



Hochschild Mining plc
European Gold Forum
April 2011



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Hochschild's advantageous positioning

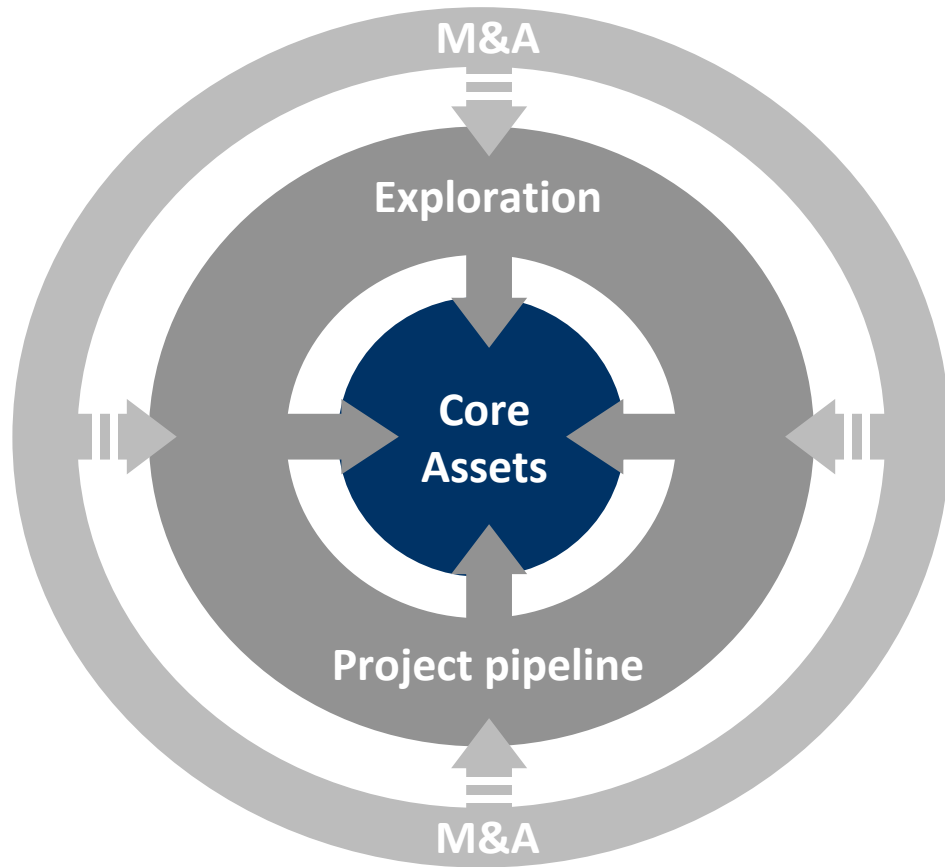


- **A leading precious metals producer in the Americas**
 - 3 of the 12 largest primary silver mines in the world
 - Operations in Peru, Argentina and Mexico
 - Long term core asset production: 20-23m oz Ag Eq
- **FTSE 250 with market cap of US\$3.5bn**
 - Ticker: HOC
- **Significant organic project pipeline**
 - 3 Advanced Projects
 - 8 potential “Company Makers”
 - Drill targets in 2011 throughout Latin America
 - US\$70 million exploration budget in 2011
- **Strong financial position with year end cash balance of US\$526m**
 - Repayment of \$114m syndicated loan in January 2011

