

HERENCIA RESOURCES plc

Annual General Meeting - London

Update for Shareholders

23 June 2010

Paguanta Project - Chile



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AIM listed (HER)	November 2005
Shares in issue	960,932,470
Share price	0.65 -0.73p
52wks high	0.9p
52wks low	0.3p
Market Capitalisation (at 0.7p)	~£7 million
Cash balance (31 May 2010)	~£1.5 million
Major Shareholders (include):	
• Anglo Pacific	10.9%
• Nyrstar International BV	10.4%
• RB Rowan	6.2%
•Williams de Broe	~4%
•Gartmore	~4%
JV Partner (at Paguanta Zn-Pb-Ag-Au Project)	Minera Costa Rica Dos – 30%

The Team

Board

John Moore

Chairman

Former Australian Minister for Defence and Minister for Industry. Previous directorships include Citinational Limited and Merrill Lynch (Aust) Pty Ltd.

Mike Bohm

Managing Director

Mining Engineer. Previously held senior positions at Ashton Mining Limited, Sally Malay Mining (now Panoramic Resources) and Mineral Securities. Currently a Non-executive Director of ASX/TSX listed Perseus Mining Limited.

John Russell

Non-Executive Director

Over 30 years experience in Investment Banking with Bain and Deutsche Bank Chairman of Henderson Far East Income Limited.

Erling Sorensen

Non-Executive Director

Chief Commercial Officer of Nyrstar International BV with significant experience in the resources industry.

Chile based team

John Porter

General Manager

Chilean Resource Industry Professional (Chemical Engineer), with over 20 years experience in mining operations and project management in South America

Antonio Valverde

Senior Geologist

Geologist with 17 years experience in mining and exploration projects. Worked extensively in Chile, Argentina, Brazil and Central America.

Bill Adamson

Director of Chilean subs

Over 16 years experience in South American resource industry. Senior Executive with Austin Explosives Company based in Santiago.



Nyrstar is a **leading global multi-metals business**, producing significant quantities of **zinc and lead** as well as other products (including silver, gold, and copper).

Nyrstar was created in 2007 by combining the zinc and lead smelting and alloying operations of Zinifex (an Australian mining company) and Umicore (a Belgian materials technology company).

Their strategy is to focus on the pursuit of value creation through initiatives that improve and expand their existing assets whilst selectively pursuing opportunities in mining.

Nyrstar has zinc smelting and alloying operations and employs around 3,200 people in:

Australia Belgium China France Netherlands Peru USA

The zinc produced is most commonly used to protect steel from corrosion - the largest consumers being the construction and transport sectors. Nyrstar also produces significant quantities of lead - used to produce lead-acid batteries, primarily for cars.

Nyrstar holds 10.4% of Herencia and has a seat on the board of directors.



Major Shareholder



Anglo Pacific Group PLC is a global natural resources royalties company. The strategy of the Group is to expand its mineral royalty interests in low-cost, long-life mining assets. The Group achieves this through both direct acquisition and investment in projects at the development and production stage. It is a continuing policy of the Group to pay a substantial proportion of these royalties to shareholders as dividends.

The Group is focused on projects in areas with low political risk that have defined resources and near-term production. The Group owns a number of strategic interests in quoted and unquoted companies encompassing:

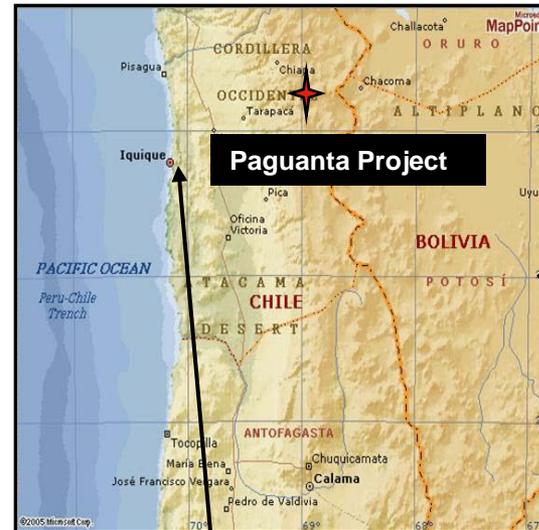
Mineral Royalties	Mining & Exploration Interests	Mining & Exploration Interests
coal	coal	Diamonds
uranium	energy	Base metals
gold	gold	PGM's

