

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

Paguanta Zinc-Silver Project Update

Porphyry Copper Potential Identified

Highlights

- ***Drilling EIS approved for Paguanta***
- ***Zinc prices rising strongly as supply constraints emerge and zinc inventory levels drop***
- ***Porphyry-Copper potential identified at Patricia East***

Herencia Resources plc (AIM:HER), the Chile-focussed mineral exploration and development Company, is pleased to provide an update on its 70% owned and managed Paguanta Zinc-Silver Project in northern Chile.

Herencia has been advised by the relevant authorities in Chile that the environmental approval required to undertake a drilling program at Paguanta has been granted. This is a critical step in the progression of the development of the Patricia Project as it not only provides the necessary approval to potentially expand the Patricia Resource but importantly can assist in the process for the approval of the final Project EIS.

With the development of the Paguanta Project tied to the strengthening zinc price, the Company views the recent strong gains in the price of zinc and the significant falls in warehouse zinc supply inventories as strongly supportive for the next stage in the development of the Project. The ongoing closure of several major zinc mines, along with the looming closure (in 2015) of the Century Zinc Open Pit Mine in Australia (one of the world's largest zinc producers), has seen both media and industry commentators highlighting the upcoming zinc supply constraints facing customers. Supply/demand economics normally point to the fact that when supply falls, prices increase, and this is translating into positive forecasts for zinc prices in the short to medium term.

In other news at Paguanta, further geological investigative work in an area immediately east of the Patricia orebody ("Patricia East"), has identified key indicators supporting the potential existence of a porphyry-copper system. This low-cost exploratory work has been carried out by the Company geological team whilst waiting for the drilling EIS approval.

The Patricia East area, which is characterised by a very high IP chargeability anomaly, also shows evidence of leached sulphide disseminates with recognisable stockworks of pyrite and leached copper minerals and associated occasional relics of chalcopyrite. The observed alteration corresponds mainly to secondary argillic alteration overprinting a weak sericite and potassic (biotite) alteration. Importantly, intense silica alteration usually with the presence of molybdenum has been observed.

All the above are commonly associated with porphyry systems, suggesting Patricia East may be the source of the high grade surface copper found at the adjacent Doris prospect - where grades of up to 3.3% copper have been previously identified (RNS 10 September 2010). The geological interpretation is that the high-grade copper mineralization at Doris may have been sourced from a local porphyry copper source – possibly from a porphyry-copper system below Patricia East.

Given the focus on its Picachos Project and the Patricia Project, the Company is not planning to undertake any further work at Patricia East however, given the emerging porphyry potential, it is hosting visits by a small number of resource industry groups interested in the porphyry potential. The Company is not in any formal negotiations with respect to advancing Patricia East, though should this change an announcement would be made.

Managing Director, Graeme Sloan, commented on the state of play at Paguanta:

“Whilst Picachos remains our focus, we are mindful of all the good work that continues to be carried out at Paguanta to progress the project toward production.

The approval of our drilling EIS is another important step in the full Project EIS approval, given much of the data collected, and the process followed, has enhanced our understanding of the protocols necessary for project approval.

It is worth remembering that Paguanta is not a project located in the depths of Africa, but rather a relatively low capex project, with excellent grades, perfectly located in a first-world country.

The emerging potential at Paguanta East, whilst early days, is now another ‘leg’ to the exciting Herencia story and we will certainly look to maximise the opportunities that may arise from its porphyry-copper potential.

In closing, market watchers may have noted the recent positive gains in the zinc price. We at Herencia are strongly of the belief that these zinc price rises, along with the fall in global stockpile inventories, will continue as major zinc mines continue to shut down. In this setting, we will maintain the forward progress at Paguanta, while looking at ways to keep start-up capital costs at a minimum and positioning the project to rapidly move into production to take advantage of a strengthening zinc-silver price”.

About the Paguanta Project

The Paguanta Project is an advanced zinc-silver-lead project located in the north of Chile, approximately 120 kilometres north-east of the coastal city of Iquique and 30 kilometres west of the Chile-Bolivia border. The Project is 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, located approximately 35 kilometres south of Paguanta. The Company has completed a Feasibility Study and is now advancing with items related to the permitting process.

About Herencia Resources plc

Herencia Resources plc, is an AIM quoted exploration and development company operating in Chile. In addition to the Paguanta Project, the company has the very exciting Picachos Copper Project in Chile where recent multiple high-grade copper assay results have been achieved. The Company also has a Joint Venture with OZ Minerals at the Guamanga Project where drilling is underway. The Company’s corporate office is located in Perth and the main technical and management office is located in Santiago, Chile where it has been operating for over eight years.

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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

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