



15 April 2014

**Production Report and Interim Management Statement
for the 3 months ended 31 March 2014**

Highlights

- Q1 2014 production of 5.9 million attributable silver equivalent ounces
- On track to achieve 2014 production target of 21.0 million attributable silver equivalent ounces
- Key Inmaculada Advanced Project set to begin commissioning in Q4 2014
- Cashflow optimisation programme on track to deliver approximately \$200 million of savings
 - Over \$145 million of savings already achieved
 - Further initiatives targeted
- Corporate refinancing completed in January 2014
 - 7.75% \$350 million Senior Notes issued due 2021
- Total cash of approximately \$274 million as at 31 March 2013; short term borrowings reduced to \$11 million
- Minority investments valued at \$55 million as at 31 March 2013

Ignacio Bustamante, Chief Executive Officer commented:

“Hochschild has started the year well with the first quarter production performance placing the Company in a solid position to reach our 21.0 million ounce target for 2014. We are also continuing to move forward with our cashflow optimisation programme which has already delivered more than \$145 million of savings and are currently targeting further initiatives in all areas of the Company including operations, administration and exploration.

Strong developmental progress has also been made during the quarter at our now 100% owned flagship Inmaculada project and I am also pleased that we were able to complete our corporate refinancing process in the first few weeks of the year.”

A conference call will be held at 3pm (London time) on Tuesday 15 April 2014 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: 7871054

Overview

In Q1 2014, the Company delivered attributable production of 5.9 million silver equivalent ounces, comprised of 4.3 million ounces of silver and 27.5 thousand ounces of gold, and is on track to meet its full year production target of 21.0 million attributable silver equivalent ounces.

Production

Main operations

At Arcata, total silver equivalent production in Q1 2014 rose to 1.9 million ounces (Q1 2013: 1.4 million ounces) driven by increased material from stopes and developments (resulting in higher grades and recoveries) partially replacing, as expected, volumes processed from the low-grade Macarena Waste Dam Deposit. Arcata also benefited from the processing of stock mined in 2013.

Table Showing Contribution From Macarena Waste Dam Deposit

	Q1 2014	Q1 2013
Total		
Tonnage	194,239	203,888
Average head grade gold (g/t)	0.78	0.73
Average head grade silver (g/t)	248	202
Macarena		
Tonnage	32,166	63,743
Average head grade gold (g/t)	0.26	0.28
Average head grade silver (g/t)	66	98
Stopes and Developments		
Tonnage	162,073	140,145
Average head grade gold (g/t)	0.89	0.93
Average head grade silver (g/t)	285	249

At the now 100% owned Pallancata operation, production was in line with Q1 2013 with total silver equivalent production of 2.1 million ounces (Q1 2013: 2.0 million ounces).

At the San Jose operation, total silver equivalent production was 2.8 million ounces (Q1 2013: 2.6 million ounces). Higher production versus Q1 2013 was mainly due to higher tonnage resulting from the increase in throughput capacity from 1,500 to 1,650 tonnes per day partially offset by lower grades.

Other operations

The Company's ageing Ares mine in Peru continued to operate in Q1 2014, delivering total silver equivalent production of 588 thousand ounces (Q1 2013: 527 thousand ounces) driven by consistent grades and the processing of stock from 2013. Ares is currently expected to cease production towards the end of H1 2014.

Average realisable prices and sales

Average realisable precious metal prices in Q1 2014 (which are reported before the deduction of commercial discounts) were \$1,347/ounce for gold and \$20.7/ounce for silver (Q1 2013: \$1,600/ounce for gold and \$29.6/ounce for silver).

In March, the Group signed agreements to hedge the sale of 2,000,000 ounces of silver at \$22/ounce and 33,000 ounces of gold at \$1,338.45/ounce, during the period from March to December 2014.

Project pipeline & exploration

The Company has an exploration budget of almost \$30 million for 2014, representing 63,500 metres. This will be split between exploration work at the Company's existing operations, the Inmaculada Advanced Project and greenfield opportunities in Peru and Mexico. The main focus will continue to be on brownfield exploration.

In 2014, exploration work at the core operations is principally focused on identifying new potential and near-mine high grade areas to further improve the resource quality whilst at the Inmaculada Advanced Project, efforts are focused on identifying new potential high grade areas.