Anglo Pacific holds 10.9% of Herencia



Paguanta Project - Background

- Located in one of the **world's great mineralised belts**
- **Invested >US\$8 million**
- **Conducted four drilling programs, >21,000m RC and diamond drilling**
- **Granted Mining Tenements**
- **JORC-compliant Mineral Resource Estimate**
- **High zinc-lead-silver grades open at depth and along strike**
- Majority of holes within resource outline have intersected **gold mineralisation**
- **High metallurgical recoveries**
- Significant **Copper prospectivity**
- **Excellent local infrastructure**
- Scoping Study **completed** – technically 'robust' project
- Chile - a low cost, stable and prosperous nation
- Forecast commodity price increases 2012-15 (to potentially coincide with first production)
- Current drilling to expand mineral resource, move to Feasibility Study 4Q2010 and Production late 2012 (subject to positive results)



Headlines – 2010 Thus Far!

- ❖ Major Drilling engaged to undertake 3,500m Diamond Drill Program - commenced in February 2010
- ❖ Early drilling success:
 - ✓ **New vein discovered** in first holes of 2010 drill program
 - ✓ **High grade** western, eastern and depth **extensions to Cathedral vein** intersected
 - ✓ High grades (zinc, lead, silver) continue – most holes have intersected mineralisation
 - ✓ Gold mineralisation confirmed – **gold credit potential**
- ❖ Global zinc smelting group **Nyrstar International BV** secured a 10.4% stake in Herencia
- ❖ Drill program **extended by 2,000m** due to initial results
- ❖ Drilling progressing well - on time and on budget
- ❖ Current drill program to test Cathedral vein and New vein extensions fully funded
- ❖ Dense Media Separation (DMS) test work set to commence in July



Paguanta - Our Focus

Paguanta Project (zinc-lead-silver + gold)

- **Best results - high zinc, lead and silver grades intersected to date (+ gold credits):**
 - PTDD024 20m @ 10.4% Zn, 0.9% Pb, 86g/t Ag (including 7m @ 16.9% Zn, 1.4% Pb, 112g/t Ag)
 - PTDD026 5m @ 13.1% Zn, 8.0% Pb, 492g/t Ag, 0.44g/t Au
 - PTDD019 3m @ 12.9% Zn, 4.9% Pb, 202g/t Ag
 - PTDD015 2m @ 15.5% Zn, 4.3% Pb, 411g/t Ag, 0.57g/t Au
 - PTDD041 10m @ 5.8% Zn, 2.4% lead, 123g/t Ag, 0.27g/t Au (including 3.25m @ 12.0% Zn, 4.5% Pb, 230g/t Ag, 0.56g/t Au)
 - PTDD043 7.5m @ 7.1% Zn, 7.3% Pb, 324g/t Ag, 0.20g/t Au (including 4.95m @ 9.5% Zn, 10.6% Pb, 467g/t Ag, 0.22g/t Au)
 - PTRC007 6m @ 13.3% Zn, 4.5% Pb, 199g/t Ag, 0.44g/t Au
 - PTRC008 8m @ 9.8% Zn, 5.6% Pb, 280g/t Ag
 - PTRC040 5m @ 13.9% Zn, 1.6% Pb, 146g/t Ag, 1.51g/t Au
 - PTRC096 5m @ 11.1% Zn, 3.2% Pb, 143g/t Ag, 0.30g/t Au (including 2.17m @ 17.6% Zn, 3.3% Pb, 224g/t Ag, 1.08g/t Au)

- **Drill results confirm a consistent high grade core particularly in the Cathedral vein**

- **Primed to expand Mineral Resource and move to Feasibility in 4Q2010**

- **Goal is to be in production late 2012**

Does Paguanta have a Gold story?...YES!

