

## Regulatory Story

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**Herencia Resources PLC** - HER Drawdown of US\$300,000 in Convertible Notes  
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Herencia Resources PLC  
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### **Herencia Resources plc**

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

### **Drawdown of US\$300,000 in Convertible Notes**

#### *Summary*

*Herencia is pleased to announce that today it has executed legally binding term sheets with its two largest shareholders, the Australian Special Opportunity Fund ("Lind Partners") and Oriental Darius Co. Ltd ("Oriental") to advance the Company US\$300,000, subject to the satisfaction of certain conditions. It is intended that the funds will be provided equally by the Shareholders (US\$150,000 each).*

#### **Details of the convertible note issue**

US\$300,000 will be provided to the Company by the Shareholders by way of a secured convertible note facility with a face value of \$330,000 ("Face Value"), the agreed amount to be repaid by the Company over the 12 month term of the agreement.

The convertible notes have the same terms and conditions those as announced on 5 April 2016 with the exception of the pricing of the conversion. Lind Partners and Oriental will each provide US\$150,000 by way of convertible loan notes with a face value of US\$165,000 with the price on conversion to be set at the "Next Placement Price", which is anticipated to take place during May 2018.

If the "Next Placement Price" is the current Herencia Price of 0.043 pence, the Company has estimated that it will issue on Conversion of this latest convertible note facility 541,214,288 Ordinary Shares (based on a face value of US\$330,000). The total number of Ordinary Shares in issue now is 10,658,517,793.

In addition to the Loan Notes issued today, the Company presently has the following additional convertible notes in issue (calculated in point 1 and 2 below

with GBP to USD FX rate of 1.405543):

1. 24 October 2017  
US\$300,000 (face value US\$350,000) which will convert to 287,500,000 new Ordinary Shares at 0.12 pence per Ordinary Share; and
2. 18 January 2018  
US\$400,000 (face value US\$480,000) which will convert to 2,958,597,882 New ordinary Shares at 0.01 pence for US\$300,000 tranche (face value US\$360,000) and 0.03 pence for US\$100,000 tranche (face value US\$120,000);.

Lind Partners and Oriental were the sole subscribers to the above-mentioned convertible notes.

#### **Notification of Lind Partners Interest**

Lind Partners presently hold 2,519,392,831 Ordinary Shares representing 23.64% of all Ordinary Shares. If Lind Partners convert to new Ordinary Shares all its convertibles notes under the current conditions, it will hold approximately 4,413,048,916 Ordinary Shares representing 30.55% of Ordinary Shares.

In addition, the Company has agreed with the Takeover Panel that Lind Partners is acting in concert with the following individuals/entities, who were introduced by Lind Partners at the placement on 27 April 2017 and hold 207,261,111 Ordinary Shares:

1. Mr. John Hancock;
2. Mr Martin Rogers, and
3. Abundance Partners LP .

(together, with Lind, the "Concert Party")

The Concert Party now have a total in interest in 2,726,652,942 Ordinary Shares, representing 25.58% of the issued share capital of the Company.

If Lind Partners was to convert all its convertible notes, the Concert Party would hold 4,620,310,027 Ordinary Shares in the Company representing 31.98% of Ordinary Shares

#### **Notification of Oriental Interest**

Oriental presently hold 2,371,298,341 Ordinary Shares representing 22.25% of all Ordinary Shares. If Oriental convert to new Ordinary Shares all its convertibles notes under the current conditions, it will hold 4,264,954,426 Ordinary Shares representing 29.52% of Ordinary Shares.

#### **Related Party Approval**

As Lind Partners and Oriental are substantial shareholders, the agreement with Lind Partners and Oriental is a Related Party Transaction under AIM Rule 13 to the AIM Rules for Companies, and the directors of the Company, having consulted with its Nominated Adviser, WH Ireland Limited, consider that the terms of the agreement with Lind Partners and Oriental is fair and reasonable insofar as its shareholders are concerned.

#### **Working Capital**

The funding provided under this convertible note facility will provide the Company with sufficient funds through to approximately the end of May 2018.

## About Herencia

Herencia Resources plc, is an AIM quoted exploration and development company operating in Chile. In addition to the Picachos/Pastizal Copper Project, the Company also has the Guamanga Copper Project in northern Chile and La Serena Copper Project north of Picachos. The Company's main technical and management office is in Santiago, Chile where it has been operating for over eleven years.

Further details on the Company can be found at [www.herenciaresources.com](http://www.herenciaresources.com)

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The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014.

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