Herencia Resources plc

(“Herencia” or the “Company”)

INTERIM FINANCIAL RESULTS
For the six months ended 30 June 2008

Herencia Resources plc is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2008.

CHAIRMAN’S STATEMENT

During the period under review the Company made progress in a number of areas. This follows the announcement of an Inferred Mineral Resource for the’ ‘Patricia’ deposit of 2.51mt @ 4.1% Zinc, 1.3% Lead and 77 g/t Silver (at 2% Zn cut-off) released in October 2007 and a successful institutional placement raising of £2.6 million in December 2007 to fund exploration and drilling programs at its 70% owned Paguanta Project in Chile.

During the reporting period the following milestones were achieved by the Company:

- Completion of a geophysical program at Paguanta with EM surveys outlining a number of geophysical anomalies including possible veins identified adjacent to the existing ‘Patricia’ resource.
- Completion of a geophysical program at the ‘La Rosa’ porphyry-copper prospect, located 3km north of the existing ‘Patricia’ resource on the same tenement group. This work upgraded the prospect potential and has assisted in better targeting the drilling program at ‘La Rosa’.
- Upon completion of the geophysical programs the Company commenced a 10,000m drilling program targeting the ‘Patricia’ zinc-lead-silver deposit and the ‘La Rosa’ porphyry-copper prospect.
- Initial assay results from the 2008 drilling program returned high grade intercepts across all veins at the ‘Patricia’ deposit. Drilling at Central and Cathedral veins, in particular, have intersected significant high grade base metal sulphides.
- The newly identified near surface Rosada vein, adjacent to Camp vein at ‘Patricia’, has also returned high grade assay results.
- Preliminary metallurgical testwork commenced at Ammtec Laboratories in Perth with base metal samples taken from an existing adit at Paguanta. Results to date have been positive with 80% zinc, 70% lead and 85% silver recovery rates.

The Company completed its drilling program in August 2008 and is on schedule to finalise an updated Mineral Resource Statement for the ‘Patricia’ zinc-lead-silver deposit in late September 2008. A Scoping Study into the economic and technical viability of developing the ‘Patricia’ deposit will be commenced by Golder Associates in October. The Scoping Study is scheduled for completion by the end of 2008. All related works will be funded from the Company’s existing cash reserves.

The Company has continued to focus on advancing the Paguanta Project towards a Feasibility Study phase, which is expected to commence early in 2009, subject to the outcome of the Scoping Study. We would then plan to move towards Project Development in 2010 and potentially look to early production in the first half of 2011. We hope that production would coincide with a strengthening in base metal prices, as anticipated by the market, which should precipitate attractive returns to our shareholders.

Hon. John Moore AO
Chairman
10 September 2008

HERENCIA RESOURCES PLC

Please refer to the project announcements at the Company's website (www.herenciaresources.com) for further information on the Company operations.

For further information please contact:

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HERENCIA RESOURCES PLC

GROUP INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Notes	6 months ended 30 June 2008 (un-audited)	6 months ended 30 June 2007 (un-audited)	18 months ended 31 December 2007 (audited)
		£	£	£
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Administration expenses		(560,005)	(343,931)	(1,253,660)
Operating loss		**(560,005)**	**(343,931)**	**(1,253,660)**
Finance revenue		40,648	17,766	52,493
Loss before taxation		**(519,357)**	**(326,165)**	**(1,201,167)**
Taxation		-	-	-
Loss for the period		**(519,357)**	**(326,165)**	**(1,201,167)**
Attributable to:				
Equity holders of the Company		(493,009)	(326,165)	(1,202,166)
Minority interest		(26,348)	-	999
		(519,357)	(326,165)	(1,201,167)
Loss per ordinary share – basic and diluted	3	(0.09)p	(0.10)p	(0.33)p

The results shown above relate entirely to continuing operations.

There are no recognised gains and losses other than those passing through the income statement.