- **Is it a base metal vein system peripheral to a copper-gold (porphyry) system (La Rosa)?**
- **Part of an epithermal (gold/silver) vein system?**
- **Over 80% of holes within the existing resource envelope intersected gold mineralisation**
- **Significant gold intersections to date include:**
 - 8m @ 1.53g/t gold in PTRC040 (including 1m @ 3.38g/t and 1m @ 3.09g/t)
 - 7m @ 1.16g/t gold in PTRC001 (including 1m @ 3.11g/t)
 - 3m @ 1.02g/t gold in PTDD029
 - 4m @ 0.86g/t gold in PTDD010 (including 2m @ 1.35g/t)
 - 1m @ 4.57g/t gold in PTDD003 (including 1m @ 1.65g/t)
 - 6m @ 0.66 gold in PTDD031 (including 1.5m @ 1.59g/t)
 - 3m @ 0.76g/t gold in PTRC066 (including 1m @ 1.62g/t)
 - 3m @ 0.85g/t gold in PTRC014 (including 1m @ 1.95g/t)
- **High grade (bulk) sample gold grade of 1.56g/t (from a ~150kg sample), high grade surface silver results of 1,515g/t on the same mineralised structure**
- **Potential for gold credits to enhance future Project economics**
- **We have only really tested the top 250m...what lies beneath? To the south? To the east?**

- ✓ 2010 drilling confirms the discovery of a new vein at Paguanta
- ✓ Additional 2,000m of drilling approved after early positive drill results
- ✓ High grade assays continue to be intersected - best intersections returned from drilling to date (Cathedral vein and New vein) include:

PTDD031 (2008) - 2m @ 11.9% zinc, 5.8% lead, 327g/t silver and 0.34g/t gold from 37m (Cathedral vein)
6m @ 3.6% zinc, 1.2% lead, 58g/t silver and 0.66g/t gold from 124.5m (New vein)
including 1.5m @ 7.5% zinc, 2.5% lead, 113g/t silver and 1.6g/t gold

PTDD035 - 10.5m @ 5.1% zinc, 1.0% lead, 63g/t silver and 0.27g/t gold from 59m (Cathedral vein)
including 2.17m @ 17.6% zinc, 3.3% lead, 224g/t silver and 1.08g/t gold
3.5m @ 1.8% zinc, 0.6% lead, 30g/t silver and 0.36g/t gold from 158.75m (New vein)

PTDD036 - 3.0m @ 2.0% zinc, 0.8% lead, 41g/t silver and 0.19g/t gold from 139.8m (New vein)
including 1.0m @ 3.6% zinc, 0.9% lead, 56g/t silver and 0.45g/t gold
including 0.25m @ 8.4% zinc, 5.0% lead, 193g/t silver and 0.36g/t gold

