

31 May 2011

Herencia Resources plc

("Herencia" or the "Company")

New Copper-Gold Project Agreement Signed

Further to the announcement of 3 February 2011, Herencia is pleased to confirm that it has entered into an Agreement, through one of its 100% owned Chilean subsidiaries (Iquique Resources (Chile) S.A. ("IRC")), to acquire a 51% controlling interest in an exciting new copper-gold opportunity in Chile.

The Guamanga Project, currently owned by Inversiones Santa Patricia Limitada (the "Vendor"), is located approximately 750 kilometres north of Santiago in Region III in Chile and comprises approximately 11.2 square kilometres in total area (the "Project"). Access to the Project site is excellent with the Pan-American Highway located only 30 kilometres to the west and a major airport a 60 minute drive to the south on existing public highways/roads.

The Project mineralisation style appears to correspond to a potential Iron Oxide Copper Gold (IOCG) system. A good example of an IOCG deposit is Anglo American's large Mantoverde Mine, located only 15 kilometres to the north of the Guamanga Project. According to Herencia's geologists, the Guamanga Project displays evidence of a potential IOCG mineralisation system with:

- Abundant iron oxides (limonites) and primary magnetite and hematite;
- Copper mineralisation apparently associated with the iron oxide as breccias and stockwork;
- Iron-gold-copper veins and mantos mineralisation; and
- Copper, gold, cobalt and molybdenum anomalies at surface.

As previously advised by the Company, seven holes have already been drilled at the Project site of which three intersected significant copper and gold mineralisation at shallow levels:

- Hole 1 – 8 metres at 1.55% copper and 0.53 g/t gold from 36 metres
- Hole 2 – 2 metres at 2.69% copper and 0.33 g/t gold from 9 metres
- Hole 2 – 6 metres at 2.20% copper and 1.34 g/t gold from 42 metres
- Hole 3 – 3 metres at 2.88% copper and 2.58 g/t gold from 34 metres

Under the Agreement, Herencia has the right to earn, through IRC a 51% controlling stake in the Project by (i) drilling a minimum of 7,500 metres over a 30 month period and (ii) making option payments totaling US\$600,100 over the same 30 month period. Herencia also has the alternative to drill only 6,000 metres and make a further cash payment of US\$150,000 (in addition to making option payments totaling \$600,100) to the Vendor if it so chooses.

A minimum of 2,400 metres must be drilled within the first 12 months and hence it is anticipated that the budget for this period will likely be in the order of US\$750,000.

On satisfaction of these conditions, it is agreed that the Vendor will transfer the Project into a new company (yet to be established) in which Herencia will hold 51% of the issued shares and the Vendor will hold 49% of the issued shares.

Subject to Herencia achieving its 51% ownership stake as above, the joint venture parties would then contribute toward all future costs in line with their 51:49% equity ownership.

There is no turnover associated with the assets and the assets currently generate no profit.

Managing Director Michael Bohm concluded "the Guamanga Copper-Gold Project provides Herencia with an advanced copper-gold target, in a well established and highly regarded geological environment. The fact that significant copper and gold grades have already been intersected so close to surface, and in close proximity to a large existing copper mine, is considered to be very encouraging by the Company.

Herencia shareholders now have exposure to two advanced Project opportunities in Chile, encompassing the broad spectrum of copper, gold, zinc, silver and lead mineralisation.

For further information please contact:

Michael Bohm, Herencia Resources plc	+61 8 9481 4204
Katy Mitchell, WH Ireland Limited	+44 161 832 2174
Simon Courtenay, City Profile	+44 207 448 3244

Holes reported were assayed by ALS La Serena. Sample preparation involved a 1kg sample with pulverisation to 85% passing 75 micron. Gold was analysed using an aqua-regia digest with AAS analysis (Au-AA23). Multi-element analysis (35 elements) was carried out using ICP-AES (ME-ICP41). For over limit Cu, samples were analysed using an acid digest with AAS analysis (Cu-AA46).

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.

Further background details on the Company can be found at www.herenciaresources.com

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