

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

Funding Update

Herencia Resources plc is pleased to announce that today it has agreed a short term loan of US\$300,000 with its Chairman, Mr. John Moore. A total of US\$90,000 will be advanced immediately, with the balance remaining conditional upon the major shareholders agreeing to provide the Company with a further loan of US\$250,000 and agreeing to vote in favour of all resolutions at the upcoming Shareholder General meeting scheduled for 24 March 2016. It is expected these shareholders will lodge a separate Term Sheet with the Company in the near future.

The loan will have an interest rate of 15% pa, a three month term and will be used for general working capital purposes. The Loan will be repayable in full on the earlier of:

- (a) 30 May 2016;
- (b) the Company receiving funds from the Next Minerals SA transaction as announced 3 February 2016 (the "Next Transaction"), any equity or debt or similar fundraising (excluding shareholder loans), any disposal of Company assets or any such similar transfer of Company property;
- (c) conclusion of any reverse takeover or fundamental change of business as defined in Rules 14 and 15 of the AIM Rules for Companies;
- (d) Mr. Moore ceasing to hold the position of director of the Company; and
- (e) any offer for shares in the Company made pursuant to the City Code on Takeovers and Mergers becoming or being declared unconditional (including any scheme of arrangement to effect such an offer becoming effective).

Although the directors remain confident that a deal with the major shareholders will be agreed, there can be no guarantee at this stage that this will happen. If no further source of funds can be identified, the directors believe that the Company will no longer be able to trade after 18 March 2016.

However, if the funding negotiations proceed as intended, the directors believe this should allow the proposed transaction with Next Minerals to proceed, subject to, inter alia, shareholder approval and completion of due diligence.

The loan from the Chairman of the Company is a Related Party Transaction under the AIM Rules. The directors of the Company, other than John Moore, having consulted with the Company's Nominated Adviser, WH Ireland Limited, consider that the terms of the transaction are fair and reasonable insofar as the shareholders are concerned.

Further details on the additional funding will be announced as soon as practicable.

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) who has 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 has 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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