



20 October 2011

**Interim Management Statement and
Production Report for the 3 months ended 30 September 2011**

Highlights

- Q3 2011 production of 5.8 million attributable silver equivalent ounces
- Q3 year-to-date production of 16.9 million attributable silver equivalent ounces
- On track to deliver 2011 production target of 22.5 million attributable silver equivalent ounces
- Feasibility studies for Inmaculada and Crespo projects to be delivered in Q4 2011; Azuca feasibility study due for completion in H1 2012
- Brownfield programme on schedule to deliver expected resource increases; greenfield drilling campaign on track for full year completion
- Net proceeds of approximately US\$96 million received by the Company from full repayment of loans made to Argentinean joint venture
- Strong financial position with total cash of approximately US\$687 million as at 30 September 2011 (attributable cash balance: US\$660m)

Ignacio Bustamante, Chief Executive Officer commented:

“Hochschild has delivered another robust quarter of production with the Company remaining on schedule to hit our 2011 target of 22.5 million attributable silver equivalent ounces. Feasibility studies for the Inmaculada and Crespo projects are very close to completion and we have also continued to make good progress with our exploration programme placing the Company on track to complete our full 2011 drilling campaign. Finally, our strong cash balance puts us in an enviable position in a volatile economic environment.”

Overview

Hochschild delivered attributable production of 5.8 million silver equivalent ounces in Q3 2011, comprised of 3.8 million ounces of silver and 33.5 thousand ounces of gold. Overall in the first nine months of 2011, the Group has delivered 11.1 million ounces of silver and 96.8 thousand ounces of gold placing it on track to achieve its full year production target of 22.5 million attributable silver equivalent ounces in 2011.¹

Production

Main operations

San Jose has continued to deliver a very strong performance in the third quarter of 2011. Silver equivalent production of 2.8 million ounces rose by 3% versus the same period of 2010 with the overall year-to-date performance running 15% ahead of the first 9 months of 2010 supported by ongoing high recovery rates of gold at 89% and of silver at 85%.

In line with the revised 2011 mining policy, Arcata's production in the third quarter was 1.7 million silver equivalent ounces with the Company continuing to adjust the extraction grade to ensure a consistent and sustainable level of long term production. Q3 production was in line with the Q2 rate of 1.8 million silver equivalent ounces with the year-to-date level at 5.3 million silver equivalent ounces. This quarter, the Company has continued processing developmental material from previous campaigns as well as certain ready-to-mine areas that have become economic at current prices. Finally, higher dilution due to narrower veins also affected Arcata's treated grade for the quarter.

Currently, 15% of concentrate produced at Arcata is converted into doré at Ares' facilities. The Company is undertaking a two step expansion project increasing Ares' capacity to treat 45% of Arcata's concentrate by the start of 2012 and 100% by the start of the third quarter of 2012. Whilst this project will result in a reduction in reported produced ounces and an increase in treatment costs, this is anticipated to be more than offset by a

¹ Utilising a silver to gold ratio of 60:1.

reduction in commercial discounts due to dore's lower impurities, making it a very profitable project for the Company.

Pallancata, the Company's other main Peruvian operation, had a solid performance with silver equivalent production for the quarter at 2.9 million silver equivalent ounces (Q3 2010: 3.0 million silver equivalent ounces).

Other operations

The Company's ageing Ares mine produced 1.7 million silver equivalent ounces in the nine months year-to-date (Q3 YTD 2010: 2.1 million silver equivalent ounces), whilst Moris, the Company's operation in Mexico, produced 1.1 million silver equivalent ounces (Q3 YTD 2010: 1.1 million silver equivalent ounces). Moris has commenced its closure plan but continued leaching of the pads is expected to yield further economic ounces. Ares, however, continues to be a flexible deposit that is producing economic ounces and is also yielding new marginal areas with viable material that will allow operations to continue into 2012. In addition, in order to take advantage of capacity at Ares' mill, Hochschild is exploring the economics of transporting material from other Peruvian operations and projects to be processed at Ares.

As has been stated previously, the Company's management continues to work on identifying opportunities to produce profitable ounces by optimising its mineral resources and the capacity of its existing asset base. In line with this policy, the Company has been able to identify new exploration targets at both Ares and Moris with the goal of identifying new resources.

Average realisable prices and sales

Average realisable precious metal prices (which are reported before the deduction of commercial discounts) in Q3 2011 were US\$1,762/ounce for gold and US\$36.76/ounce for silver. Average realisable precious metal prices for the first nine months of 2011 were US\$1,555/ounce for gold and US\$36.55/ounce for silver.

