

Herencia Resources PLC  
("Herencia" or the "Company")

## HERENCIA PUSHES FORWARD WITH ITS PAGUANTA PROJECT IN CHILE

Herencia, an AIM quoted exploration and development company operating in Chile, today announces a progress update on its flagship Paguanta Project ("the Project"). The Project, which is 70% owned by Herencia, is focused on developing a silver, zinc and lead mining and processing operation on its Patricia deposit, one of three targets within the Paguanta project area.

Following the successful £1.2 million capital raising announced on 4 July 2012, the Company has:-

1. Commenced work on a surface geological mapping and sampling programme at Patricia and continued to progress the re-logging and selective assaying programme up-dip of existing mineralisation;
2. Completed preparation work in advance of an Induced Polarisation ("IP") survey to extend the existing Patricia anomaly.

As previously announced, an improved geological understanding of the Patricia geology following the 2011 drilling programme and subsequent update to the Patricia Mineral Resource estimate (announced 22 June 2012) has identified the potential for further high-grade silver and lead mineralisation to exist near surface and up-dip from the underground opportunity currently under evaluation.

Geological mapping and a surface sampling programme is underway that extends over the proposed Patricia open pit area and is testing for near surface concentrations of silver and lead.

Selected holes from the 2011 drilling programme, not previously sampled at shallow depths, are currently being re-logged and areas of potential mineralisation sampled (see announcement of 11 June 2012). Samples from both work programmes will be sent to assay laboratories in Chile for analysis. The results will assist the Company with the economic evaluation of a potential open pit at Patricia. Details of this programme will be provided in due course.

As announced on 4 July 2012, the Company intends to undertake further geophysical assessment of the largely untested Patricia geophysical anomaly which lies immediately to the south and east of the existing Patricia deposit. Preparations have been completed and a contract geophysical team has been mobilised to site to undertake the IP survey.

Graeme Sloan, Managing Director of Herencia said,

***"In the short time I have been at Herencia, I have been most impressed with our project team and the portfolio of projects we have in Chile. To date there has been a tremendous amount of work completed and our job now is to build on this work which will culminate in the finalisation of the Feasibility Study and lodging the permitting application with the relevant authorities.***

***On the back of our recent capital raising we have been able to initiate a number of new work programmes and accelerate others to improve our understanding of the open pit opportunity, which arose from the recent high silver grades achieved, and secondly to explore the potential of the largely untested Paguanta anomaly.***

***With these results, I believe the Company will be in a position to understand the practical and economic viability of incorporating an open pit into the mine plan and the true potential of the bigger Paguanta picture."***

The information in this report that relates to the 2012 Mineral Resource estimate is based on information compiled by Dr Marcelo Godoy. Dr Godoy is a full time employee of Golder Associates, a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. The Mineral Resource estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC). Dr Godoy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the 2010 Mineral Resource estimate was previously announced on 19 September 2010.

References in this announcement to exploration results and potential have been approved for release by Mr Graeme Sloan (Bach Applied Science – Mining Engineering) 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 Sloan is a Member of the Australasian Institute of Mining and Metallurgy. Both Mr Sloan and Mr Valverde have consented to the inclusion of the material in the form and context in which it appears.

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