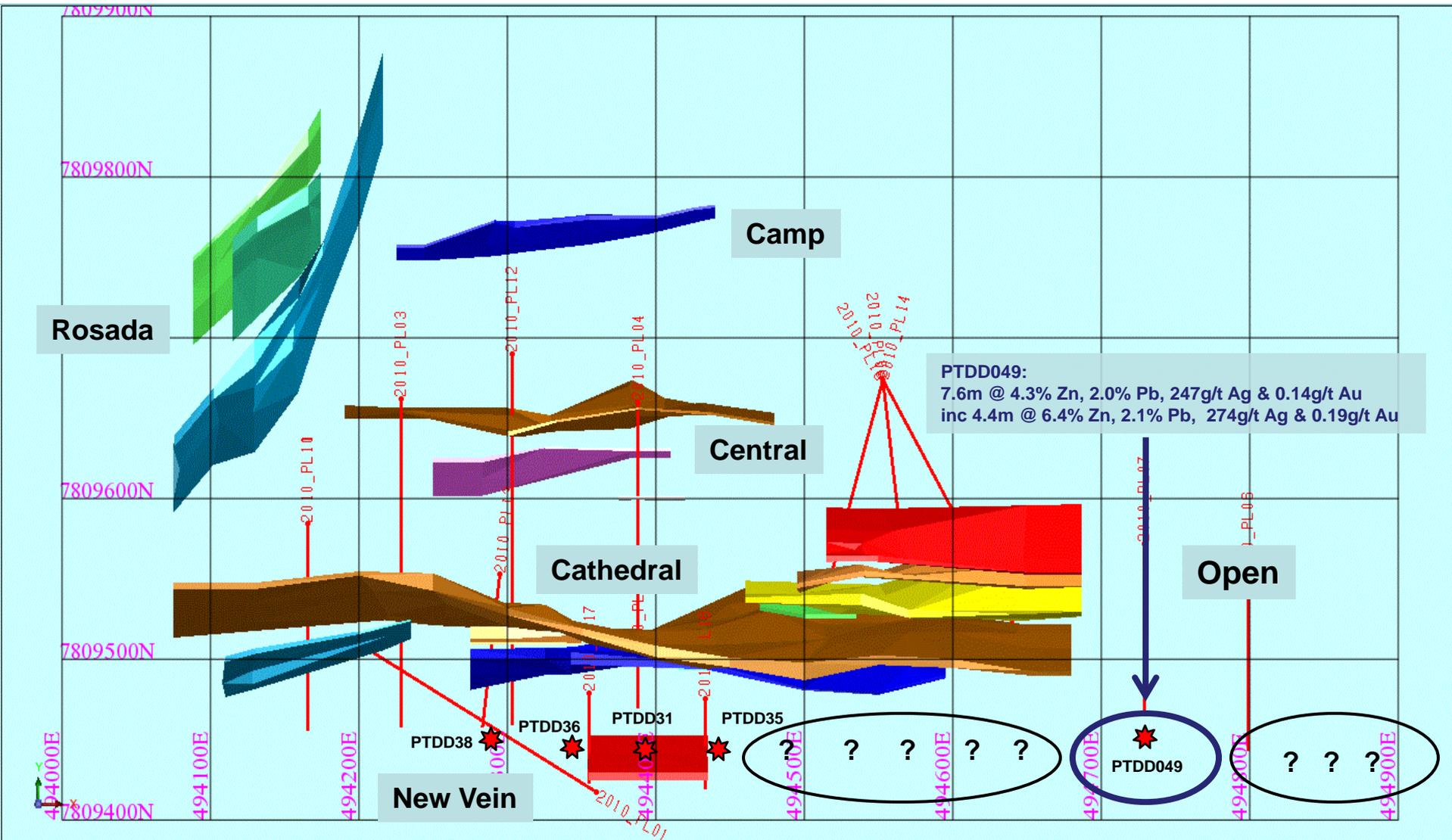
PTDD038 – 3.8m @ 2.9% zinc, 1.2% lead, 68g/t silver and 0.3g/t gold from 110.2m
including 1.6m @ 5.0% zinc, 1.9% lead, 71g/t silver and 0.44g/t gold (New vein)
and 2.5m @ 5.6% zinc, 0.8% lead, 71g/t silver and 0.22g/t gold from 274.4m
including 0.8m @ 10.4% zinc, 0.9% lead, 100g/t silver and 0.31g/t gold (Cathedral vein)

PTDD049 – 7.6m @ 4.3% zinc, 2.0% lead, 247g/t silver and 0.14g/t gold from 186m
including 4.4m @ 6.4% zinc, 2.1% lead, 274g/t silver and 0.19g/t gold