HERENCIA RESOURCES PLC

GROUP BALANCE SHEET
FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Notes	30 June 2008 (un-audited)	30 June 2007 (un-audited)	31 December 2007 (audited)
		£	£	£
ASSETS				
Non current assets				
Intangible assets	9	3,089,150	1,511,168	2,521,693
Property, plant and equipment	10	118,915	55,465	56,725
		3,208,065	1,566,633	2,578,418
Current assets				
Cash and cash equivalents	5	2,065,577	989,645	2,864,055
Trade and other receivables	6	390,030	138,686	199,359
Other	7	3,367	-	8,418
		2,458,974	1,128,331	3,071,832
Total assets		**5,667,039**	**2,694,964**	**5,650,250**
LIABILITIES				
Current liabilities				
Trade and other payables	8	163,400	30,029	66,122
Total liabilities		**163,400**	**30,029**	**66,122**
Net Assets		**5,503,639**	**2,664,935**	**5,584,128**
EQUITY				
Called up share capital		607,400	403,100	607,400
Share premium account		6,006,645	3,176,825	6,006,645
Share based payments reserve		96,985	-	96,985
Translation reserve		38,151	4,593	(11,826)
Accumulated losses		(2,186,993)	(919,583)	(1,693,984)
Capital and reserves attributable to equity holders		**4,562,188**	**2,664,935**	**5,005,220**
Minority interests in equity	12	941,451	-	578,908
Total equity and reserves		**5,503,639**	**2,664,935**	**5,584,128**

HERENCIA RESOURCES PLC

GROUP CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Notes	Six months ended 30 June 2008 (un-audited)	Six months ended 30 June 2007 (un-audited)	Eighteen months ended 31 December 2007 (audited)
		£	£	£
Net cash outflow from operating activities		**(613,394)**	**(407,519)**	**(634,589)**
Cash flows from investing activities				
Interest received		40,648	17,766	52,493
Purchase of property, plant and equipment		(63,139)	982	(39,478)
Cash acquired with subsidiary undertakings		404,864	-	149,635
Net funds used for investing in exploration	9	(567,457)	(369,048)	(1,379,419)
Net cash (utilised by)/generated from investing activities		(185,084)	(350,300)	(1,216,769)
Cash flows from financing activities				
Proceeds from issue of shares		-	700,000	4,689,000
Issue costs		-	(26,000)	(133,880)
Net cash generated from financing activities		-	674,000	4,555,120
Net increase/(decrease) in cash and cash equivalents		**(798,478)**	**(83,819)**	**2,703,762**
Cash and cash equivalents at the beginning of the period		2,864,055	1,073,464	160,293
Cash and cash equivalents at the end of the period	5	**2,065,577**	**989,645**	**2,864,055**

HERENCIA RESOURCES PLC

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Share capital	Share premium	Translation reserve	Share based payments reserve	Accumulated losses	Total	Minority interest	Total equity
	£	£	£	£	£	£	£	£
Balance at 1 January 2008	607,400	6,006,645	(11,826)	96,985	(1,693,984)	5,005,220	578,908	5,584,128
Issue of shares	-	-	-	-	-	-	-	-
Issue costs	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	49,977	-	-	49,977	(57,509)	(7,532)
Net loss for the period					(493,009)	(493,009)	(26,348)	(519,357)
Movement in minority's interest in share capital of subsidiary	-	-	-	-	-	-	446,400	446,400
Balance at 30 June 2008	607,400	6,006,645	38,151	96,985	(2,186,993)	4,562,188	941,451	5,503,639

NOTES TO THE FINANCIAL REPORTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008

1. Accounting policies

The principal accounting policies, all of which have been applied consistently to all the periods for which the financial reports have been presented are set out below.

1.1. Basis of preparation

The interim financial information for the six months ended 30 June 2008 is un-audited and does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

The financial reports have been prepared using the historical cost convention and are presented in UK pound sterling. In addition, the financial reports have been prepared in accordance with the International Financial Reporting Standards ("IFRS") including IFRS 6, Exploration for and Evaluation of Mineral Resources, as adopted by the European Union ("EU").

The Company has changed its accounting reference date from 30 June to 31 December. The last audited statutory financial statements of the Group covered the eighteen month period ended 31 December 2007. The next audited statutory financial statements of the Group will be for the twelve months ending 31 December 2008.

