

4 April 2014

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

## **Drilling Contract Awarded at the Picachos Copper Project**

### **Highlights**

- Drilling contract awarded to Major Drilling
- RC drill program to commence in approximately four weeks
- Approximately 3,000 to 4,000 meters of drilling to be undertaken
- High grade and shallow copper targets to be drilled
- Fully funded by the GBP£2.48 million raising completed in January 2014

Herencia Resources plc (AIM:HER), the Chile-focussed mineral exploration and development Company, is pleased to advise that drilling at its advanced Picachos Copper Project ("Picachos" or the "Project") in central Chile, is scheduled to commence in approximately four weeks following the awarding of a drilling contract to Major Drilling.

Major Drilling, a global drilling contractor who have completed the majority of drilling for all of Herencia's projects, have been awarded a contract to drill approximately 3,000m to 4,000m of shallow reverse circulation (RC) drilling. Major Drilling were awarded the work program based on their competitive quotation and the quality of their previous work for Herencia. Major Drilling's headquarters are located in La Serena, which is located only 50km from the Picachos site and thus able to provide excellent back-up and support for the drill program.

As part of the upcoming drill program, Herencia will target the high-grade structural mineralisation and extensive manto-style targets at Picachos, and also test an area of shallow mineralisation identified in an area north-west of the existing Flor del Bosque Mine Area.

The goal of the drill program is to identify zones of mineralisation that would potentially underpin a larger-scale and long life open pit copper mining project at Picachos.

At the Company's Paguanta Project, the environmental permitting process for a drill program ("drilling EIS"), which is seen as the precursor for the submission of the Project EIS, has been temporarily delayed. Whilst the Company met all their environmental obligations as per the EIS process, it appears a local government department did not complete one part of the process. The Company is confident this will be rectified shortly. Given that a development decision at Paguanta will be taken at a time that coincides with future strengthening of the zinc price, we see it as beneficial to comprehensively reach agreement with stakeholders now, whilst zinc prices are at current levels.

At the Company's Guamanga Project, where Australia's OZ Minerals are funding an earn-in Joint Venture, work has progressed at a steady pace. The JV is targeting a large IOCG-style system with early work proving to be encouraging based on initial geological mapping and detailed geophysical surveys. Compilation of recently acquired data is underway. A further update will be provided in the coming weeks.

The Company can also advise that the recent earthquake in northern Chile has not impacted on its projects however we do offer our condolences to those that were affected.

Managing Director, Graeme Sloan, commented on the upcoming drill program at Picachos:

*“Commencing drilling at the Picachos Project will be a significant milestone for Herencia.*

*Several high-quality drill targets have been identified following a comprehensive structural mapping exercise at Picachos. These targets will be tested and will include both the mineralised structures currently being mined for high-grade copper and the adjacent and extensive areas of manto-style copper mineralisation. RC drilling, which is both cost effective and quick, will target the shallow depths and broad mineralised zones at Picachos.*

*As previously stated, we see this upcoming drill program as the first step in evaluating the potential for Picachos with the aim to quickly move into full-scale open pit copper production. With existing infrastructure and processing plants available in the immediate vicinity of Picachos, the door is open to the possibility of joint use of some of these facilities which may speed up production options and significantly lower future pre-production capital costs.*

### **About the Picachos Project**

The Picachos Project is located approximately 50km south east of the coastal city of La Serena, 8km west of both the existing Andacollo copper-gold project operated by Teck Resources and the mining town of Andacollo (population approximately 10,000 people), and 10km south of the privately owned Tambillos copper mine. The Project is very well positioned for infrastructure with existing high voltage power located approximately 3km east of the Project area and serviced by two all-weather access roads.

Small scale mining is currently being undertaken by private miners via small open pit and underground mining operations. Ore is being trucked to a Chilean government owned processing plant (ENAMI plant) where it is processed. This mining will continue up until such time as the Option to fully acquire Picachos is exercised (at Herencia's discretion) and is seen by the Company as an excellent mechanism to achieve geological and grade data across many zones of mineralisation.

A review of available data and Herencia's own geological programs has confirmed multiple zones of mineralisation with a combined strike length of well over 8km contained within the Project area. In some areas the close relationship of these zones coupled with multiple occurrences of out-cropping wide zones of mineralisation, highlights the excellent potential for large scale open pit mining to take place at Picachos. Historic mining has focused mainly around the high grade structures, however in some areas the mantos have been mined up to 50m wide. Mineralisation generally commences from one to five metres below the surface and appears open at depth.

### **About Herencia**

Herencia Resources plc, is an AIM quoted exploration and development company operating in Chile. In addition to the Picachos Copper Project, the Company has recently completed a Feasibility Study in relation to its 70% owned Paguanta Project, a high grade silver-zinc-lead

project located in northern Chile. The Company is looking to complete project permitting for Paguanta, whilst investigating a number of potential funding alternatives in parallel with the permitting process before a development decision is made. The Company is also advancing the Guamanga Project after entering into a JV with a wholly owned subsidiary of one of Australia's largest copper miners, OZ Minerals.

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 Graeme Sloan (BAppSc Mining Engineering WASM) 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 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)**

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