



21 January 2009

Production Report for the fourth quarter of 2008 ("Q408")

- 2008 production target achieved – attributable production of 26.1 million silver equivalent ounces, comprised of 16.9 million ounces of silver and 152.9 thousand ounces of gold
- 28% increase over Q308 production to 8 million attributable silver equivalent ounces
- All three mine expansions completed on schedule; increase in plant capacity of 29% y-on-y
- Expansions already benefiting production: Arcata's silver and gold production up 42% and 37% q-on-q and San José up 34% and 41% respectively
- Solid financial position with over \$100 million of cash on the balance sheet
- Continued focus on producing profitable ounces: 2009 production target set at 28 million attributable silver equivalent ounces representing a 7% increase over 2008 production
- Short term forward sales contract of 4.5 million silver ounces at an average price of \$11.1

Miguel Aramburú, Chief Executive Officer commented;

"With production of 26.1 million silver equivalent ounces for the full year, Hochschild has once again delivered on its targets and proved the operational strength of the business. As promised, we have also completed capacity expansions at three of our operations.

We expect 2009 production to be 28 million silver equivalent ounces, representing a 7% increase on 2008. Our main focus will continue to be the production of profitable ounces and with the measures we have taken to address volatile market conditions, we are well positioned to face the challenges ahead".

2008 Overview:

In line with guidance for the year, the Company achieved total attributable silver production of 26.1 million ounces, comprising 16.9 million ounces of silver and 152.9 thousand ounces of gold.

Production in the fourth quarter increased 28% quarter-on-quarter to 8 million attributable silver equivalent ounces, driven primarily by strong production at Pallancata, Arcata and San José. Production at Pallancata was particularly strong with silver and gold up 118% and 128% respectively. This is partly due to the fact that the Group ramped up production at Pallancata in the fourth quarter ahead of the rainy season in January, when less ore can be processed from this mine. As a consequence, production at Selene was reduced during the quarter to allow the plant to process ore from Pallancata.

Mine expansions have already started to benefit production with Arcata's silver and gold production up 42% and 37% quarter-on-quarter and San José up 34% and 41% respectively. As expected, gold production at Ares and Selene has decreased due to anticipated lower grades but this has been offset by increased production at the Group's other operations.

Average realisable prices and sales figures

Realisable prices (which include commercial discounts) in Q408 were \$778.75/oz for gold and \$8.81/oz for silver reflecting the fall in precious metals prices at the end of 2008. Realisable

precious metals prices for the twelve months to 31 December 2008 were \$853.28/oz for gold and \$12.82/oz for silver.

Despite a two fold year-on-year increase in production at San José, sales figures were lower in the fourth quarter primarily due to a temporary furnace malfunction which delayed the sale of doré during Q408. The problem with the furnace has now been resolved. In addition, sales were impacted by a road closure which affected the transportation of concentrate from the operation and also by the early closure of a customer's refinery for the Christmas holiday period.

Exploration

Peru

Arcata

Our aggressive program to define new reserves and resources continues at the Nicole, Soledad Norte and Mariana veins through underground works and diamond drilling. We have achieved some impressive results including a 2.9 metre intercept at 1.2 g/t Au & 675 g/t Ag and 2.4 metres at 3.3 g/t Au and 1,085 g/t Ag. In addition, during excavation of the Mariana Ramp in late October, we discovered a new vein, Luz, with a 1.0 metre intercept at 3.0 g/t Au and 3,711.82 g/t Ag. Follow up drilling confirmed the structure.

Pallancata

We have had some outstanding drill results along the Pallancata vein and subsidiary structures including a 12.7 metre intercept at 2.0 g/t Au and 458 g/t Ag and a 12.5 metre intercept at 1.6 g/t Au and 462 g/t Ag.

Ares

In Q408, we undertook 1,952 metres of drilling and identified an area of higher silver content in the Tania vein with results including a 1.3 metre intercept at 2.0 g/t Au and 392 g/t Ag and 0.8mt at 1.1 g/t Au and 386 g/t Ag.

