

11 June 2012

Herencia Resources plc

("Herencia" or the "Company")

Paguanta Project Update

Herencia Resources is pleased to provide an update in relation to its Paguanta (Patricia) Project (Herencia 70% owner) located in northern Chile.

Open Pit Potential

Given the recent high silver (and lead) grades reported at shallow depths in several drill holes at the Patricia Project (the "Project"), as reported on 26 April 2012, the Company is now reviewing the open pit potential for the Project. In order to effect this, the Company has initiated the following:

- Additional diamond drill core from the shallow oxide and transition zones has been dispatched to Canada for metallurgical testwork.
- Having reviewed the geological interpretation of the recent high silver assay grades achieved at the Project, the Company has commenced a re-logging and assaying exercise on existing diamond drill core which are now interpreted (in light of recent assay results) to have potential for returning elevated silver grades. It is anticipated that this work will be fully completed during the third quarter 2012.

The Company will be investigating whether, through an open pit, there is the potential for:

- (i) earlier access to potentially higher grade ore zones;
- (ii) lower operating costs and reduced start-up working capital;
- (iii) additional ore production and increased mining selectivity;
- (iv) the possible utilisation of mine waste rock in the construction of the tailings dam, and
- (v) an optimised portal location for underground decline development.

The directors believe this work is justified because of the potential positive economic and operational outcomes which could be generated if an open pit were to be included in the mine plan. There can be no guarantee that Herencia will progress with a open pit, and further updates will be provided in due course.

Updated Mineral Resource Estimate

Golder Associates are progressing this work and at this stage the Company anticipates releasing an updated Mineral Resource Estimate for the Project before month end.

Feasibility Study and Permitting Process

Work continues on a number of fronts in relation to the Patricia feasibility study and the environmental permitting process which is targeted for submission before year end. The abovementioned activities will be incorporated into this work.

Managing Director Michael Bohm stated *"We believe the high silver and lead assay grades achieved at shallow depths at Patricia provides potential scope for open pit mining. The metallurgical testwork on drill core from the oxide and transitional zones work will assist in determining the economic and practical aspects of incorporating an open pit into the overall mine design."*

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. 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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