Advanced projects

Inmaculada

An infill drill programme commenced at the property earlier in 2011 to convert Inferred Resources to Measured and Indicated Resources in the Angela Vein and 4,619 metres of the Brownfield drilling programme was executed as of September at the Jimena, Martha and Angela SW veins. A total drill programme of 30,995 metres is expected to be completed for the full year 2011. Selected intercepts include²:

Angela	DDH-04: 1.20 metres at 7.45 g/t Au & 68 g/t Ag 3.15 metres at 8.07 g/t Au & 180 g/t Ag DDH-09: 3.45 metres at 12.65 g/t Au & 83 g/t Ag DDH-ASW002: 0.30 metres at 5.35 g/t Au & 201 g/t Ag 1.20 metres at 32.70 g/t Au & 508 g/t Ag DDH-ASW007: 0.95 metres at 5.0 g/t Au & 12.5 g/t Ag DDH-ASW009: 3.45 metres at 12.63 g/t Au & 83.2 g/t Ag DDH-ASW012: 0.80 metres at 45.73 g/t Au & 459.7 g/t Ag
Martha	DDH-MAR016: 0.90 metres at 19.85 g/t Au & 56 g/t Ag DDH-MAR018: 0.95 metres at 8.62 g/t Au & 21 g/t Ag DDH-MAR020: 0.85 metres at 4.6 g/t Au & 44.5 g/t Ag

All geomechanical, hydrological and geotechnical drilling intended for data for the feasibility study has been completed on schedule with the overall study on track for completion towards the end of the year. The Environmental Impact Study ("EIS") was presented to the relevant authorities in September and represents the first step in the environmental and social approval process.

Crespo

Both the feasibility study and the EIS have made good progress year-to-date and remain on track for completion in the fourth quarter, whilst drilling for the geotechnical and geomechanical studies is on schedule to finish at the end of October. In parallel, metallurgic test work is being carried out and the results will also be incorporated in the feasibility study.

² All mineralised intersections in this release are quoted as down-hole lengths not true widths

Azuca

Year to date, 88,928 metres of infill drilling has been completed at the Azuca, Yanamayo and Azuca West veins which aims to convert Inferred Resources to the Indicated category and advance the project to feasibility stage. The EIS is also underway and is on track for submission in the first half of 2012. The Company expects to complete feasibility in the first half of 2012 with production targeted at an initial estimate of 3.5 million silver equivalent ounces per year.

The brownfield drilling programme was carried out in the third quarter at the Azuca East, Azuca West and Colombiana veins. Selected intercepts include:

Colombiana	DACO-1101: 1.25 metres at 1.76 g/t Au & 330 g/t Ag DACO-1106: 1.0 metres at 3.05 g/t Au & 1,224 g/t Ag DAJU-1101: 4.10 metres at 1.15 g/t Au & 510 g/t Ag DAJU-1102: 1.00 metres at 3.89 g/t Au & 461 g/t Ag
Azuca West	DAAW-A1104: 1.10 metres at 2.22 g/t Au & 443 g/t Ag DAAW-A1106: 0.90 metres at 1.98 g/t Au & 671 g/t Ag DAAW-A1108: 1.20 metres at 2.23 g/t Au & 294 g/t Ag
Azuca East	DAAE-A1111: 0.95 metres at 1.57 g/t Au & 594 g/t Ag DAAE-A1112: 0.70 metres at 1.69 g/t Au & 451 g/t Ag

Brownfield exploration

Arcata

The 2011 drill programme is ongoing at Arcata and aims to incorporate new resources at the Blanca, Marion and Baja veins. A magnetometry geophysical survey was completed which will help to delineate favourable corridors in the northern and western areas of the mine. Selected results from the drill programme include:

Marion	DDH-057: 2.35 metres at 4.08 g/t Au & 1,183 g/t Ag DDH-099: 1.90 metres at 5.18 g/t Au & 1,704 g/t Ag
Blanca	DDH-079: 1.17 metres at 8.35 g/t Au & 3,171 g/t Ag
Baja	DDH-199: 1.62 metres at 2.99 g/t Au and 324 g/t Ag DDH-197: 2.36 metres at 1.79 g/t Au & 634 g/t Ag
West	DDH-236: 1.5 metres at 0.52 g/t Au & 527 g/t Ag 0.71 metres at 1.0 g/t Au & 958 g/t Ag

Pallancata

Underground development continues at the Pallancata, San Javier and Virgen del Carmen veins. 16,242 metres of drilling was executed in the quarter at the Rina, Thalia and Yanina veins. A total drill programme of 55,292 metres is planned for the full year 2011. Selected drill results in Q3 2011 include:

