

9 May 2011

# Herencia Resources plc

("Herencia" or the "Company")

## Project Update

### Highlights:

- **First assay results from Doris drill core confirm presence of copper and silver**
- **Drilling completed at La Rosa prospect**
- **Potential new vein discovered at Patricia - in a new 'north-south' orientation**
- **Further surface copper-oxide identified at Paguanta, to the south-west of La Rosa**

Herencia is pleased to provide an update on its current projects in Chile following a period of significant activity. In relation to its 70% owned Paguanta Project (the "Project"):

- Drilling at Doris has been completed. 10 diamond drill holes were drilled for 1,212 metres. Assay results from three of the first six holes (DRDD001 to DRDD006) confirm the presence of copper and silver at Doris. Best results include:
  - 0.6m at 1.09% copper and 51g/t silver from 41.0m (DRDD001)
  - 1.0m at 0.23% copper from 5.5m (DRDD003)
  - 0.5m at 0.36% copper and 20g/t silver from 14.1m (DRDD006)
  - 0.5m at 0.64% copper from 19.4m (DRDD006)

The remaining assay results for Doris are scheduled to be received over the next 4 weeks.

- Drilling at the La Rosa prospect has been completed. Five holes were drilled for a total of 943 metres. An initial review of the drill core indicates two of the holes may have intersected a pyritic shell, which may be associated with porphyry systems. Assay results are anticipated in June.
- Further outcropping copper oxide has been identified at Paguanta, in a new location approximately 200 meters to the south-west of La Rosa. Sampling has been undertaken and results are anticipated in the first half of June.
- Potential new vein discovered at Patricia. Two drill holes, targeting depth extensions to an outcropping north-south orientated structure identified at the eastern end of the Patricia Mineral Resource, have been completed. Both holes appear to have intersected narrow base metal sulphide mineralisation. This is potentially a new target area for the Project. Assay results are anticipated in the first half of June.
- A second diamond drill rig has now arrived on site.
- Drilling of Metallurgical sample holes has commenced at Patricia with Geotechnical and Sterilisation drilling also set to commence in May (in line with the 'critical path' timeline for the Feasibility Study). Infill drilling of the Patricia Mineral Resource Estimate will commence when permitting is finalised, scheduled for this quarter.
- Feasibility Study work is being progressed in a number of areas, including ongoing Metallurgical test work and reviewing project access road options.
- Two second-hand processing plants have been identified that may potentially be suitable for future use at Paguanta. Preliminary enquiries have been made to the respective owners and responses awaited.

In relation to the new Copper-Gold JV Project opportunity, final draft documentation has now been received. Subject to review, it is anticipated that the Agreement will be signed in the next 21 days. Subject to execution of that documentation, it is our intention to commence field work in June with a target for commencement of drilling in October 2011.

*Managing Director Michael Bohm commented "these last few weeks of site and corporate activity have proved fruitful for the Company. The confirmation of the presence of copper and silver in several drill holes at Doris requires follow up by our Geologists, to understand the implications for both the Doris and La Rosa prospects.*

*The discovery of additional surface copper-oxide, just to the south-west of La Rosa, likewise needs to be reviewed following receipt of assays. When combined with the preliminary geological observations obtained from reviewing the La Rosa drill core, we believe the prospectivity for the potential for a porphyry system in the area has increased.*

*Additionally, the discovery of what appears to be a new north-south mineralised structure to the eastern end of the current Patricia Mineral Resource may open up a new area for targeted exploration and drilling. If mineralisation is indeed confirmed here, its location adjacent to the proposed mining areas at Patricia may present an opportunity for additional process plant feed without the need for significant capital development work.*

*Finally, in respect of the silver price levels seen in recent days, it is worth noting that the price assumed in our NPV calculation, released to the market on 10 November 2010, was US\$26.78/ounce. Subject to bringing Patricia into operation, our current plans would potentially see the Project producing approximately one million ounces of payable silver per year, as a by-product. Not only is this significant from a project cash-flow perspective, it may open up alternative financing options for future consideration.*

*We remain excited by both the Paguanta Project and our potential new copper-gold Project, as we believe they offer both short and medium term production potential and exposure to zinc, silver, lead, copper & gold commodities, in a favourable operating environment."*

For further information please contact:

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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.

Appendix 1 - Initial assay results from the Doris Prospect:

| Hole ID | Easting | Northing | Dip/Az.<br>(degrees) | From<br>(m)                  | To<br>(m) | Width<br>(m) | Copper<br>Grade<br>(%) | Silver<br>Grade<br>(g/t) |
|---------|---------|----------|----------------------|------------------------------|-----------|--------------|------------------------|--------------------------|
| DRDD001 | 495540  | 7811087  | 250/-45              | 41.0                         | 41.6      | 0.6          | 1.095                  | 51.4                     |
| DRDD003 | 495490  | 7811075  | 0/-90                | 5.5                          | 6.5       | 1.0          | 0.228                  | 7.4                      |
| DRDD006 | 495399  | 7810995  | 307/-45              | 14.1                         | 14.6      | 0.5          | 0.359                  | 20.8                     |
| DRDD006 | 495399  | 7810995  | 307/-45              | 19.4                         | 19.9      | 0.5          | 0.639                  | 6.1                      |
| DRDD002 | 495540  | 7811087  | 250/-70              | <i>no results &gt;0.1%Cu</i> |           |              |                        |                          |
| DRDD004 | 495480  | 7811031  | 200/-55              | <i>no results &gt;0.1%Cu</i> |           |              |                        |                          |
| DRDD005 | 495450  | 7811000  | 23/-89               | <i>no results &gt;0.1%Cu</i> |           |              |                        |                          |

- All samples assayed by ALS Patagonia S.A. (ALS Laboratory Group)
- Crushing all sample 70% < 2mm; quiriting to 1 Kg; and powdered 85% < 75 µm
- Cu-AA62 method: Multiacid digestion (HF-HNO<sub>3</sub>-HClO<sub>4</sub>) and AAS assay (Atomic Absorption Spectrometry)
- Ag-MEICP41 method: Aqua Regia digestion and conventional ICP-AES analysis

**Further background details on the Company can be found at [www.herenciaresources.com](http://www.herenciaresources.com)**

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