

For immediate release

# **Herencia Resources plc**

(“Herencia” or the “Company”)

## **Paguanta Project Update**

- 10,000m drilling program to commence on 28 February 2008
- Drill program aiming for June completion with a mid-year target for a Resource update
- Geophysical program completed – new conductors outlined
- Preliminary metallurgical sampling to commence as a pre-cursor to a scoping study
- Herencia controls 70% of Chilean company formed to hold Paguanta Project
- JV partner contributing 30% of program costs
- Senior Geologist appointed

### **Paguanta Project**

Herencia Resources Plc holds a 70% interest in the Paguanta Project in Northern Chile. The project, located on the northern end of the Chilean Porphyry Copper Belt, is approximately 150km east of the port of Iquique and 20 km south of a national highway.

Drilling programs undertaken by Herencia in 2006/7 identified an Inferred Mineral Resources of 2.5Mt grading 4.1% Zn, 1.3% Pb and 77g/t Ag at a 2%Zn cut-off, as announced by the Company to the market on 5 October 2007. The mineral resource estimate complies with recommendations in the Australian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC) of the AusIMM. The mineralisation remains open in most directions and the near surface nature of the resource may lend itself to open pit mine development.

### **Drilling Program**

A 10,000m drilling program is scheduled to commence at the end of February with the diamond rig due on site on the 28<sup>th</sup> and the RC program earmarked to commence in late March. The work will be performed by the same contractor who successfully completed the 2007 drilling program. Site activity has commenced with a dozer currently preparing drill pads. It is planned to complete drilling in early-June to allow the Mineral Resource to be updated.

### **Geophysics**

Prior to finalising drill collars extensive ground magnetic, Induced Polarity (IP) and Electromagnetic (EM) surveys were recently completed. The EM survey outlined a number of new conductors in the vicinity of the mineral resource area, beneath shallow cover, which may represent buried veins. Previous ground magnetic and IP surveys were extended over the large alteration zone north of the resource area and have provided a number of geophysical anomalies that are currently under investigation.

### **Metallurgical Sampling**

The Company is preparing to obtain metallurgical samples from selected underground locations at Paguanta. The existing adit allows relatively easy access to parts of the mineralised zones. Approximately 1,000kg of sample is to be collected and used in

preliminary metallurgical testwork as part of a Project scoping study planned to be completed during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2008.

### **Chilean Company Formed**

A Chilean company, Compania Minera Paguanta (CMP) has been formed to hold the Paguanta project. Herencia controls 70% of CMP with joint venture partner company Compania Minera Costa Rica (Costa Rica) holding 30%. Herencia's executive director Michael Bohm has been appointed Chairman of CMP. Program funding is now proceeding on a 70/30 basis.

### **Senior Geologist Appointed**

Herencia is pleased to announce the appointment of Mr Christain Hub as Senior Geologist for CMP. Mr. Hub has extensive geological experience in Andean Cordillera and has previously worked for Mirasol, Rio Tinto and WMC amongst others in Chile, Argentina and Peru. He joins an existing well credentialed team led by Jim Sinclair.

Executive Director Michael Bohm stated "Herencia is well placed for 2008 with approximately £2.5 million currently on hand, an experienced drilling contractor engaged and a senior field team in place. The plan for the drill program is to both expand the resource base as well as move some of the Inferred resource into the Indicated category. Additionally, 2008 will see us undertake a scoping study on the project in what we hope will be the prelude to advancing to a Feasibility Study stage by year-end".

*Mr. James Sinclair, Exploration Manager (Chile) for Herencia Resources, has reviewed the information contained in this announcement. Mr. Sinclair has 12 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 the Paguanta Project can be found at [www.herenciaresources.com](http://www.herenciaresources.com)***

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