



Herencia Resources PLC - HER Suspension of Trading
Released 08:18 26-Feb-2019

RNS Number : 1229R
Herencia Resources PLC
26 February 2019

Herencia Resources plc

("Herencia" or the "Company")

Suspension of Trading

Conditional Agreement with Related Parties

Working Capital Update

The Directors confirm they have executed legally binding term sheets with two of its 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 (the "Shareholders"). It is intended that the funds will be provided equally by each of the Shareholders (US\$150,000 each).

However, the Directors note that the term sheet is subject to certain pre-conditions which are highly unlikely to be achieved and that, to be AIM Rule compliant, the transaction requires approval by the Company's Nominated Adviser, WH Ireland pursuant to AIM Rule 13 of the AIM Rules for Companies. Therefore there can be no guarantee the transaction will progress.

The Company also confirms that its working capital position is now severely constrained and if the term sheets cannot be approved, and if no further source of funds can be found, it is unlikely that the Company will be able to continue to trade after this time.

Accordingly, trading in the Company's Ordinary Shares has been suspended with immediate effect pending clarification of financial condition. Further updates will be provided in due course.

Proposed Details of the Capital Raising

Subject to the satisfaction of certain pre-conditions and Nominated Adviser approval, which can not be guaranteed, capital of US\$150,000 would be provided to the Company by each of the two Shareholders by way of a secured convertible facility with a Face Value of \$180,000 ("Face Value"), the agreed amount to be repaid by the Company over the 24 month term of the agreement.

The Convertible Security has the same conditions as announced on 5th April 2016 in that Lind Partners and Oriental may each exercise its right to convert US\$150,000 of convertible loan notes with a face value of US\$180,000 into shares at an exercise price of "The Next Placement Price" ("Conversion"). Pursuant to the Conversion at a later date, new ordinary shares of "The Next Placement Price" each ("New Ordinary Shares"), will be admitted to trading on AIM.

The total number of Ordinary Shares on issue now is 11,055,737,793.

Possible Example Terms

Assuming the price of "Next Placement Price" used is the current Herencia Price of 0.0015 pence. Following the issue of the New Ordinary Shares on Conversion of this funding of US\$180,000, the additional new number of Ordinary Shares at face value will be 0.0015 pence per share (although this will vary with exchange rates at the time). There are no Ordinary Shares held in treasury.

Notification of Lind Partners Interest

If the term sheet progresses, and if Lind Partners convert the New Ordinary Shares under the current conditions, Lind will hold 2,519,392,831 Ordinary Shares representing 23.12% of the issued share capital of the Company.

In addition, the Company has agreed with the Takeover Panel that Lind is acting in concert with the following individuals/entities, who were introduced by Lind 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 2,726,653,942 Ordinary Shares, representing 24.66% of the issued share capital of the Company.

If the term sheet set out above progresses, and if Lind Partners was to convert all its convertible interests in the Company, then in addition to its current shareholding it will hold 5,889,33,234 Ordinary Shares representing 32.14% of the total issued share capital of the Company and, with the Concert Party 33.27% of the issued share capital of the Company.

Notification of Oriental Interest

If the term sheet progresses and if Oriental convert to New Ordinary Shares under the current conditions, Oriental will hold 2,371,298,341 Ordinary Shares, representing approximately 21.45% of the Company's enlarged issue share

capital.

If the term sheet set out above progresses and if Oriental was to convert all its convertible interests in the Company, including those interests set out in this announcement, then in addition to its current shareholding it will hold 5,741,238,744 Ordinary Shares representing 31.34% of the total issued share capital of the Company.

For further information please contact:

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