Luisa	DLLU-A01: 1.49 metres at 27.02 g/t Au & 448 g/t Ag 0.90 metres at 0.91 g/t Au & 418 g/t Ag 3.75 metres at 2.16 g/t Au & 146 g/t Ag DLLU-A03: 1.26 metres at 0.84 g/t Au & 335 g/t Ag 1.72 metres at 2.42 g/t Au & 540 g/t Ag DLLU-A04: 5.04 metres at 1.64 g/t Au & 322 g/t Ag DLLU-A07: 4.69 metres at 3.63 g/t Au & 462 g/t Ag DLLU-A08: 9.0 metres at 1.61 g/t Au & 301 g/t Ag 3.25 metres at 4.89 g/t Au & 1,382 g/t Ag DLLU-A09: 1.08 metres at 2.67 g/t Au & 246 g/t Ag 2.80 metres at 3.43 g/t Au & 118 g/t Ag 2.91 metres at 3.98 g/t Au & 429 g/t Ag
Pallancata West	DLPL-A796: 4.04 metres at 3.57 g/t Au & 813 g/t Ag 2.02 metres at 3.23 g/t Au & 769 g/t Ag

San Jose

During the quarter, 18,566 metres of diamond drilling was carried out at several veins to incorporate new resources. Selected intercepts include:

Antonella	SJD921: 2.0 metres at 8.29 g/t Au & 105 g/t Ag
Luli	SJD947: 0.50 metres at 10.14 g/t Au & 1,115 g/t Ag
Dos Lauras	SJD953: 7.40 metres at 2.12 g/t Au & 166 g/t Ag
Corion	SJD963: 1.10 metres at 6.69 g/t Au & 46 g/t Ag
Neneo	SJD963: 1.30 metres at 2.63 g/t Au & 261 g/t Ag

Greenfield pipeline

In Chile, a 3,000 metre drilling programme commenced in mid September at the Victoria project (Company Maker), whilst at the Valeriano prospect (Company Maker), preliminary drill targets have been selected and the drilling programme will commence this month.

At the Mercurio project in Mexico (Company Maker), this year's 8,000 metre drilling programme is focusing on deeper areas of the project and extensions of known veins to the south east to evaluate potential similarities to comparable mines in the vicinity. Encouraging vein type mineralisation has been intercepted and preliminary results indicate that strong anomalous mineralisation continues to the south east along trend.

In Argentina, at the Mosquito project (Medium Scale), strong anomalous mineralisation has been reported for a number of the drill holes completed in H1 2011. The programme for the second half includes a number of additional targets defined by a recently completed ground magnetic survey as well as detailed mapping of altered structural zones and volcanic domes. At Apacheta in Peru (Company Maker), an IP survey was completed in August with a drilling campaign commencing in September.

In August, the Company announced that it had incorporated three new property agreements into its exploration pipeline at Coriwasi and Huachoja in Peru and San Antonio in Chile. Field work has already commenced at all projects with the aim to start drilling in 2012.

Financial position

The Company's financial position remains strong with total cash of approximately US\$687 million as at 30 September 2011 (attributable cash of US\$660m) and minority investments of over US\$300 million, principally comprising the Company's stake in Gold Resource Corporation.

During the period, a new tax regime was passed by the Peruvian Congress following consultation with the mining industry. This new regime applies a sliding scale based on a company's operating margin and will apply to results starting from the fourth quarter of this year.

Outlook

Going into the fourth quarter, Hochschild remains well positioned to achieve its full year production target of 22.5 million attributable silver equivalent ounces. The strong production increases at San Jose will continue to be complemented by robust contributions from Arcata and Pallancata and further ounces from Ares and Moris. Development at all three advanced projects remains on track and the Company looks forward to the delivery of the feasibility studies for Inmaculada and Crespo in the fourth quarter.

A conference call will be held at 3pm (London time) on Thursday 20 October 2011 for analysts and investors.

Dial in details as follows:

UK: +44 (0) 20 3003 2666

A recording of the conference call will be available for one week following its conclusion, accessible from the following telephone number:

UK +44 (0) 20 8196 1998

Access code: **6895851#**

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About Hochschild Mining plc:

Hochschild Mining plc is a leading precious metals company listed on the London Stock Exchange (HOCM.L / HOC LN) with a primary focus on the exploration, mining, processing and sale of silver and gold. Hochschild has over forty years' experience in the mining of precious metal epithermal vein deposits and currently operates four underground epithermal vein mines, three located in southern Peru, one in southern Argentina and one open pit mine in northern Mexico. Hochschild also has numerous long-term projects throughout the Americas.

