

## **Herencia Resources plc**

("Herencia" or "the Company")

### **Detailed geophysical interpretation of the Paguanta IP identifies numerous Base Metals targets and potential for deeper Porphyry style mineralisation**

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 silver-zinc-lead deposit located in northern Chile. The Company is currently working toward completion of a Feasibility Study, reviewing both open pit and underground methods for the potential exploitation of the Patricia Mineral Resource.

#### **Highlights**

A comprehensive review by an Independent Geophysical Consultant of the recent Paguanta IP survey data and corresponding geological datasets;

- **Supports the potential extension of the Patricia mineralisation to over 1,600 metres**
- **Identifies the potential for a deeper porphyry style mineralising system at Paguanta**
- **Identifies six target areas, three of which are yet to be tested, others requiring deeper drill testing**
- **Confirms excellent correlation with the existing mineralisation (Patricia Mineral Resource)**

Following highly encouraging results from a recent Pole Dipole Induced Polarisation ("PDIP" or "IP") geophysical survey (as announced on 5 September 2012), which significantly extended the Patricia geophysical anomaly to approximately 3 kilometres in length and up to 1 kilometre in width, the Company commissioned a comprehensive review of all available data by an independent geophysical consultant.

The IP data from all previous surveys covering an area of 11.5 square kilometres, was merged with existing geological data, to produce coverage across the La Rosa prospect and Patricia mineralisation. Drill hole datasets were also reviewed in conjunction with chargeable and resistive IP zones.

The review demonstrated an excellent correlation between chargeable zones and existing base metal mineralisation (Patricia and La Rosa) and also successfully defined chargeable zones that extend both laterally and vertically beyond the known mineralisation. The review also defined a broad geophysical response that trends southwards in the La Rosa prospect area and to the south-east in the Patricia project area.

A total of six targets were identified at Paguanta and are described below, three of which are new and untested targets and three have been partially tested by Herencia. The targets to the south and east are considered to be high priority.

IP Targets:

- IP1: Target identified at La Rosa by a resistive and chargeable response with a strike length of approximately 400 metres long - this correlates well with mineralisation in this area which has had limited, shallow drill testing;
- IP2: Target correlates well with the existing Rosada vein (part of the Patricia mineralisation vein set) and appears open at depth;
- IP3: Target correlates well with the high grade Cathedral vein (part of the Patricia mineralisation vein set) and appears open at depth - a total strike length of 1,600 metres is indicated between IP2 and IP3;

- IP4: New target with a strong chargeable zone located east of the mapped Patricia mineralisation which may potentially represent an easterly extension of the Cathedral vein;
- IP5: New target with a moderately conductive zone which may also potentially represent an easterly extension of the Cathedral vein; and
- IP6: New target with a moderately chargeable and moderately conductive zone which may be a potential extension of Carlos and New South vein. It may sit in a similar stratigraphic/alteration position as IP4 and IP5.

Two additional findings also came out of the geophysical review:

- i) a conductive halo interpreted around the known Patricia mineralisation may indicate a deeper porphyry style mineralising system; and
- ii) a conductive trend which “wraps around” both the La Rosa and Patricia mineralisation may be explained as an alteration halo as part of a larger porphyry style system.

The following image presents a plan of the Paguanta ground geophysical summary including the location of the six targets and chargeability map at 100m depth (see attached plan on page 3).

Graeme Sloan, Managing Director of Herencia said:

*“The IP method has proved to be extremely successful at Paguanta with excellent correlation between geophysical signatures and the known mineralisation at Patricia. We believe that the three new untested target areas identified all have the potential to be mineralised and could add significantly to the existing Paguanta Resource.*

*The entire Paguanta IP anomaly extends over 3,000 metres, with the Patricia mineralisation currently interpreted over 1,600 metres and remains open-ended. The current Patricia Mineral Resource has only been drilled over 600 metres leaving over 1,000 metres of potential strike which confirms our strong belief that there is significant potential for both strike and depth extension at Patricia which translates directly into potential for resource upgrade at Patricia.*

*Additionally, we believe the importance of the potential for porphyry-style mineralisation at Paguanta cannot be over-stated. The Paguanta Project, which now comprises two deeper porphyry-style targets in La Rosa and Patricia, is located within the Chilean porphyry-copper belt and has the active BHP Cerro Colorado mine to the south, Codelco's Mocha Project to the west, Anglo-American's Queen Elizabeth Project to the east and Rio Tinto's Candelabro to the north. Whilst the focus rightly remains on advancing Patricia toward a mine development decision, the Company is reviewing options to realise potential value from the porphyry targets”.*

## **Project Location**

The Paguanta Project comprises a silver-zinc-lead deposit with potential for porphyry-style mineralisation at depth. The project is located in the north of Chile approximately 190 kilometres north-east of the coastal city of Iquique and 30 kilometres west of the Chile-Bolivia border. The Project is in the Andes, 3,400 to 3,700 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.

