



16 July 2008

Hochschild Mining plc Quarterly Production Report for the three months to 30 June 2008 ("Q208")

Highlights:

- Attributable production of 3.8 million ounces of silver and 38.3 thousand ounces of gold, an increase of 6% in silver equivalent ounces quarter-on-quarter and in line with budget
- On track to achieve 2008 attributable production target of 16.9 million ounces of silver and 153 thousand ounces of gold
- Reserves increased in H108 by 16.5% with several high grade veins identified at Arcata
- Capacity expansions at Arcata, San José and Selene on schedule for completion in the second half of 2008
- Commenced construction of ramp at San Felipe and on track to prove four million tonnes of total indicated resources by Q308
- Increased stake in San Felipe, our key development project in northern Mexico, to 100%
- Increased stake in Lake Shore Gold Corp., a Canadian gold company in the Timmins district of northern Ontario, to 40%

Eduardo Hochschild, Executive Chairman, commented;

"We remain on track to deliver our full year attributable production target of 26 million silver equivalent ounces (16.9 moz Ag/153 koz Au) and have increased reserves by 16.5% in H108. We have also secured a number of exciting opportunities in the Americas, including the consolidation of 100% of San Felipe and the purchase of an additional 20% interest in Canadian gold company, Lake Shore Gold Corp. Given our existing assets, our strong project pipeline and these new opportunities, we remain confident about the long term growth prospects of the business."

Overview:

In line with previous guidance for the year, in the second quarter of 2008 we achieved attributable silver and gold production of 3.8 million ounces and 38.3 thousand ounces respectively. This equates to 6.1 million attributable silver equivalent ounces, up 3% year-on-year and 6% quarter-on-quarter, driven primarily by strong silver production at Arcata, Pallancata and San José. Gold production decreased in the second quarter due to anticipated lower grades at Ares and Selene but this has been offset by the increase in production at our other operations.

With production of 11.9 million attributable silver equivalent ounces in the first half of the year and the capacity expansions coming on stream in the second half, we are on track to achieve our production target of 26 million attributable silver equivalent ounces (16.9 moz Ag/153 koz Au) in 2008. Looking ahead, with our San Felipe project coming on stream in 2010, Lake Shore Gold Corp. commencing production in 2009 and our strong project pipeline, we remain confident of the growth potential of the business.

Capacity expansions:

The capacity expansions at Arcata, San José and Selene are proceeding as planned and due to be completed in the second half of 2008. Arcata and San José will be expanded from 424 to 618 ktpa and from 265 to 530 ktpa respectively. Throughput at the Selene plant (which processes ore from Pallancata) will increase from 706 to 1,059 ktpa. These expansions will materially increase our throughput capacity, especially as of 2009.

Development projects:

San Felipe, our key development project in northern Mexico, is advancing towards feasibility with results expected by the end of 2008. In the second quarter, we commenced construction of the ramp and also secured water rights for the project. During the month of June, 1,545 metres were drilled bringing the total drilled in 2008 to 9,620 metres. Two intercepts in the Las Lamas vein showed 3.0 metres with 205 g/t Ag, 0.64% Pb, 10.99% Zn and 0.30% Cu and 1.6 metres 101 g/t Ag, 0.31% Pb, 9.17% Zn and 0.32% Cu. Drilling continues and the goal is to realize at least four million tonnes of total indicated resources by the third quarter of 2008. Drilling has commenced at the El Gachi project and work is currently underway at the Moctezuma project. Both projects are located approximately 70 kilometres from San Felipe.

Exploration:

We have had exploration success at our operations where, on average, we have exceeded our targets for reserve and resource additions in the first half of the year. For example, at Pallancata we have proven reserves and resources well in excess of our annual budget for both tonnage and grades. We have also exceeded our H108 budget for both tonnage and grades at San José and Arcata for resources and reserves respectively.

We have discovered a new vein at Arcata, Nicole, which is located south of the Michelle vein and runs parallel to the Mariana vein. The full potential of the Nicole vein is still unknown but drilling is ongoing, with the last drill hole hitting an intersect of 0.84 metres with 6.71 g/t Au & 925 g/t Ag. In addition, work continues on the Michelle vein where we have identified 0.3 million tonnes of resources with 2.2 g/t Au and 800 g/t Ag. Similarly, we have identified 0.3 million tonnes of resources on the Soledad vein with 1.8 g/t Au and 700 g/t Ag.

We are also undertaking exploration work in a new area of Ares with an initial drilling programme of 5,820 metres in the second half of the year. The diamond drilling campaign is based on a comprehensive target definition study completed during the first half of 2008 and has resulted in the discovery of a new structure which we are currently assessing.

A two-part drilling campaign is also underway at Azuca, one of the properties in our project pipeline which is wholly owned by Hochschild and located in southern Peru, approximately 80 kilometres from Selene and Arcata. Infield drilling is ongoing at the western ore shoot, while final permits are being obtained to begin a 7,500 metre drilling programme on the eastern ore shoot, with three drills already on site. Our objective is to convert the potential already identified into measured and indicated resources by the end of the year. Given the proximity of the asset to our existing operations, we envisage leveraging the infrastructure already in place at Selene to process the Azuca ore, should the project advance to an operational stage.

Acquisitions:

In June of this year, we increased our stake in San Felipe from 70% to 100% for a total consideration of US\$51.5 million. The land package acquired consists of 24 underground mining concessions and one mining concession application covering a total of approximately 62,900 hectares. The concessions, of which we have acquired full control, include the El Gachi and Moctezuma projects, two promising advanced exploration projects in resource definition stage.