The interim financial information for the six months ended 30 June 2008 has been prepared pursuant to AIM rule 18 and represents the half yearly report for the six months then ended. AIM rule 18 states "An AIM company must prepare a half-yearly report in respect of the six month period from the end of the financial period for which financial information has been disclosed in its admission document and at least every subsequent six months thereafter (apart from the final period of six months preceding its accounting reference date for its annual audited accounts)."

The Group financial statements are presented in UK pound sterling.

1.2. Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill is capitalised as an intangible asset and in accordance with IFRS3 'Business Combinations' it is not amortised but tested for impairment when there are any indications that its carrying value is not recoverable. As such, goodwill is stated at cost less any provision for impairment in value. If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit and loss on sale.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

All the companies over which the Company has control, apply, where appropriate, the same accounting policies as the Company.

1.3. Foreign currency translation

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange gain or loss is dealt with in the profit and loss account.

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statement the assets and liabilities of the foreign subsidiary undertakings are translated into Sterling at the rates of exchange ruling at the period end and their results are translated at the average exchange rate for the period. Exchange differences resulting from the retranslation of net investments in subsidiary undertakings are treated as movements of reserves.

1.4. Cash and cash equivalents

The company considers all highly liquid investments, with a maturity of 90 days or less to be cash equivalents, carried at the lower of cost or market value.

1.5. Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim financial information. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax is realised or the deferred liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

1.6. Exploration and development costs

All costs associated with mineral exploration and investments are capitalised on a project by project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general corporate overheads. If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a licence is relinquished or project abandoned, the related costs are written off. Where the Group maintains an interest in a project, but the value of the project is considered to be impaired, a provision is made against the relevant capitalised costs.

The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of the reserves and future profitable production or proceeds from the disposition thereof.

Amounts recorded for these assets represent costs and are not intended to reflect present or future values.

1.7. Impairment of exploration and development costs

The carrying value of unevaluated areas is assessed on at least an annual basis or when there has been an indication that impairment in value may have occurred. The impairment of unevaluated prospects is assessed based on the Directors' intention with regard to future exploration and development of individual significant areas and the ability to obtain funds to finance such exploration and development.

1.8 Share based payments

The Company made share-based payments to certain directors and employees by way of issue of share options. The fair value of these payments is calculated by the Company using the Black Scholes option pricing model. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of shares that will eventually vest.

2. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Impairment of intangible assets
Determining whether intangible assets are impaired requires an estimation of whether there are any indications that its carrying value is not recoverable.

3. Loss per share

The basic loss per ordinary share of (0.09)p (30 June 2007; (0.10)p, 31 December 2007; (0.33)p) for the Group has been calculated by dividing the loss for the period of £519,357 (30 June 2007; £326,165, 31 December 2007; £1,201,167) by the weighted average number of ordinary shares in issue of 607,399,999 (30 June 2007; 313,035,433, 31 December 2007; 364,437,522).

The diluted loss per share has been calculated using a weighted average number of shares in issue and to be issued of 607,399,999 (30 June 2007; 313,035,433, 31 December 2007; 364,437,522). The diluted loss per share has been kept the same as the conversion of share options decreases the basic loss per share, thus being anti-dilutive

4. Segmental information

During the period, the Group was organised into its main business segment as mineral exploration.

The primary segmental reporting is determined to be geographical segment according to the location of the asset. There are two reporting geographical segments.

