



20 July 2011

Production Report for the 6 months ended 30 June 2011

Highlights

- Q2 2011 production of 5.6 million attributable silver equivalent ounces
- H1 2011 production of 11.1 million attributable silver equivalent ounces
- Hochschild on track to deliver 2011 production target of 22.5 million attributable silver equivalent ounces
- Ongoing delivery of organic growth strategy:
 - Inmaculada and Crespo feasibility studies due for Q4 completion;
 - Azuca feasibility study due for completion in H1 2012
- US\$70 million exploration programme progressing as planned
- Strong balance sheet underpin for project pipeline development

Ignacio Bustamante, Chief Executive, commented:

"In spite of a continuing challenging industry environment faced by the Company, I am pleased to report that Hochschild has delivered a robust set of production figures for the first half placing us firmly on track to achieve our full year target of 22.5 million attributable silver equivalent ounces. In addition, the two feasibility studies on the exciting Inmaculada and Crespo projects, scheduled for completion towards the end of 2011, are on track, whilst the bulk of results from the Company's ambitious drilling programme for 2011 are expected to be available at the full year."

Overview

Hochschild delivered attributable production of 5.6 million silver equivalent ounces in Q2 2011, comprised of 3.7 million ounces of silver and 32.0 thousand ounces of gold. Overall in the first half of 2011 the Group has delivered 7.3 million ounces of silver and 63.3 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.

Compared to H1 2010, attributable silver equivalent production decreased by 13% due to declines in grade at the Company's two main Peruvian operations, in line with its previously mentioned long term goal of mining close to the average reserve grade at each of its core operations. In addition, as expected the contribution from the Company's two ageing mines, Ares and Moris also declined versus the first half of 2010 although the expected closure dates for both these mines have been delayed in the light of continued high precious metal prices. At the San Jose mine, production was lower in the second quarter versus the first due to industrial action at the mine leading to the loss of 18 days of production (including five days of ramping up).

Production

Main operations

San Jose delivered a very strong performance in the first half of 2011, in line with plan, despite the effects of the strike. Silver equivalent production rose by 23% versus the first half of 2010 with improved silver grades (up 38%) resulting from a scheduled shift to the higher reserve grade zones as well as an increase in gold recovery rates to 90% and silver to 87%. An agreement has now been reached with the AOMA union (Argentine Mining Labour Association) in line with expectations as well a parallel satisfactory conclusion to the annual wage negotiations.

As expected, Arcata's production in the first half was 3.6 million silver equivalent ounces with the Company reducing the extraction grade towards the average reserve grade level in order to ensure a consistent and sustainable level of production. Q2 production was in line with the Q1 rate of 1.8 million ounces. The Company continues to mine at reserve grade levels in the lower grade border areas with associated narrower veins and increased dilution but is confident that the Arcata system continues to display strong long term geological potential. In addition, Hochschild took advantage of the strong first half precious metal prices by deciding to process developmental waste material which, although increasing the half-on-half tonnage produced by 7%, further reduced the overall treated grade.

At Pallancata, the Company's other main Peruvian operation, first half silver equivalent production was reduced to 5.2 million silver equivalent ounces, mainly driven by lower silver and gold grades which decreased 12% and 6% year-on-year respectively. In the first half the mine plan focused on deeper and narrower veins compared to H1 2010 with mined grades in line with the reserve grade but experiencing the normal volatility associated with this type of deposit. In addition, the Company took the opportunity afforded by the prevailing high precious metals price environment to process some lower grade economic material (not from the mine's resources) extracted from the borders of the main vein structures.

Other operations

The Company's ageing Ares mine produced 1.1 million silver equivalent ounces in H1 2011 (H1 2010: 1.5 million silver equivalent ounces), whilst Moris, the Company's operation in Mexico, produced 0.7 million silver equivalent ounces (H1 2010: 0.8 million silver equivalent ounces). Moris is currently still due for closure towards the end of 2011. However, Ares continues to be a flexible deposit that is producing not only from ore that was previously uneconomic in a different price environment but also yielding new marginal areas with economic material that will allow operations to continue into 2012. Management continues to monitor closely the grade and cost profile of each mine to ensure that they are in line with the Company's policy of producing profitable ounces.

Average realisable prices and sales

Average realisable precious metal prices (which are reported before the deduction of commercial discounts) in Q2 2011 were US\$1,524/ounce for gold and US\$36.68/ounce for silver. Average realisable precious metal prices in H1 2011 were US\$1,466/ounce for gold and US\$36.46/ounce for silver.

