



17 April 2013

**Production Report and Interim Management Statement
for the 3 months ended 31 March 2013**

Highlights

- Q1 2013 attributable production of 4.7 million silver equivalent ounces
- 2013 attributable production target of 20.0 million silver equivalent ounces on track
- Advanced Project permitting process on schedule
- US\$140 million loan facility agreed to partially finance Inmaculada initial capital expenditure
- Solid financial position with total cash of approximately \$329m and minority investments valued at \$218m as at 31 March 2013

Ignacio Bustamante, Chief Executive Officer commented:

"In what is a seasonally short quarter, we have delivered a solid start to the year and remain on track to meet our 2013 production target of 20.0 million silver equivalent ounces.

At our Advanced Projects, we continued to make good developmental progress, achieving further key stages in both projects' permitting processes, and remain excited by these projects which are set to commence production in the second half of next year. Furthermore, I am pleased that we were able to secure very competitive financing for the Inmaculada project during the quarter.

As part of our continuous review of market conditions to ensure the Company's ongoing profitability we analyse a variety of precious metal price scenarios. Given the 2013 year-to-date price declines we are experiencing, we are in the process of implementing an action plan to conserve capital, cut operating costs, and review discretionary expenditure. I am confident that we will be able to report results of this effort as the year progresses."

A conference call will be held at 3pm (London time) on Wednesday 17 April 2013 for analysts and investors.

Dial in details as follows:

UK: +44 (0) 20 3003 2666

Password: Hochschild

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 8196 1998

Access code: 6259790

Overview

In Q1 2013 the Company delivered attributable production of 4.7 million silver equivalent ounces, comprised of 3.0 million ounces of silver and 28.7 thousand ounces of gold, and is on track to meet its full year production target of 20.0 million attributable silver equivalent ounces in 2013.

Production

Main operations

At Arcata, total silver equivalent production in Q1 2013 was 1.4 million silver equivalent ounces (Q1 2012: 1.8 million ounces). The rise in tonnage compared to Q1 2012 reflects the continuing planned increase in volumes processed from the low grade Macarena Waste Dam Deposit facilitated by the 500 tonne per day capacity expansion at the Arcata plant (completed in H2 2012). Grades were lower in Q1 2013 versus Q1 2012 as a result of the increased volume of low grade material from Macarena, as well as the Company's policy of mining close to the average reserve grade at its core assets. The decrease in tonnage compared to Q4 2012 is due to fewer production days in Q1 2013.

The Company plans for grades at Arcata to increase in the second half of 2013, when Macarena tonnage will be gradually replaced by tonnage from stopes and mine development.

In addition, production at Arcata in Q1 2013 included the decrease in ounces recovered as a result of the completion of the dore project at the end of 2012, with 100% of Arcata's concentrate now being converted into dore.

Table Showing Contribution From Macarena Waste Dam Deposit

	Q1 2013	Q1 2012
Total		
Tonnage	203,888	164,160
Average head grade gold (g/t)	0.73	0.94
Average head grade silver (g/t)	202	317
Macarena		
Tonnage	63,743	4,540
Average head grade gold (g/t)	0.28	0.30
Average head grade silver (g/t)	98	95
Stopes and Developments		
Tonnage	140,145	159,620
Average head grade gold (g/t)	0.93	0.95
Average head grade silver (g/t)	249	323

Total silver equivalent production at Pallancata in Q1 2013 was 2.0 million ounces (Q1 2012: 2.1 million ounces). Production in Q1 2013 was lower than that in Q4 2012 mainly due to there being fewer production days in the first quarter.

In Q1 2013, San Jose delivered total silver equivalent production of 2.6 million ounces, in line with Q1 2012 (2.6 million ounces). Production decreased versus Q4 2012 (2.9 million ounces) mainly reflecting a fall in treated tonnage due to a ten day production stoppage following a severe viral infection at the operation. The silver equivalent production lost as a result of the stoppage was approximately 200 thousand ounces, which the Company expects to recover during the year.