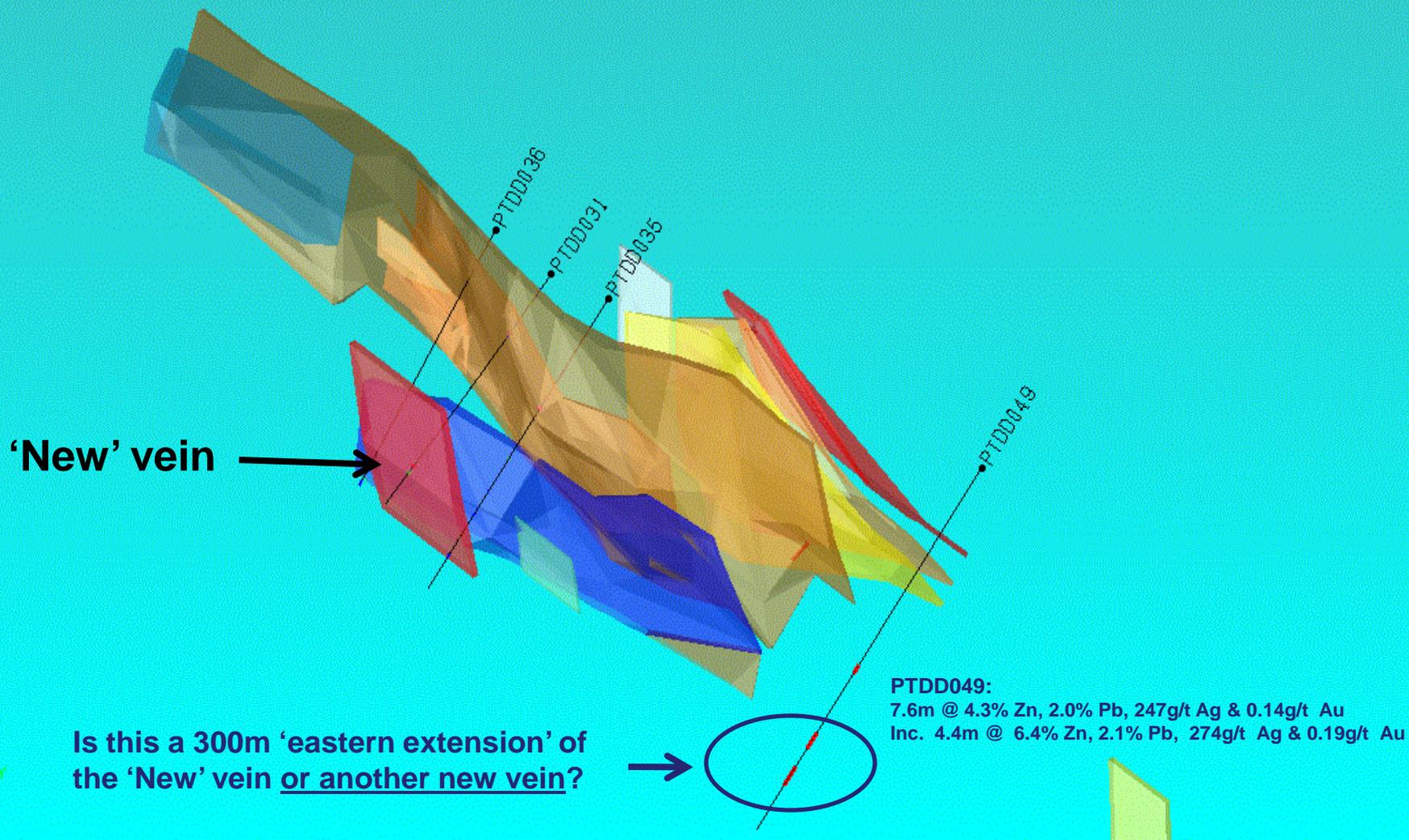
Is PTDD049 a 300m eastern extension of the New vein? Or is it another new vein?