Azuca

Resource delineation is underway at this exciting new discovery. Up to 3 ore shoots have been identified along one structure and drilling has identified additional non-cropping veins that are currently being explored. Intercepts include: 1.0mt at 1.5 g/t Au and 585 g/t Ag; 3.2mt at 1.1 g/t Au and 565 g/t Ag; 2.4mt at 1.9 g/t Au and 1,003 g/t Ag.

Inmaculada project

The Inmaculada project is part of a JV agreement with Ventura Gold, in which Hochschild has a 49% ownership interest. Ventura Gold recently reported the first independent inferred mineral resource estimate at the Inmaculada project as per National Instrument 43-101 by Micon of 3.7 million tonnes at an average grade of 4.0 g/t Au and 139 g/t Ag containing 483,000 ounces Au and 16.6 million ounces Ag, as of 5 January 2009.

Argentina

San José

The discovery of the new Odin Vein continues to yield encouraging results including a 1.9 metre intercept at 18.7 g/t Au and 1,506 g/t Ag.

Chile

Encrucijada

The Encrucijada project is part of a JV agreement with Andina Minerals Inc, signed in February 2008. The first-pass core drilling program was completed totaling 1,561mt in 10 holes. The Quillay and Millaray veins had been recognized for above 400 mt along strike and to 130 mt depth. The best assay results reported to date are 1.2mt at 4.4 g/t Au and 408 g/t Ag and 1.6mt and 4.5 g/t Au and 85 g/t Ag.

Capacity expansions

As a result of the expansions completed in 2008, the Group's plant capacity has increased by 29%, with full benefits accruing in 2009. Capacity at San José doubled to 530 ktpa while Arcata's capacity has been expanded by over 46% from 424 to 618 ktpa. Throughput at the Selene plant, which also processes ore from Pallancata, has increased by 50% from 706 to 1,059 ktpa.

Hochschild has more than doubled plant capacity since its IPO in November 2006 demonstrating once again its ability to deliver projects on schedule.

Acquisitions

During the fourth quarter, the Company made a \$5 million investment in Gold Resource Corp, an underground precious metals mining company with a number of prime development projects in southern Mexico. In addition, Hochschild completed a \$1.5 million investment in Mariana Resources, an exploration company with projects in Argentina and Chile.

2009 Overview

Production

Hochschild's attributable production target for 2009 is 28 million attributable silver equivalent ounces (at the Company's current conversion ratio of 60:1), comprising approximately 19.1 million ounces of silver and 148.2 thousand ounces of gold. This represents a year-on-year increase of 7%. The production target is based on estimated forecast grades: updated reserve and resource tables will be provided in the Company's Preliminary Results announcement on 25 March 2009.

As previously stated, the Company's focus for 2009 is to deliver profitable production and hence Hochschild will reduce production, close, or put into care and maintenance any mines that are considered uneconomic. Selene produced an average of 22,429 tonnes of ore per month in 2008; however, this number is expected to decrease to approximately 15,000 tonnes per month in 2009. Although Selene has 1.8 million tonnes of reserves and resources, a high level of capital expenditure would be required to extract these ounces and as a consequence, it is under consideration for closure. The 2009 production target of 28 million silver equivalent ounces only forecasts Selene's production through to June with a significant decline in tonnage over this 6 month period.

In addition to the Group's production of 28 million attributable silver equivalent ounces, Lake Shore Gold Corp., in which we have a 40% investment, is expected to produce up to 30,000 ounces of gold in 2009 (which would equate to 0.72 million attributable silver equivalent ounces), which is likely to be recorded as pre-production. Hochschild remains optimistic about Lake Shore Gold's growth profile.

Sales

The Group has taken further proactive steps to address market volatility by selling forward 4.5 million ounces of its 2009 silver production at an average price of \$11.1. Hochschild has not had any forward sales contracts since June 2007 but in light of prevailing market conditions, has decided to lock in a portion of its expected 2009 revenue. None of 2010's production has been sold forward.

The decision to sell forward 4.5 million ounces of 2009 production was driven by the desire to have a more stable cash flow which will fund operating capex and future M&A initiatives. Hochschild remains positive about the long term prospects for silver and gold; however, further forward sales will be considered if conditions are appropriate.