Other operations

The Company's Ares mine in Peru continued to operate in Q1 2013, producing 527 thousand silver equivalent ounces (Q1 2012: 515 thousand ounces) whilst at Moris, the Company's open pit operation in Mexico, leaching of the pads continued during the quarter, producing a further 244 thousand silver equivalent ounces in Q1 2013 (Q1 2012: 218 thousand ounces).

Average realisable prices and sales

Average realisable precious metal prices in Q1 2013 (which are reported before the deduction of commercial discounts) were \$1,599.6/ounce for gold and \$29.6/ounce for silver. (Q1 2012: \$1,782.1/ounce for gold and \$36.9/ounce for silver).

Project pipeline & exploration

The Company has an exploration budget of \$77 million for 2013. Of this budget, 26% has been allocated to brownfield exploration at the Company's current operations, 14% to exploration at its Advanced Projects, and 44% to greenfield exploration.

Please note that in line with industry-wide standards, all mineralised intersections in this release are now quoted as true widths.

Brownfield exploration¹

Arcata

In Q1 2013, 238 metres of drilling were carried out at Arcata. The focus of exploration work remained on the definition of new high grade structures and the incorporation of high quality resources from known vein systems as well as the provision of new geological interpretation of the district. Exploration work continued to delineate resources at the Socorro, Amparo, Blanca, Katty and Ramal Marion veins through diamond drilling, and testing was carried out in potential areas including Alexia, Pamela and Ramal Leslie. Significant intercepts included¹:

Vein	Results
Pamela	DDH399-GE13: 1.76m at 6.19 g/t Au & 1,479 Ag DDH389-GE13: 1.00m at 2.84 g/t Au & 1,208 Ag
Blanca 2	DDH373-EX13: 1.17m at 0.33 g/t Au & 1,295 Ag
Baja 2	DDH427-S13: 1.60m at 2.8 g/t Au & 1,901 Ag
Tunel 3	DDH401-GE13: 0.78m 1.82 g/t Au & 1,213 Ag

Pallancata

During Q1 2013, exploration work at Pallancata focused on locating new structures as well as continuing the incorporation of new resources. The Yurika West vein mapping programme continued, and identified major structural lineaments trending NE-EW, associated with silicified hydrothermal breccias. Drilling continued at the Luisa, Yurika and Ramal San Javier veins, with 2,169 metres of diamond drilling completed. Positive intercepts included¹:

Vein	Results
Luisa	DLLU-A134: 1.96m at 1.11 g/t Au & 727 g/t Ag DLLU-A135: 1.11m at 1.32 g/t Au & 389 g/t Ag DLLU-A136: 1.17m at 1.09 g/t Au & 420 g/t Ag DLLU-A137: 1.12m at 1.29 g/t Au & 335 g/t Ag
Ramal San Javier	DLLU-A137: 1.10m at 2.02 g/t Au & 338 g/t Ag

San Jose

In Q1 2013 exploration at San Jose focused on the geological sampling and interpretation of the La Juanita and Zone 2 areas, and in addition, the digitalised geological models of the Saavedra West and Kospi Sudeste vein systems were completed. These models provided further interpretation and identified extensions of these vein systems that can now be accessed and tested through underground drilling, with new drill targets also identified. During the quarter, a total of 967 metres of drift development drilling were completed, with the exploration drilling campaign set to start in April in order to continue to incorporate further resources.

Ares

In Q1 2013, the exploration programme at Ares focused on the exploration of potential in the extensions of known veins and the definition of new high grade structures, as well as the completion of exploration at the Isabel and Victoria East veins where new intersections were discovered in the second half of 2012. The exploration drilling campaign is scheduled to start at Ares later this month.

Moris

In Q1 2013, exploration work at Moris focused on identifying new economic structures and the completion of the potential geological model of the property to identify new drill targets.

¹Please note that all mineralised intersections in this release are quoted as true widths.

