

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

**Update on the Sale of Paguanta  
Extension to Conditional Term Sheet**

Herencia Resources plc (AIM: HER) refers to the announcement made on 10 May 2016 regarding a proposed transaction under which the Company will dispose of ("Proposed Transaction") all of the issued shares in Paguanta Resources (Chile) SA ("PRC"), a wholly owned subsidiary of Herencia Resources plc's ("Herencia", "Company") to Golden Rim Resources Limited ("Golden Rim"). PRC holds 70% of the shares in Compania Minera Paguanta S.A. (CMP) which holds mineral concessions at the Paguanta silver-lead-zinc-copper project in northern Chile.

The Company has agreed with Golden Rim to amend the term sheet, so that the parties now have until 13 June 2016 to execute formal agreements (the original agreement provided for 6 June 2016).

The Company confirms that due diligence investigations are progressing well but completion of the Proposed Transaction is subject to the successful completion of all conditions, including commercial, operating, technical, taxation, legal and other due diligence, being satisfied or waived by no later than 4 July 2016.

Further updates will be provided by the Company in due course.

Managing Director, Graeme Sloan, commented:

*"The sale of the Paguanta Project could be a significant transaction for both the Company and Golden Rim with significant transfer of knowledge required by the Company to Golden Rim as part of the due diligence process. This has been further complicated with legal input required under English, Australian and Chilean law, all of which has extended the time required to complete the due diligence and final signing."*

**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.

**About Paguanta**

Paguanta is located in the north of Chile approximately 190 kilometres north-east of the coastal city of Iquique and 30 kilometres west of the Chile-Bolivia border. It is on the north end of the Oligocene Porphyry Copper Belt of Chile that includes the world class deposits of Escondida, Chuquicamata, Collahuasi and Cerro Colorado. Cerro Colorado is a large operating copper mine, operated by BHP Billiton, and is located approximately 35 kilometres south of Paguanta.

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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](http://www.herenciaresources.com)**

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