



29 April 2009

**Production Report and Interim Management Statement for the three months to 31 March 2009
("Q109")**

- Production up 16% year-on-year to 6.7 million attributable silver equivalent ounces, comprised of 4.4 million ounces of silver and 37.4 thousand ounces of gold
- On track to achieve full year production target of 28 million silver equivalent ounces, representing a 7% increase over 2008 production
- Continue to deliver on M&A strategy: increased stake in Gold Resource Corporation from 5% to 15% and signed agreement to acquire* 100% of Southwestern Resources Corp for C\$22.5 million (US\$17.5 million)
- Continued focus on profitable ounces and cost reduction

**Subject to the approval of Southwestern's shareholders*

Miguel Aramburú, Chief Executive Officer commented;

"We remain on track to achieve our full year production target of 28 million attributable silver equivalent ounces. We are committed to producing profitable ounces and continue to take a diligent approach to cost control. As a result of the measures we implemented at the end of 2008, the Company is well placed to benefit from new acquisition opportunities which may arise from current market conditions."

Overview

Attributable production in the first quarter increased 16% year-on-year to 6.7 million attributable silver equivalent ounces. This is comprised of 4.4 million ounces of silver, up 21% year-on-year and 37.4 thousand ounces of gold, up 6% year-on-year. Production was particularly strong at Arcata with silver and gold production up 28% and 50% year-on-year and at Pallancata where both silver and gold production more than doubled compared to the equivalent period last year. Production at Arcata, Pallancata and San José benefited from the capacity expansions which were successfully completed in the second half of 2008.

As anticipated and previously disclosed, average reserve grades at Ares and Selene are declining due to the ageing and geological nature of the deposits. The focus for 2009 is to deliver profitable production and the Group will therefore reduce production, close, or put into care and maintenance any mines that are considered uneconomic. As a consequence, Selene is under consideration for closure and a decision is likely to be made by June. Selene's plant, which was upgraded during the year, will continue to process ore from Pallancata. 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.

Quarter-on-quarter production of 6.7 million ounces was 17% below that of the fourth quarter of 2008 as a result of the seasonal effect of fewer production days in Q1 relative to Q4 and also due to the industrial action in Peru which the Company announced on 23 March 2009. The dispute was resolved and will not impact the Group's full year production target. The final cost of the settlement is expected to be approximately \$8 million and will be recorded as an exceptional item.

As announced in March 2009, Hochschild has increased cut-off grades at its underground mines by an average of 18% to ensure that profitable ounces are mined and, as a result, average reserve grades have increased (with the exception of the Group's ageing mine, Ares). The Group's policy is to mine average reserve grades, however, given the long term nature of underground mine planning, extracted grades in 2009 will not reflect all of the increase in average reserve grades. This will not impact the Group's 2009 production target of 28 million attributable silver equivalent ounces.

On 26 March 2009, Lake Shore Gold Corp ("Lake Shore Gold"), in which Hochschild has a 40% interest, announced that it had commenced processing development ore from the Timmins Mine advanced exploration programme at its 100% owned Bell Creek Mill with a target of producing 30,000 ounces of gold in 2009, increasing to 100,000 ounces in 2010. The mill, with a current capacity of 800 tonnes per day, will initially run in campaigns processing stockpiles of development ore. The mill will run on a more continuous basis as the year progresses and deliveries from the Timmins Mine increase. In February 2009, the Group participated in Lake Shore Gold's equity financing and maintained its ownership at 40% by investing a further \$18.5 million.

During the first quarter of 2009 Hochschild exercised its option to increase its ownership interest in Gold Resource Corporation ("GRC") from 5% to 15%. GRC is a precious metals mining company with a number of high grade development and exploration projects in southern Mexico, including El Aguila, which is scheduled to begin production in 2009. The Group has recorded an exceptional gain of \$5.5 million, referring to the appreciation of GRC's shares over the last quarter.

The Company also entered into a binding agreement to acquire 100% of Southwestern Resources Corp ("Southwestern"), for a total cash consideration of C\$22.5 million (US\$17.5 million). The acquisition consolidates Hochschild's position in Liam, a 282,000 hectare land package in very close proximity to the Group's four existing Peruvian mines and enables it to leverage existing infrastructure and knowledge of the regional geology. The transaction is subject to the approval of Southwestern's shareholders which is expected on 8 May 2009.

Average realisable prices and sales

As a result of the extreme market volatility in the second half of 2008, the Group decided to lock in a portion of its expected 2009 revenue to ensure a more stable cash flow to fund operating capex and future M&A initiatives. The Group has sold forward 10.7 million ounces or 38% of its 2009 attributable silver equivalent production, comprised of 8.9 million ounces of silver at an average price of \$12.09/oz and 30 thousand ounces of gold at an average price of \$972/oz. None of 2010's production has been sold forward.

Average realisable prices (which include commercial discounts) in Q109 were \$899/oz for gold and \$13.41/oz for silver (excluding forward contracts). A realised loss of \$1.7 million will be recorded under finance income/expense for the first quarter of 2009, representing the difference between the average monthly market prices and the prices contracted in the above mentioned forward sales contracts. The mark-to-market unrealised loss amounts to \$6.6 million as at 31 March 2009.

Exploration

The Group remains committed to replenishing and expanding its resource base and has a successful record of converting resources to reserves. In the first quarter of 2009, significant progress has been made at San José with the discovery of a new mineralised structure located approximately 845 metres southwest from the Huevos Verdes vein. The structure, which does not outcrop on the surface, was discovered with the first drill hole of a programme of five 1,000 metre long diamond drill holes to be performed horizontally from existing underground workings. Results from core hole (SMJ-105) were 8.9 g/t gold and 517 g/t silver over 1.00 metres.

