



21 July 2010

Production Report for the three months to 30 June 2010 ("Q2 2010")

Highlights

- 12% quarter-on-quarter increase in production to 6.8 million attributable silver equivalent ounces
 - Production increased 33% at San Jose, 16% at Arcata and 9% at Pallancata
- H1 2010 production of 12.8 million attributable silver equivalent ounces
- On track to achieve 2010 production target of 26.3 million attributable silver equivalent ounces
- Resource life of mine up 11% in H1 2010 to 7.9 years¹, expected to further increase by year end
- Largest ever exploration budget of \$50 million for 2010; programme delivering impressive results:
 - Scoping study commenced at 100% owned Azuca project
 - Crespo project progressing towards scoping study
 - Intensive drilling programme at potential company maker projects
- \$6.0 million invested in Gold Resource Corporation in Q2 2010, increasing stake to 30%²
- Continued focus on profitability and cost control – costs remain in line with expectations

Ignacio Bustamante, Chief Executive Officer commented:

"I am pleased to announce a strong first half for both our existing operations and our extensive exploration programme. With production of 12.8 million attributable silver equivalent ounces, we remain firmly on track to achieve our full year target of 26.3 million attributable silver equivalent ounces from our current operations."

We remain focused on our growth strategy of maximising life of mine and profitability at existing operations and delivering organic growth by developing our extensive exploration project base. We continue to progress our 100% owned advanced projects, Azuca and Crespo, which have the potential to be our next operating mines. Azuca is now in scoping phase and Crespo is expected to move to scoping in the second half of the year. Our strong commitment to exploration is supported by our largest ever exploration budget, up 75% to \$50 million in 2010. With solid assets and an extensive project pipeline, we look forward to the future with confidence."

Overview

Hochschild delivered solid results in Q2 2010 with production increasing by 12% quarter-on-quarter to 6.8 million attributable silver equivalent ounces, comprised of 4.5 million ounces of silver and 37.6 thousand ounces of gold.

With production in H1 2010 of 12.8 million attributable silver equivalent ounces, Hochschild remains on track to achieve its 2010 target of 26.3 million attributable silver equivalent ounces from its current operations, with an additional 1.5 – 2.5 million silver equivalent ounces from the Company's stakes in Lake Shore Gold and Gold Resource Corporation ("GRC").

Unit cost per tonne for the full year is in line with the Company's annual guidance of a 10% increase on 2009 which is mainly as a result of inflation related to labour and supply costs. Hochschild takes an extremely rigorous approach to managing costs that are within its control and is currently undertaking a number of cost efficiency and productivity initiatives which will contribute to continued cost containment.

¹ Unaudited figure

² On an outstanding basis

Main operations

Pallancata continues to deliver strong results with year-on-year silver and gold production up by 34% and 30% respectively. Since June 2009, the Selene plant has exclusively processed Pallancata's ore and, as a result, treated tonnage at Pallancata is up by 22% year-on-year. Silver and gold production for H1 2010 was 53% and 45% higher than the equivalent period in 2009 as a result of the above mentioned increase in tonnage as well as higher extracted grades.

Arcata's silver grades have improved since January when the Company announced that grades were being impacted by narrower veins and changing geotechnical conditions. Average extracted grades increased from 442 g/t in Q4 2009 to 483 g/t in Q2 2010, however, management continues to forecast Arcata's silver grades to be close to Q4 2009 levels over the medium term.

San Jose also reported a strong quarter, with silver and gold production up 48% and 20% quarter-on-quarter respectively. As expected, this is a result of the improvement in the grade profile connected to the ongoing development of the Kospi vein, as well as improved gold recoveries. Tonnage at the operation is also up 20% quarter-on-quarter as a result of further mine development. Operational challenges remain at San Jose, however, the Company continues to expect an increase in the grade profile of the operation over the next two quarters.

Other operations

Production at Ares remains relatively stable with 1.5 million silver equivalent ounces produced in H1 2010. Depending on conditions in the next quarter, production at Ares may continue beyond the scheduled closure in H2 2010, in line with the Company's policy of mining profitable ounces. Moris, the Company's only open pit operation, which produced 0.8 million silver equivalent ounces in H1 2010, is expected to close in the first half of 2011, as previously indicated.

Average realisable prices and sales

Average realisable prices (after commercial discounts) in Q2 2010 were \$1,202.47/oz for gold and \$17.89/oz for silver. Average realisable prices for the first six months of the year were \$1,160.72 for gold and \$17.34 for silver.

As disclosed in May 2009, in order to ensure an ongoing level of cash flow stability to fund its growth strategy, Hochschild secured a 'zero cost collar' for 5.2 million ounces of its 2010 silver production, with an average 'floor' at \$12.7/oz and an average 'cap' at \$19.7/oz. For the first half of 2010, the Company has realised a marginal loss of \$0.6 million relating to the collar.