'New' Vein Drill Program

(Plan view showing recent PTDD049 intersection)



'New' Vein (Isometric view)



Cathedral Vein - Extension

- ✓ High grade depth and strike extensions to Cathedral vein intersected
- ✓ 2010 intersections returned from drilling to date include:

PTDD037 – 5.0m @ 8.2% zinc, 0.2% lead, 25g/t silver and 0.52g/t gold from 177m including **2m @ 16.5% zinc, 0.2% lead, 38g/t silver and 0.91g/t gold**

PTDD041- 10m @ 5.8% zinc, 2.4% lead, 123g/t silver and 0.27g/t gold from 185m including **3.25m @ 12.0% zinc, 4.5% lead, 230g/t silver and 0.56g/t gold**

PTDD043 - 7.5m @ 7.1% zinc, 7.3% lead, 324g/t silver and 0.20g/t gold from 189.5m including **4.95m @ 9.5% zinc, 10.6% lead, 467g/t silver and 0.22g/t gold**

PTDD048 – 7m @ 6.6% zinc, 1.0% lead, 67g/t silver and 0.16g/t gold including **4m @ 10.6% zinc, 0.8% lead, 93g/t silver and 0.25g/t gold**

Is it part of Cathedral vein system or yet another vein?

PTDD050 – 3.5m @ 2.3% zinc, 0.75% lead, 59 g/t silver and 0.09g/t gold including **1.5m @ 3.5% zinc, 1.0% lead, 65g/t silver and 0.08g/t gold**

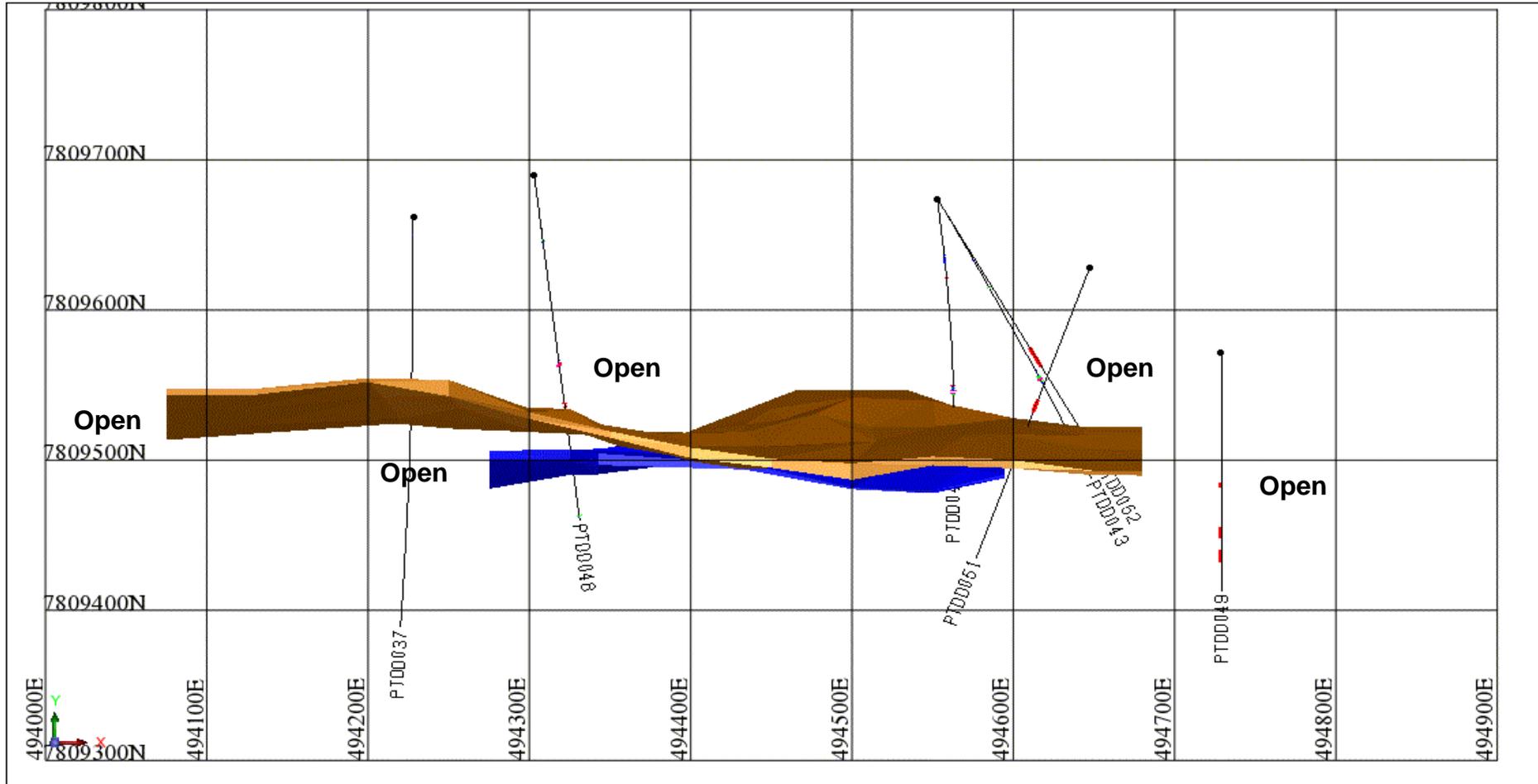
An eastern extension to the Cathedral vein

