



22 April 2015

Production Report for the 3 months ended 31 March 2015

Highlights

- Q1 2015 production of 3.9 million attributable silver equivalent ounces in line with budgeted mine plans
- On track to achieve 2015 production target of 24.0 million attributable silver equivalent ounces
- 2015 all-in sustaining costs on track to be \$15-16 per silver equivalent ounce (\$13-14 assuming current silver-to-gold ratio)
- Key Inmaculada project almost complete
 - Plant construction 93% complete
 - Plant pre-commissioning process underway on all major components; first production scheduled for end Q2 2015
 - Key underground development plan ahead of schedule – 225,000 tonnes of development mineral already stockpiled ready for processing
- Cash optimisation programme continuing to deliver efficiencies
- Total cash of approximately \$131 million as at 31 March 2015

Ignacio Bustamante, Chief Executive Officer commented:

“We have made a solid start to the year in what was a budgeted reduced quarter of production. Volumes are scheduled to increase at all our operations from the second quarter onwards and we are firmly on track to deliver our 24 million ounce target for the year.”

I am pleased to report that the low cost Inmaculada project has continued to make strong progress, with the pre-commissioning phase of all the key metallurgical equipment underway. Consequently, with full commissioning expected in the next few weeks, we can look forward to starting production towards the end of the second quarter.”

A conference call will be held at 2.30pm (London time) on Wednesday 22 April 2015 for analysts and investors.

Dial in details as follows:

International Dial in: +44 (0) 20 3139 4830

UK Toll-Free Number: +44(0) 808 237 0030

Pin: 38409462#

A recording of the conference call will be available for one week following its conclusion, accessible from the following telephone number:

International: +44 (0) 20 3426 2807

UK Toll Free: +44(0) 808 237 0026

Pin: 656676#

Overview

In Q1 2015, the Company delivered attributable production of 3.9 million silver equivalent ounces, comprised of 2.9 million ounces of silver and 17.2 thousand ounces of gold. The reduction versus the previous quarter is in line with the anticipated mine tonnage reduction at Arcata and Pallancata (as part of the Company's cash optimisation plan) in addition to the sequencing of the annual mine plans and scheduled hourly workers' vacation in Argentina at the beginning of the year.

The Company can report that its all-in sustaining costs per silver equivalent ounce are on track to fall to between \$15 to \$16 in 2015, assuming a silver-to-gold ratio of 60:1 (\$13 to \$14 per ounce assuming the current silver-to-gold ratio).

Production

Arcata

At Arcata, total silver equivalent production in Q1 was 1.5 million ounces (Q1 2014: 1.9 million ounces). Production was delivered in the first quarter at the reduced mine capacity in line with the Company's adjusted mine plans for 2015 to ensure the extraction of profitable ounces. Grades at Arcata are expected to increase from the second quarter onwards.

Pallancata

At Pallancata, tonnage in the first quarter was significantly lower than the equivalent period in 2014 due to the above-mentioned adjusted mine plans resulting in production of 1.2 million silver equivalent ounces (Q1 2014: 2.1 million ounces).

San Jose

The San Jose operation delivered a solid quarter with 2.5 million silver equivalent ounces produced (Q1 2014: 2.8 million ounces) with the lower tonnage versus the previous quarter reflecting a shorter operating period due to scheduled hourly workers' vacation early in the quarter and will revert to normal levels from the second quarter onwards.

Average realisable prices and sales

Average realisable precious metal prices in Q1 2015 (which are reported before the deduction of commercial discounts and include the effects of the existing hedging agreements) were \$1,236/ounce for gold and \$17.6/ounce for silver (Q1 2014: \$1,347/ounce for gold and \$20.7/ounce for silver).

Brownfield exploration¹

Arcata

In Q1 2015, 5,026 metres have been drilled at Arcata. Significant intercepts included:

Vein	Results
North-South	DDH027-LM11: 2.12m at 0.43 g/t Au & 719 g/t Ag DDH768-LM14: 1.27m at 2.46 g/t Au & 549 g/t Ag DDH802-GE15: 1.58m at 0.56 g/t Au & 659 g/t Ag DDH990-GE11: 0.82m at 0.15 g/t Au & 1,667 g/t Ag
Lucero	DDH777-LM15: 1.35m at 1.35 g/t Au & 593 g/t Ag DDH792-GE15: 1.01m at 1.85 g/t Au & 395 g/t Ag DDH800-LM15: 0.97m at 1.49 g/t Au & 533 g/t Ag
Soledad	DDH800-LM15: 1.00m at 4.05 g/t Au & 1,015 g/t Ag

Pallancata

The exploration team at Pallancata are awaiting permits to begin a 19,100 metre exploration and drilling programme with the aim of focusing on inferred resource exploration at surface and also geological mapping of the west and south side of the district for new target definition.

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

Advanced Project

Inmaculada

As of the end of the first quarter, total plant construction progress by the EPC contractor, Graña y Montero, reached 93%. Commissioning of the electrical, crushing and conveying systems has already been successfully completed, while the remaining major components (e.g. tailings dam, thickeners, leach tanks, milling facilities) are in the process of being completed. The project remains on target to begin production by the end of Q2 2015.

As has been previously disclosed, good progress in mine development has been made by the Hochschild team and currently a stockpile of approximately 225,000 tonnes is available for processing on commissioning of the plant. The Company reiterates that the overall production forecast of 6-7 million silver equivalent ounces for 2015 remains in place.