Hochschild's greenfield strategy for 2014 is in line with changes outlined as part of the Company's cashflow optimisation programme with the focus remaining only on the most promising prospects, specifically in Peru and Mexico.

Brownfield exploration¹

Arcata

In Q1 2014, 729 metres of drilling were carried out at Arcata. A detailed surface mapping and sampling campaign was conducted between Tunel 3 and Tunel 4 areas where north east structures have been identified. A drilling campaign with the aim of adding new resources will begin in early May with five drill holes planned. Significant intercepts during the quarter included:

Vein	Results
Paralela 1	DDH587-LM14: 1.43m at 6.75 g/t Au & 985 g/t Ag
Paralela 2	DDH587-LM14: 1.02m at 2.93 g/t Au & 465 g/t Ag
Paralela 3	DDH587-LM14: 1.00m at 4.02 g/t Au & 374 g/t Ag

Pallancata

In Q1 2014, 1,297 metres of drilling were carried out at Pallancata. The programme, which focused on mapping and sampling a total of 1,200 ha, was concentrated on the Yurika, Jakeline, Pilar, Jessica, Emilia, Tatiana, Vianka, Isis and Huararani vein systems.

San Jose

In 2014, the 2,000 metre potential drilling campaign is focused on the definition of the new Ayelen, Nuevo 1 and Karina veins as well as drilling in the Los Pinos area. The team has already completed detailed surface mapping and sampling over the Los Pinos vein and identified another structure, Los Pinitos.

Ares

In 2014, exploration work is focused on generating targets within the Ares-Arcata corridor and a 2,000 metre drilling campaign is underway. A detailed surface mapping and sampling campaign has also been conducted at Ares North West covering an area of 55 ha which brings the total mapped area at the deposit to date to 3,731 ha.

Advanced Projects

Inmaculada

Work continued on the Inmaculada project throughout the first quarter with plant construction commencing, as scheduled, in March following the end of the rainy season. Procurement of all the key main equipment for the plant is now complete and will be transported to site in April and May.

A further 1,925 metres of tunnelling and 421 metres of raise boring has been carried out in the first quarter bringing the total to 12,779 metres achieved since the project's commencement. Engineering for the paste backfill has also continued with the main required equipment including filters, pumps and thickeners purchased in the period. In addition, construction of the project's camp has now been completed as well as the 180km main access road.

The 5,000 metre exploration programme consists of potential drilling in the Mayte vein corridor as well as near mine exploration at selected targets, in order to expand the current resources. A detailed mapping programme is also due to begin shortly.

Greenfield pipeline

Highlights of the exploration programme during the period are provided below.

Pachuca

At the Pachuca Company Maker project in Mexico, the JV with Solitario Exploration & Royalty Corp has been focusing on the northwestern extension of the historical vein mining district. The 2014 plan includes testing the actual extensions of prior intercepts tested by the previous operator. A total 2,454 metres have been drilled on 13 holes during the 2013 and 2014 campaigns with significant results including:

¹Please note that in line with industry-wide standards, all mineralised intersections in this release are quoted as calculated true widths.

Vein	Results
Sorpresa	DDHPA-1302: 0.6m at 6.21 g/t Au & 520 g/t Ag DDHPA-1413: 0.8m at 6.57 g/t Au & 392 g/t Ag

Riverside Joint Venture

The exploration team has accepted two targets generated by Riverside, the JV partners in the western Sonora in Mexico. The projects are called Bohemia and Cajon and whereas Bohemia exhibits mineralised veins, orogenic type mineralisation has been observed at Cajon with highly frequent small mineralised veins off a detachment fault. Target definition is ongoing.

Peru

During the first quarter, the Company's exploration efforts in Peru focused on optimising the project portfolio and reviewing new opportunities that are resulting from the current mining industry downturn. So far this year, Hochschild geologists have been actively reviewing property submittals and existing projects, resulting in target areas being prioritised and streamlined.

Financial position

The Company's financial position remains strong, with total cash of approximately \$274 million with short term borrowings down to approximately \$11 million and minority investments valued at approximately \$55 million.²

On 23 January 2014, Hochschild completed an offering of \$350 million of Senior Notes with a coupon rate of 7.750% due for repayment in 2021 via its wholly owned subsidiary, Compañía Minera Ares S.A.C.