Advanced projects

Crespo

At the start of the year, Hochschild reported positive results from a scoping study completed by an independent company, Ausenco, at the Company's 100% owned Crespo project, located in the Company's existing operating cluster in southern Peru. The scoping study is based on resources of 31.3 million silver equivalent ounces (measured and indicated) and estimates initial production of 2.3 million silver equivalent ounces per annum starting from the end of 2013. Hochschild already has 5.0 million additional ounces of Measured & Indicated resources that will be added for the feasibility study. For further details of the scoping study, please see the press release published on 19 January 2011.

Both the feasibility study and the Environmental Impact Study ("EIS") have made good progress in the first half and remain on track for completion in the fourth quarter of 2011 with the process for obtaining drilling permits for the hydrological assessment also underway. Drilling for the geotechnical and geomechanical studies commenced in late June with results due in the second half. In parallel, metallurgic test work is underway and expected to be finished in the third quarter of 2011. This information will be used to complete the feasibility study during Q4.

Inmaculada

On 25 February 2011, the Company announced an increase in both the total Mineral Resource estimate and Measured and Indicated Resources for the Inmaculada gold-silver project located in Hochschild's existing southern Peru cluster, following the announcement of a positive scoping study published by International Minerals Inc ("IMZ") in September 2010. The project, in which Hochschild now owns a controlling 60% stake (IMZ holds the remaining 40%), is currently at feasibility stage with completion expected in Q4 2011. The Company expects to commence production in December 2013 at a processing capacity of 3,000 tonnes per day. The highlights of the announcement were:

- 59% increase in Measured & Indicated Resources to 76.0 million silver equivalent ounces
- 29% increase in silver equivalent grades to 498 g/t
- Total resources of 128.3 million silver equivalent ounces

Hochschild expects the results to significantly improve the economics of the project detailed in the 2010 scoping study. An infill drill programme commenced at the property in March 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 June, at the Jimena, Martha and Angela SW Veins. A total drill programme of 30,995m is planned for the full year 2011 with approximately 13% completed so far.

The feasibility study for the project is due for completion on schedule towards the end of the year with the Environmental Impact Study due to be presented to the relevant authorities also towards the end of 2011.

Azuca

Intensive drilling continues at the 100% owned Azuca property with the aim of expanding the scale of the project. The Company expects to complete feasibility in the first half of 2012 with production targeted for Q4 2013 at an initial estimate of 3.5 million silver equivalent ounces per year.

Year to date, 67,000 metres of infill drilling have been completed at the Azuca and Azuca Oeste veins which aims to convert Inferred Resources to the Indicated category and advance the project to feasibility stage. Assays are pending from drilling at the Minaspata vein worked in the past by Hochschild. The Environmental Impact Study is also underway and is on track for submission in the second half of 2011.

The brownfield drilling programme was carried out in the first half at the Azuca East, Yanamayo and Minaspata veins. A total drill programme of 43,562m is planned for the full year 2011.

Core operations

Arcata

The 2011 drill programme is underway 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. Positive results from the drill programme:

| | |
|--------|--|
| Marion | DDH-022: 1.21 metres at 1.79 g/t Au and 480 g/t Ag DDH-028: 3.03 metres at 3.88 g/t Au and 1,008 g/t Ag DDH-034: 3.32 metres at 1.02 g/t Au and 474 g/t Ag |
| Blanca | DDH-015: 0.92 metres at 1.52 g/t Au and 974 g/t Ag DDH-039: 0.30 metres at 2.76 g/t Au and 1,010 g/t Ag |
| Baja | DDH-187: 1.75 metres at 8.04 g/t Au and 243 g/t Ag DDH-032: 1.44 metres at 1.8 g/t Au and 451 g/t Ag DDH-037: 1.08 metres at 2.94 g/t Au and 452 g/t Ag |

Pallancata

Underground development continues at the Pallancata, San Javier and Virgen del Carmen veins. 13,397 metres of drilling was executed as of June, at the Rina, Thalia and Yanina Veins. A total drill programme of 55,292 metres is planned for the full year 2011.

Drill results in Q2 2011 include:

| | |
|--------|---|
| Yanina | DLVC-006: 0.42 metres at 11.3 g/t Au and 1,819 g/t Ag DLVC-008: 0.71 metres at 3.1 g/t Au and 566 g/t Ag DLVC-009: 0.66 metres at 2.37 g/t Au and 410 g/t Ag DLVC-010: 0.77 metres at 6.10 g/t Au and 1,300 g/t Ag |
| Rina | DLRI-A14: 2.47 metres at 3.19 g/t Au and 905 g/t Ag DLRI-A17: 2.45 metres at 2.15 g/t Au and 357 g/t Ag; DLRI-A21: 1.72 metres at 6.12 g/t Au and 1,614 g/t Ag DLRI-A22: 2.11 metres at 2.09 g/t Au and 476 g/t Ag |

San Jose

A total drilling programme of 50,606m is planned for 2011.