***PTDD051**- visible sulphide mineralisation in core - awaiting assay results
Located 50m above high grades seen in PTDD043*

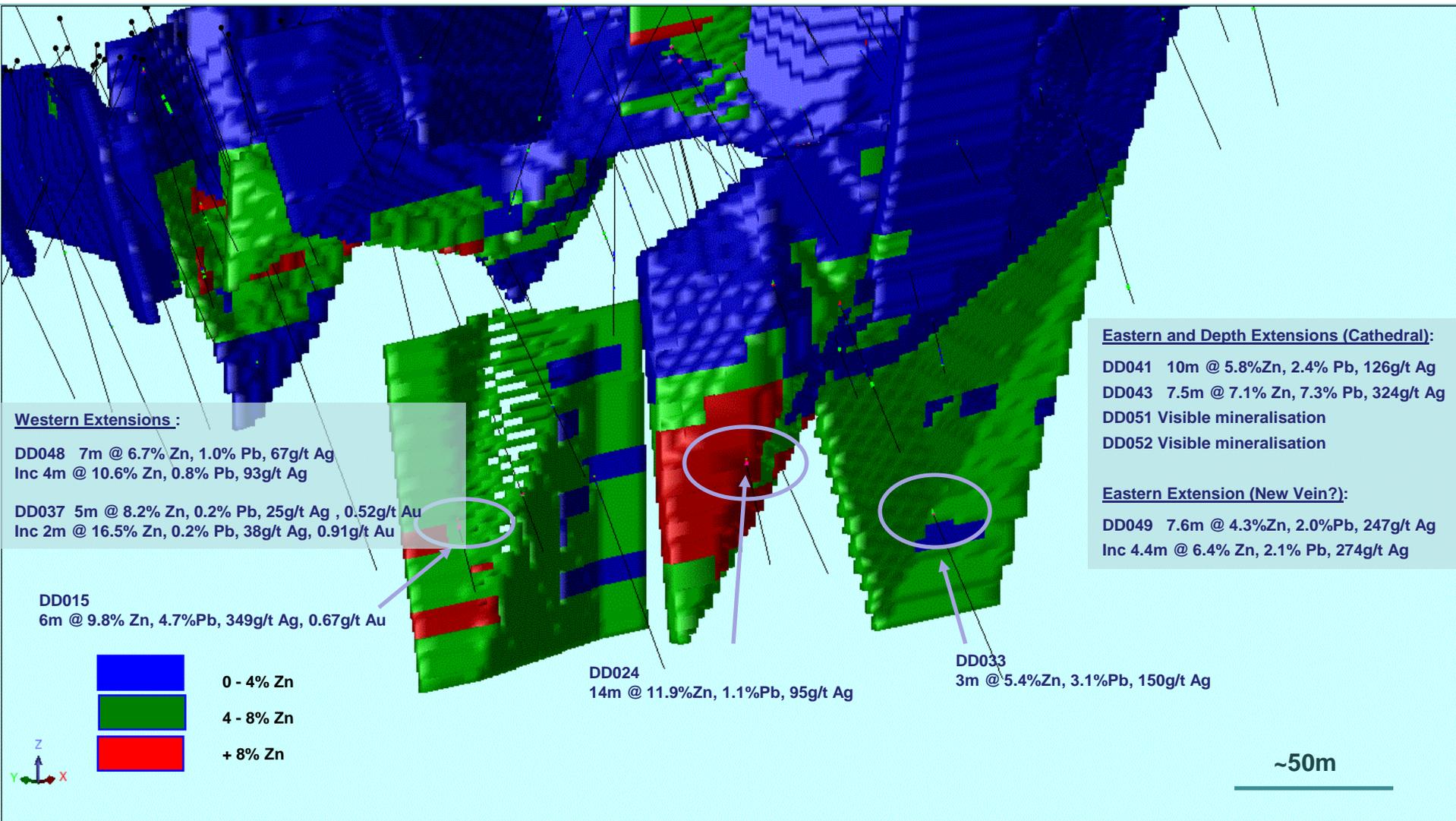
***PTDD052** – visible sulphide mineralisation in core - awaiting assay results
Located 30m below high grades seen in PTDD043*

