

3 August 2015

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

Issue of Equity

As announced on 7 August 2013, a group of private equity investors provided funding of US\$0.67million to make the initial Picachos option payment and complete the first stage of the work program in exchange for the right to subscribe for equity in the subsidiary company that owns the Picachos Project.

To provide the Company full ownership to the Picachos project, an agreement with four of the five private equity shareholders has been reached to convert their right to equity in the subsidiary company that owns the Picachos Project for shares in Herencia Resources plc. Accordingly, a total of 119,627,624 ordinary shares of 0.1p each at an effective price of 0.25p per share ("Conversion Shares") will be issued. Application has been made to admit the Conversion Shares to trading on AIM, and it is anticipated that dealings in these shares will commence on 7 August 2015.

In respect of the remaining minority investor, it has been agreed that Herencia will acquire their interest in the subsidiary company that owns the Picachos Project in the next 12 months for total consideration of US\$300,000.

Managing Director, Graeme Sloan, commented:

"We are very pleased to have achieved this significant milestone and I would like to thank the private equity investors for their support and willingness to work with the Company to achieve an outcome that is a win-win situation for all stakeholders. This is an exciting time as the Company continues working towards the development of Picachos."

Following the issue of the Conversion Shares, the total number of shares in issue is 3,754,609,563. There are no shares held in treasury. Therefore, the total number of voting rights in the Company is 3,754,609,563. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest under the Disclosure and Transparency Rules.

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Further background details on the Company can be found at www.herenciaresources.com