Geographical segment	**Australia**	**Chile**	**Total**
6 months ended 30 June 2008	**£**	**£**	**£**
Administration expenses	(185,236)	(418,832)	(604,068)
Finance revenue	40,648	-	40,648
Foreign exchange loss	(8,634)	52,697	44,063
Loss before taxation	(153,222)	(366,135)	(519,357)
As at 30 June 2008			
Intangible assets	875,000	2,214,150	3,089,150
Property, plant and equipment	-	118,915	118,915
Trade and other receivables	3,415	389,982	393,397
Cash and cash equivalents	858,047	1,207,530	2,065,577
Trade and other payables	(54,593)	(108,807)	(163,400)
Net assets	1,681,869	3,821,770	5,503,639
6 months ended 30 June 2007			
Administration expenses	(126,894)	(62,411)	(189,305)
Finance revenue	17,766	-	17,766
Foreign exchange loss	(38,501)	(116,125)	(154,626)
Loss before taxation	(147,629)	(178,536)	(326,165)
As at 30 June 2007			
Intangible assets	-	1,511,168	1,511,168
Property, plant and equipment	-	55,465	55,465
Trade and other receivables	-	138,686	138,686
Cash and cash equivalents	897,543	92,102	989,645
Trade and other payables	(18,960)	(11,069)	(30,029)
Net assets	878,583	1,786,352	2,664,935
18 months ended 31 December 2007			
Administration expenses	(511,753)	(716,901)	(1,228,654)
Finance revenue	52,493	-	52,493
Foreign exchange loss	(33,088)	8,082	(25,006)
Loss before taxation	(492,348)	(708,819)	(1,201,167)
As at 31 December 2007			
Intangible assets	-	2,521,693	2,521,693
Property, plant and equipment	-	56,725	56,725
Trade and other receivables	13,212	194,565	207,777
Cash and cash equivalents	2,279,382	584,673	2,864,055
Trade and other payables	(46,461)	(19,661)	(66,122)
Net assets	2,246,133	3,337,995	5,584,128

At the end of the financial period, the Group had not commenced commercial production from its exploration sites and therefore had no turnover in the period.

	30 June 2008 (un-audited) £	30 June 2007 (un-audited) £	31 December 2007 (audited) £
5. Cash and cash equivalents			
Cash at bank and in hand	2,065,577	989,645	2,864,055
6. Trade and other receivables			
Other receivables	390,030	138,686	199,359
7. Other current assets			
Prepayments	3,367	-	8,418
8. Trade and other payables			
Other creditors and accruals	163,400	30,029	66,122

9. Intangible assets

	Goodwill	Exploration and development costs	Total
Cost			
As at 1 January 2008	1,000,000	2,193,826	3,193,826
Additions	-	567,457	567,457
At 30 June 2008	1,000,000	2,761,283	3,761,283
Impairment			
As at 1 January 2008	(125,000)	(547,133)	(672,133)
Impairment during the period	-	-	-
As at 30 June 2008	(125,000)	(547,133)	(672,133)
Carrying amount			
As at 30 June 2008	875,000	2,214,150	3,089,150

The exploration and development costs relate to expenditure incurred at the Iquique and Paguanta projects located in Chile, South America.

During the period ended 30 June 2006, the Company acquired the entire issued share capital of Tarapaca Resources (Bermuda) Limited (“Tarapaca”) from Mineral Securities Limited. The initial purchase consideration gave rise to a goodwill of £500,000. The subsidiaries of Tarapaca have interest in two separate blocks of tenements over the Iquique Mineral Fields and one block at Paguanta Mineral Field. As the fair value of these tenements could not be measured reliably at the date of acquisition, the intangible assets purchased had been subsumed within the amount of purchase consideration attributed to that goodwill.

9. Intangible assets (continued)

However, there was a further consideration of £500,000, comprising 50,000,000 shares at £0.01p each, to be issued in respect of this acquisition. This was contingent upon the Group's investing at least US$2,000,000 in the projects owned by Tarapaca and its subsidiaries within thirty six months of the date of the acquisition. On satisfaction of this performance criterion during the period ended 31 December 2007, the contingent consideration was met, which gave rise to a further goodwill of £500,000 arising from this acquisition. For the same reasons as referred to above, the intangible assets purchased at the date of the acquisition also had been subsumed within the amount of this contingent consideration attributed to this goodwill.

In accordance with the accounting policy, the Directors have assessed the value of goodwill and the exploration and development costs carried in the accounts as intangible fixed assets. An impairment provision of £547,133 on exploration and development costs and that of £125,000 on goodwill has been made in respect of the Iquique Mineral Fields as the Directors have decided to withdraw from the Iquique project to focus on the Group's 70% owned Paguanta project.

