

22 August 2012

**Herencia Resources plc**

**("Herencia" or the "Company")**

**High Grade Results from  
New Paguanta Work Programmes**

Herencia Resources plc, an AIM quoted exploration and development company operating in Chile, is pleased to provide an update in relation to its flagship Paguanta Project ("the Project"). The Project, which is 70% owned and managed by Herencia, is a high grade zinc-silver-lead deposit located in northern Chile. The Company is undertaking a number of work programmes to investigate the potential for an open pit mine at the surface of the Patricia deposit at the Project.

**Highlights**

**Excellent results from the first assays have been received from a selected drill hole re-sampling programme and a surface sampling programme at Paguanta (Patricia Deposit), both of which have been initiated to test for open pit potential. The best results to date include:**

**Drill Hole Re-sampling**

PTDD073      15.0m @ 132.3g/t Ag, 2.8% Pb, 0.4g/t Au (from 13m down hole)  
including      4.0m @ 319.0g/t Ag, 6.2% Pb, 0.9g/t Au (from 14m down hole)  
  
PTDD096      10.8m @ 69.7g/t Ag, 1.9% Pb (from 47m down hole)

**Surface Sampling**

821826 – Line 1	1015.0g/t Ag, 10.7% Pb, 1.4g/t Au	(Sample length 1.1m)
821827 – Line 1	258.0g/t Ag, 5.0% Pb, 0.6g/t Au	(Sample length 1.1m)
821848 – Line 2	75.4g/t Ag, 2.2% Pb, 0.3g/t Au	(Sample length 2.1m)
821994 – Line 3	9.9g/t Ag, 0.0% Pb, 9.9g/t Au	(Sample length 1.0m)
822111 – Line 5	518.0g/t Ag, 1.0% Pb, 0.2g/t Au	(Sample length 0.7m)
822119 – Line 5	583.0g/t Ag, 11.0% Pb, 0.3g/t Au	(Sample length 1.2m)
822124 – Line 5	484.0g/t Ag, 2.8% Pb, 0.6g/t Au	(Sample length 1.3m)
822162 – Line 5	615.0g/t Ag, 1.0% Pb, 0.3g/t Au	(Sample length 0.9m)
822123 – Line 5	315.0g/t Ag, 6.4% Pb, 0.6g/t Au	(Sample length 0.7m)

As announced on 26 July 2012, the Company commenced work on a comprehensive and systematic surface sampling programme to test the surface expression of the Patricia mineralisation and to progress the re-logging and re-sampling of selected shallow drill holes focussing on the zone where high silver and lead grades were achieved near surface late in the 2011 drill programme. This work was aimed at defining further mineralisation up-dip and near-surface from existing resources, targeting the potential for development of an open pit operation.

Initial results have returned a number of extremely high silver grades at surface, including a high of **1,015g/t silver (+32 ounces/tonne)**. See Table 1 for full details of results received to date.

The surface sampling was undertaken by a Company geologist adhering to strict sampling protocols to ensure the Company's rigid Quality Assurance/Quality Controls (QA/QC) were maintained. Areas of outcropping mineralisation were first cleared to bedrock and a channel of rock 5cm deep and 10cm wide was sampled and sent to the laboratory for analysis. Sample lengths varied from around 0.5 metres to 3.0 metres in length, depending on the extent of the outcropping mineralisation.

In conjunction with this work, the Company also initiated a re-logging and re-sampling programme of selected shallow diamond and reverse circulation drill holes. These holes were identified during the geological re-interpretation process as having little or no visible zinc mineralisation near surface, but which could have the potential to contain ore-grade silver-lead mineralisation. Results to date have confirmed the presence of wide zones of mineralisation at shallow depths including **15 metres at 132.3g/t silver, 2.8% lead and 0.4g/t gold in PTDD073 (from 13 metres down-hole) including 4.0 metres at 319.0g/t silver, 6.2% lead, 0.9g/t gold (from 14 metres down hole)**. This mineralisation is up-dip from the existing Patricia Mineral Resource Estimate. See Table 2 for full details.

Both the surface sampling and re-logging field work programmes have now been completed and results for approximately 15% of the total samples analysed have been received by the Company. The remaining results are anticipated to be returned within 8-10 weeks.