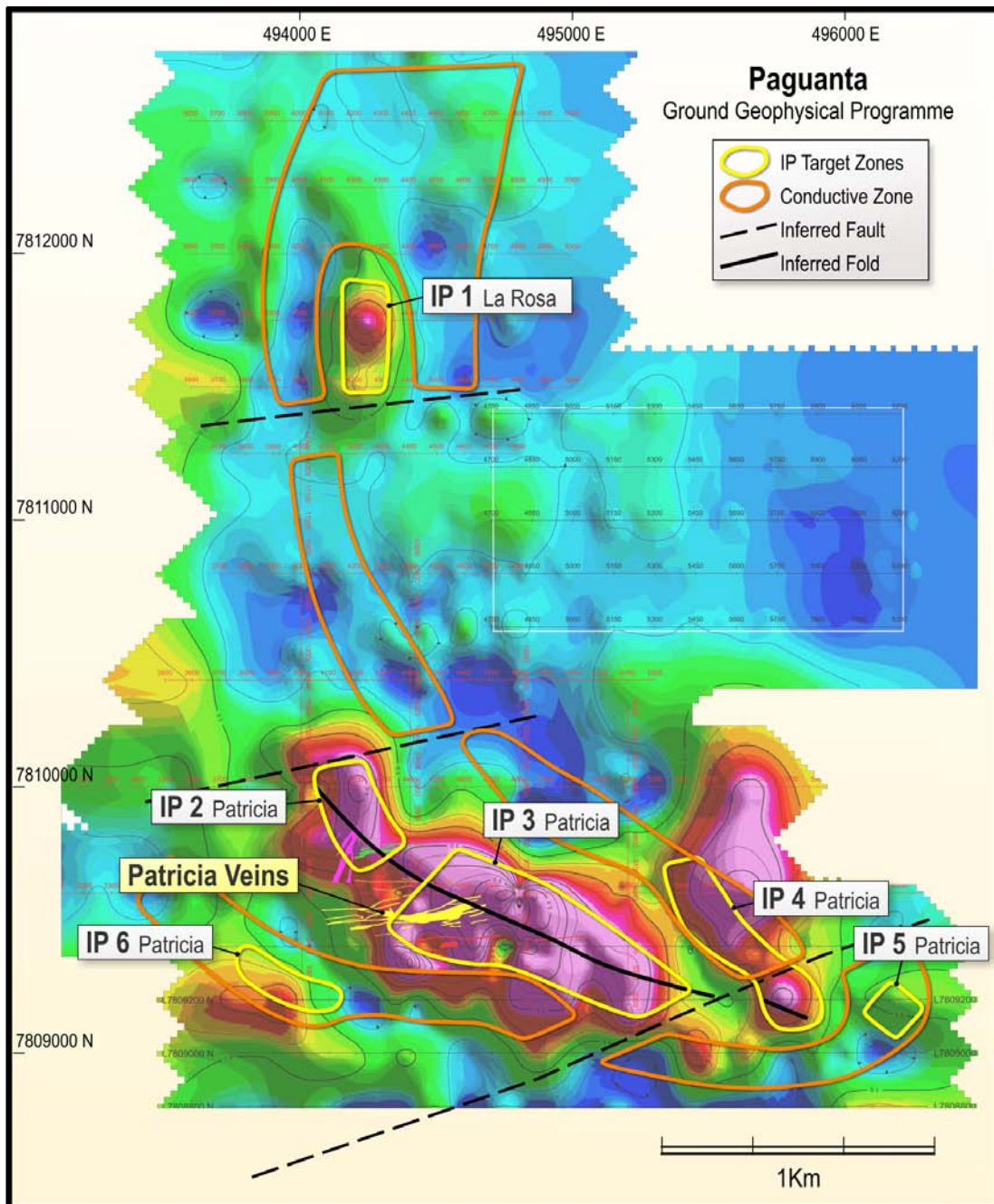
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References in this announcement to exploration results and potential have been approved for release by Mr Graeme Sloan (BAppSc Mining Engineering WASM), Graham J Elliott (Consulting Geophysicist - BAppSc Geophysics Curtin University) and Mr Antonio Valverde (Bsc Geology Universidad Complutense de Madrid), who have more than 20 years relevant experience in the field of activity concerned. Mr Sloan is a Member of the Australasian Institute of Mining and Metallurgy. Mr Sloan, Mr Elliot 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\*\***



**PAGUANTA GEOPHYSICAL SUMMARY**