Precious metals prices decreased by an average of 39% for silver and 7% for gold over the last 6 months. Given the impact of lower precious metals prices, the Group expects to record impairments in some of its mines, particularly for Selene and Moris. Further details relating to impairments will be provided in the Company's Preliminary Results announcement on 25 March 2009.

Costs

Management remains focused on cost control and during 2008 a series of productivity measures have been implemented including plant expansions, changes in mining methods and procurement initiatives. In addition, Hochschild expects decreases in the cost of some of its key inputs and is therefore forecasting a decrease in unit cost per tonne in 2009 compared to 2008.

Outlook for 2009

Whilst the Company remains positive about the long term prospects for precious metals, the global downturn will present challenges for the mining sector in 2009. In November 2008, Hochschild announced a range of proactive steps to address market conditions including the cutting of 150 jobs, a freeze on recruitment and reduction of administrative expenses and capital expenditure. 2009 capital expenditure will be largely limited to committed investments and sustaining capex at existing operations.

In addition, the Company announced that it was delaying development of the San Felipe project due to the prevailing environment for zinc prices, which in the 6 months to 20 November 2008, fell by 46%. However, Hochschild remains confident about the long term value of San Felipe and will continue to review the timing of the project.

Hochschild is thus in sound financial health, with over US\$100 million of cash on the balance sheet as at 31 December 2008. The Company is committed to cash preservation but is also in a solid position to pursue acquisition opportunities which may arise from current market conditions. Management will maintain a disciplined approach to M&A, focusing on underground precious metals projects in the Americas. The company will also continue to develop its project pipeline which currently contains over 16 long term prospects with significant growth potential.

A conference call will be held at 1pm (London time) on Wednesday 21 January for analysts and investors.

Dial in details as follows:

UK +44 (0)20 7162 0025

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

UK +44 (0)20 7031 4064
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About Hochschild Mining plc:

Hochschild Mining plc is a leading precious metals company listed on the London Stock Exchange (HOCL.L for Reuters / HOC LN for Bloomberg) 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 five underground epithermal vein mines, four located in southern Peru, one in southern Argentina and one open pit mine in northern Mexico. Hochschild also has over sixteen long-term prospects throughout the Americas.

TOTAL GROUP PRODUCTION¹

	Q4 2008	Q3 2008	Q4 2007	12 mths 2008	12 mths 2007
Silver production (koz)	6,898	4,890	5,155	20,782	14,343
Gold production (koz)	55.97	45.98	70.09	193.97	211.38
Total silver equivalent (koz)	10,256	7,649	9,360	32,421	27,026
Total gold equivalent (koz)	170.93	127.48	156.00	540.34	450.43
Silver sold (koz)	7,090	4,661	5,472	20,593	13,717
Gold sold (koz)	58.57	47.36	60.35	198.32	202.10

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

ATTRIBUTABLE GROUP PRODUCTION¹

	Q4 2008	Q3 2008	Q4 2007	12 mths 2008	12 mths 2007
Silver production (koz)	5,457	4,041	4,532	16,941	13,588
Gold production (koz)	42.44	36.73	61.89	152.86	201.27
Attrib. silver equivalent (koz)	8,003	6,245	8,245	26,113	25,665
Attrib. gold equivalent (koz)	133.38	104.08	137.42	435.22	427.74

¹ Attributable production includes 100% of all production from Arcata, Ares and Selene, 60% from Pallancata, 51% from San José and 70% from Moris.

