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Link: <http://www.proactiveinvestors.co.uk/companies/news/48474/update-herencia-resources-testing-produces-high-grade-zinc-and-silver-concentrates-48474.html>

## UPDATE: Herencia Resources testing produces high grade zinc and silver concentrates



[Jamie Ashcroft](#) Paguanta is located in Northern Chile, in the Andes, around 30 kilometres west of the Bolivian border.

[Herencia Resources \(LON:HER\)](#) has revealed a metallurgical report which 'clearly demonstrates' that high grade silver and zinc concentrates can be produced from the Paguanta project, in northern Chile.

Two concentrates were produced through the testing, which was being carried out as part of a feasibility study into a proposed open pit on Paguanta's Patricia deposit.

Managing director Graeme Sloan says this is an important milestone for Herencia as it moves the project closer to production.

Herencia achieved zinc recovery of over 80 per cent in the first one, to produce a concentrate containing in excess of 52 per cent zinc. This also contained silver at an average concentrate grade of 150 grams per tonne.

A separate silver-lead concentrate with concentrate silver grades between 2,000 and 18,000 grams per tonne and 55 per cent lead.

Overall Herencia achieved silver recovery of over 90 per cent - with 72 per cent in the silver-lead concentrate, and 20 the other 20 per cent in the zinc concentrate.

"To achieve zinc recovery in excess of 80%, silver recovery of 92% and lead recovery of 80% are great results for the company," Sloan said.

"The results clearly demonstrate that we can produce high grade silver and zinc concentrate products from our Paguanta Project."

"Further metallurgical test work is underway on additional variability samples from the primary, transition and oxide zones which will be used to fine tune the final process design and concentrate specifications."

WH Ireland repeated a 'buy' recommendation following today's positive news.

"The testwork has shown that the Patricia concentrates would be suitable for sale into the custom market providing levels of deleterious elements are within acceptable ranges," analyst Paul Smith said in a note.

Smith says his recommendation is based on his expectation of more positive drill results and the release of the updated prefeasibility study – which is based on existing resources – though he highlights the potential for more upside.

"The resource remains open along strike and at depth," he added.

"Recent work has looked at extending the resource further by generating IP targets along strike from known mineralisation and examining open pit potential for a higher-grade lead-silver resource."