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**16 January 2007**

**Hochschild Mining plc today announces its Production Report for the twelve months to 31 December 2006**

**Highlights:**

- Total production for the six months to 31 December 2006 ("H2") was 6.1 million ounces of silver and 93 thousand ounces of gold
- In-line with expectations at the time of the IPO, H2 production was slightly higher than in the six months ended 30 June 2006 ("H1")
- Total silver production was up 12% in H2 versus H1 primarily due to increased production at Arcata and Selene
- Total gold production was down 10% in H2 versus H1 due to the anticipated decrease in ore grade at Ares

The planned expansions at the Ares processing plant were successfully completed on time taking the capacity from 280 ktpa to 325 ktpa. The plant will be undergoing testing during January 2007. The planned expansions at Arcata and Selene, taking the capacity from 350 ktpa to 420 ktpa and from 350 ktpa to 700 ktpa, respectively, are on schedule for completion within budget during 2007. The expansion at the Selene plant accommodates for the extension of the Selene mine in addition to the commencement of production from Pallancata.

On 10 December 2006, the Group announced it would exercise its option to acquire a 70% stake in the Santa Maria de Moris mine in Chihuahua, Mexico.

The Group's three new projects which are scheduled to begin production during 2007 are on track. San José will start producing during Q2 2007 while Pallancata and Mina Moris will commence production in Q3 2007. These three projects are expected to contribute to profits in 2008.

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<b>Total production</b>	<b>H2 2006</b>	<b>H1 2006</b>	<b>Full Year 2006</b>	<b>Full Year 2005</b>
Silver production (Koz)	6,136	5,467	11,604	10,550
Gold production (Koz)	93	103	196	232
<b>Total silver equivalent (Koz)</b>	<b>11,707</b>	<b>11,640</b>	<b>23,347</b>	<b>24,543</b>

## ARCATA

Product	H2 2006	H1 2006	Full Year 2006	Full Year 2005
Ore production (tonnes)	178,162	135,526	313,688	282,199
Concentrate produced (tonnes)	7,192	5,214	12,407	10,787
Silver grade in concentrate (kg/t)	11.50	12.49	11.92	12.31
Silver produced (Koz)	2,660	2,094	4,754	4,271
Gold produced (Koz)	6.93	4.96	11.89	7.19

## ARES

Product	H2 2006	H1 2006	Full Year 2006	Full Year 2005
Ore production (tonnes)	147,609	141,529	289,138	281,095
Doré total (Koz)	1,357	1,493	2,850	3,151
Silver produced (Koz)	1,281	1,406	2,688	2,944
Gold produced (Koz)	72.16	83.35	155.5	198.55

## SELENE

Product	H2 2006	H1 2006	Full Year 2006	Full Year 2005
Ore production (tonnes)	181,642	178,044	359,686	288,919
Concentrate produced (tonnes)	1,865	1,947	3,812	3,559
Silver grade in concentrate (kg/t)	36.61	31.43	33.96	29.15
Silver produced (Koz)	2,195	1,967	4,162	3,335
Gold produced (Koz)	13.76	14.57	28.34	27.48

Hochschild Mining's Preliminary results will be announced on 20 March 2007.

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## About Hochschild Mining plc

Hochschild Mining plc is a leading Latin American precious metals company with a primary focus on the exploration, mining, processing and sale of silver and gold. As the fourth largest primary silver producer, it has over forty years experience in the exploration, evaluation and extraction of precious metal epithermal vein deposits. Currently, it has three underground mines supported by fully developed infrastructure, consisting of the Arcata, Ares and Selene operations in Southern Peru. Hochschild also has two advanced stage development projects, one in Argentina and one in Peru and two early stage development projects, both of which are in Mexico. In addition to its development projects, it has over twenty long-term prospects throughout Latin America that are at various stages of development. Hochschild has a high-grade reserve base and a proven track record of consistent reserves replacement, sustaining the reserve and resource base at each of its current operating mines in step with production over many years. Hochschild has a track record of sustained profitability underpinned by its low cash costs of production that places it within the first quartile of the 2005 global cost curve for both silver and gold according to CRU Strategies Limited and GFMS Limited, respectively.