Exploration

- Scoping study commenced at Azuca
- Exploration advances at Crespo
 - Exploration cross-cut commenced totalling 2,545 metres in Q2 2010
- Active drilling undertaken at potential company maker projects Victoria in Chile, Mercurio in Mexico and Sabina in Peru
- Over \$23 million spent on exploration to date; exploration budget of \$50 million for the year

Exploration is a vital part of Hochschild's growth strategy and the Company is committed to increasing the resource life of its main operations as well as to developing its extensive project portfolio. Hochschild takes a very conservative approach to resource delineation and is one of the few companies that apply the same cut off grades to reserves and resources. As a result, resources are also economic and the Company has an extremely high rate of conversion from resources to reserves.

Hochschild has significantly increased investment in exploration to \$50 million in 2010, which represents a 75% increase on 2009. To date, the Company has spent over \$23 million and is already seeing positive results. The exploration team targets 'company maintainers', which are projects that have the potential to deliver 6-10 million silver equivalent ounces of production per year and 'company makers' which have the potential to achieve 20-30 million silver equivalent ounces per year.

Company Maintainers

Hochschild is developing its advanced, 100% owned 'company maintainer' projects, Azuca and Crespo, which have the potential to be the Company's next operating mines.

Azuca: Peru

The Company has initiated a scoping study at Azuca with results expected in Q3 2010. If scoping is successful, engineering studies and underground exploration will follow with planned completion by the end of 2011. During H1 2010, resources at Azuca increased by 13% to 50 million silver equivalent ounces³ and the Company expects to achieve 60 million silver equivalent ounces by Q3 2010. Year to date, the Company has undertaken 12,423 metres of drilling at the project.

Crespo: Peru

The Company continues to build on the 44.1 million silver equivalent ounces reported at Crespo as at 31 December 2009 and expects scoping to be completed by the end of 2010. The 2,864 metre surface drilling programme has been completed and an exploration cross-cut to confirm drill-hole grades and controls of the Au-Ag disseminated mineralisation has advanced 255 metres during the quarter. Underground resource development drilling will follow in H2 2010 when the cross-cut is completed.

In addition, Hochschild is advancing various early stage projects across its pipeline. During H2 2010 the Company will undertake diamond drilling at the 100% owned Astana Farallón and Cerro Blanco Au-Ag epithermal vein projects in its southern Peru cluster, totaling 3,050 metres and 3,200 metres respectively. In Argentina, the Company is making advances at its La Flora and Mosquito Au-Ag epithermal vein projects.

Company Makers

Victoria: Chile

Victoria is a joint venture with Iron Creek Capital located along the highly prospective Domekyo fault zone in northern Chile. Drilling is ongoing with correlation between holes indicating east-west mineralisation with significant intercepts of higher grade material. During 2010, 8,046 metres of drilling was completed at the project with a high grade mineralised intersect of 8 metres at 10.5 g/t Au and 30 g/t Ag and lower grade intercepts along strike.

Mercurio: Mexico

Mercurio is a 100% owned, 36,388 hectare prospect located between two high grade mines in Mexico, Sombrerete and Fresnillo. During Q2 2010, the Company completed 1,514 metres in five diamond drill holes at the site. Drill hole number five discovered 86 metres at 20 g/t Ag, 0.22% Cu, 0.49% Pb and 1.4% Zn which includes 3.5 metres with 300 g/t Ag, 4.36% Cu, 1.18% Pb, 7.49% Zn.

Sabina: Peru

Sabina is a 100% owned project in Peru where the Company has completed field work and commenced drilling in June 2010.

In addition, during Q2 2010, Hochschild acquired two new early stage projects which have the potential to be 'company makers', Corazon de Tinieblas in Mexico and Apacheta in Peru. The Company is in the process of completing all permits and plans to commence exploration work as soon as the necessary approvals are in place.

Mine site exploration

The Company continues to build on the significant progress made in 2009, with resource life of mine increasing 11% from 7.1 years as at 31 December 2009 to 7.9 years⁴ as at 30 June 2010. Hochschild is further increasing its resource base and is committed to maximising the resource life of mine of its core operations.

