

Term Sheet for Seed Capital – May 2024

Strictly Private and Confidential

Relaunch of Herencia!

Herencia Resources Plc (Herencia) is offering a seed capital round to finance the re-launch of the company with an investment in a low-cost gold mining project in Queensland, Australia. The project is scheduled to commence mining and generate positive cash flow in 2025.

The Team

The board is pleased to announce our proposed new team and products:

Graham Duncan, Director

Graham is a Chartered Accountant in England & Wales with more than 20 years' experience in advising listed companies. He is Chairman of RentGuarantor Holdings Plc.

Carl Dumbrell, Director

Carl is a Chartered Accountant in Australia, England & Wales. He is a partner with CDTL in Sydney and previously a partner in London.

Carl is Managing Director & Company Secretary of Emperor Energy (ASX: EMP), an NED of Mosman Oil & Gas (AIM: MSMN), Chairman of the Kennedy Foundation and President of St Michael's Golf Club.

Phil McNamara, Director

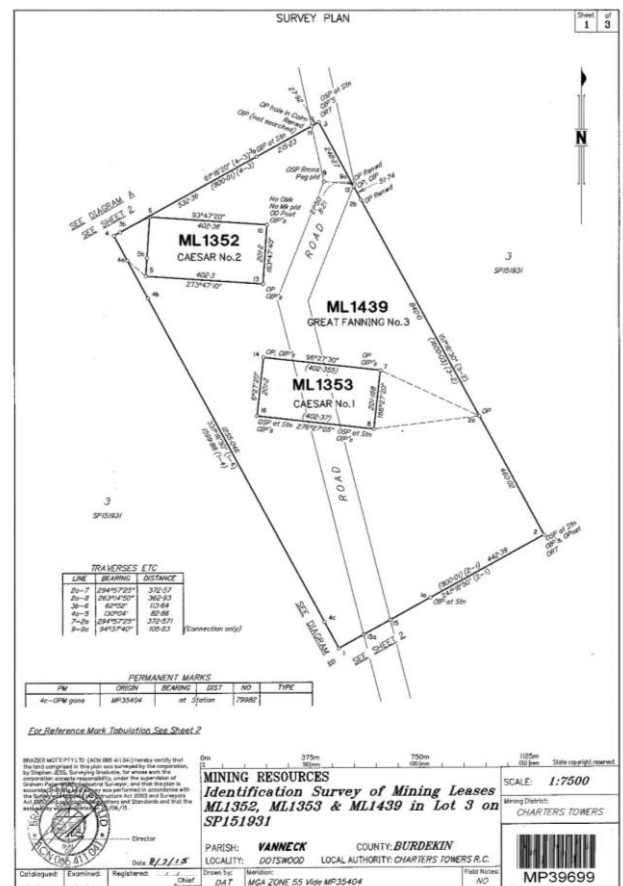
Mining Engineer with 40 years in the resource industry. He is a Director of Emperor Energy (ASX: EMP), former CEO and Managing Director of Amour Energy (ASX:AJQ) and former Managing Director of Waratah Coal

Dallas Cox, Independent Mining Engineer

Dallas has 42 years mining industry experience. He is a qualified Open Pit Mine Manager with previous roles at Barrick Gold, Placer Dome, Eldorado Gold, Polymetals Resources, Fosterville, Granny Smith and Porgera gold projects.