Graeme Sloan, Managing Director of Herencia said:

***“I am delighted that these latest results from our Paguanta Project are proving to be so encouraging. Several holes drilled in late 2011 achieved very high silver assay grades at shallow depths and provided the impetus to initiate further testing of the near surface mineralisation.***

***The results, from both 2012 sampling programmes, are extremely encouraging as they confirm areas of high grade silver-lead mineralisation extending right through to surface, and thus go a long way in supporting the open pit concept at Paguanta.***

***Once all assays have been received and assessed, we plan to estimate a new, near surface Mineral Resource, which will be used to evaluate the financial potential for an open pit operation.***

***Although still at an early stage, the consistency and high grade nature of some of these results are a great start to understanding the near surface potential of the Patricia deposit”.***

## **Project Location**

The Paguanta Project is a zinc-silver-lead deposit located in the north of Chile approximately 190 kilometres north-east of the coastal city of Iquique and 30 kilometres west of Chile-Bolivia border. The Project is in the Andes, 3,400 to 3700 metres above sea level on the north end of the Oligocene Porphyry Copper Belt of Chile that includes the world class deposits of Escondida, Chuquicamata, Collahuasi and Cerro Colorado. Cerro Colorado is a large operating copper mine, operated by BHP Billiton, and is located approximately 35 kilometres south of Paguanta.

For further information, please contact:

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

References in this announcement to exploration results and potential have been approved for release by MrGraeme Sloan (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 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.

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

**\*\*ENDS\*\***

Table1: Re-assayed Drill Holes

Hole ID	Easting	Northing	Dip (degrees)	Az (degrees)	From (m)	To (m)	Width Down-hole (m)	Zinc Grade (%)	Lead Grade (%)	Silver Grade (g/t)	Gold Grade (g/t)
PTDD073	494550	7809600	-54	180	13	28	15	0.03	2.75	132.3	0.37
				<i>Including 4m @ 0.07% Zn, 6.22% Pb, 319g/t Ag, 0.85g/t Au from 14m</i>							
PTDD081	494287	7809800	-62	192	48	49	1	0.67	0.28	97.5	0.02
					50	51	1	1.27	0.83	100	0.06
PTDD086	494562	7809586	-55	270	40	57	17	1.4	0.08	10.62	0.02
				<i>including 5m @ 1.7% Zn, 0.06% Pb, 17.5g/t Ag, 0.08g/t Au from 46m</i>							
				<i>including 3m @ 2.12% Zn, 0.18% Pb, 16.9g/t Ag, 0.05g/t Au from 53m</i>							
PTDD087	494565	7809597	-50	180	46	47	1	1.57	1.93	69.7	0.05
PTDD096	494530	7809652	-47	180	47	57.75	10.75	1.4	1.93	69.7	0.05

- All samples assayed by ALS Laboratory Group, Chile
- Crushing all sample 70% < 2mm; quiting 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

Table 2: Best Results From New Surface Sampling Program

SAMPLE	EAST	NORTH	RL	LINE	LENGTH	Au-AA23 Au ppm	ME-ICP41 Ag ppm	ME-ICP41 Pb %	ME-ICP41 Zn %
821826	494612	7809526	3825	1	1.05	1.44	1015.00	10.65	0.14
821827	494613	7809526	3825	1	1.05	0.61	258.00	4.96	0.05
821828	494612	7809525	3826	1	2.3	0.08	16.40	0.12	0.00
821829	494595	7809535	3822	1	1.1	0.18	147.00	0.30	0.01
821830	494595	7809539	3821	1	1.1	0.32	160.00	0.93	0.02
821848	494550	7809563	3808	2	2.1	0.34	75.40	2.16	0.03
821849	494548	7809560	3808	2	1.6	0.39	62.00	0.76	0.01
821851	494547	7809557	3808	2	1.34	0.23	52.20	0.42	0.02
821852	494546	7809555	3807	2	2.08	0.62	53.80	0.14	0.05
821853	494546	7809554	3807	2	1.7	0.17	23.60	0.13	0.11
821854	494548	7809551	3807	2	2.89	0.22	24.00	0.11	0.18
821855	494550	7809547	3808	2	1.57	0.03	54.30	0.40	0.12
821856	494551	7809546	3808	2	0.96	0.05	50.30	0.42	0.10
821857	494550	7809545	3808	2	2.4	0.04	19.50	0.15	0.05
821858	494549	7809543	3808	2	1.57	0.04	18.50	0.73	0.11
821868	494545	7809528	3805	2	1.08	0.25	11.70	0.02	0.16
821870	494544	7809525	3805	2	0.97	0.04	16.40	0.29	0.06
821871	494543	7809519	3807	2	1.6	0.03	19.10	0.05	0.00
821875	494541	7809512	3807	2	2.45	0.08	36.50	0.63	0.01
821876	494540	7809511	3808	2	2.45	0.12	45.50	0.71	0.01
821879	494546	7809488	3811	2	1.5	0.08	50.50	0.27	0.00
821881	494546	7809486	3811	2	1.33	0.09	41.90	0.83	0.01
821882	494545	7809485	3811	2	1.77	0.09	62.50	0.95	0.01
821888	494551	7809455	3813	2	1.8	0.07	28.20	1.34	0.03
821889	494551	7809453	3813	2	2.3	0.20	37.90	3.30	0.03
821924	494515	7809502	3798	3	2.6	0.11	10.70	0.14	0.00

