

## Regulatory Announcement

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<b>Company</b>	<a href="#">Herencia Resources PLC</a>
<b>TIDM</b>	HER
<b>Headline</b>	Chile Silver Project Update
<b>Released</b>	15:47 21-Nov-05
<b>Number</b>	4455U

21 November 2005

### **HERENCIA RESOURCES PLC** **(“Herencia” or “the Company”)**

#### **Chile Silver Project Update**

##### **Overview**

- Excellent project team assembled
- Project office opened 1 November in Iquique, Chile
- Exploration commenced 3 November
- High silver and base metal values identified by reconnaissance samples at both Iquique and Paguanta
- Paguanta drilling expected to commence mid January 2006

Since the announcement on 24 October 2005 Tarapaca has continued to progress the exploration programme requirements and review the historical data available on the Iquique and Paguanta projects.

The Company is pleased to announce that the establishment of the project team is now complete. The team will be based at the Company’s new office located in Iquique, Chile, which became fully functional on 1 November 2005.

The Iquique and Paguanta projects are to be managed by a very experienced technical team comprising James Reeves (ex Placer Dome) who has been appointed as General Manager of Exploration. As from mid November, two qualified Chilean geologists (ex BHPBilliton and Barrick Gold) and one project geologist, Andrew Jones (ex Newcrest Mining Limited and Aberfoyle Resources Limited), have also joined the team.

The team will be further complemented by Jacob Rebek (ex Rio Tinto exploration manager for South America) who was responsible for compiling the Tarapaca exploration portfolio. Jacob will continue to oversee the ongoing exploration programme. Additionally, Keith Liddell (ex Aquarius Platinum), who has extensive metallurgical and project development skills, was recently appointed as a non-executive director of the Company. Melvin Campbell (ex Robe River, Goldfields Limited and Ranger Minerals), has been appointed as Chief Financial Officer for the Tarapaca group.

All statutory approvals have been received including foreign investment approval received on 15 November 2005 from the Chilean authority for Tarapaca Resources to conduct exploration business in the country through its wholly owned subsidiaries Iquique Resources (Chile) SA and Paguanta Resources (Chile) SA.

Exploration in Chile commenced on 3 November 2005 with preliminary sampling in the Iquique project area. The exploration activities for the next 2-6 months will be focussed on the prospective old mine sites at the Iquique project and the walk-up drill targets at Paguanta.

## Iquique Project

The Iquique project covers secured tenements over approximately 97 km<sup>2</sup> in the Iquique Mineral Field, which contains numerous old silver workings dating back to the Inca Empire and the Spanish colonial era. The project area covers almost the entire old Iquique silver mining district, which in the 19th Century was the second largest silver producer in Chile with over 60 operating mines. The project area has historical assays which have produced numerous silver grades of between 500 to 1000 grams per tonne.

The Company hopes that the consolidation of the silver district under a single ownership structure will provide an opportunity to apply modern exploration methods to discover new silver and copper deposits. From the ongoing review of the historical data it is evident that previous miners were unaware of the silver potential of geologically unique surface reactions of salts which have been measured at between 3% and 11% silver chloride.

The Iquique project is situated in an area with good communications and infrastructure being located 20km from the deep water port of Iquique, near the western edge of a high plateau. The main road from Iquique to the nitrate mines, which are located immediately east of the silver workings, also passes through the Iquique Project area. With a population of approximately 140,000, Iquique offers extensive services and necessary infrastructure for the mining industry, as well as an international airport.

The majority of old mines were underground following narrow high grade veins up to 600 metres in depth, with mineralization in veins extending along east-west structures and around porphyry intrusions. Recently, dumps from these have been retreated to recover silver. In the earliest mining period, wider ore bodies were also exploited in near surface to produce oxidised, friable material that contained silver chloride mineralization and these should have potential for processing by simple leaching methods.

As a result, one of the main aims of the Iquique Project is to investigate the potential for bulk open cut mining of silver deposits in weathered oxidised rock where surface material may have been further enriched. In addition, the search for manto and skarn type silver-copper deposits like those mined in similarly mineralised districts in Peru and Mexico will also be undertaken. Some shafts have intersected replacement copper and silver mineralization within favourable limestone stratigraphy marginal to porphyry sills.

