

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

Loan Update
Board Changes

Loan Update

Further to the announcements of 5 April 2016 and 14 April 2016, the Company confirms that following receipt of the security documentation over the Company's assets, the Australian Special Opportunity Fund and Oriental Darius Co. Ltd have advanced to Herencia, US\$100,000 (Part 1 of Tranche 1 of the Loan of up to US\$500,000, the details of which are set out in the announcement dated 5 April 2016).

It is anticipated that a further US\$100,000, being Part 2 of Tranche 1 of the Loan, will be drawn down shortly and a further announcement will be made at that time.

As previously stated, the directors believe that the funds from Part 1 of Tranche 1 will support the Company's working capital requirements for approximately a further week and the funds from Part 2 of Tranche 1 will support the Company's working capital requirements until end of April/early May 2016.

The directors are not aware of any reason why Part 2 of the Tranche 1 monies will not be drawn down but there can be no guarantee at this stage.

Further updates will be provided in due course.

Board Changes

The Company also announces today that Graeme Sloan, Chief Executive Officer of Herencia, has given notice of his intention to step down as a director of the Company. In order to ensure the Company's current plans are not interrupted Graeme has confirmed he will not leave the Company until 30 June 2016 in order that a suitable replacement can be found. It is agreed that Graeme may leave earlier if the handover to a new Chief Executive Officer is completed prior to 30 June 2016 and further announcements will be made at that time.

The Company confirms it has started a search for a replacement Chief Executive Officer and further confirms it intends to appoint Mark Bolton as a consultant to assist in the handover process and the identification of a potential replacement. Mark has more than 25 years' experience in the resources industry covering many commodities and jurisdictions for both junior companies and large multi-national mining houses.

Chairman, John Moore, said "*Graeme has taken this step reluctantly but personal issues have forced him to consider his options. I want to thank Graeme for his leadership during a very difficult period for commodity prices and mining companies generally. Circumstances required Graeme to spend much more time in Chile than originally anticipated and the Company is grateful to him for the dedication he has shown in striving to deliver the best outcome for all stakeholders*".

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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