	30 June 2008 (un-audited) £	**30 June 2007 (un-audited) £**	**31 December 2007 (audited) £**
10. Property, plant and equipment			
Plant and equipment			
At cost	125,823	61,424	73,779
Accumulated depreciation	(6,908)	(5,959)	(17,054)
Total property and equipment	118,915	55,465	56,725

Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and end of the financial period:

Balance at the beginning of the period	56,725	31,772	31,772
Additions at cost	63,139	27,123	39,478
Disposals	-	-	-
Depreciation expense	(949)	(3,430)	(14,525)
Carrying amount at the end of the period	118,915	55,465	56,725

11. Fixed asset investments

Company name	Country of registration or incorporation	Class	Shares held %
Direct			
Tarapaca Resources (Bermuda) Limited	Bermuda	Ordinary	100
Indirect			
Tarapaca Holdings (BVI) Ltd	British Virgin Islands	Ordinary	100
Iquique Resources (Chile) SA	Chile	Ordinary	100
Paguanta Resources (Chile) SA	Chile	Ordinary	100
Herencia Resources (Chile) SA	Chile	Ordinary	100
Compania Minera Paguanta SA	Chile	Ordinary	70

The principal activity of Iquique Resources (Chile) SA, Paguanta Resources (Chile) SA, Herencia Resources (Chile) SA and Compania Minera Paguanta SA was mineral exploration whereas Tarapaca Resources (Bermuda) Limited and Tarapaca Holdings (BVI) Ltd are holding companies.

12. Minority interest

	30 June 2008 (un-audited) £	30 June 2007 (un-audited) £	31 December 2007 (audited) £
Called up share capital	1,024,312	-	577,912
Accumulated (losses)/profits	(25,349)	-	999
Translation reserve	(57,512)	-	(3)
	941,451	-	578,908

13. Called up share capital

	30 June 2008 (un-audited) £	30 June 2007 (un-audited) £	31 December 2007 (audited) £
Authorised:			
10,000,000,000 ordinary shares of £0.001 each	10,000,000	10,000,000	10,000,000
Allotted, issued and fully paid:			
607,399,999 ordinary shares (30 June 2007: 384,066,666 ordinary shares, 31 December 2007: 607,399,999)	607,400	200,000	607,400

14. Control

No one party is identified as controlling the Company.

15. Subsequent events

Other than the following no matter or circumstances have arisen since the end of the reporting date and the date of this report which significantly affect or may significantly affect the results of the Group as presented in this financial report.

Following the takeover of Mineral Securities Limited by Copperco Limited during the period, Copperco now have an interest in 279,400,000 ordinary shares in Herencia Resources plc which represents 46% of the issued share capital of the Company and 46% of the total voting rights of the Company.

16. Related party transactions

The Company has an Alliance Agreement with Minsec. Under the alliance, Herencia utilises its established office and technical team based in Chile together with Minsec's technical and commercial team based in Perth. Minsec provides Herencia Resources plc with access to its experienced team of geological, mining and commercial personnel to assist Herencia in both the evaluation and potential future development of any new resource opportunities.

During the period, the Company paid a sum of £15,354 to MinSec for the provision of technical services by Michael Bohm and Ken Rogers, the Chief Geologist for MinSec.

During the period, the Company paid a sum of £7,500 to MinSec in respect of Director Fees for Michael Bohm.

John Bottomley, the secretary of the Company is an employee of Sprecher Grier Halberstam LLP, a firm of solicitors. During the last 6 months this partnership was paid a sum of £7,532 in respect of legal and secretarial services to the Company.

These related party transactions are based on independent third party commercial rates. The Directors who have interests in these transactions did not participate in the decision making process relating to these transactions.

17. Contingent liabilities and capital commitments

The Group had no contracted capital commitments at 30 June 2008.

The Group had no contingent liabilities at 30 June 2008.

18. Decommissioning expenditure

The Directors have considered the environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation. In their view, no provision is necessary for any future costs of decommissioning or any environmental damage.