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Herencia Resources PLC - HER US\$300,000 loan facility and Company Update
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Herencia Resources plc

("Herencia" or the "Company")

US\$300,000 loan facility and Company Update

Herencia Resources Plc (AIM: HER), the multi-commodity resources company with a primary focus on developing its high-quality copper and gold exploration projects in Chile, announces it has entered into a US\$300,000 senior secured loan facility with Australian Special Opportunity Fund ("Lind Partners") and Oriental Darius Co. Ltd ("Oriental") as well as providing an update on the Company's progress.

As announced on Tuesday 30th July, WH Ireland Limited has resigned as Nominated Adviser (Nomad) and Joint Broker to the Company with immediate effect.

Ongoing Financial Support

The Company has received a financial loan facility from its two major shareholders of US\$300,000, reflecting their ongoing financial support for over two years. Such financial assistance is not unusual and has been the only capital support.

The facility will be provided to the Company by the Shareholders by way of a secured convertible facility with a face value of \$360,000 ("Face Value"), the agreed amount to be repaid by the Company over the 12-month term of the agreement. It is also intended that the convertible security will have the same conditions as announced on 5th April 2016. Herencia announces 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 ("Ordinary Shares"), will be admitted to trading on AIM.

The company entered into this loan facility in order to immediately settle a "Windup Order" from its former Nomad, WH Ireland for £83,447.42, which was settled in full on 11 July 2019.

The delay in release of the RNS for the loan facility is due to the company not being able to reach an agreement with our former Nomad on the language of the RNS and the WH Ireland Limited resignation.

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 interest in 2,726,652,942 Ordinary Shares, representing 24.66% 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 6,144,291,573 Ordinary Shares representing 32.24% of the total issued share capital of the Company and, with the Concert Party 33.36% 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 21.45% 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 5,788,935,972 Ordinary Shares representing 31.43% 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 the Company's solicitors, Bishop & Sewell LLP in London, 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 company has sufficient working capital to meet its cashflow obligations until 30 September 2019. The company will raise capital in September 2019. The Company's shares remain suspended.

31 December 2018 Financial Statements

The Company will release its 31 December 2018 accounts in the coming 10 days. The Company's new auditors, Crowe LLP are in the process of completing the audit. Herencia's Chile accountants will provide the London auditors with the final data this week.

Appointment of new London-based Director

Following the appointment of the Company's new Nomad, Herencia will appoint a London-based Director. The new Nomad will need to undertake the AIM clearances for the new Director.

General Meeting and Share Consolidation

A General Meeting of shareholders will be called in the coming months to approve the 2018 financial statements and to approve a consolidation of the Company's share capital.

Exploration Assets

The Company continues the search for further copper and gold projects. It intends to undertake further exploration activity in Chile in 2019.

Carl Dumbrell, CEO commented:

"We thank all of our shareholders for their ongoing support. We are pleased with the changes we have made to the Company over the last 12 months and believe these changes will lead to the long-term success of the Company and the delivery of value to shareholders."

****ENDS****

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