

17 September 2010

Herencia Resources plc

(“Herencia” or the “Company”)

2010 Mineral Resource Update for Paguanta Project

(Paguanta Zinc-Lead-Silver-Gold Project in Northern Chile)

Highlights:

- **Total Mineral Resource Estimate of:**
 - 5.51 Mt @ 3.5% Zn, 1.2% Pb, 75 g/t Ag & 0.2 g/t Au (at 0% Zn cut-off)
 - 3.51 Mt @ 4.6% Zn, 1.5% Pb, 93 g/t Ag & 0.2 g/t Au (at 2% Zn cut-off)
 - 1.42 Mt @ 7.7% Zn, 2.4% Pb 146 g/t Ag & 0.3 g/t Au (at 4% Zn cut-off)
- **Significant increase to tonnage, grade and metal content at Paguanta**
- **Gold grade estimation included for the first time to provide possible revenue credit**
- **Mineralisation remains open in all directions**

Following the successful completion of the 2010 diamond drill program, the Company is pleased to provide the updated JORC Code - compliant Mineral Resource estimate for the Paguanta Project located in northern Chile.

A total of 22,779m of drilling, including 5,728m from the 2010 program, was incorporated into this new Mineral Resource estimate (summarised in Table 1). The estimate was completed by Runge Limited, a well established independent Mining Consultancy, which has undertaken all Mineral Resource estimation work carried out for the Paguanta Project to date.

As anticipated, grade and tonnage have both increased over the previous 2008 estimate, leading to a significant increase in in-situ metal content for the Project (as outlined in Tables 2, 3 and 4).

In addition, gold grades have been estimated for the first time within the Mineral Resource estimate which provides an opportunity for the Project to potentially receive an additional revenue credit.

Table 1: 2010 Mineral Resource Estimate

2010 Mineral Resource Estimate															
Indicated Resource						Inferred Resource					Total Resource				
Zinc Cut-off Grade	MTonnes	Zn %	Pb %	Ag g/t	Au g/t	MTonnes	Zn %	Pb %	Ag g/t	Au g/t	MTonnes	Zn %	Pb %	Ag g/t	Au g/t
0%	1.50	3.6	1.2	69	0.2	4.01	3.5	1.2	77	0.2	5.51	3.5	1.2	75	0.2
1%	1.47	3.6	1.2	69	0.2	3.93	3.6	1.2	77	0.2	5.40	3.6	1.2	75	0.2
2%	0.91	4.9	1.5	87	0.3	2.60	4.5	1.4	95	0.2	3.51	4.6	1.5	93	0.2
3%	0.42	7.8	2.5	139	0.3	1.35	6.5	2.0	136	0.3	1.77	6.8	2.1	137	0.3
4%	0.32	9.1	3.0	162	0.4	1.09	7.3	2.2	142	0.3	1.42	7.7	2.4	146	0.3

**Table 2: Metal Content Comparison 2008 vs 2010 Mineral Resource Estimates
(at a 2% Zinc Cut-off)**

Metal Content (in-situ) at 2% Zinc Cut-off							
2008 Mineral Resource Estimate				2010 Mineral Resource Estimate			
	MTonnes	Grade	Metal (Zn/Pb - Mlb) (Ag - Moz/Oz)	MTonnes	Grade	Metal (Zn/Pb -Mlb) (Ag/ - Moz) (Au - Oz)	Metal Change (%)
Zinc (%)	3.15	3.9	270.9	3.51	4.6	357.9	32
Lead (%)	3.15	1.3	90.3	3.51	1.5	113.1	25
Silver (g/t)	3.15	74	7.5	3.51	93	10.5	40
Gold (g/t)	n/a	n/a	n/a	3.51	0.2	25,990	n/a

**Table 3: Metal Content Comparison 2008 vs 2010 Mineral Resource Estimates
(at a 3% Zinc Cut-off)**

Metal Content (in-situ) at 3% Zinc Cut-off							
2008 Mineral Resource Estimate				2010 Mineral Resource Estimate			
	MTonnes	Grade	Metal (Zn/Pb - Mlb) (Ag/Au - Moz/Oz)	MTonnes	Grade	Metal (Zn/Pb -Mlb) (Ag/ - Moz) (Au - Oz)	Metal Change (%)
Zinc (%)	1.55	5.5	187.0	1.76	6.8	266.0	42
Lead (%)	1.55	1.8	62.0	1.76	2.1	83.2	34
Silver (g/t)	1.55	103	5.1	1.76	137	7.8	52
Gold (g/t)	n/a	n/a	n/a	1.76	0.3	15,883	n/a

**Table 4: Metal Content Comparison 2008 vs 2010 Mineral Resource Estimates
(at a 4% Zinc Cut-off)**

Metal Content (in-situ) at 4% Zinc Cut-off							
2008 Mineral Resource Estimate				2010 Mineral Resource Estimate			
	MTonnes	Grade	Metal (Zn/Pb - Mlb) (Ag/Au - Moz/Oz)	MTonnes	Grade	Metal (Zn/Pb - Mlb) (Ag - Moz) (Au -/Oz)	Metal Change (%)
Zinc (%)	1.01	6.6	146.6	1.42	7.7	240.1	64
Lead (%)	1.01	2.2	49.0	1.42	2.4	74.2	51
Silver (g/t)	1.01	119	3.9	1.42	146	6.7	72
Gold (g/t)	n/a	n/a	n/a	1.42	0.3	14,155	n/a

Commenting on the Mineral Resource upgrade, Managing Director Michael Bohm stated:

“This upgrade is a major milestone for the Company and the Project. Of particular importance is that we have seen a substantial uplift in grade which, when combined with the additional tonnage, results in a significant increase in metal content.

Furthermore, we remain excited by the exploration potential of this deposit. Even after the completion of this year's drill program, we have yet to close off the high grade mineralised veins. Indeed, we have discovered new veins, which leave the newly expanded resource open to further extensions.

Our goal of moving the Paguanta Project toward development remains a priority. Based upon results from the 2008 Scoping Study the Company anticipates a mining and processing operation with an initial Stage One mine life of up to five years. This criteria will form the basis of a proposed Feasibility Study. A decision to commit to this study will likely be made during 4Q2010.

The Project team is to be congratulated for successfully achieving all its targets at Paguanta this year, both on time and on budget. We see Herencia as being in a very fortunate position. We have an advanced zinc-lead-silver-gold Project, coupled with a potentially high grade copper-silver opportunity, both positioned on the same tenement block and located in one of the world's leading mining regions."

The information in this report that relates to Mineral Resources is based on information compiled by Mr P Payne. Mr Payne is a full time employee of Runge Limited, a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. 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). Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

References in this announcement to exploration results and potential have been approved for release by Mr Michael Bohm (BAppSc Mining Engineering WASM) and Mr Antonio Valverde (Bsc Geology Universidad Complutense de Madrid), both with more than 15 years' relevant experience in the field of activity concerned. Mr Bohm is a Member of the Australasian Institute of Mining and Metallurgy. Both Mr Bohm and Mr Valverde have consented to the inclusion of the material in the form and context in which it appears.

Enquiries:

Herencia Resources plc	Michael Bohm	+61 8 9211 0600
WH Ireland Limited	Katy Mitchell	+44 161 832 2174
City Profile	Simon Courtenay	+44 207 448 3245

GLOSSARY OF TECHNICAL TERMS

Feasibility Study	a detailed investigation and analysis of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.
Cut-off	the lowest assay included in an ore estimate
g/t	grams per tonne
JORC Code	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia
Mlb	million pounds
Moz	million ounces
Mt	million tonnes