QUARTERLY PRODUCTION BY MINE**ARCATA**

Product	Q4 2008	Q3 2008	Q4 2007
Ore production (tonnes)	170,416	158,893	132,231
Average head grade silver (g/t)	628.63	533.66	581.06
Average head grade gold (g/t)	1.79	1.48	1.48
Concentrate produced (tonnes)	6,760	5,502	4,761
Silver grade in concentrate (kg/t)	14.56	13.86	14.04
Gold grade in concentrate (kg/t)	0.04	0.04	0.03
Silver produced (koz)	3,164	2,236 ¹	2,211
Gold produced (koz)	8.76	6.39 ¹	5.50
Silver sold (koz)	3,332	1,683	3,161
Gold sold (koz)	9.76	4.27	7.07

ARES

Product	Q4 2008	Q3 2008	Q4 2007
Ore production (tonnes)	92,397	89,798	92,401
Average head grade silver (g/t)	111.06	139.66	337.29
Average head grade gold (g/t)	5.33	5.67	14.67
Doré total (koz)	302.96	368.74	674.19

Silver produced (koz)	286	352	889
Gold produced (koz)	14.95	15.47	41.81
Silver sold (koz) ¹	387	934	917
Gold sold (koz) ²	16.65	23.13	42.20

¹ Total sale figures for Ares include the sale of 746 koz of silver precipitates from San José.

² Total sale figures for Ares include the sale of 11.14 koz of gold precipitates from San José.

SELENE

Product	Q4 2008	Q3 2008	Q4 2007
Ore production (tonnes)	24,623	67,659	97,590
Average head grade silver (g/t)	187.86	205.09	238.95
Average head grade gold (g/t)	1.06	1.23	1.41
Concentrate produced (tonnes)	293	845	1,112
Silver grade in concentrate (kg/t)	15.17	13.05	18.96
Gold grade in concentrate (kg/t)	0.08	0.07	0.10
Silver produced (koz)	140	400	669
Gold produced (koz)	0.71	2.20	3.61
Silver sold (koz)	334	364	745
Gold sold (koz)	1.59	1.93	4.30

PALLANCATA¹

Product	Q4 2008	Q3 2008	Q4 2007
Ore production (tonnes)	245,468	88,247	63,612
Average head grade silver (g/t)	288.14	337.22	322.64
Average head grade gold (g/t)	1.36	1.56	1.54
Concentrate produced (tonnes)	1,968	909	560
Silver grade in concentrate (kg/t)	30.97	30.76	33.25
Gold grade in concentrate (kg/t)	0.12	0.11	0.13
Silver produced (koz)	1,959	899	599
Gold produced (koz)	7.65	3.35	2.33
Silver sold (koz)	1,841	824	550
Gold sold (koz)	7.22	3.02	2.03

¹ The Company has a 60% interest in Pallancata.

SAN JOSE¹

Product	Q4 2008	Q3 2008	Q4 2007
Ore production (tonnes)	107,875	67,589 ²	65,480
Average head grade silver (g/t)	462.56	546.58	536.12
Average head grade gold (g/t)	5.91	6.78	7.03
Silver produced (koz)	1,329	990	776

Gold produced (koz)	17.37	12.34	11.66
Silver sold (koz)	1,173	846	92
Gold sold (koz)	15.10	9.76	1.49

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

²Adjustment of ore production from previously reported Q3 results (-2,450 MT) resulting from further consolidation process

MORIS¹

Product	Q4 2008	Q3 2008	Q4 2007
Ore production (tonnes)	296,077	193,009	253,766
Average head grade silver (g/t)	6.05	6.31	4.62
Average head grade gold (g/t)	1.52	1.53	1.62
Silver produced (koz)	19	14	11
Gold produced (koz)	6.53	6.24	5.18
Silver sold (koz)	23	10	6
Gold sold (koz)	8.26	5.25	3.26

¹The Company has a 70% interest in Moris.

Certain statements in this production report are or may be forward looking statements regarding Hochschild Mining plc's financial position and results, business strategy, production, plans and objectives. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the Group's control. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. Except as required by applicable law or regulation, the Group does not undertake any obligation to update or change any forward-looking statements contained in this production report or any other forward-looking statement it may make. Nothing in this production report should be construed as a profit forecast.

The statement in this press release relating to the advancement and development of Lake Shore Gold's Timmins West project is a forward looking statement within the meaning of securities legislation. The statement is based on the public disclosure of Lake Shore Gold, dated 20 May 2008, which is available on SEDAR at www.sedar.com under Lake Shore Gold, and is subject to the statements by Lake Shore Gold about such forward looking statements and the assumptions and risks associated with it.

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Past performance of the Company or its shares cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser.

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