

Herencia Resources plc

("Herencia" or the "Company")

High Grade Drill Assay Results Continue at Patricia

Highlights:

- **High grade assay results from Patricia drill program including 3.7m at 13.6% zinc, 2.1% lead, 126g/t silver and 0.28g/t gold from 169.7m in PTDD074**
- **Further successful drill intercepts at the newly named Carlos Vein**
- **Potential additional mineralised vein identified south of the Carlos Vein**
- **JV Partners unanimously agree to extend drilling program at Patricia**
- **High silver recoveries achieved in preliminary metallurgical test work coupled with high silver grades indicate potential for significantly higher silver revenue**
- **Access Road design contract awarded**

Herencia Resources, a multi-commodity project development company, is pleased to provide an update in relation to its Paguanta Project (Herencia 70% owner) in northern Chile:

- Over 10,000m of drilling successfully completed at Paguanta.
- Results from diamond drill hole PTDD074 (Cathedral Vein) include high grades of 7.5m at 9.0% zinc, 1.9% lead, 103g/t silver and 0.21g/t gold from 165.9m including **3.7m at 13.6% zinc, 2.1% lead, 126g/t silver and 0.28g/t gold** from 169.7m depth.
- Results from diamond drill hole PTDD067 (Rosada Vein) include a very broad zone of 31.5m at 1.9% zinc and 26g/t silver from 21m depth, including 2.00m at 4.2% zinc from 43.5m.
- Further drill intercepts have been achieved in the newly named Carlos Vein (formerly referred to as the New Vein) at Patricia including PTDD075 which returned **1.15m at 6.0% zinc, 3.08% lead, 142g/t silver and 0.21g/t gold** from 218m depth.
- The potential for additional mineralised veins to be discovered at Patricia has been highlighted with a new mineralised intercept in PTDD080. This hole, drilled through the Cathedral and Carlos Veins (further assay results pending), was extended approximately 100m and intersected 0.75m at 1.2% zinc, 0.6% lead and 48g/t silver from 252.5m, placing this new (potential vein) intersection approximately 80m south of the existing Carlos Vein.
- The remaining PQ-diameter metallurgical diamond drill hole is underway and the first drill core samples have now arrived on-site at the metallurgical testing laboratory in Canada.
- Results from initial 'phase one' metallurgical test work (carried out this year on a composite of 2010 drill core) have been received. Excellent recoveries have been achieved and in particular the silver recovery profile appears to be better than the previous positive results achieved in the 2008 Scoping Study.

For the 2008 Scoping Study, only the silver recovered to the silver/lead concentrate (at 51.7% recovery) was assumed 'payable'. The 2011 phase one results now indicate both a higher silver recovery to the silver/lead concentrate at 66.9% and, importantly, payability for silver content in the zinc concentrate due to increased silver grades being achieved in that concentrate. Test work suggests that in addition to the silver recovered in the silver/lead concentrate, approximately 50% of the silver recovered to the zinc concentrate could also be 'payable'.

In summary, the results indicate the potential for significantly higher 'payable' silver revenue for the Project. The upcoming metallurgical test work program will further evaluate projected silver performance.

- Geotechnical drilling of the underground mining areas is nearing completion. Geotechnical testing of potential plant site and tailings dam locations has also commenced. This work assists with the location and design of foundations for processing plant infrastructure such as crushing and grinding equipment and optimising the tailings dam location.
- Detailed topographic survey work has commenced with the aerial survey component completed.
- The contract to design the Access Road has been awarded.

In view of the drill results returned to date the JV Partners have agreed to undertake an additional 4,000m of drilling at Patricia during 2011, with Herencia's share (70%) of drilling costs to be funded from the proceeds of the capital raising undertaken in June 2011. This additional drilling will extend the current program by approximately 12 weeks and the overall Project schedule will likewise be extended to accommodate inclusion of the assay results into the current Feasibility Study.

Herencia's Managing Director Michael Bohm commented "The Project Team are to be commended on the positive results achieved at the Paguanta Project, with progress on numerous fronts. The drill program continues to return high grades and identify potential new areas for future resource expansion at Patricia. The JV's decision to extend the drill program will allow us to take advantage of the drill rigs working on site, saving on remobilisation and demobilisation costs.

The Board and Management are also most encouraged by the results achieved in the preliminary metallurgical test work which has demonstrated a very real opportunity to increase silver production above the forecast one million ounces per annum.