SAMPLE	EAST	NORTH	RL	LINE	LENGTH	Au-AA23 Au ppm	ME-ICP41 Ag ppm	ME-ICP41 Pb %	ME-ICP41 Zn %
821926	494513	7809505	3797	3	1.8	0.01	15.20	0.01	0.00
821934	494518	7809523	3796	3	1.3	0.12	15.30	0.36	0.06
821935	494521	7809525	3796	3	1.3	0.05	15.50	0.61	0.13
821936	494519	7809535	3795	3	1.0	0.02	18.20	0.61	0.06
821937	494514	7809533	3793	3	1.2	0.16	32.80	1.62	0.07
821938	494514	7809534	3793	3	1.3	0.19	68.50	1.53	0.09
821939	494515	7809535	3793	3	1.0	0.27	148.00	1.72	0.06
821941	494515	7809536	3793	3	0.8	0.17	73.20	1.09	0.02
821942	494517	7809539	3794	3	0.8	0.08	119.00	1.68	0.07
821943	494515	7809542	3792	3	1.1	0.08	63.80	1.08	0.03
821944	494515	7809562	3791	3	2.0	0.11	53.50	0.51	0.02
821945	494514	7809563	3790	3	1.2	0.07	23.70	0.09	0.01
821946	494513	7809564	3790	3	0.8	0.05	24.50	0.13	0.01
821947	494513	7809565	3790	3	1.6	0.04	16.70	0.07	0.01
821949	494510	7809565	3788	3	1.3	0.07	43.30	0.17	0.01
821965	494519	7809589	3789	3	1.7	0.22	9.90	0.01	0.23
821970	494515	7809596	3788	3	1.6	0.13	6.80	0.01	0.16
821972	494514	7809598	3786	3	0.8	0.04	6.70	0.11	0.39
821974	494512	7809605	3786	3	1.6	0.01	4.10	0.00	0.32
821975	494509	7809605	3784	3	1.2	0.01	0.50	0.00	0.30
821994	494500	7809626	3786	3	1.0	9.86	9.90	0.01	0.13
822002	494507	7809634	3786	3	1.3	0.12	1.40	0.00	0.02
822003	494507	7809636	3786	3	0.9	0.21	1.60	0.00	0.02
822004	494507	7809636	3786	3	1.1	0.31	0.40	0.00	0.00
822030	494488	7809502	3783	4	1.1	0.18	30.70	0.35	0.04
822032	494487	7809509	3783	4	1.1	0.09	29.00	0.68	0.07
822033	494486	7809510	3783	4	2.0	0.14	53.00	1.82	0.18
822034	494483	7809510	3782	4	1.9	0.12	22.60	0.72	0.03
822039	494484	7809526	3782	4	1.5	0.02	16.90	0.07	0.11
822048	494484	7809542	3781	4	1.9	0.01	23.40	0.25	0.25
822052	494490	7809569	3781	4	0.9	0.01	24.20	0.06	0.24
822053	494491	7809571	3781	4	1.3	0.01	19.40	0.05	0.19
822054	494491	7809572	3781	4	1.5	0.01	16.30	0.04	0.21
822055	494491	7809573	3780	4	0.9	0.01	24.20	0.06	0.28
822056	494497	7809592	3779	4	1.1	0.04	25.30	0.08	0.17
822063	494499	7809598	3779	4	1.4	0.05	29.70	0.12	0.18
822066	494497	7809606	3776	4	2.1	0.01	5.30	0.01	0.51
822067	494497	7809608	3775	4	2.2	0.01	6.40	0.01	0.44
822068	494496	7809610	3774	4	2.0	0.01	29.30	0.02	0.60
822072	494492	7809617	3772	4	1.9	0.06	15.90	0.05	0.52
822073	494492	7809619	3769	4	1.9	0.05	17.60	0.01	0.59
822075	494678	7809434	3769	4	2.1	0.01	16.80	0.02	0.28
822076	494489	7809624	3767	4	2.0	0.05	18.30	0.01	0.43
822078	494488	7809627	3766	4	1.8	0.01	9.80	0.01	0.40
822079	494487	7809629	3766	4	1.8	0.19	20.40	0.01	1.27
822081	494487	7809632	3765	4	2.4	0.09	22.40	0.02	0.92