Initial field work will include 1,350 soils and historical dump samples, 1,040 rock and rotary chip samples and ground magnetics at the prospective Rosa Amelia, Rosa Amelia North and Monte Cristo old workings. This will be followed by 3,500 metres of RC drilling.

A summary of the prospective zones within the Iquique project are:

### Rosa Amelia Historical Workings

- Five closely spaced parallel ENE trending sub-vertical veins on hillside
- Near surface concentration of silver and oxide copper due to supergene regolith and saline effects
- Grades exploited over 100 years ago were 500-1000g/t Ag
- Stope maps from adits and tunnels show mineralization extends beyond controlling vein structures; recent spot samples gave 0.3% Cu with 400g/t Ag to 3% Cu with 30-50g/t Ag

### Rosa Amelia North

- Oxide silver-copper ore in limestone from shaft dump
- Green and red copper oxides
- Limestone sequence has porphyry sills, with mineralization along contacts and in sub-vertical veins

#### Monte Cristo

- Vein and brecciated silicified limestone with visible lead
- Possibly a lead, silver and zinc zone that is higher in system with copper potential at depth

#### Paguanta Project

The Paguanta Project is located in the northern part of the main Chilean porphyry copper belt, approximately 120km east of the coastal port of Iquique and 20 km south of highway to Bolivia. The Paguanta project covers a 39 km<sup>2</sup> tenement block which covers known silver-zinc-gold mineralization ("Patricia Zone") and copper-silver mineralization ("Doris Zone"). The Company was attracted to the Paguanta Project by historic silver workings which were established approximately 130 years ago when small-scale mining of high grade silver veins was undertaken from a 450m adit.

At Paguanta there are old workings which are drill ready targets where mineralization is found over a width of 700 metres along the east-west trending Patricia Zone structure. The project area historically has recorded adit and shaft dump assays averaging 125g/t silver, 5.71% zinc, 2.71% lead and 0.57 g/t gold. Initial field work will include 100 stream sediment samplings, 400 rock and dump samplings of old workings and mineralised zones, ground magnetic surveys and mapping of project area at the Patricia and Doris zones. This will be followed by 2,000 metres of diamond drilling.

The project area has sulphide veinlets rich in Silver and Zinc and quartz veinlets in porphyry host. The area is overlain by ignimbrite felsic volcanic and water table at floor of from 450m adit. Adit and shaft dump with maximum historical assays to 739g/t Ag, 22.88% Zn, 8.81% Pb, 1.8g/t Au (Patricia zone) have been noted and fractures northeast of the Adit area (Doris zone) historically assay up to 15.2% Cu and 805g/t Ag.

Previously restricted by access, Compania Minera Costa Rica recently constructed a 28km road from the Iquique-Oruro (Bolivia) highway southward across the Tarapaca River gorge to the Paguanta Project area. This new road has provided relatively straightforward access and opened up the area to modern exploration. The site is at 3,300-4,200 metres elevation and in the mineralised areas the slopes are relatively gentle.

With the full exploration team on board, field exploration activities consisting of rock and soils sampling is scheduled to commence on the 28 November 2005 with drilling activities scheduled to commence mid January 2006 and continuing until end of June 2006.

A summary of the prospective zones within the Paguanta project are:

#### Patricia Zone

- Several high grade silver-zinc vertical lodes or veins mined 130 years ago and ore smelted on site
- In old area there is silver-zinc-gold mineralization in high sulphidation epithermal veins and stockwork breccias hosted by andesite volcanic lavas and porphyry intrusions
- Cathedral pinnacle located centrally

#### Doris Zone

- A virgin mineralised zone east of the old Patricia Zone workings
- Visible copper sulphide minerals seen in outcrop reported to contain high silver and anomalous gold values
- Selected samples grade up to 20% copper and 800g/t silver

#### Cumbre Zone

- Southern part in area of silicified limonitic breccias with old working to be investigated

**\*\* ENDS \*\***

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