The results indicate that Patricia may be referred to as either a 'zinc-silver' project or a 'silver-zinc' project. Either way, given the potential for these two commodities going forward, we see both as very positive."

For further information, please contact:

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References in this announcement to exploration and metallurgical results and potential have been approved for release by Mr Michael Bohm (BAppSc Mining Engineering WASM), Mr Antonio Valverde (Bsc Geology Universidad Complutense de Madrid) and Mr Stuart Saich (BSc Chemical Engineering, University of Natal, South Africa), all 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 and Mr Saich is a member of both the Australasian Institute of Mining and Metallurgy and the Society of Mining, Metallurgy and Exploration. Mr Bohm, Mr Valverde and Mr Saich have consented to the inclusion of the material in the form and context in which it appears.

Appendix 1 – Assay Results from Patricia Drilling: (All widths stated are down-hole intersections)

Hole ID	Easting	Northing	Dip/Az. (degrees)	From (m)	To (m)	Width Down-hole (m)	Zinc Grade (%)	Pb Grade (%)	Silver Grade (g/t)	Gold Grade (g/t)	
PTDD059	494942	7809421	-50/095	113.07	115.05	1.98	0.60	0.20	23		
PTDD060	494942	7809421	-65/085	98.50	99.50	1.00	0.80	0.90	107		
				129.50	131.00	1.50	0.62	0.28	27		
PTDD061	494310	7809812	-45/176	35.50	37.50	2.00	2.24	0.41	36		
				45.00	49.95	4.95	1.83	1.22	114	0.11	
PTDD063	494224	7809663	-54/179	142.00	143.00	1.00	1.07	0.16	10	0.05	
				202.00	204.40	2.40	7.07	1.54	72	0.19	
PTDD064	494250	7809755	-47/310	30.00	34.00	4.00	2.42	0.33	40	0.13	
PTDD065	494227	7809782	-45/149	34.00	43.50	9.50	3.48	3.00	103	0.20	
				<i>including 1.00m @ 7.05% Zn, 6.77% Pb, 247g/t Ag and 0.30g/t Au from 34m</i>							
				<i>and 1.00m @ 13.30% Zn, 6.20% Pb, 228g/t Ag and 1.12g/t Au from 42.5m</i>							

				52.50	57.00	4.50	5.55	2.54	120	0.18
PTDD066	494298	7809692	-50/185	68.00	70.00	2.00	3.10	0.71	89	0.11
				189.20	193.00	3.80	1.38	0.16	18	0.06
PTDD067	494219	7809835	-45/176	21.00	52.50	31.50	1.96	0.05	26	0.02
				<i>including 2.00m @ 4.20% Zn, 0.17% Pb and 4.2g/t Ag from 43.50m</i>						
PTDD073	494550	7809600	-54/180	241.00	261.00	20.00	3.00	1.40	80	
				<i>including 6.00m @ 5.9% Zn, 2.6% Pb, 144g/t Ag and 0.12g/t Au from 253m</i>						
PTDD074	494400	7809600	-58/180	24.00	27.00	3.00	2.42	0.80	88	0.08
				165.90	173.40	7.50	9.05	1.95	103	0.21
				<i>including 3.70m @ 13.60% Zn, 2.13% Pb, 126g/t Ag and 0.28g/t Au from 169.70m</i>						
				193.00	196.00	3.00	3.09	1.01	52	0.05
				<i>including 1.00m @ 6.62% Zn, 1.88% Pb, 99g/t Ag and 0.10g/t Au from 193.00m</i>						
PTDD075	494600	7809544	-60/180	216.80	220.50	3.70	2.92	1.53	73	0.10
				<i>including 1.15m @ 6.0% Zn, 3.08% Pb, 142g/t Ag and 0.21g/t Au</i>						
PTDD080	494600	7809544	-45/180	173.0	183.0	10.0	1.25	0.58	40	0.07
				<i>including 2.00m @ 2.1% Zn, 1.0% Pb, 62g/t Ag and 0.14g/t Au</i>						
				252.5	253.25	0.75	1.18	0.62	48	0.02

- All samples assayed by ALS Laboratory Group, Chile
- Crushing all sample 70% < 2mm; quiriting to 1 Kg; and powdered 85% < 75 µm
- Zn-Pb-Ag-ME ICP41 method or AA46 ore grade for Pb 0.01-30%, Zn 0.01 -30% Ag 1-1500ppm
- Au-AA23 ore grade finish Au 0.005 - 10ppm Au fire assay
- Hole ID co-ordinate grid is PSAD56 UTM Zone 19S

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

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