+40 years of production experience of high margin, precious metal assets



Strategy



1

- Optimise LOM
- Improve productivity

Arcata
Pallancata
San Jose

2

- Land package
- People
- Incentives
- Budget

3 Advanced Projects
8 Company Makers
Solid pipeline

3

- Early stage
- Strong geological potential
- Highly accretive
- Control

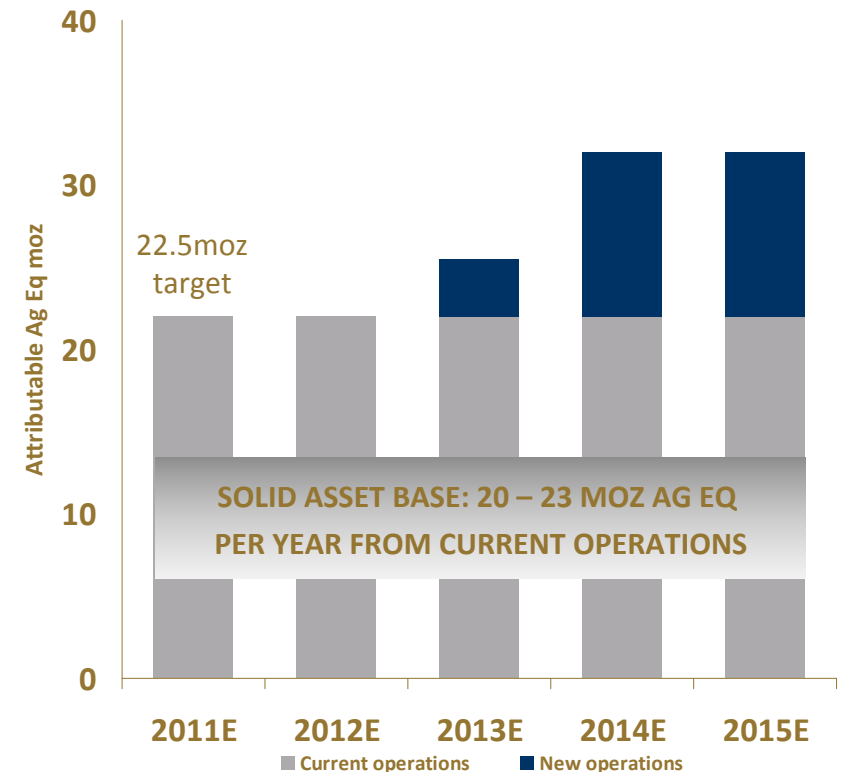
Bolt-on M&A

Strong emphasis on exploration-led growth



Continued operational delivery

- Bedrock of core assets delivering 20-23moz Ag Eq per year
- 22.5moz targeted for 2011
 - Stable production at Pallancata/San Jose
 - Arcata lower production due to move to mining reserve grade
- Strong brownfield potential at all three core mines
- Feasibility studies due:
 - Q4 2011: Inmaculada/Crespo
 - Q1 2012: Azuca
- Advanced projects to commence production in 2013
- Ongoing resource increases at all three advanced projects



Core asset base underpinning project pipeline development



Advanced Projects: Key stages

Project	Scoping	Feasibility	Construction	Production	Production based on current resources
Inmaculada	✓	Q4 2011	2012/2013	Q4 2013	6.6 moz Ag Eq (Avg p.a. attributable production)
Crespo	✓	Q4 2011	2012/2013	Q4 2013	2.3 moz Ag Eq (Avg p.a. production)
Azuca	✓	Q1 2012	2012/2013	Q4 2013	3.5 moz Ag Eq (Avg p.a. production)