During the quarter, diamond drilling was carried out at the Luli and Susana Veins to convert inferred to measured and indicated resources. Selected intercepts include:

| | |
|------------|---|
| Luli | SJD-865: 1.63 metres at 7.52 g/t Au and 400 g/t Ag SJD-869: 1.05 metres at 16.89 g/t Au and 1,642 g/t Ag SJD-871: 2.00 metres at 19.55 g/t Au and 1,721 g/t Ag SJD-872: 9.00 metres at 6.10 g/t Au and 243 g/t Ag SJD-879: 0.82 metres at 11.90 g/t Au and 1,263 g/t Ag |
| Susana | SJD-864: 1.10 metres at 6.62 g/t Au and 1,028 g/t Ag 0.61 metres at 6.93 g/t Au and 1,504 g/t Ag (Susana Split) |
| Split Luli | SJD-865: 0.96 metres at 6.52 g/t Au and 1,285 g/t Ag DJD-871: 1.00 metres at 44.48 g/t Au and 7,747 g/t Ag SJD-875: 0.44 metres at 13.18 g/t Au and 1,090 g/t Ag |

Greenfield pipeline

Victoria

The Victoria project in Chile is 60% owned by Hochschild, with the remaining 40% held by Iron Creek Capital. A 5,000m drilling programme is due to recommence in H2 after geological reinterpretation and target validation of the Vida and Cenizas areas are complete. Metallurgical testing of old ore at the Vaquillas target is also underway.

Valeriano

At the Valeriano property in Chile which is located 27 kilometres north of Barrick Gold Corporation's Pascua Lama project, preliminary results received to date have confirmed the anomalies identified in past drill reports. Results of the geophysical survey have been interpreted with the definition of a porphyry-like anomaly at depth which corresponds with the surface geochemistry studies as well as the historic magnetic survey. Preliminary drill targets have been selected and the Company is planning to commence an intensive drilling campaign in H2 2011.

Mercurio

The 100% owned Mercurio project in Mexico is located within the prolific silver belt of the Fresnillo-Sombrerete deposits. Initial surface mapping and sampling have been completed in the property and drilling is underway. The 8,000m drilling programme for 2011 is focused on deeper areas of the project to evaluate potential similarities to comparable mines in the vicinity.

Mosquito

At the 100% owned Mosquito project in Argentina, strong anomalous mineralisation results have been reported for a number of the drill holes completed in H1 2011. The programme for the second half which includes a number of further promising drill targets will be completed by the end of the year.

Financial position

The Company's financial position remains strong with total cash of approximately US\$692 million as at 30 June 2011 and minority investments of over US\$420 million.

Outlook

Despite the continuous upwards pressure on wages and supplies, Hochschild currently expects that, excluding the effects of continuing high prices on royalty levels paid by the Company, unit cost per tonne performance in the first half at the main operations to be broadly in line with the 10% increase forecast in January for Peru and between 25-30% increase in Argentina.

However, the Company is well positioned to achieve its full year production target of 22.5 million attributable silver equivalent ounces in 2011 with strong production increases at San Jose, solid and stable production from Arcata and Pallancata and continued smaller contributions from Ares and Moris. Key stage development at all three advanced projects remains on track and the Company looks forward to the delivery of the feasibility studies towards the end of the year. We will provide further updates on progress over the course of the second half of the year.

A conference call will be held at 3pm (London time) on Wednesday 20 July 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: 7780258#

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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

| | Q2 2011 | Q2 2010 | H1 2011 | H1 2010 |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
| Silver production (koz) | 5,174 | 6,133 | 10,414 | 11,423 |
| Gold production (koz) | 43.99 | 50.95 | 88.91 | 97.25 |
| Total silver equivalent (koz) | 7,814 | 9,191 | 15,748 | 17,258 |
| Total gold equivalent (koz) | 130.23 | 153.18 | 262.47 | 287.64 |
| Silver sold (koz) | 5,658 | 6,544 | 10,758 | 11,575 |
| Gold sold (koz) | 50.27 | 61.76 | 89.39 | 98.90 |

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

ATTRIBUTABLE GROUP PRODUCTION¹

| | Q2 2011 | Q2 2010 | H1 2011 | H1 2010 |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Silver production (koz) | 3,653 | 4,524 | 7,340 | 8,477 |
| Gold production (koz) | 31.95 | 37.57 | 63.26 | 72.53 |
| Attrib. silver equivalent (koz) | 5,570 | 6,778 | 11,136 | 12,829 |
| Attrib. gold equivalent (koz) | 92.84 | 112.97 | 185.60 | 213.81 |