A follow-up surface drilling programme to test the continuity of this recent discovery is under preparation. The current five long-hole underground programme continues with a second horizontal hole being drilled in a northeast direction from the Huevos Verdes vein.

Outlook

Hochschild is in sound financial health, with \$73 million of cash on the balance sheet as at 31 March 2009. The decrease in cash balance from 31 December 2008 is primarily explained by the equity financing of Lake Shore Gold of \$18 million, the additional stake in GRC of \$13 million and net debt repayments of \$12 million. The Company is committed to cash preservation but is also in a solid position to pursue acquisition opportunities, focusing on underground precious metals projects in the Americas. The Group will also continue to develop its project pipeline which currently contains numerous long term prospects with significant growth potential.

The Company is focused on producing profitable ounces and diligently controlling costs. Good progress has been made in this area and the Group expects unit cost per tonne in 2009 to be at least 5% lower than in 2008. Hochschild will continue to responsibly manage operations and will not hesitate to close or put into care and maintenance mines that are considered uneconomic.

A conference call will be held at 1pm (London time) on Wednesday 29 April for analysts and investors.

Dial in details as follows:

UK +44 (0)20 7806 1959

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 7806 1970
Access code 9473043#

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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 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 numerous long-term prospects throughout the Americas.

TOTAL GROUP PRODUCTION¹

	Q1 2009	Q4 2008	Q1 2008
Silver production (koz)	5,575	6,898	4,310
Gold production (koz)	50.11	55.97	44.06
Total silver equivalent (koz)	8,582	10,256	6,954
Total gold equivalent (koz)	143.03	170.93	115.90
Silver sold (koz)	4,421	7,089	2,379
Gold sold (koz)	39.31	58.57	29.25

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

ATTRIBUTABLE GROUP PRODUCTION¹

	Q1 2009	Q4 2008	Q1 2008
Silver production (koz)	4,411	5,457	3,632
Gold production (koz)	37.44	42.44	35.38
Attrib. silver equivalent (koz)	6,657	8,003	5,755
Attrib. gold equivalent (koz)	110.95	133.38	95.91

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	Q1 2009	Q4 2008	Q1 2008
Ore production (tonnes)	149,507	170,416	111,714
Average head grade silver (g/t)	533.18	628.63	572.95
Average head grade gold (g/t)	1.59	1.79	1.40
Concentrate produced (tonnes)	5,324	6,760	4,256
Silver grade in concentrate (kg/t)	13.23	14.56	13.43
Gold grade in concentrate (kg/t)	0.04	0.04	0.03
Silver produced (koz)	2,347	3,164	1,838
Gold produced (koz)	6.64	8.76	4.44
Silver sold (koz)	2,093	3,332	1,032
Gold sold (koz)	6.34	9.77	2.64

ARES

Product	Q1 2009	Q4 2008	Q1 2008
Ore production (tonnes)	77,293	92,397	79,376
Average head grade silver (g/t)	94.95	111.06	204.41
Average head grade gold (g/t)	4.86	5.33	6.64
Doré total (koz)	6.71	302.96	471.68
Silver produced (koz)	203	286	454

Gold produced (koz)	11.36	14.95	16.07
Silver sold (koz)	173	387	444
Gold sold (koz)	9.56	16.65	16.36

SELENE

Product	Q1 2009	Q4 2008	Q1 2008
Ore production (tonnes)	65,012	24,623	97,017
Average head grade silver (g/t)	234.37	187.86	207.25
Average head grade gold (g/t)	1.19	1.06	1.20
Concentrate produced (tonnes)	627	293	1,090
Silver grade in concentrate (kg/t)	19.96	15.17	15.29
Gold grade in concentrate (kg/t)	0.10	0.08	0.08
Silver produced (koz)	400	140	536
Gold produced (koz)	1.99	0.71	2.95
Silver sold (koz)	157	334	406
Gold sold (koz)	0.78	1.59	2.26

PALLANCATA¹

Product	Q1 2009	Q4 2008	Q1 2008
Ore production (tonnes)	155,552	245,468	50,893
Average head grade silver (g/t)	296.99	288.14	340.10
Average head grade gold (g/t)	1.30	1.36	1.61
Concentrate produced (tonnes)	1,223	1,968	541
Silver grade in concentrate (kg/t)	33.05	30.97	28.71
Gold grade in concentrate (kg/t)	0.13	0.12	0.11
Silver produced (koz)	1,299	1,959	500
Gold produced (koz)	4.94	7.65	1.93
Silver sold (koz)	1,137	1,841	391
Gold sold (koz)	4.08	7.22	1.44

¹ The Company has a 60% interest in Pallancata.

SAN JOSE¹

Product	Q1 2009	Q4 2008	Q1 2008
Ore production (tonnes)	118,986	107,875	59,897
Average head grade silver (g/t)	427.45	462.56	624.11
Average head grade gold (g/t)	5.29	5.91	7.10
Silver produced (koz)	1,299	1,329	968
Gold produced (koz)	16.56	17.37	12.14
Silver sold (koz)	838	1,135	323
Gold sold (koz)	11.38	13.91	5.05

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

MORIS¹

Product	Q1 2009	Q4 2008	Q1 2008
Ore production (tonnes)	291,084	296,077	181,671
Average head grade silver (g/t)	4.82	6.05	4.69
Average head grade gold (g/t)	1.37	1.52	1.43
Silver produced (koz)	26	19	14
Gold produced (koz)	8.62	6.53	6.53
Silver sold (koz)	22	23	13
Gold sold (koz)	7.18	8.26	5.60

¹ The Company has a 70% interest in Moris.

Certain statements in this announcement 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 announcement 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 26 March 2009, 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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