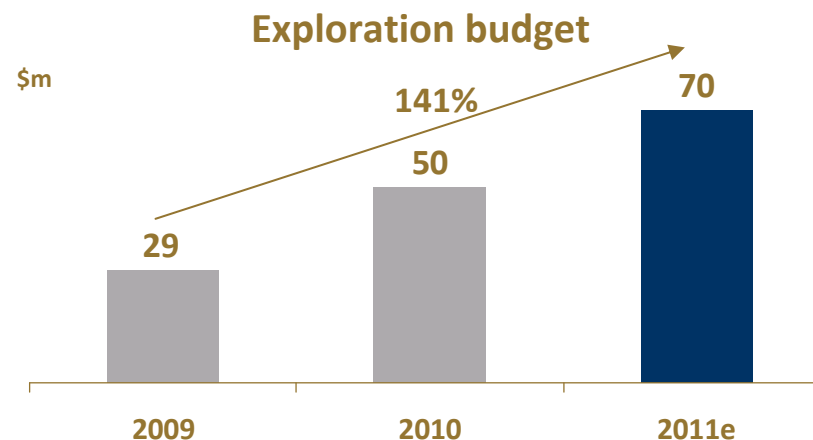


Potential to add over 12m attributable oz from end 2013

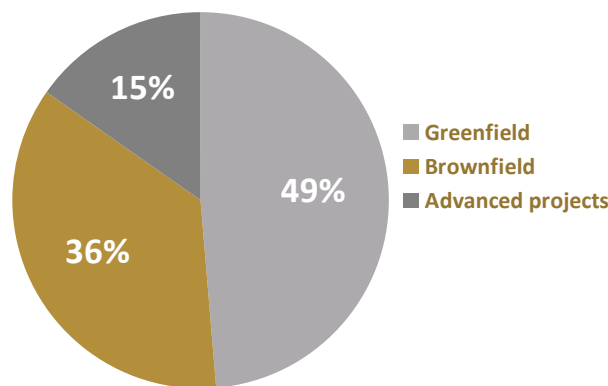


Strategic focus on exploration investment

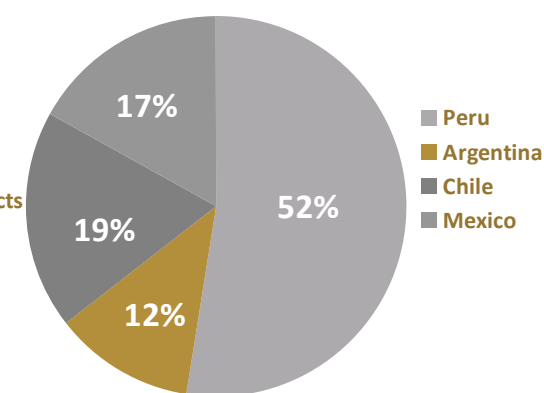
- Exploration budget increased 40% to \$70m in 2011
- Extensive and targeted greenfield drill programme:
 - 335,000 metres
 - 26 targets
- Four countries - Peru, Argentina, Chile & Mexico
- Eight 'Company Maker' prospects
- Additional copper projects from Southwestern Resources acquisition
 - Dedicated team/budget assigned
 - Strategic decision to be made following drill completion



