



20 April 2016

Production Report for the 3 months ended 31 March 2016

Operational highlights

- Q1 2016 attributable production exceeding budgeted mine plans¹
 - 3.7 million ounces of silver
 - 51.1 thousand ounces of gold
 - 7.4 million silver equivalent ounces, up 79% versus Q1 2015 (4.2 million ounces)
- Inmaculada mine produced 47.2 thousand gold equivalent ounces
 - 34.0 thousand ounces of gold
 - 1.0 million ounces of silver
 - 3.5 million silver equivalent ounces
- 2016 all-in sustaining costs per silver equivalent ounce on track to meet \$12.0-12.5 guidance

Improving financial position

- Total cash of approximately \$105 million as at 15 April 2016
- Net debt of approximately \$345 million as at 15 April 2016
- Current Net debt/LTM EBITDA ratio of approximately 1.8x (31 December 2015: 2.5x)
- Argentina macroeconomic & tax reforms significantly improving San Jose cash flows
- Cashflow further protected by 2016 precious metal hedges – 45% of production sold forward

Ignacio Bustamante, Chief Executive Officer commented:

“We have once again delivered a strong start to the year at all our mines in what is budgeted as the lowest quarter of production. Output is scheduled to increase through the rest of the year and we are firmly on track to reach our full year production target of 32 million silver equivalent ounces. Our flagship mine, Inmaculada continues to operate efficiently at a very competitive cost and we remain excited by the potential in the surrounding district where we will commence a drilling programme later in the year as part of our Company-wide 2016 brownfield exploration plan. Our cash balance has now grown to beyond the \$100 million level and with the recent relative strength in prices, our leverage ratio is currently running at approximately 1.8x Net Debt to EBITDA for the year.”

A conference call will be held at 2.30pm (London time) on Wednesday 20 April 2016 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: 41037930#

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: 669622#

¹ All equivalent figures assume the average gold/silver ratio for 2015 of 74x.

Overview

In Q1 2016, the Company delivered attributable production of 3.7 million ounces of silver and 51.1 thousand ounces of gold. As per Company guidance, the first quarter of the year is always the lowest due to the sequencing of the annual mine plans and scheduled hourly workers' vacation in Argentina. However, production was slightly ahead of budget due to a better than expected performance in March across all operations and is also up 79% versus the first quarter of 2015.

The Company can report that its all-in sustaining costs per silver equivalent ounce are on track to fall to between 12.0 to \$12.5 in 2016.

Production

Inmaculada

Inmaculada delivered a very smooth start to the year with gold production at 34,000 ounces and silver production of 974,000 ounces (silver equivalent production of 3.5 million ounces), driven by better than expected gold grades and silver recoveries.

Arcata

At Arcata, silver production in the first quarter was 1.4 million ounces with gold production of 4,700 ounces which results in silver equivalent production of 1.7 million ounces, a 12% improvement on the first quarter of 2015 (Q1 2015: 1.5 million ounces). This was driven by better than expected mined tonnage resulting from the success of the Company's 2015 brownfield exploration programme in addition to higher silver recoveries.

Pallancata

At Pallancata, as expected, tonnage through the plant in the first quarter was lower than the average 2015 rate with the operation entering a transitional period before the introduction of feed from the new Pablo vein towards the end of the year. Production was 615,000 ounces of silver and 3,100 ounces of gold bringing the silver equivalent total to 841,000 ounces (Q1 2015: 1.2 million).

San Jose

In what is a shorter period of operation due to scheduled hourly workers vacation in February, the San Jose operation delivered another solid quarter in line with the corresponding period of 2015 with lower than expected tonnage offset by higher grades. Silver production was 1.4 million ounces and gold production was 18,280 ounces resulting in silver equivalent production of 2.7 million ounces (Q1 2015: 2.7 million ounces).

Average realisable prices and sales

Average realisable precious metal prices in Q1 2016 (which are reported before the deduction of commercial discounts and include the effects of the existing hedging agreements) were \$1,266/ounce for gold and \$16.2/ounce for silver (Q1 2015: \$1,247/ounce for gold and \$17.6/ounce for silver).

Brownfield exploration

Due to the rainy season in Peru, exploration programmes were not scheduled to commence until the second quarter.

At Arcata, a 7,000 metre drilling programme is planned to incorporate additional resources from the Tunel 4, Marion and Alexia veins with the Q2 programme expected to consist of drilling at the Paralela 1 zone and to the north of the Tunel 4 vein.

At Pallancata, the main focus has been on mine development to access the Pablo vein with the Company currently on track to realise initial production from Pablo towards the end of the year. The focus of the brownfield exploration programme will be a 5,500 metre drilling programme to add resources in from the Pablo and Yurica veins as well as a surface drilling campaign at Yanacohita Norte in Q2. Geological mapping of the Pallancata-Selene area will also be carried out.