PRODUCTION & SALES INFORMATION*

TOTAL GROUP PRODUCTION¹

	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Silver production (koz)	5,473	6,227	15,886	17,650
Gold production (koz)	47.48	48.53	136.39	145.78
Total silver equivalent (koz)	8,321	9,139	24,070	26,397
Total gold equivalent (koz)	138.69	152.31	401.16	439.95
Silver sold (koz)	4,708	5,882	15,466	17,457
Gold sold (koz)	38.43	44.81	127.82	143.70

¹ Total production includes 100% of all production, including production attributable to joint venture partners at San José and Pallancata.

ATTRIBUTABLE GROUP PRODUCTION¹

	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Silver production (koz)	3,791	4,532	11,131	13,009
Gold production (koz)	33.49	34.44	96.75	106.96
Attrib. silver equivalent (koz)	5,800	6,598	16,936	19,427
Attrib. gold equivalent (koz)	96.67	109.97	287.27	323.78

¹ Attributable production includes 100% of all production from Arcata, Ares and Moris, 60% from Pallancata and 51% from San José.

QUARTERLY PRODUCTION BY MINE

ARCATA

	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Ore production (tonnes)	181,271	179,270	497,357	474,704
Average head grade silver (g/t)	277	418	318	451
Average head grade gold (g/t)	0.80	1.27	0.89	1.47
Silver produced (koz)	1,433	2,130	4,489	6,154
Gold produced (koz)	4.24	6.66	12.90	20.02
Silver equivalent produced (koz)	1,688	2,529	5,263	7,355
Silver sold (koz)	1,228	1,965	4,247	6,018
Gold sold (koz)	3.40	6.13	11.76	19.19

ARES

	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Ore production (tonnes)	91,287	68,524	246,970	225,131
Average head grade silver (g/t)	63	81	64	96
Average head grade gold (g/t)	2.58	3.35	2.85	3.65
Silver produced (koz)	164	158	448	603
Gold produced (koz)	7.02	6.91	21.09	24.81
Silver equivalent produced (koz)	585	572	1,714	2,092
Silver sold (koz)	121	171	409	596
Gold sold (koz)	5.03	7.09	19.35	23.95

PALLANCATA¹

	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Ore production (tonnes)	268,673	273,239	777,407	790,582
Average head grade silver (g/t)	313	337	304	339
Average head grade gold (g/t)	1.44	1.32	1.36	1.37
Silver produced (koz)	2,291	2,511	6,478	7,373
Gold produced (koz)	9.37	8.27	25.58	25.80
Silver equivalent produced (koz)	2,853	3,007	8,013	8,921
Silver sold (koz)	1,935	2,490	6,428	7,449
Gold sold (koz)	8.02	7.92	24.59	25.40

¹ The Company has a 60% interest in Pallancata.

SAN JOSE¹

	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Ore production (tonnes)	124,204	112,681	336,151	325,424
Average head grade silver (g/t)	448	423	456	365
Average head grade gold (g/t)	5.75	6.42	5.93	6.05
Silver produced (koz)	1,562	1,409	4,416	3,452
Gold produced (koz)	20.91	22.02	60.02	58.16
Silver equivalent produced (koz)	2,816	2,730	8,017	6,942
Silver sold (koz)	1,409	1,243	4,336	3,322
Gold sold (koz)	18.14	20.23	57.47	57.50

¹ The Company has a 51% interest in San Jose.

MORIS

	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Ore production (tonnes)	245,771	251,260	858,028	899,676
Average head grade silver (g/t)	5.5	4.7	5.0	4.5
Average head grade gold (g/t)	1.00	1.16	0.96	1.22
Silver produced (koz)	23	20	55	68
Gold produced (koz)	5.94	4.67	16.80	16.98
Silver equivalent produced (koz)	380	300	1,063	1,087
Silver sold (koz)	15	13	46	70
Gold sold (koz)	3.84	3.43	14.66	17.67

* 2010 YTD ounces sold have been restated to include gross revenue divided by gross ounces sold (previously included net revenue divided by net ounces sold)

Forward looking statements

This announcement may contain forward looking statements. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results, performance or achievements of Hochschild Mining plc may, for various reasons, be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

The forward looking statements reflect knowledge and information available at the date of preparation of this announcement. Except as required by the Listing Rules and applicable law, the Board of Hochschild Mining plc does not undertake any obligation to update or change any forward looking statements to reflect events occurring after the date of this announcement. Nothing in this announcement should be construed as a profit forecast.

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