

Regulatory Announcement

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Company	Herencia Resources PLC
TIDM	HER
Headline	Drilling Report
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Herencia Resources plc Exploration Update

Highlights

- Iquique project drilling program of 36 holes and 3887 metres completed.
- The assayed results of the Iquique drilling program will be released as soon as received, collated and assessed.
- Paguanta sampling and mapping is continuing to define the mineralization and identify drill targets.

Background of Herencia Resources Plc in Chile

Herencia Resources Plc (Herencia) acquired an interest in 2 prospective silver and copper districts in Chile in November 2005, both of which have never been drilled or explored using modern systematic exploration techniques. Herencia has a right to earn a 70% interest in the Iquique and Paguanta projects located in northern Chile.

Iquique Project

The Iquique project area covers secured tenements over approximately 97 km² on the coast of northern Chile. This mineral field contains numerous old silver workings dating back to the Inca Empire and the Spanish colonial era. This project area covers almost the entire Iquique mining district, which in the 19th Century, with over 60 operating mines, was the second largest silver producer in Chile.

A drilling program of 36 holes was completed in March 2006. A total of 3887 metres was drilled to an average depth of 110 metres. Drill holes were clustered at the Rose Marie oxide copper prospect (7 drill holes), the Rosa Amelia mine area (8 drill holes), the Monte Cristo mining centre (8 drill holes) and in three groups in the Pajonales mining centre (13 drill holes). Drill holes were spread at an average of 50 metres along the drilled line, with drilled lines spread at an average of 188 metres apart.

The drill samples have all been delivered to the local sample processing laboratory and are shipped for analysis as soon as they are processed. Delays in processing have occurred due to the large load of both production and exploration samples inundating the laboratories as a result of higher metals prices and increased exploration activity. Results for only 19% of the samples have been received to date. Due to the current delays being encountered in processing and analysis it is not expected at

this stage that the final assays will be received for six more weeks. If there are any further delays or the results are received earlier than expected then a further announcement will be made.

The average grades of mineralization will be announced as soon as all the assay results have been received, collated and assessed.

Paguanta project

The Paguanta Project is located on the northern trend of the main Chilean porphyry copper belt, approximately 120km east of the coastal port of Iquique and 20 km south of highway to Bolivia. Paguanta has old workings which provide drill targets and additionally our geologists have identified a number of other targets of potential disseminated base and precious metal mineralization that will be evaluated.

Bad weather and initial difficult road access delayed the planned start of work at Paguanta. Improved weather and alternative road access has enabled the initial program of geologic mapping and sampling to get under way.

Channel sampling is being undertaken in the old underground mine workings. The samples collected will be analysed and the results announced as soon as all have been received, collated and assessed.

Geologic mapping and sampling on a 25 metre grid is also being undertaken with the objective to further develop information about the alteration and mineralization that was evident from previous mapping at a larger scale.

Geologic mapping and sampling on a 25 metre detailed grid area is also being undertaken with the objective to develop detailed information about the alteration and mineralization that was not evident from the previous mapping at 50 metre centres a larger scale.

A total of 345 surface and underground samples have been taken at Paguanta and delivered to the CESMEC laboratory near Iquique, Chile, for processing, of which 192 have now been shipped to Acme Analytical Laboratories S. A. for analysis for gold, silver, copper, lead and zinc. Approximately 250 more samples are planned from other underground workings, from trenches and from mineralization exposed by road cuts.

A program of stream sediment sampling covering the entire property will be initiated in the near future to evaluate the extensive alteration zones found on the property. A diamond drill program of approximately 2000 metres is anticipated to begin in September.

James R. Reeves, Registered Professional Geologist, General Manager of Iquique Resources, has reviewed the information contained in this announcement. James Reeves has over 36 years experience in the resources sector and is a qualified person within the definition of the AIM guidelines.

Further background details on the Company and its Iquique and Paguanta projects can be found at www.herenciaresources.com.

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