



**Herencia Resources PLC** - HER Pastizal milestone signed  
Released 15:39 24-Oct-2017

RNS Number : 4983U  
Herencia Resources PLC  
24 October 2017

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

**Pastizal milestone signed**

**Highlights**

1. **Binding and Strategic**-The Company is pleased to advise the completion of a Signed Agreement for exploration of the Pastizal mine lease and other associated tenements lying adjacent to the Picachos project near La Serena in Chile.
2. **Mutually acceptable to direct funds to exploration**-The Pastizal Agreement between Consultoria y Servicios Mineros S.A. (CSA) and Herencia is based on;
  - 1,250,000,000 shares issued to CSA at today's price of 0.03p but shares are locked into until the share price of the Herencia Shares exceed 0.012 pence for a minimum of 90 days;
  - US\$25,000 cash up-front to CSA and two further cash payments of US\$150,000 in 30 months and US\$200,000 in 42 months, respectively;
  - If the Company decides to proceed with the project, milestone payments up to US\$2 m cash to CSA will be paid on discovery of over 10 million tonnes grading 1% copper within both the Pastizal and Picachos projects.
3. **Synergy**-Pastizal has similar geological potential as Picachos and both projects have small scale tribute operations currently mining around 2% copper.
4. **Building a team**-Herencia is putting in place a professional geological team in the near term to support the Company's exploration activities.

Non-Executive Chairman Peter Reeve today commented:

*"We are pleased to confirm Herencia has signed this Mutual Agreement with CSA for*

*the Pastizal project. Your company will start a 3000 metre Reverse Circulation drill program in October and overall geological assessment following the recent successful capital raising of US\$1.2m in April 2017. As significant, Pastizal is adjacent to the Picachos tenements containing high grade intercepts including amongst others, 117 metres grading 1.14% copper. We have an enviable ground position in an established copper belt with easy access to port, infrastructure and skills. Both sites are mined by tribute private mining companies down to 50 metres establishing the acceptability of the copper ores as suitable feed for the local Government copper mill. Our exciting tenements lie within 10 kilometres of two major copper plants and within 30 kilometres of two copper plants to the south."*

## **Pastizal Agreement**

The terms of the agreement are as follows:

1. US\$25,000 and 1,250,000 million ordinary HER shares to CSA, further announcements will be made when these are issued;
2. 1250 million HER shares to CSA are locked in until the share price exceed 0.012 pence and for a minimum of 90 days, and on achieving other mutual conditions;
3. 30 months - payment of US\$150,000;
4. 42 months - payment of US\$200,000;
5. Milestone payments up to US\$2m based on the following timeline and conditions. If the Company decides to proceed with the project subject to combined JORC 2012 Mineral Resource at Picachos and Pastizal exceeding 10 million tonnes grading average copper grade of 1%;
  - 18 months US\$600,000
  - 36 months US\$400,000
  - If 20 million tonnes grading 1% copper identified then maximum payment is US\$2m.

## **The Pastizal Project**

The Pastizal project [pronounced "Pas-tis-cell"] is situated on the south west boundary of the Picachos tenements and located approximately 50km south of the coastal city of La Serena, 10km west of the existing Carme de Andacollo copper-gold project operated by Teck Resources and the mining town of Andacollo (population approximately 10,000 people).

The owner of the Pastizal project is Consultoria y Servicios Mineros S.A. a small consultancy group with no assets other than Pastizal. The consideration to be paid by Herencia to the owner has been determined by reference to the value of the land and the potential upside to the project. The asset has no turnover or profit; and a minimal book value.

Small scale artisanal mining is presently being undertaken by private miners via small open pit and underground mining operations. This limited scale production will be permitted to continue until Herencia is ready to commence its own production however in the meantime this work should provide valuable geological and visual understanding of the mineralisation. This type of small scale mining is typical in Chile.

In addition to the copper grades being mined, the Directors believe that the Pastizal site is an excellent strategic fit for Herencia and its plans to the Picachos project.

## **About the Picachos and Pastizal Projects**

The Picachos and Pastizal projects are located approximately 50km south of the

coastal city of La Serena, 8km west of both the existing Andacollo copper-gold project operated by Teck Resources and the mining town of Andacollo (population approximately 10,000 people), and 10km south of the privately owned Tambillos copper mine. The Projects are very well positioned for infrastructure with existing high voltage power located approximately 3km east of the Project area and serviced by two all-weather access roads.

Historic mining has focused mainly around the high-grade structures, however in some areas the mantos has been mined up to 50m wide. Mineralisation generally commences from one to five metres below the surface and appears open at depth.

### **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 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.

For further information please contact:

Peter Reeve, Herencia Resources plc +61 8 9481 4204

Jeff Williams, Herencia Resources plc +61 8 9481 4204

Katy Mitchell, WH Ireland Limited (NOMAD) +44 161 832 2174

Jon Belliss, Beaufort Securities Limited (UK) +44 207 382 8300

This information is provided by RNS  
The company news service from the London Stock Exchange

END

MSCFEDFLLFWSEDS

CLOSE

---

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

---

Pastizal milestone signed - RNS