Outlook

The Company is on track to achieve its full year production target of 21.0 million attributable silver equivalent ounces in 2014. Having already achieved over \$145 million of savings to date, Hochschild remains focused on delivering the full benefits of its cashflow optimisation programme and is continuing in its efforts to identify further savings throughout the Company.

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.

² All figures as at 31 March 2014

PRODUCTION & SALES INFORMATION*

TOTAL GROUP PRODUCTION

	Q1 2014	Q4 2013	Q1 2013	12 mths 2013
Silver production (koz)	4,992	5,475	4,328	19,754
Gold production (koz)	38.30	43.80	41.64	175.22
Total silver equivalent (koz)	7,290	8,103	6,827	30,267
Total gold equivalent (koz)	121.50	135.05	113.78	504.45
Silver sold (koz)	5,112	5,742	3,502	19,555
Gold sold (koz)	38.11	43.56	29.53	168.56

Total production includes 100% of all production, including production attributable to Hochschild's joint venture partner at San Jose as well as production in 2013 from the recently-sold Moris operation.

ATTRIBUTABLE GROUP PRODUCTION

	Q1 2014	Q4 2013	Q1 2013	12 mths 2013
Silver production (koz)	4,271	4,622	3,666	16,639
Gold production (koz)	27.53	30.80	31.31	126.8
Silver equivalent (koz)	5,923	6,470	5,545	24,247
Gold equivalent (koz)	98.72	107.83	92.42	404.11

Attributable production for Q1 2014 includes 100% of all production from Arcata, Pallancata and Ares and 51% from San Jose. Comparatives from 2013 for Pallancata have been restated to 100% of production and also include production from the recently-sold Moris operation.

QUARTERLY PRODUCTION BY MINE

ARCATA

Product	Q1 2014	Q4 2013	Q1 2013	12 mths 2013
Ore production (tonnes treated)	194,239	244,125	203,888	900,861
Average grade silver (g/t)	248	242	202	217
Average grade gold (g/t)	0.78	0.81	0.73	0.74
Silver produced (koz)	1,574	1,337	1,190	4,984
Gold produced (koz)	4.80	4.32	4.16	16.83
Silver equivalent produced (koz)	1,862	1,597	1,440	5,994
Silver sold (koz)	1,654	1,404	931	4,924
Gold sold (koz)	4.91	4.42	3.10	15.95

ARES

Product	Q1 2014	Q4 2013	Q1 2013	12 mths 2013
Ore production (tonnes treated)	77,479	91,602	77,359	329,095
Average grade silver (g/t)	105	86	65	82
Average grade gold (g/t)	2.43	2.00	2.36	2.39
Silver produced (koz)	244	195	166	757
Gold produced (koz)	5.73	4.90	6.02	23.40
Silver equivalent produced (koz)	588	489	527	2,162
Silver sold (koz)	193	214	132	761
Gold sold (koz)	4.32	5.27	4.71	23.25

PALLANCATA

Product	Q1 2014	Q4 2013	Q1 2013	12 mths 2013
Ore production (tonnes treated)	254,483	291,740	251,702	1,088,712
Average grade silver (g/t)	259	285	239	264
Average grade gold (g/t)	1.04	1.14	1.08	1.13
Silver produced (koz)	1,703	2,198	1,608	7,628
Gold produced (koz)	5.79	6.97	6.53	27.83
Silver equivalent produced (koz)	2,051	2,616	2,000	9,298
Silver sold (koz)	1,771	2,378	1,539	7,567
Gold sold (koz)	6.23	7.51	5.93	26.67

Comparatives from 2013 for Pallancata have been restated to 100% of production.

SAN JOSE

Product	Q1 2014	Q4 2013	Q1 2013	12 mths 2013
Ore production (tonnes treated)	134,589	156,150	108,379	536,937
Average grade silver (g/t)	391	399	459	425
Average grade gold (g/t)	5.77	6.03	6.87	6.42
Silver produced (koz)	1,471	1,741	1,351	6,357
Gold produced (koz)	21.97	26.53	21.08	98.83
Silver equivalent produced (koz)	2,790	3,333	2,616	12,286
Silver sold (koz)	1,493	1,742	889	6,278
Gold sold (koz)	22.30	25.25	12.80	94.76

The Company has a 51% interest in San Jose.

*Silver equivalent production assumes a gold/silver ratio of 60:1

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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