SAMPLE	EAST	NORTH	RL	LINE	LENGTH	Au-AA23 Au ppm	ME-ICP41 Ag ppm	ME-ICP41 Pb %	ME-ICP41 Zn %
822082	494485	7809633	3765	4	2.4	0.10	23.60	0.09	0.15
822083	494484	7809635	3764	4	1.9	0.02	10.90	0.01	0.31
822096	494471	7809654	3758	4	1.3	0.01	7.20	0.00	0.43
822109	494469	7809669	3757	4	1.1	0.01	3.80	0.00	0.49
822110	494450	7809491	3786	5	1.1	0.26	52.20	0.71	0.03
822111	494450	7809492	3786	5	0.7	0.20	518.00	0.98	0.01
822112	494450	7809493	3785	5	0.9	0.06	132.00	0.65	0.02
822118	494443	7809498	3783	5	1.1	0.05	20.70	0.11	0.09
822119	494443	7809499	3783	5	1.2	0.28	583.00	10.95	0.21
822122	494428	7809501	3783	5	0.6	0.55	242.00	1.07	0.38
822123	494428	7809501	3783	5	0.8	0.55	315.00	6.37	0.08
822124	494428	7809502	3783	5	1.3	0.58	484.00	2.81	0.06
822126	494432	7809506	3780	5	1.6	0.06	26.90	0.38	0.13
822134	494435	7809514	3776	5	2.2	0.01	14.10	0.03	0.31
822135	494443	7809544	3765	5	1.6	0.01	2.40	0.01	0.32
822137	494444	7809546	3765	5	0.8	0.01	3.20	0.01	0.33
822139	494443	7809548	3764	5	1.8	0.01	2.40	0.00	0.35
822144	494443	7809553	3764	5	0.9	0.01	24.10	0.04	0.90
822146	494443	7809554	3764	5	1.5	0.03	14.80	0.14	0.43
822147	494443	7809555	3764	5	0.9	0.02	20.70	0.08	0.07
822148	494443	7809556	3764	5	1.4	0.06	33.00	0.31	0.07
822156	494443	7809565	3763	5	1.3	0.01	2.10	0.01	0.39
822158	494428	7809598	3755	5	1.1	0.01	7.20	0.01	0.42
822159	494428	7809599	3755	5	0.9	0.01	12.80	0.01	0.43
822161	494428	7809600	3755	5	0.6	0.19	235.00	0.24	0.15
822162	494428	7809601	3755	5	0.9	0.27	615.00	0.98	0.51
822163	494428	7809602	3755	5	0.9	0.01	80.60	0.01	0.43
822164	494428	7809603	3754	5	1.0	0.01	35.10	0.01	0.13
822165	494427	7809604	3754	5	0.9	0.01	51.20	0.03	0.22
822179	494414	7809656	3740	5	0.6	0.13	54.30	0.34	0.01
822187	494409	7809659	3738	5	1.1	0.02	16.90	0.11	0.06
822188	494410	7809660	3738	5	1.1	0.04	58.60	0.21	0.06
822189	494410	7809661	3738	5	0.6	0.14	173.00	1.03	0.09
822196	494423	7809787	3727	5	0.9	0.01	3.00	0.02	0.77
822197	494423	7809788	3727	5	1.2	0.01	2.70	0.10	0.37
822199	494425	7809790	3727	5	0.6	0.03	12.00	0.53	0.13
822201	494426	7809791	3727	5	0.4	0.02	5.70	0.18	0.31
822205	494431	7809794	3728	5	0.4	0.03	6.00	0.51	0.08
822208	494433	7809795	3729	5	0.6	0.02	6.00	0.13	0.36
822209	494433	7809796	3728	5	1.3	0.01	12.10	0.04	0.56

Note:- Co-ordinates in UTM, Zone 19, PSAD56