Advanced Projects

In November 2012 the Company announced that it expects to receive the final mill construction permits for both the Inmaculada and Crespo projects in the second half of 2013 with commissioning for both projects' mills scheduled for the second half of 2014.

Inmaculada

Further progress was made at Inmaculada in Q1 2013. The detailed engineering for the plant continued and is anticipated to be completed by the end of the first half and the underground detailed engineering for the mine neared completion during the quarter. Procurement has also been advanced and the plant design requirements were submitted to the EPC contractor. The construction of the three exploration tunnels at the project continued, with 850 metres executed during the quarter. Finally, the paste backfill plant engineering contract and the camp construction contract were both granted.

Further key milestones in the project's permit application process were achieved during the quarter including the Company obtaining positive feedback from the Peruvian Government on the application itself, therefore enabling advancement to the next stage of the process. In addition, the underground water studies are expected to be approved in Q2 2013.

In March 2013, the Company announced that its 60% owned joint venture Minera Suyamarca S.A.C had negotiated a \$140 million secured loan facility with BBVA Continental and Banco Credito del Peru to partially finance the initial capital expenditure for the Inmaculada project. The loan facility has a term of seven years with no principal payable for the first two years. The interest rate is based on the 3-month LIBOR rate plus 3.0%, with customary closing fees and charges. The loan will be non-recoursable to Hochschild as well as to International Minerals Corporation who owns the remaining 40% of Suyamarca.

In Q1 2013, the exploration drilling programme in and around the Inmaculada project continued, and focused on the definition of new high grade structures and the definition and incorporation of potential systems outside of the current resource area. Underground exploration drilling continued, with one drill rig in operation, and a total of 554 metres of diamond drilling were completed to test the Mirella, Susana and Angela veins.

Crespo

At the Company's 100% owned Crespo project, the basic integrated engineering for the project was completed in February and the detailed engineering is anticipated to be completed in the second quarter. Also in February, orders were placed for the Merrill Crowe plant and mobile crushers. In addition, the mine plan design is progressing according to the Company's schedule. Finally, construction of the access road to the mine site also commenced during the quarter and is just over halfway complete.

In Q1 2013, the Company continued the process of responding to the relevant observations from the authorities with regards to the Environmental Impact Study permit for Crespo, and community relations support programmes also continued. Furthermore, following the approval of the surface water study for the project in December 2012, the surface land agreement for the project was approved by the local community on 11 January 2013 and the Company anticipates approval of the underground water studies in the second quarter of this year. Following the achievement of these key steps, the Company was able to submit the project's construction permit application at the end of February with positive feedback already received from the Peruvian government, to move to the next stage in the process.

In Q1 2013, geological mapping and geochemistry were carried out at Crespo, in order to complete the geological interpretation of the district.

Azuca

In Q1 2013, the near-mine and potential exploration drilling programme at Azuca continued and assay tests have yielded positive results. During the quarter, four drill rigs were in operation at Azuca, and a total of 8,665 metres of diamond drilling were completed, focused on the Ramal Colombiana, Azuca NE and Yanamayo NE veins. Positive results were reported from these veins, with intercepts including²:

Vein	Results
Ramal Colombiana	DACO-A1301: 3.40m at 0.47 g/t Au & 278 g/t Ag DAYA-A1301: 0.45m at 0.71 g/t Au & 247 g/t Ag
Yanamayo NE	DAYA-A1301: 1.60m at 1.01 g/t Au & 197 g/t Ag

² Please note that all mineralised intersections referred to in this release are quoted as true widths.

Volcan

On 8 November 2012, the Company announced that it had made a recommended cash offer of C\$0.80 per share for all of the issued and outstanding common shares of Andina Minerals Inc. ("Andina"). Andina owns the Volcan gold project located in the prolific Maricunga gold belt in Chile. Full details can be found in the announcement.

On 20 February 2013, the acquisition of all of the outstanding Andina Minerals Inc shares was announced and shortly thereafter, the delisting of Andina Minerals Inc from the TSX Venture Exchange was confirmed on 22 February 2013.

