

## Regulatory Announcement

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<b>Company</b>	Herencia Resources PLC
<b>TIDM</b>	HER
<b>Headline</b>	Project & Exploration Update
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### Herencia Resources plc ("the Company" or "Herencia")

#### Project and Exploration Update

#### Highlights

- **Iquique Project** – reverse circulation drilling has tested the near surface narrow historical veins with the best intersections:
  - 2 metres at 110g/t Ag and 1.72% Cu
  - 3 metres at 69g/t Ag and 0.084% Cu
  - 14 metres at 21.3g/t Ag, 0.16% Cu
  - 4 metres at 25.4g/t Ag, 0.24% Cu
  - 7 metres at 93.7g/t Ag, 0.076% Cu including 2 metres at 183g/t Ag, 0.065% Cu
- **Paguanta Project** - surface rock chip sampling is extending the zone of anomalous silver, zinc, lead, copper and gold mineralisation to the north west. Best trench sample contained 204 g/t Ag and 5.79% Pb over a two metre channel width.
- **Paguanta Project** - magnetic and IP survey has commenced and drilling is planned to commence in the quarter ending December 2006.

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 km<sup>2</sup> 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.

#### Drill Results

A drilling program of 36 holes for a total of 3887 metres has been completed. The holes targeted outcropping silver and copper bearing sub-vertical veins in historical silver and copper workings at Rosa Amelia, Rose Marie, Monte Cristo, and Pajonales (the location of the holes is shown in figure 2 in the copy of this announcement on the company's website)

Assays results from the majority of the 36 holes have been received and are tabulated in Table 1 (attached). Significant intersections include:

Rose Marie

- RC-01 3 metres at 69g/t Ag from 12 metres

#### Rosa Amelia

- RC-11 14 metres at 21.3g/t Ag, 0.16% Cu from 84 metres

#### Pajonales

- RC-16 4 metres at 25.4g/t Ag, 0.24% Cu from 13 metres

#### Monte Cristo

- RC-35 7 metres at 93.7g/t Ag, 0.076% Cu from 41 metres, including 2 metres at 183g/t Ag, 0.065% Cu from 46 metres

The majority holes from all prospects either intersected the mineralised envelope or terminated in stopes. RC-35 at the Monte Cristo prospect intersected a vein with high silver values (183g/t Ag). The drilling has confirmed the grade of veins and surrounding alteration and also supported the association of silver and copper in the system.

Geological mapping, rock chip/dump, stream sediment and colluvium sampling are continuing to help define further drill targets. Early work supports a stratabound style of mineralisation within the project area that will be drill tested when the extent and controls are better understood. The Company is pleased with the initial phase of exploration at Iquique which has supported the geological model previously envisaged of narrow sub-vertical veins developed over the larger strata-bound target (as illustrated in Figure 3 in the copy of this announcement on the company's website).

## **Paguanta Project**

The Paguanta Project is located on the northern end of the Chilean porphyry copper belt, 120km east of the port of Iquique and 20 km south of the highway to Bolivia (see figure 4 in the copy of this announcement on the company's website). Paguanta contains old silver-zinc-lead workings which have provided promising targets and a drill program has been planned. A number of other copper, silver and gold targets have also been identified and are currently being evaluated.

Surface and underground sampling of the main Patricia zone - Englishman Mine (see figure 4 in the copy of this announcement on the company's website), is ongoing with the results from the initial samples previously reported on 13 June 2006. Additional results have been received for surface trench sampling and for miscellaneous sampling around the older workings (dumps, shafts and declines).

The better results from dump sampling of the older workings were:

Sample No.	Au_ppm	Ag_ppm	Pb_%	Zn_%
36985	0.517	<b>306</b>	2.02	0.07
36987	0.902	<b>164</b>	5.37	0.11
36988	0.145	<b>140</b>	1.01	0.03
36989	0.127	22.3	0.14	0.01
36990	0.047	44.7	0.16	0.03
36991	0.518	<b>127</b>	1	0.02
36992	0.188	72.4	0.96	0.02
36994	0.273	24.1	0.17	0.07
36995	0.296	<b>350</b>	1.47	0.04
36998	0.179	<b>174</b>	0.73	0.01

The better results from the trench sampling were:

Sample No.	Au_ppm	Ag_ppm	Pb_%	Zn_%
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