

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

Drilling Program Commences at Picachos Project

Highlights

- ✓ *Drilling program commenced on schedule at the Picachos Project*
- ✓ *Focussing on the high grade '40m Shaft' zone where previous drilling intersected broad high grade copper mineralisation in multiple holes*
- ✓ *Targeting maiden Mineral Resource Estimate in 1Q2015*
- ✓ *First step on the road to mine production in 2H2015*

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

The drill campaign, involving both reverse circulation (RC) and diamond drilling (DD) for an estimated total of 3,500m to 4,500m, is anticipated to take one month to complete. The program will target the high-grade 40m Shaft area where numerous broad and high grade copper drill assay results were recently achieved (refer RNS 2 July 2014) including:

- **Hole PP14019 - 91m at 1.42% copper** from 19m including;
 - **60m at 1.94% copper** from 39m which included **20m at 3.10% copper**
- **Hole PP14022 - 45m at 1.70% copper** from 95m including;
 - **34m at 2.09% copper** from 102m
- **Hole PP14011 - 9m at 1.75% copper** from 70m; and
- **Hole PP14011 - 25m at 1.24% copper** from 111m including;
 - **13m at 1.71% copper** from 123m

As previously announced, the aim of the drill program is to determine a JORC mineral resource estimate which will underpin a mining feasibility study. The feasibility 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 is also pleased to advise that the geophysical survey program involving Resistivity and Induced Polarization (IP) methods, looking at depth and lateral extensions to the high-grade copper mineralisation at Picachos, has been successfully completed on time and on budget. The data is currently being processed and it is anticipated the results will be available this month.

Managing Director Graeme Sloan commented on the upcoming drill program:

“Our second drill program at Picachos, commencing hot on the heels of the very successful first program, marks an important milestone for the Company. The first major step toward production next year has now been taken.

We believe the pace being set demonstrates management’s commitment to bring Picachos into production in the second half of 2015.”

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 and drill 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 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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