In Q1 2013 the exploration team commenced the process of building a complete geological and geometallurgical model of the property and the re-logging of historical drilling data to define mineralised domains and improve mine planning.

Greenfield pipeline

In Q1 2013, a total of 12,625 metres were drilled as part of the greenfield exploration programme. Drilling was carried out at six projects, at five 'Company Maker' projects, and at one 'Medium Scale' project. Highlights of the Greenfield exploration programme during the quarter are provided below.

Valeriano

At the Valeriano Company Maker project in Chile, a total of 4,248 metres were drilled during Q1 2013 to further test at depth, the porphyry copper and gold mineralisation encountered in the 2012 drilling campaign. Drill results during the quarter continued to be encouraging.

La Falda

At the La Falda Company Maker project in Chile, a total of four holes have been completed in the current drilling campaign, totaling 1,303 metres. Surface exploration to identify new drill targets also continued at the property during the quarter.

Potrero

At the Potrero Company Maker project in Chile, drilling commenced in January 2013. Drilling centred around known mineralised structures as well as to the North East along the projected strike of the mineralisation. During the quarter, a total of 2,763 metres of diamond drilling were completed and significant gold anomalies were reported.

Mercurio

At the Mercurio Company Maker project in Mexico, exploration drilling in Q1 2013 concentrated on the Barite zone with a total of 2,898 metres of diamond drilling completed.

Baborigame

At the Baborigame Company Maker project in Mexico, exploration drilling commenced in March 2013. Drilling was carried out on the Cebolla target to test for mineralisation following the indication of gold mineralisation by surface geochemistry. A total of 156 metres of diamond drilling were completed in the quarter.

Farallon

At the Farallon Medium Scale project in Peru, the first stage of exploration drilling was completed in Q1 2013 with three drill holes and a total of 1,257 metres of drilling carried out. Results have identified multiple intercepts of quartz veins and veinlets with sphalerite, galena and chalcoprite up to one metre in width, associated with tensional structures. In Q2 2013, a fourth drill hole will follow these intercepts at deeper levels.

Cuello Cuello

At the Cuello Cuello Medium Scale project in Peru, a total of 310 metres were drilled during the quarter. Metallurgical tests to define silver and gold recoveries in high sulphidation areas also continued at the property, and the results of these tests will define further potential drilling targets.

Senior Appointments

During the quarter, Hochschild appointed Eduardo Landin as Chief Operating Officer in succession to Ernesto Balarezo who has left the Company to become Executive Vice President of South America at Gold Fields Ltd. Mr Landin joined the Company in 2008 as General Manager of the Company's operations in Argentina and in

2011 was appointed General Manager of Projects with direct responsibility over the development of the Inmaculada and Crespo Advanced Projects. In addition, Jose Augusto Palma, current Vice President of Legal, has been appointed Vice President of Legal and Corporate Affairs, with additional responsibility for environmental, social, health and hygiene and institutional affairs.

Financial position

The Company's financial position remains strong, with total cash of \$328.9 million and minority investments valued at \$218.0 million as at 31 March 2013.

Outlook

The Company is on track to achieve its full year production target of 20.0 million attributable silver equivalent ounces in 2013. The focus of the Company's brownfield exploration programme will remain on further improving and optimising the Company's resource base to ensure the continued addition of high quality resources in the future.

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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 almost fifty years' experience in the mining of precious metal epithermal vein deposits and currently operates four underground epithermal vein mines, three located in southern Peru and one in southern Argentina. Hochschild also has numerous long-term projects throughout the Americas.

