together with the geophysical work, just weeks after a successful capital raising.

Once this work is completed we will be in a position to collate all the assay and geological data to construct a geological model and look to produce a mineral resource estimate for the Picachos Project. This will then be used as the basis of the Mine Feasibility Study, looking to optimise and schedule open pit mine production from Picachos.

Management are very focussed on maintaining the momentum as we seek to bring Picachos into production in the second half of 2015, aided by the location and availability of local ore processing options negating the time and cost burdens of building our own processing plant.”

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.

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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