1 December 2014

Herencia Resources plc

("Herencia" or "the Company")

Picachos Drilling Confirms High Grade Copper Mineralisation

Stage II RC & DD program approximately 50% complete

Highlights

- Initial assay results from the current drilling program have confirmed high copper grades and broad mineralisation widths continue at the Picachos Copper Project in Chile
- Supports the high copper grades achieved in the previous drill program in mid-2014
- Initial results include:

Reverse Circulation ("RC") Drilling

- **Hole PP14031** **22m at 1.50% copper** from 74m including:
  - **11m at 2.34% copper** from 76m
- **Hole PP14031** **18m at 1.59% copper** from 110m including:
  - **12m at 2.07% copper** from 110m
- **Hole PP14032** **22m at 1.23% copper** from 138m including:
  - **9m at 2.22% copper** from 144m

Diamond Drilling ("DD")

- **Hole DD14001** **12m at 1.04% copper** from 86m including:
  - **6m at 1.45% copper** from 92m
- **Hole DD14001** **17m at 1.12% copper** from 102m including:
  - **6m at 1.84% copper** from 113m
- **Hole DD14001** **28m at 2.04% copper** from 142m including:
  - **23m at 2.32% copper** from 147m

- Results confirm Picachos has both near surface high grade copper mineralisation (as seen in the current active mine areas) and wide high grade at depth *(23m at 2.32% Cu from 147m)*
- All results from the 40m Shaft zone area where open pit mining is currently targeted for commencement in 2H2015

Herencia Resources plc (AIM:HER), the Chile-focussed mineral exploration and development Company, is pleased to advise that the initial laboratory assay results from drilling at its advanced Picachos Copper Project ("Picachos" or the "Project") have returned extremely encouraging results from the first holes drilled.

The drill program is designed to provide information that will allow the preparation of a Mineral Resource Estimate in early-2015, which will underpin the completion of a Mine Feasibility Study in 1Q/2Q2015. These continuing high-grade results come from the 40m Shaft area that will potentially support open pit mining commencing in 2H2015.

The QA/QC process used to record the drilling results includes collecting and recording 10kg and 20kg one metre and two metre samples respectively, over the entire length of the drill hole with the one metre samples confined to the mineralised zones. The samples are visually logged by the onsite Company geologists for geology and mineralisation and hand-held XRF ("XRF") samples taken over the mineralised zones. The individual samples are then transported and submitted to an accredited analytical laboratory (ALS) for assaying.

A table of significant assay results reported by the laboratory is shown in Appendix 1.

The current drill program is scheduled to conclude in December, with all assay results expected to be received by the end of December 2014.

Managing Director, Graeme Sloan, commented on the high-grade drill results achieved from the current drilling at the Picachos Project:

"These results provide further indication that Picachos is a high grade project amenable to low cost shallow open pit mining. Given what we have seen so far, our target start date for production in the second half of 2015 is certainly achievable.

In addition to the high grade copper values seen so far with the Stage II drilling, we have yet to receive the silver grades which are expected to add further to the revenue stream. The first of the silver assays are due shortly.

As previously advised, we have a number of copper mines operating in very close proximity to Picachos providing toll treatment options, we have a Feasibility Study kicking off in relation to open pit mining at Picachos, and we now have these great drill results which will go into the geology model and the Minerals Resource Estimate due in 1Q2015.

This is truly an exciting time for Herencia shareholders, Picachos looks to tick all the boxes for a quick entry into production and a strong cashflow from day one."

In relation to the Company's Guamanga Project, OZ Minerals have advised of their withdrawal from the joint venture. OZ Minerals drilled five deep diamond drill holes of approximate depth of 700m each (for a total meterage of 3,495m), which intersected copper mineralisation in three of the five holes - including 14m at 0.52% copper and 0.18g/t gold from 260m downhole. The results, whilst geologically informative, were not sufficient enough to warrant further deep drilling at this time. Herencia will now review the drill information provided by OZ Minerals and will likely seek a JV partner for the asset or an outright sale to allow management to concentrate on bringing the Picachos Project into production in 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 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) where it is processed. 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 drilling programs have confirmed multiple zones of copper 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 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

****ENDS****

Appendix 1 – Significant Laboratory Assay Results from 2014 Picachos Drilling Program (received to date):
(All widths stated are down-hole intersections)

Hole ID	Easting	Northing	Dip/Az. (degrees)	From (m)	To (m)	Width Down-hole (m)	Copper Grade (%)	Zone
PP14031	292 668	6 648 605	60/60	74	96	**22**	**1.50**	40M Shaft
Incl.				76	87	**11**	**2.34**	
				110	136	**26**	**1.32**	
Incl.				110	128	**18**	**1.59**	
Incl.				110	122	**12**	**2.07**	
Incl.				133	136	3	1.79	
PP14032	292 690	6 648 618	60/60	7	11	4	1.04	40M Shaft
				31	35	4	1.24	
				42	56	14	0.94	
Incl.				42	46	4	1.45	
Incl.				49	53	3	1.33	
				89	91	2	1.21	
				116	120	4	1.13	
				128	132	4	0.94	
				138	160	**22**	**1.23**	
Incl.				144	153	**9**	**2.22**	
DDH14001	292 690	6 648 559	50/60	55	59	4	1.21	40M Shaft
				86	98	12	1.04	
Incl.				92	98	6	1.45	
				102	119	17	1.12	
				113	119	**6**	**1.84**	
				142	170	**28**	**2.04**	
Incl.				147	170	**23**	**2.32**	
				175	178	3	0.98	

- *All samples assayed by ALS Laboratory Group, Chile/Peru*
- *Crushing all sample 70% < 2mm;split to 1 Kg; and powdered 85% < 75 µm*
- *ME ICP41 method or Cu-OG62 ore grade for Cu 0.001-50%*
- *All widths are downhole widths*
- *Hole ID co-ordinate grid is WGS84 UTM Zone 19S*