A total of 21,790 metres of tunnelling and 3,059 metres of raise boring have been carried out to date at the project. In addition, construction has continued on the warehouses, laboratories and workshops, now reaching 75% completion. Work on the paste backfill plant is almost halfway complete.

The exploration focus near the Inmaculada mine remains at the Palca area to the North East and following a mapping programme in 2014 at the Palca 1 zone, six promising vein structures have been selected amongst others in a corridor of almost five kilometres with work at Palca 2 zone starting later on in the year.

Financial position

Total cash was approximately \$131 million as at 31 March 2015. In January and February 2015, the Company drew down \$75 million of its short-term credit lines in Peru. \$50 million will mature in December 2015 and \$25 million will mature in February 2016. The average annual interest rate is 1.56% before tax.

On 19 January 2015, the Company signed agreements to hedge the sale of 6,000,000 ounces of silver at \$17.75 per ounce for 2015. This is in addition to the previous agreement to hedge 38,000 ounces of gold for 2015 at \$1,300 per ounce.

Outlook

In the second quarter, Hochschild expects to complete the commissioning phase at its Inmaculada project and move to first production towards the end of the period. The mine is scheduled to deliver 6-7 million ounces of silver equivalent production in 2015 with all-in sustaining cost per silver equivalent ounce expected to be an average of \$11.8 over the life-of-mine.

The Company is on track to achieve its full year production target of 24.0 million attributable silver equivalent ounces in 2015 with all-in sustaining cost per silver equivalent ounces expected to be between \$15 to \$16 in line with guidance (\$13 to \$14 per ounce assuming current silver-to-gold ratio)

Having already achieved over \$300 million of savings to date, Hochschild remains focused on delivering further efficiencies throughout the Company. As previously disclosed, the mine plans of the Arcata and Pallancata operations have been optimised with the operational focus in 2015 on accessible ore areas requiring reduced capital expenditure with cut-off grades reflecting the current weaker metal price environment.

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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 three underground epithermal vein mines, two 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 2015	Q4 2014	Q1 2014	12 mths 2014
Silver production (koz)	3,523	5,075	4,992	19,357
Gold production (koz)	26.66	37.72	38.30	147.03
Total silver equivalent (koz)	5,123	7,338	7,290	28,179
Total gold equivalent (koz)	85.38	122.31	121.50	469.65
Silver sold (koz)	3,348	5,236	5,112	18,981
Gold sold (koz)	25.64	40.00	38.11	142.77

Total production includes 100% of all production, including production attributable to Hochschild's joint venture partner at San Jose.

ATTRIBUTABLE GROUP PRODUCTION

	Q1 2015	Q4 2014	Q1 2014	12 mths 2014
Silver production (koz)	2,879	4,115	4,271	16,187
Gold production (koz)	17.20	24.38	27.53	100.89
Silver equivalent (koz)	3,911	5,578	5,923	22,241
Gold equivalent (koz)	65.19	92.96	98.72	370.68

Attributable production for Q4 2014 and Full Year 2014 includes 100% of all production from Arcata, Pallancata and Ares and 51% from San Jose.

QUARTERLY PRODUCTION BY MINE

ARCATA

Product	Q1 2015	Q4 2014	Q1 2014	12 mths 2014
Ore production (tonnes treated)	145,551	186,486	194,239	701,947
Average grade silver (g/t)	330	307	248	286
Average grade gold (g/t)	0.97	0.90	0.78	0.85
Silver produced (koz)	1,287	1,579	1,574	5,827
Gold produced (koz)	3.47	4.40	4.80	16.89
Silver equivalent produced (koz)	1,495	1,843	1,862	6,841
Silver sold (koz)	1,057	1,550	1,654	5,621
Gold sold (koz)	2.85	4.06	4.91	15.66

ARES

Product	Q1 2015	Q4 2014	Q1 2014	12 mths 2014
Ore production (tonnes treated)	-	-	77,479	167,331
Average grade silver (g/t)	-	-	105	110
Average grade gold (g/t)	-	-	2.43	2.34
Silver produced (koz)	-	-	244	534
Gold produced (koz)	-	-	5.73	11.63
Silver equivalent produced (koz)	-	-	588	1,232
Silver sold (koz)	-	17	193	540
Gold sold (koz)	-	-	4.32	11.45

PALLANCATA

Product	Q1 2015	Q4 2014	Q1 2014	12 mths 2014
Ore production (tonnes treated)	148,722	256,299	254,483	1,051,068
Average grade silver (g/t)	229	224	259	238
Average grade gold (g/t)	1.08	1.00	1.04	1.03
Silver produced (koz)	922	1,537	1,703	6,527
Gold produced (koz)	3.89	6.09	5.79	24.34
Silver equivalent produced (koz)	1,155	1,902	2,051	7,988
Silver sold (koz)	851	1,506	1,771	6,502
Gold sold (koz)	3.48	5.80	6.23	24.02

SAN JOSE

Product	Q1 2015	Q4 2014	Q1 2014	12 mths 2014
Ore production (tonnes treated)	108,771	152,689	134,589	571,017
Average grade silver (g/t)	428	454	391	404
Average grade gold (g/t)	6.20	6.19	5.77	5.77
Silver produced (koz)	1,315	1,959	1,471	6,469
Gold produced (koz)	19.29	27.23	21.97	94.16
Silver equivalent produced (koz)	2,472	3,593	2,790	12,119
Silver sold (koz)	1,439	2,163	1,493	6,316
Gold sold (koz)	19.31	30.13	22.30	91.28

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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