



Herencia Resources PLC - HER US\$120,000 Funding and Company Update
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Herencia Resources plc

("Herencia" or the "Company")

US\$120,000 Funding and Company Update

Summary

Herencia is pleased to announce that today it has 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\$120,000, subject to the satisfaction of certain conditions. It is intended that the funds will be provided equally by the Shareholders (US\$60,000 each).

Details of the capital raising

Capital of US\$120,000 will be provided to the Company by the Shareholders by way of a secured convertible facility with a Face Value of \$144,000 ("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. Herencia (AIM: HER) announces that Lind Partners and Oriental may each exercise its right to convert ;

US\$60,000 of convertible loan notes with a face value of US\$72,000 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 ("Ordinary Shares"), will be admitted to trading on AIM, and

The total number of Ordinary Shares on issue now is 10,908,517,793.

In this case, the price of "Next Placement Price" used at face value is the current Herencia Price of 0.00028 pence. Following the issue of the New Ordinary Shares on Conversion of this funding of US\$120,000, the additional new number of Ordinary Shares at face value will be 400,453,494 (vary with exchange rates at the time). There are no Ordinary Shares held in treasury.

Notification of Lind Partners Interest

If Lind Partners convert to 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 2,726,652,942 Ordinary Shares, representing 25.00% of the issued share capital of the Company.

As set out on 19 October 2016, if Lind Partners was to convert all its convertible interests in the Company, then in addition to its current shareholding it will hold 4,972,322,689 Ordinary Shares representing 30.43% of the total issued share capital of the Company and, with the Concert Party 31.70% of the issued share capital of the Company.

Notification of Oriental Interest

If Oriental convert to New Ordinary Shares under the current conditions, Oriental will hold 2,371,298,341 Ordinary Shares, representing approximately 21.74% of the Company's enlarged issue share capital.

As set out on 19 October 2016, 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 4,824,228,199 Ordinary Shares representing 29.52% of the total issued share capital of the Company.

Related Party Approval

As Lind Partners and Oriental Darius are substantial shareholders, the agreement with them 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 Darius is fair and reasonable insofar as its shareholders are concerned.

Working Capital

The funding provided under this convertible note facility will provide sufficient funds through to end of January 2019, and the company's working capital position continues to be constrained.

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.

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Further background details on the Company can be found at www.herenciaresources.com

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