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

| | Q2 2011 | Q2 2010 | H1 2011 | H1 2010 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Ore production (tonnes) | 159,110 | 152,754 | 316,086 | 295,434 |
| Average head grade silver (g/t) | 334.19 | 482.60 | 342 | 471 |
| Average head grade gold (g/t) | 0.94 | 1.65 | 0.94 | 1.59 |
| Silver produced (koz) | 1,506 | 2,156 | 3,056 | 4,024 |
| Gold produced (koz) | 4.32 | 7.22 | 8.66 | 13.36 |
| Silver equivalent produced (koz) | 1,765 | 2,590 | 3,575 | 4,826 |
| Silver sold (koz) | 1,703 | 2,239 | 3,020 | 4,053 |
| Gold sold (koz) | 4.66 | 7.82 | 8.36 | 13.06 |

ARES

| | Q2 2011 | Q2 2010 | H1 2011 | H1 2010 |
|----------------------------------|--------------------|------------|--------------------|------------|
| Ore production (tonnes) | 82,181 | 77,965 | 155,683 | 156,606 |
| Average head grade silver (g/t) | 64 | 92 | 64 | 102 |
| Average head grade gold (g/t) | 2.99 | 3.62 | 3.01 | 3.78 |
| Silver produced (koz) | 151 | 204 | 284 | 446 |
| Gold produced (koz) | 7.39 | 8.56 | 14.08 | 17.90 |
| Silver equivalent produced (koz) | 594 | 717 | 1,129 | 1,520 |
| Silver sold (koz) | 186 | 187 | 287 | 425 |
| Gold sold (koz) | 8.75 | 12.64 | 14.32 | 16.85 |

PALLANCATA¹

| | Q2 2011 | Q2 2010 | H1 2011 | H1 2010 |
|----------------------------------|--------------------|------------|--------------------|------------|
| Ore production (tonnes) | 266,673 | 269,311 | 508,734 | 517,343 |
| Average head grade silver (g/t) | 295 | 341 | 299 | 340 |
| Average head grade gold (g/t) | 1.31 | 1.39 | 1.31 | 1.39 |
| Silver produced (koz) | 2,170 | 2,528 | 4,188 | 4,862 |
| Gold produced (koz) | 8.43 | 9.32 | 16.21 | 17.54 |
| Silver equivalent produced (koz) | 2,676 | 3,087 | 5,160 | 5,914 |
| Silver sold (koz) | 2,166 | 2,755 | 4,492 | 4,959 |
| Gold sold (koz) | 7.94 | 10.28 | 16.57 | 17.48 |

¹ The Company holds a 60% interest in Pallancata.

SAN JOSE¹

| | Q2 2011 | Q2 2010 | H1 2011 | H1 2010 |
|----------------------------------|--------------------|------------|--------------------|------------|
| Ore production (tonnes) | 98,251 | 116,259 | 211,947 | 212,743 |
| Average head grade silver (g/t) | 463 | 368 | 461 | 334 |
| Average head grade gold (g/t) | 5.98 | 5.81 | 6.03 | 5.86 |
| Silver produced (koz) | 1,332 | 1,221 | 2,854 | 2,044 |
| Gold produced (koz) | 17.70 | 19.71 | 39.11 | 36.14 |
| Silver equivalent produced (koz) | 2,394 | 2,403 | 5,201 | 4,212 |
| Silver sold (koz) | 1,585 | 1,331 | 2,927 | 2,080 |
| Gold sold (koz) | 21.69 | 22.68 | 39.32 | 37.27 |

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

MORIS

| | Q2 2011 | Q2 2010 | H1 2011 | H1 2010 |
|----------------------------------|--------------------|------------|--------------------|------------|
| Ore production (tonnes) | 306,846 | 346,095 | 612,257 | 648,416 |
| Average head grade silver (g/t) | 5.54 | 4.89 | 4.83 | 4.41 |
| Average head grade gold (g/t) | 1.12 | 1.26 | 0.94 | 1.25 |
| Silver produced (koz) | 15.3 | 24.0 | 31.72 | 48.15 |
| Gold produced (koz) | 6.2 | 6.15 | 10.86 | 12.31 |
| Silver equivalent produced (koz) | 385 | 393 | 683 | 787 |
| Silver sold (koz) | 19 | 33 | 31 | 57 |
| Gold sold (koz) | 7.23 | 8.34 | 10.82 | 14.24 |

** H1 2010 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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