

PRESS CUTTING



Proactive Investors – 20<sup>th</sup> October 2008

Herencia Resources

## Herencia Resources upgrades resource for Paguanta Zinc-Lead-Silver Project

Herencia Resources (AIM: HER), the mineral exploration and development company with projects in South America, announced an upgraded Mineral Resource estimate for the Company's 70% owned Paguanta Project in northern Chile.

The total inferred and indicated resource increased by a robust 26%, using a 2% zinc cut-off, to 3.15 million tonnes at 3.9% zinc, 1.3% lead and 74 ppm silver. The resource includes a 'high grade component' of just over 1 million tonnes at 6.6% zinc, 2.2% lead and 199 ppm Silver, using a 4% zinc cut-off. The upgraded resource took into account a 17,000 metre, 141 diamond and reverse circulation drill campaign completed earlier this year. Approximately 19.5% of the total resource is now in the indicated category. Herencia also noted that the resource was open at depth, the grades improve at depth, and gold mineralisation is also present in the veins, but not incorporated in the resource estimate yet.

Herencia now anticipates that a scoping study being completed by Golder Associates will be finished by late November, and with approximately £0.96 million in cash, will not require additional funds this year.

Executive Director, Michael Bohm commented:

'We have achieved our stated goals to increase tonnage and to upgrade part of the Mineral Resource into the Indicated category. We are also very pleased with encouraging indications that the mineralization remains open in all directions and grades appear to improve with depth.'

'We have now established a solid resource base to utilize in our Scoping Study into the potential for mine development. Despite the currently depressed metal prices, the zinc market is forecasted to recover from 2011 onwards, which should coincide well with any potential start to our production.'