Gold Mining Lease, Queensland Australia

- Highly prospective for gold
- Historic workings and geology studies
- Held privately for 30 years – no work done
- Opportunity to generate early cash flow
- Drill out a near-surface resource in 2024
- Small contract mining operation 2025
- Focus on high-grade commencing with outcropping zone
- Truck ore to a plant in Charters Towers district
- Contract toll milling and processing of ore



What Makes this a Good Mining Prospect

- This property is a 128 Hectare Mining Lease
 - Provides a fast track to Mining Operations
 - No Registered Environmentally Sensitive Areas
 - Existing Environmental Approval with Standard Mining Lease Conditions already in place

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<ul style="list-style-type: none"> • 10 Hectares of disturbance already approved (5 Hectares Mining / 5 Hectares Infrastructure) • Requires plan of operations to be approved, then appoint mining officials (Senior Site Executive) • Some Approvals required from other authorities, Local Council, State Government Departments • Requires execution of a Land Access Agreement with Australian Defence Force (Commonwealth Govt) • Discreet Location - No dwellings within 20km of the Leases • Native Title has been extinguished • Requires standard Cultural Heritage Clearance • Located between Townsville and the Charters Towers, North Queensland, Australia. • This is an established gold mining precinct • Full range of mining services available with local Mining Contractors and Gold Processing facilities • 1.5 hours drive from Townsville or Charters Towers • Daily commutable distance for mining contractors. No requirement for a Mining Camp • The Great Caesar Reef Is Outcropping • Direct access to gold bearing ore provides opportunity for low start up mining costs • Dependent on exploration results, opportunity exists to scale up operations in multiple phases controlled by overall mine plan • Staged approach reduces demand for up front capital and provides for tight operating control • Staged approach also controls costs of upfront Financial Surety for Rehabilitation Obligations <p>Exploration Program</p> <ul style="list-style-type: none"> • Recent soil & rock sample assays have indicated anomalous results for gold. • Low costs drilling program in 2024 • Mining feasibility study in 1st half 2025 • Contract mining in 2025 	<p>2024 Costs in AUD\$</p> <table> <tr> <td>Purchase cost of Mining Leases</td> <td>\$500,000</td> </tr> <tr> <td>Acquisition Costs including Due Diligence</td> <td>\$120,000</td> </tr> <tr> <td>Stage-1 Exploration Program</td> <td>\$180,000</td> </tr> <tr> <td>Total</td> <td>\$800,000</td> </tr> <tr> <td>HER Share (50%)</td> <td>\$400,000</td> </tr> </table> <p>2025 Costs - Capital</p> <table> <tr> <td>Stage-2 Exploration</td> <td>\$120,000</td> </tr> <tr> <td>Mining Setup Capital Costs: Including Approvals, Environmental Plans, Environmental Monitoring, Govt Bonds, Access Agreement, Site Preparation, Feasibility Study, Mobilisation</td> <td>\$500,000</td> </tr> <tr> <td>Total</td> <td>\$620,000</td> </tr> <tr> <td>HER Share (50%).</td> <td>\$310,000</td> </tr> </table> <p>2025 Costs - Operating</p> <p>Operating costs for the 1st Stage of contract mining will be determined by the exploration program results, outcome of the Feasibility Study and scale of the 1st Stage operation.</p> <p>Revenue 2025</p> <p>Mining Revenue is planned for the 2nd Half of 2025. Revenue will be determined by:</p> <ul style="list-style-type: none"> - scale of the 1st Stage operation - diluted ore grades - mining costs - transport costs to a processing plant and - processing plant costs. <p>These factors will be determined accurately by the Exploration Program and Project Feasibility Study.</p> <p>Next Steps</p> <ol style="list-style-type: none"> 1. Complete Seed Capital minimum £300,000 2. Complete Gold Joint Venture <p>Use of Funds</p> <p>All funds received in the seed round will be used for compliance and joint venture costs outlined above.</p>	Purchase cost of Mining Leases	\$500,000	Acquisition Costs including Due Diligence	\$120,000	Stage-1 Exploration Program	\$180,000	Total	\$800,000	HER Share (50%)	\$400,000	Stage-2 Exploration	\$120,000	Mining Setup Capital Costs: Including Approvals, Environmental Plans, Environmental Monitoring, Govt Bonds, Access Agreement, Site Preparation, Feasibility Study, Mobilisation	\$500,000	Total	\$620,000	HER Share (50%).	\$310,000
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