³ Unaudited figure

⁴ Unaudited figure

Arcata: Peru

The Company continues to increase resources at the Mariana, Socorro and Sorpresa veins through diamond drilling. During Q2 2010, the Company completed 22,564 metres of drilling with significant intercepts including:

Vein	Results
Socorro	DDH-728 0.8m at 2.55 g/t Au & 634 g/t Ag
Mariana	DDH-729 2.0m at 1.21 g/t Au & 755 g/t Ag
Sorpresa 2	DDH- 733 2.0 metre at 98.5 g/t Au & 13,591 g/t Ag
Pucara	DDH- 744 0.7 metre at 2.8 g/t Au & 778 g/t

Pallancata: Peru

Underground preparation and development continues at the Cimoide and Isabella veins with deepening of the Santa Angela ramp and Don Enrique ramps underway. In Q2 2010, a 12,844 metre diamond drilling programme was executed at the Cimoide, Pallancata Oeste and Pallancata Este veins, with results including:

Vein	Results
Pallancata Este vein	DLP-A35 10.6m at 1.5 g/t Au & 473 g/t Ag
Pallancata Oeste Vein/ Oeste Vein	DLPL-A495 1.7m at 3.1 g/t Au & 1,076 g/t Ag and 1.0m at 0.5 g/t Au & 290 g/t Ag
Ramal Oeste vein	0.9m at 0.5 g/t Au & 290 g/t Ag

San Jose: Argentina

During Q2 2010, a 14,527 metre diamond drilling programme was completed at the property focusing on the Odin, Ayelen, Ramal Frea and Antonella veins. Most significant results include:

Vein	Results
Ayelen	SJD 681 4.0m at 6.4 g/t Au & 1,068 g/t Ag
	SJD 690 2.7m at 6.6 g/t Au & 644 g/t Ag
	SJD 692 0.9 m at 21.0 g/t Au & 859 g/t

Acquisitions & investments

Hochschild remains positive about the outlook for Lake Shore Gold and GRC which are important strategic investments and provide exposure to significant production potential and long term growth.

Lake Shore Gold expects to produce 65,000 ounces of gold (3.9 million silver equivalent ounces) during 2010, with production due to be heavily weighted towards the second half of the year. Lake Shore Gold anticipates ending 2010 at a monthly production rate of 10,000 ounces of gold with further production growth throughout 2011. Longer term, the company is working towards building production with the potential to produce over 300,000 ounces of gold (18 million silver equivalent ounces) over the coming years. Commercial production is targeted for the fourth quarter of 2010. Hochschild holds 38%⁵ of Lake Shore Gold, which has a current market capitalisation of over \$1 billion, valuing the Company's investment at approximately \$380 million.

Following a further investment of \$6 million during the quarter, the Company now holds 30%⁶ of GRC, a US OTC traded precious metals mining company which successfully commenced commercial production on 1 July 2010. GRC has a number of high grade, low cost development projects in southern Mexico and maintains its production target of 70,000 ounces of gold (4.2 million silver equivalent ounces) in the first 12 months, with a longer term target to triple annual production to 200,000 gold equivalent ounces (12 million silver equivalent ounces) within three years. To date, Hochschild has invested a total of \$69.5 million in GRC which has a current market capitalisation of over \$670 million, valuing Hochschild's investment at approximately \$200 million.

Both GRC and Lake Shore Gold will be equity accounted by the Group in 2010 and will appear under the associates line in the Company's income statement. Lake Shore Gold and GRC are already processing ore from their respective operations, however, revenue is only recognised once commercial production has been achieved.

⁵ On an outstanding basis

⁶ On an outstanding basis

Summary

The Company is in sound financial health and remains focused on delivering its growth strategy of maximising life of mine and profitability at existing operations, delivering organic growth by developing its extensive exploration programme and adding to production through selective acquisitions. Hochschild is committed to increasing the resource life of mine of its core operations and fast tracking advanced projects that have the potential to become new operations for the Company.

A conference call will be held at 2pm (London time) on Wednesday 21 July 2010 for analysts and investors.

Dial in details as follows:

UK +44 (0) 203 003 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) 208 196 1998

Access code **8906758#**

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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 prospects throughout the Americas.

TOTAL GROUP PRODUCTION (100% of all operations)

	Q2 2010	Q1 2010	Q2 2009¹	H1 2010
Silver production (koz)	6,133	5,290	6,217	11,423
Gold production (koz)	50.95	46.29	53.62	97.25
Total silver equivalent (koz)	9,191	8,068	9,434	17,258
Total gold equivalent (koz)	153.18	134.46	157.24	287.64
Silver sold (koz)	6,328	4,875 ²	6,485	11,202
Gold sold (koz)	60.62	36.41	59.30	97.04

¹ Includes 0.5 million silver equivalent ounces from the Selene mine which closed in May 2009

² Includes 1,055 ounces of silver from Selene

ATTRIBUTABLE GROUP PRODUCTION (Production attributable to Hochschild¹)

