

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

**General Update**

As part of the Board restructure and Corporate Reinvigoration strategy ("the Strategy") announced on 27 July 2016, the Company is working with interested parties with the aim of providing additional funds to progress the Company's Picachos Project (Cu-Ag) and for working capital requirements. As part of the strategy, the Company is looking to use these funds to move Picachos closer to a decision to mine or provide the foundations for potential joint venture scenarios given recent interest in the project.

In preparation for this work, the Company has opted to improve its balance sheet and in conjunction with interested parties has used the recent funds from the sale of its 70% ownership of the Paguanta Project to Golden Rim Resources (as announced on 1 September 2016) to repay the majority of its creditors. This places substantial constraints on the Company's current working capital position, however the Directors are confident funding discussions with other interested parties will result positively for the Company, although at this stage there can be no guarantee that this will occur.

The Directors are working with interested parties to ensure the previously announced Board restructure and Corporate reinvigoration is successfully implemented as quickly as possible so Picachos and the Company's other assets can be progressed to realise the value to all shareholders.

Further updates will be provided in due course.

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

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