PRODUCTION & SALES INFORMATION*

TOTAL GROUP PRODUCTION

	Q1 2013	Q4 2012	Q1 2012	12 mths 2012
Silver production (koz)	4,328	4,773	4,762	19,443
Gold production (koz)	41.64	41.34	40.51	164.34
Total silver equivalent (koz)	6,827	7,254	7,193	29,304
Total gold equivalent (koz)	113.78	120.89	119.88	488.40
Silver sold (koz)	3,502	5,069	4,068	18,928
Gold sold (koz)	29.53	45.93	27.71	159.79

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

ATTRIBUTABLE GROUP PRODUCTION

	Q1 2013	Q4 2012	Q1 2012	12 mths 2012
Silver production (koz)	3,023	3,240	3,386	13,550
Gold production (koz)	28.70	27.35	28.29	111.82
Silver equivalent (koz)	4,745	4,881	5,083	20,260
Gold equivalent (koz)	79.09	81.35	84.72	337.66

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

QUARTERLY PRODUCTION BY MINE

ARCATA

Product	Q1 2013	Q4 2012	Q1 2012	12 mths 2012
Ore production (tonnes treated)	203,888	234,354	164,160	773,498
Average grade silver (g/t)	202	227	317	271
Average grade gold (g/t)	0.73	0.75	0.94	0.83
Silver produced (koz)	1,190	1,156	1,498	5,526
Gold produced (koz)	4.16	4.08	4.48	17.27
Silver equivalent produced (koz)	1,440	1,401	1,766	6,562
Silver sold (koz)	931	1,280	1,112	5,236
Gold sold (koz)	3.10	4.36	2.81	15.94

ARES

Product	Q1 2013	Q4 2012	Q1 2012	12 mths 2012
Ore production (tonnes treated)	77,359	89,354	78,265	336,423
Average grade silver (g/t)	65	58	47	54
Average grade gold (g/t)	2.36	2.64	2.62	2.65
Silver produced (koz)	166	127	112	481
Gold produced (koz)	6.02	6.46	6.71	26.28
Silver equivalent produced (koz)	527	515	515	2,058
Silver sold (koz)	132	155	85	473
Gold sold (koz)	4.71	8.07	3.21	25.75

PALLANCATA

Product	Q1 2013	Q4 2012	Q1 2012	12 mths 2012
Ore production (tonnes treated)	251,702	288,858	257,339	1,094,250
Average grade silver (g/t)	239	255	263	256
Average grade gold (g/t)	1.08	1.09	0.99	1.09
Silver produced (koz)	1,608	1,942	1,780	7,441
Gold produced (koz)	6.53	7.40	5.61	26.23
Silver equivalent produced (koz)	2,000	2,386	2,117	9,014
Silver sold (koz)	1,539	2,071	1,826	7,280
Gold sold (koz)	5.93	7.76	5.48	25.07

The Company has a 60% interest in Pallancata.

SAN JOSE

Product	Q1 2013	Q4 2012	Q1 2012	12 mths 2012
Ore production (tonnes treated)	108,379	128,940	115,531	509,851
Average grade silver (g/t)	459	422	416	417
Average grade gold (g/t)	6.87	6.00	5.98	5.79
Silver produced (koz)	1,351	1,545	1,356	5,953
Gold produced (koz)	21.08	22.50	20.36	85.77
Silver equivalent produced (koz)	2,616	2,895	2,577	11,099
Silver sold (koz)	889	1,553	1,032	5,897
Gold sold (koz)	12.80	23.16	14.34	84.29

The Company has a 51% interest in San Jose.

MORIS

Product	Q1 2013	Q4 2012	Q1 2012	12 mths 2012
Ore production (tonnes treated)	-	-	-	-
Average grade silver (g/t)	-	-	-	-
Average grade gold (g/t)	-	-	-	-
Silver produced (koz)	13	4	17	43
Gold produced (koz)	3.86	0.90	3.35	8.79
Silver equivalent produced (koz)	244	58	218	570
Silver sold (koz)	10	11	13	42
Gold sold (koz)	3.00	2.58	1.87	8.74

* Ounces sold figures for all operations have been restated to include gross revenue divided by gross ounces (previously included net revenue divided by net ounces)

Forward looking statements

This announcement may contain forward looking statements. 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, for various reasons, be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

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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