	Q2 2010	Q1 2010	Q2 2009²	H1 2010
Silver production (koz)	4,524	3,953	4,839	8,477
Gold production (koz)	37.57	34.95	40.16	72.53
Attrib. silver equivalent (koz)	6,778	6,051	7,249	12,829
Attrib. gold equivalent (koz)	112.97	100.84	120.82	213.81

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

² Includes 0.5 million silver equivalent ounces from the Selene mine which closed in May 2009

QUARTERLY PRODUCTION BY MINE**ARCATA** (100% owned)

Product	Q2 2010	Q1 2010	Q2 2009	H1 2010
Ore production (tonnes)	152,754	142,680	161,999	295,434
Average head grade silver (g/t)	483	458	548	471
Average head grade gold (g/t)	1.65	1.53	1.62	1.59
Concentrate produced (tonnes)	5,449	4,535	6,064	9,984
Silver grade in concentrate (kg/t)	12.43	12.93	13.54	12.65
Gold grade in concentrate (kg/t)	0.04	0.04	0.04	0.04
Silver produced (koz)	2,156	1,867	2,624	4,024
Gold produced (koz)	7.22	6.14	7.44	13.36
Silver equivalent produced (koz)	2,590	2,236	3,070	4826
Silver sold (koz)	2,142	1,739	2,080	3,880
Gold sold (koz)	7.50	5.01	5.64	12.50

ARES (100% owned)

Product	Q2 2010	Q1 2010	Q2 2009	H1 2010
Ore production (tonnes)	77,965	78,641	84,671	156,606
Average head grade silver (g/t)	92	112	84	102
Average head grade gold (g/t)	3.62	3.94	4.99	3.78
Doré total (koz)	214	252	209	466
Silver produced (koz)	204	242	196	446
Gold produced (koz)	8.56	9.34	12.79	17.90
Silver equivalent produced (koz)	717	802	963	1,520
Silver sold (koz)	187	238	221	425
Gold sold (koz)	12.64	4.21	14.09	16.85

PALLANCATA (60% owned)

Product	Q2 2010	Q1 2010	Q2 2009	H1 2010
Ore production (tonnes)	269,311	248,032	220,288	517,343
Average head grade silver (g/t)	341	339	307	340
Average head grade gold (g/t)	1.39	1.39	1.37	1.39
Concentrate produced (tonnes)	2,558	2,339	1,781	4,898
Silver grade in concentrate (kg/t)	30.77	31.03	32.88	30.89
Gold grade in concentrate (kg/t)	0.11	0.11	0.13	0.11
Silver produced (koz)	2,528	2,334	1,883	4,862
Gold produced (koz)	9.32	8.22	7.17	17.54
Silver equivalent produced (koz)	3,087	2,827	2,313	5,914
Silver sold (koz)	2,672	2,133	2,054	4,805
Gold sold (koz)	9.98	6.97	7.36	16.95

SAN JOSE (51% owned)

Product	Q2 2010	Q1 2010	Q2 2009	H1 2010
Ore production (tonnes)	116,259	96,484	119,184	212,743
Average head grade silver (g/t)	368	293	400	334
Average head grade gold (g/t)	5.81	5.92	5.65	5.86
Silver produced (koz)	1,221	823	1,265	2,044
Gold produced (koz)	19.71	16.43	18.08	36.14
Silver equivalent produced (koz)	2,403	1,809	2,349	4,212
Silver sold (koz)	1,295	739	1,709	2,034
Gold sold (koz)	22.17	14.33	21.93	36.49

MORIS (100% owned)

Product	Q2 2010	Q1 2010	Q2 2009	H1 2010
Ore production (tonnes)	346,095	302,321	341,413	648,416
Average head grade silver (g/t)	4.89	3.86	5.18	4.41
Average head grade gold (g/t)	1.26	1.23	1.37	1.25
Silver produced (koz)	24	24	23	48
Gold produced (koz)	6.15	6.16	7.11	12.31
Silver equivalent produced (koz)	393	394	450	787
Silver sold (koz)	33	24	28	57
Gold sold (koz)	8.34	5.90	8.51	14.24

Forward looking statements

This announcement contains certain forward looking statements, including such statements within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In particular, such forward looking statements may relate to matters such as the business, strategy, investments, production, major projects and their contribution to expected production and other plans of Hochschild Mining plc and its current goals, assumptions and expectations relating to its future financial condition, performance and results.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “plans”, “estimates” and words of similar import. 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 be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that could cause or contribute to differences between the actual results, performance or achievements of Hochschild Mining plc and current expectations include, but are not limited to, legislative, fiscal and regulatory developments, competitive conditions, technological developments, exchange rate fluctuations and general economic conditions. These factors, risks and uncertainties are referred to in the relevant sections of

the 2009 Annual Report. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

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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