

30 January 2015

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

# **Herencia to sell La Serena Project for up to US\$4 million**

## **Highlights**

- *Herencia signs option agreement to sell the La Serena project for up to US\$4 million*
- *La Serena is an exploration prospect and non-core in the Company's future development plans*
- *First US\$150,000 option payment received*
- *Herencia will retain an 0.8% NSR royalty on future production*

Herencia Resources plc (AIM:HER), the Chile-focussed mineral exploration and development Company, is pleased to advise that it has entered into an option agreement with Cuprum Resources Chile Limitada to divest the La Serena Project for US\$4 million. Cuprum is part of the B&A Mineracao group and has several mining projects located in South America including nearby in Chile.

An initial non-refundable payment of US\$150,000 has been received by Herencia, thereafter the following payments to Herencia are scheduled in the event Cuprum proceeds to fully exercise the option:

- After 12 months US\$ 350,000
- After 24 months US\$ 500,000
- After 36 months US\$ 3,000,000

La Serena is part of the original portfolio of assets when the Company was first admitted to trading on AIM. It is a greenfields exploration prospect that contains several targets, all of which will require drilling and expenditure commitments to fully test. Given this, and the Company's current development strategy, La Serena has been deemed non-core to its future plans and a decision to divest was made by the Board. The current book value of La Serena is £223,900.

The option agreement is a means to potentially bring forward shareholder value in the short-medium term through regular option payments and longer term through the 0.8% NSR royalty.

The Company is also in discussions with various parties to potentially JV the Guamanga prospect. As announced on 1 December 2014, Oz Minerals ("Oz"), our previous JV partners in Guamanga, felt the prospect did not meet their hurdle levels, however drilling by both Oz and Herencia has identified a number of worthwhile targets to follow up.

The directors believe the Company's Zinc-Silver-Lead Pagaunta Project remains well positioned to take advantage of any increase in the zinc price."

Managing Director, Graeme Sloan, commented:

*“Whilst the focus has been on advancing the Picachos Project toward production by the end of the year, we continue to seek value-add opportunities for our shareholders wherever possible, this agreement is one such opportunity.*

*Not only will we receive cash and potentially participate in any upside through an NSR royalty, we will also not incur any ongoing project expenditure. I also believe accessing funding for exploration prospects in this market will remain challenging and this agreement is a way to provide value for shareholders now and also the future should they become production centres.*

*Our focus remains firmly fixed on being a cash generating producer as soon as possible. ”*

## **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 also has the Guamanga Copper Project and the 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](http://www.herenciaresources.com)**

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