

Regulatory Announcement

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Herencia Resources plc

Project and Exploration Update
South American Opportunities

Highlights

- Iquique project drilling and surface rock chip/dump assay results are pending.
- Paguanta Project - assay results have been received from surface and underground sampling Paguanta. Best result over a 6m width from an underground drift averaged 7.3% zinc, 3.0% lead and 145 ppm silver.

Background of Herencia Resources Plc in Chile

Herencia Resources Plc (Herencia) holds an interest in two prospective silver and copper districts in Chile, both of which have had only modest exploration using modern systematic techniques. Herencia has a right to earn a 70% interest in the Iquique and Paguanta projects located in northern Chile (See figure 1 in the copy of this announcement on the company's website). A copy of this project update can be downloaded from the Company website which includes a map of the Location of Projects 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 April 2006. A total of 3887 meters was drilled to an average depth of 110 meters. The holes targeted sub-vertical and stratabound structures in historical silver and copper workings at Rosa Amelia, Rose Marie, Monte Cristo, and Pajonales. A copy of this project update can be downloaded from the Company website which includes a map of the Iquique Project location and drill collar plan.

Assays results have been received for 18 holes and 18 holes are still outstanding. The samples received are being collated and validated, and the interpretation of the drill holes results will be undertaken in conjunction with the outstanding samples when received. Details of the assay results will be announced as soon as all the results have been received. Laboratories in Chile have had increased assay turnaround time due to increased exploration activities in recent months.

Geological mapping and rock chip/dump sampling are currently underway.

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 the highway to Bolivia. Paguanta has old silver-zinc-lead workings which provide drill targets and additionally our geologists have identified a number of other copper, silver and gold targets that will be evaluated.

A total of 837 surface and underground samples have been collected. Those include 166 grid outcrop panel samples, 214 channel samples from historic mine workings, 298 trench channel samples and 67 stream sediment samples during the on-going stream sediment sampling program. Approximately 200 more samples will be taken during reconnaissance of the district.

Samples were collected from outcrops on a 50 meters and a 25 meters grid over an area centered on the Patricia (Englishman) mine workings. A copy of this project update can be downloaded from the Company website which includes a map of the Paguanta Project location plan. The most significant results are from within a 300 meters by 350 meters area in andesites. The range of analytical results for zinc is 100 to 10,000 ppm, for lead is 50 to 5900 ppm and for silver is 0.25 to 32.1 ppm. Table 1 shows some of the better silver results. A copy of this project update can be downloaded from the Company website which includes the location of the surface silver and zinc results from the Patricia area. The area is open to the west and to the north. Several very anomalous samples taken at the northern edge of the grid suggest the existence of an anomaly occurring in that direction. Analyses are pending from two trenches located approximately 150 and 300 m west of the anomaly and containing hydrothermally altered volcanic rocks. Surface sampling in the Patricia mine area is continuing, including the area to the west and north, to determine the extent of mineralisation. A surface sample just received from a 3.3m channel in the east of the grid assayed 419 g/t Ag and 11.3% Pb.

Table 1: Surface sampling silver results from the Patricia area

Sample No.	Au ppm	Ag ppm	Pb %	Zn %	Notes
36571	0.054	32.2	0.97	0.11	50m grid sample
36651	0.042	55.8	0.44	0.01	25m grid sample
36662	0.039	48.3	0.37	0.01	25m grid sample
36677	0.262	59.1	0.16	0.1	25m grid sample
36688	0.469	175	0.36	<0.01	25m grid sample
36698	0.230	72.9	2.02	0.08	25m grid sample
36711	0.082	32.1	0.28	0.03	25m grid sample
36900	0.046	21.1	0.11	0.36	50m grid sample

The Patricia underground mine workings are largely tangential to the surface sampling anomaly and only some results have been received from that sampling. Three samples over a 6 meter width from a drift close to the surface sampling anomaly averaged 7.3% zinc, 3.0% lead and 145 ppm silver (derived from the results in bold in Table 2 below).

Table 2: The better underground sampling results

Sample No.	Au ppm	Ag ppm	Pb %	Zn%
36737	0.101	19.7	0.35	0.57
36738	0.079	25.8	0.52	1.5
36743	0.197	27.5	0.51	1.15
36754	0.680	141	2.19	10.91
36755	1.019	201	5.27	8.94
36756	0.181	79.6	1.81	1.94
36757	0.269	92.9	1.52	2.03
36758	0.178	33.1	0.51	1.48
36759	0.042	25.8	0.43	0.71
36760	0.062	19.5	0.39	0.88
36762	0.095	39.5	0.66	1.7

36763	0.083	53.1	1.37	1.14
36769	0.026	32.6	0.6	1.56
36782	0.026	44.8	0.79	0.43
36805	0.040	42.5	0.57	1.79

Note - all are two-meter channel samples

Reconnaissance sampling of volcanic rocks about two kilometers south of the mine area included two anomalous samples. One sample assayed 7.4 ppm silver, 1.06% zinc and 0.21% lead. A second sample contained 1.5 ppm silver. Additional samples will be taken from this area.

Regional rock chip and stream sediment sampling is continuing within the Paguanta Project to identify silver, copper, zinc, lead and gold targets.

The Patricia target already sampled is planned to be drilled in 2006.

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

Future South American Projects

Herencia Resources has been advised by its major shareholder Mineral Securities Limited, that it intends to refer to the Company all future opportunities that come to it in South America.

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

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CONTACTS: MICHAEL BOHM +61 8 9221 7466

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