At San Jose, surface drilling is scheduled for the second quarter at the Aguas Vivas and Cerro Colorado Grande areas.

Financial position

Total cash was approximately \$105 million with net debt of approximately \$345 million as at 15 April 2016.

On 11 February 2016, the Group signed a zero cost collar contract with JP Morgan Chase Bank over three million ounces of silver at a call/put price of US\$17.60 and US\$14.00 per ounce, from 12 February to 30 December 2016. In addition, on 12 February 2016, the Group signed a commodity swap contract with Citibank to hedge 15,000 ounces of gold at a price of US\$1,244.25 per ounce from 12 February to 30 December 2016. These agreements are in addition to previous agreements for 2016 to hedge the sale of 29,000 ounces of gold at \$1,145 per ounce, 6.0 million ounces of silver at \$15.93 per ounce and 71,000 ounces of gold at a price of \$1,154 per ounce.

Outlook

The Company is on track to achieve its full year production target of 32.0 million attributable silver equivalent ounces with all-in sustaining cost per silver equivalent ounce expected to be between \$12 to \$12.5 in line with guidance.

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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 over 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 2016	Q4 2015	Q1 2015	12 mths 2015
Silver production (koz)	4,329	5,322	3,523	18,037
Gold production (koz)	60.04	82.87	26.66	213.37
Total silver equivalent (koz)	8,772	11,454	5,496	33,827
Total gold equivalent (koz)	118.54	154.78	74.27	457.12
Silver sold (koz)	4,471	5,866	3,348	17,263
Gold sold (koz)	62.54	96.61	25.64	187.39

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

ATTRIBUTABLE GROUP PRODUCTION

	Q1 2016	Q4 2015	Q1 2015	12 mths 2015
Silver production (koz)	3,662	4,345	2,879	14,752
Gold production (koz)	51.08	68.44	17.20	166.02
Silver equivalent (koz)	7,442	9,410	4,152	27,037
Gold equivalent (koz)	100.56	127.16	56.11	365.37

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

QUARTERLY PRODUCTION BY MINE

ARCATA

Product	Q1 2016	Q4 2015	Q1 2015	12 mths 2015
Ore production (tonnes treated)	161,092	184,994	145,551	648,051
Average grade silver (g/t)	309	288	330	323
Average grade gold (g/t)	1.13	1.03	0.97	0.99
Silver produced (koz)	1,377	1,453	1,287	5,613
Gold produced (koz)	4.68	4.58	3.47	15.67
Silver equivalent (koz)	1,724	1,792	1,544	6,772
Silver sold (koz)	1,349	1,798	1,057	5,653
Gold sold (koz)	4.43	5.30	2.85	15.29

INMACULADA

Product	Q1 2016	Q4 2015	Q1 2015	12 mths 2015
Ore production (tonnes treated)	280,530	329,925	-	659,737
Average grade silver (g/t)	121	118	-	115
Average grade gold (g/t)	4.05	4.57	-	4.36
Silver produced (koz)	974	1,084	-	2,055
Gold produced (koz)	34.02	45.11	-	84.64
Silver equivalent (koz)	3,492	4,423	-	8,318
Silver sold (koz)	882	1,546	-	1,638
Gold sold (koz)	31.91	3.64	-	67.51

PALLANCATA

Product	Q1 2016	Q4 2015	Q1 2015	12 mths 2015
Ore production (tonnes treated)	69,423	107,320	148,722	522,431
Average grade silver (g/t)	324	272	229	259
Average grade gold (g/t)	1.69	1.40	1.08	1.28
Silver produced (koz)	615	791	922	3,664
Gold produced (koz)	3.05	3.74	3.89	16.42
Silver equivalent (koz)	841	1,068	1,210	4,879
Silver sold (koz)	559	918	851	3,632
Gold sold (koz)	2.74	4.27	3.48	15.80

SAN JOSE

Product	Q1 2016	Q4 2015	Q1 2015	12 mths 2015
Ore production (tonnes treated)	101,937	154,642	108,771	532,488
Average grade silver (g/t)	470	453	428	448
Average grade gold (g/t)	6.27	6.63	6.20	6.36
Silver produced (koz)	1,362	1,994	1,315	6,706
Gold produced (koz)	18.28	29.44	19.29	96.64
Silver equivalent (koz)	2,715	4,172	2,742	13,857
Silver sold (koz)	1,681	1,604	1,439	6,340
Gold sold (koz)	23.46	23.17	19.31	88.79

The Company has a 51% interest in San Jose.

**Silver equivalent production assumes the average gold/silver ratio for 2015 of 74:1 unless otherwise stated.*

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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