As a sign of our confidence in the production potential and long term growth of Lake Shore Gold Corp., we increased our stake in the company from 19.99% to 40% (on a fully diluted basis) in the second quarter of the year. Lake Shore Gold provides Hochschild high-grade, reasonably priced, long-life gold deposits in the Timmins mining district of northern Ontario, a historically prolific gold region. Lake Shore Gold Corp's management team anticipates initiating production from its Timmins West property by early 2009, with a steady ramp up in production which could reach approximately 200,000 ounces of gold by 2011.

The San Felipe and Lake Shore Gold Corp. transactions are consistent with our strategy of finding accretive opportunities that allow us to establish clusters in key mining districts, such as southern Peru, the Argentinean Patagonia, northern Mexico and the Timmins region in Canada.

A conference call will be held at 2:30 pm (London time) on Wednesday 16 July for the investment market.

Dial in details as follows:

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

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About Hochschild Mining plc:

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

For further information please visit www.hochschildmining.com

TOTAL GROUP PRODUCTION¹

	Q2 2008	Q1 2008	Q2 2007
Silver production (koz)	4,684	4,310	3,072
Gold production (koz)	47.96	44.06	48.04
Total silver equivalent (koz)	7,562	6,954	5,955
Total gold equivalent (koz)	126.03	115.90	99.25
Silver sold (koz)	6,457	2,404	2,197
Gold sold (koz)	62.64	29.78	42.71

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

ATTRIBUTABLE GROUP PRODUCTION¹

	Q2 2008	Q1 2008	Q2 2007
Silver production (koz)	3,812	3,632	3,072
Gold production (koz)	38.32	35.38	48.04
Attrib. silver equivalent (koz)	6,111	5,755	5,955
Attrib. gold equivalent (koz)	101.84	95.91	99.25

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

ARCATA

Product	Q2 2008	Q1 2008	Q2 2007
Ore production (tonnes)	116,847	111,714	94,421
Average head grade silver (g/t)	537.64	572.95	569.03
Average head grade gold (g/t)	1.36	1.40	1.44
Concentrate produced (tonnes)	4,120	4,256	4,099
Silver grade in concentrate (kg/t)	13.55	13.43	11.36
Gold grade in concentrate (kg/t)	0.03	0.03	0.03
Silver produced (koz)	1,794	1,838	1,497
Gold produced (koz)	4.46	4.44	3.74
Silver sold (koz)	2,537	1,032	912
Gold sold (koz)	5.73	2.64	2.18

ARES

Product	Q2 2008	Q1 2008	Q2 2007
Ore production (tonnes)	86,339	79,376	84,138
Average head grade silver (g/t)	180.41	204.41	261.80
Average head grade gold (g/t)	6.72	6.64	14.66
Doré total (koz)	464.95	471.68	690.15
Silver produced (koz)	446	454	650
Gold produced (koz)	17.68	16.07	38.11
Silver sold (koz) ¹	634	444	692
Gold sold (koz) ²	21.30	16.36	36.87

¹ Total sale figures for Ares include the sale of 132 koz of silver precipitates from San José.

² Total sale figures for Ares include the sale of 1.97 koz of gold precipitates from San José.

SELENE

Product	Q2 2008	Q1 2008	Q2 2007
Ore production (tonnes)	79,851	97,017	100,389
Average head grade silver (g/t)	222.72	207.25	328.00
Average head grade gold (g/t)	1.27	1.20	2.32
Concentrate produced (tonnes)	973	1,090	947
Silver grade in concentrate (kg/t)	16.44	15.29	30.96
Gold grade in concentrate (kg/t)	0.09	0.08	0.21
Silver produced (koz)	504	536	925
Gold produced (koz)	2.63	2.95	6.19
Silver sold (koz)	825	406	594
Gold sold (koz)	4.15	2.26	3.66

PALLANCATA¹

Product	Q2 2008	Q1 2008
Ore production (tonnes)	83,517	50,893
Average head grade silver (g/t)	339.36	340.10
Average head grade gold (g/t)	1.70	1.61
Concentrate produced (tonnes)	847	541
Silver grade in concentrate (kg/t)	30.45	28.71
Gold grade in concentrate (kg/t)	0.12	0.11
Silver produced (koz)	829	500
Gold produced (koz)	3.23	1.93
Silver sold (koz)	796	391
Gold sold (koz)	3.13	1.44

¹ The Company has a 60% interest in Pallancata.

SAN JOSE¹

Product	Q2 2008	Q1 2008
Ore production (tonnes)	60,603	59,897
Average head grade silver (g/t)	680.70	624.11
Average head grade gold (g/t)	7.56	7.10
Silver produced (koz)	1,093	968
Gold produced (koz)	12.41	12.14
Silver sold (koz) ²	2,284	323
Gold sold (koz) ³	28.98	5.05

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

²Total sale figures for San José include 835.20 koz of silver precipitates sold to Ares.

³Total sale figures for San José include 13.06 koz of gold precipitates sold to Ares.

MORIS¹

Product	Q2 2008	Q1 2008
Ore production (tonnes)	205,393	181,671
Average head grade silver (g/t)	5.56	4.69
Average head grade gold (g/t)	1.80	1.43
Silver produced (koz)	18	14
Gold produced (koz)	7.55	6.53
Silver sold (koz)	22	13
Gold sold (koz)	8.90	5.60

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 or production 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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