7 October 2010

Herencia Resources plc

("Herencia" or the "Company")

Mining Inventory Upgraded

(Paguanta Project in Northern Chile)

Highlights:

- **Underground mining inventory upgraded for Paguanta Project**

- **1.66 Mt at 6.1% Zinc, 2.0% lead, 154 ppm silver and 0.26 ppm gold**

- **Gold grades estimated for the first time**

- **Mineralised veins remain open in all directions**

- **DMS test work completed**

Herencia Resources Plc (AIM: HER) is pleased to announce the updated underground mining inventory for the Paguanta Project in northern Chile. The new 2010 mining inventory estimated by Golder Associates, incorporating the results from the 2010 drilling program, has been significantly increased when compared to that estimated in the 2008 Scoping Study, also prepared by Golder Associates:

	Mt	Zn (%)	Pb (%)	Ag (ppm)	Au (ppm)
2008 Paguanta Underground Mining Inventory	1.24	5.3	1.8	102	n/a
2010 Paguanta Underground Mining Inventory	1.66	6.1	2.0	154	0.26
% Increase (to tonnes and grade)	33%	15%	11%	51%	n/a
Increase to in-situ metal inventory		54%	49%	102%	n/a

Notes:

- The mining inventory includes an allowance for 15% mining dilution (at 2.55% Zn; 1.24% Pb and 80ppm Ag) and an allowance for 15% mining loss.

- The open pit mining inventory of 1.43Mt at 2% zinc, 0.9% lead and 48ppm silver (as announced to the market on 23 December 2008), has not been updated at this time as this was not the objective of the 2010 drill program. An update to the open pit potential will be undertaken as part of the Feasibility Study.

- Note that a mining inventory is not a Mineral Reserve Estimate as a Feasibility Study has yet to be undertaken on the Project.

As can be seen in the table above, the tonnage has increased by 33% and significantly the in-situ metal inventory has increased by 54% for zinc, 49% for lead and 102% for silver. These increases have been achieved in 2010 with only 5,728m of additional drilling.

The Company also advises that the Dense Media Separation (DMS) test work has now been completed. Overall, all samples responded to density separation for zinc, lead and silver upgrading though the results indicate that additional test-work will be required before a final decision is made on DMS. The Company proposes to include DMS as part of the scope of the Feasibility Study to determine the technical and economic viability of incorporating DMS into the final processing flow-sheet for Paguanta.

Summarising a successful 2010 program at Paguanta, Managing Director Michael Bohm stated:

"It is very pleasing to round out the technical phase of the 2010 program with such a significant upgrade to our underground mining inventory.

To see such a positive uplift in both tonnage and grade, augers well for our goal of achieving an initial stage one mine life of 5 years at an anticipated 400,000 tpa ore throughput.

2010 has been an excellent year for the Company. Added to the numerous milestones achieved in advancing the Paguanta Project toward development, we have also added the high grade 'Doris' copper-silver prospect to our asset base, welcomed global metals group Nyrstar onto the shareholder register and seen commodity prices either consolidate, or in the case of silver, rise significantly.

We will now review all the information on hand with a view to making a decision on both the Feasibility Study and further work programs at Doris, by year end."

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:

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