Cathedral Vein (Plan View)

Recent High Grade Extensions



Cathedral Vein Mineralisation Remains Open (Isometric View)



Dense Media Separation (DMS)

Mintek engaged to conduct test work to determine if the Paguanta ore types are amenable to Dense Media Separation (DMS).

Test work scheduled to commence in July 2010.

The potential benefits of DMS to the Paguanta Project include;

- ❖ A significantly smaller grinding and flotation circuit as a high proportion of waste may be rejected prior to grinding and flotation
- ❖ A more consistent feed grade to the flotation plant resulting in improved metallurgical efficiencies
- ❖ A significantly higher feed grade to the flotation plant as the effects of dilution can be significantly reduced, which is further enhanced as both the Paguanta foot-wall and hanging-wall contact zones (the source of both planned and unplanned mining dilution) are known to be mineralised
- ❖ Options for the location of the grinding and flotation circuit (i.e. where the grinding/flotation plant is physically installed and operated) as a DMS upgraded ore may be economically attractive to transport for processing (i.e. to a location closer to cheaper power sources)
- ❖ Overall reduction in capital and operating costs (i.e. smaller plant, lower power requirements)
- ❖ Cost effective beneficiation of lower grade sections of the mineral resource to a point where lower grade mineralisation may become economic to mine and process

Paguanta - Timetable for Development

(Subject to commodity prices, equity markets, feasibility study outcomes and funding)

2010

- Drill program – target the high grade extensions to Cathedral/New veins
- Update Mineral Resource Estimate
- DMS test work
- Feasibility Study Commencement (4Q2010)
- Environmental Studies and Permitting Commencement (4Q2010)

2011

- Feasibility Study Completion
- Permitting
- Project Financing
- Detailed Design

2012

- Construction
- Commissioning
- Production late 2012



2010 News Flow

- ✓ Drilling – scheduled to collar last hole before 30 June 2010 (complete first week July)
- ✓ All assay's due for return by end-July 2010
- ✓ DMS testwork to commence July 2010
- ✓ Mineral Resource Estimate update – end August/early September 2010
- ✓ DMS Results in September 2010
- ✓ Review all results – September/October 2010
- ✓ Decision on/commencement of Feasibility Study in 4Q2010

❖ **Paguanta Project - ready to advance immediately**

➤ **Paguanta – zinc-silver-lead (+ gold) Project**

- Significant upside potential – higher grades, tonnage potential along strike & down dip, Gold credits, DMS
- Technically robust – good metallurgical recoveries, location, etc
- Mining Leases granted
- Zinc prices – forecast to increase
- Grade – drilling shows higher grades at depth & high grade ‘core’ zones
- Capex – potential cost reductions available (post-GFC, DMS etc)
- Orebody open along strike and down dip

❖ **La Rosa/La Serena – future opportunities**

❖ **Paguanta Production target of late 2012**

❖ **Experienced Management** - have financed, built and run projects before

❖ **Herencia is debt free**

❖ **Herencia has the support of Nyrstar (global zinc company) as a major shareholder**