2011
Exploration budget: \$70m



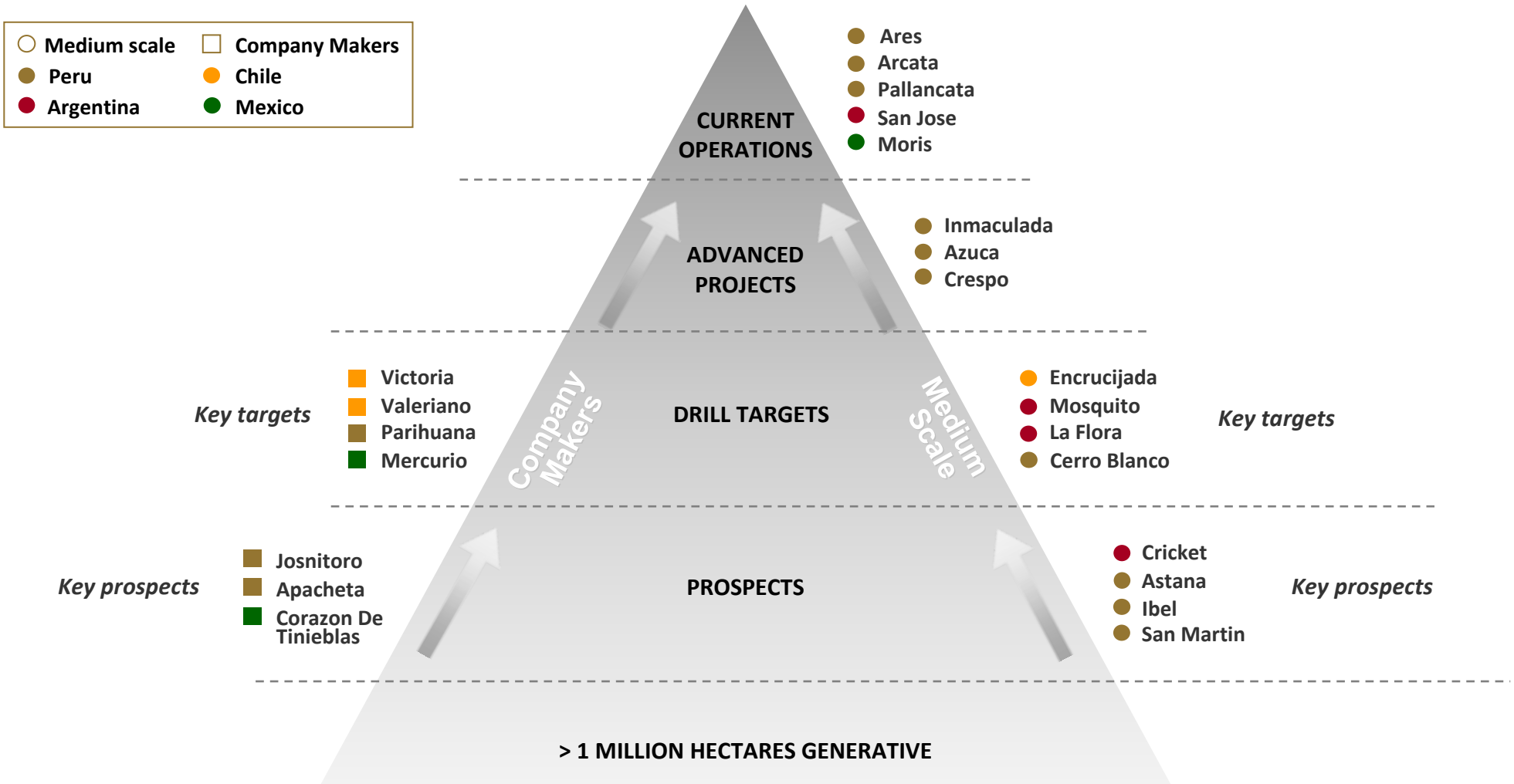
2011
Greenfield Exploration by country



Strong prospective presence across the Americas



High quality project pipeline



Further 40% increase in exploration budget versus 2010



Corporate development: realising value

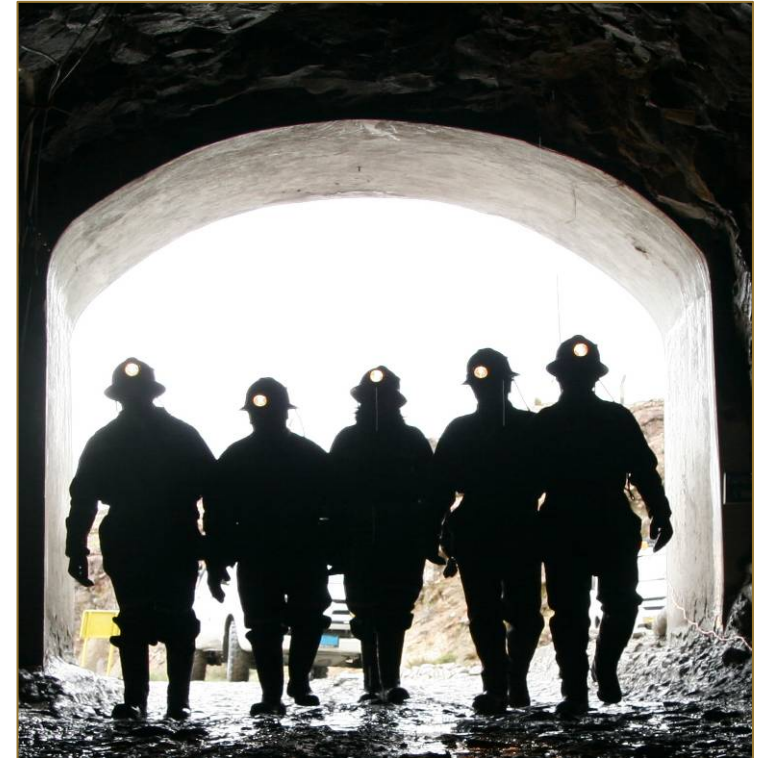
- Renewed focus on applying disciplined acquisition criteria
- Ongoing review of bolt-on M&A
- 2010 demonstrating strategy delivery:

- ✓ Lake Shore Gold (Canada)
 - Net proceeds of approx \$454m - 34% gain on avg purchase price
- ✓ Gold Resource Corp (Mexico)
 - Market value of US\$344m – unrealised gain of 397%
- ✓ Inmaculada (Peru)
 - Acquisition cost of US\$84/oz (Au Eq)
- ✓ Valeriano (Chile)
 - Highly prospective Company Maker - acquisition cost of US\$5.5m



Highlights

- **A record year**
 - Revenue up 39% to \$752m
 - Adjusted EBITDA up 59% to \$398m
 - EPS up 65% to \$0.28 per share
- **3 advanced projects commencing production end 2013**
 - Potential to add over 12m attributable oz
- **Solid core asset base - resource life up 23% to 8.7 years**
 - Stable operations
 - Excellent brownfield potential
- **Increased exploration budget: \$70m in 2011**
 - 50% to be invested in greenfield projects
- **Strong year end cash position of \$526m**
- **Reduced net debt:**
 - \$114m syndicated loan repaid
 - \$115m convertible remaining – strike price @£3.80
- **397% return on investment - \$344m in securities**
- **50% increase in final dividend to \$0.03 per share**



A record year underpinning renewed strategic focus



Strong financial position



High potential for value creation

- Excellent asset base
- Solid Advanced Projects
- Promising exploration pipeline
- Clearly defined strategy
- Strong financial position
- Leverage to precious metals



Appendix



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Core assets

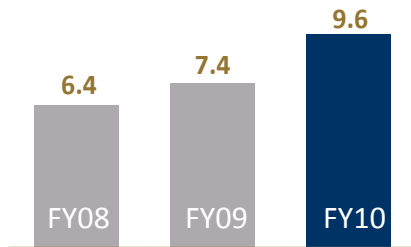
Arcata



- 100% owned
- Production commenced in 1964
- 2010 Unit cost: \$71.1/t
- Grades moved towards reserve grade to ensure consistent production
- Resource life up 30% in 2010 to 9.6yrs
- New high grade veins continue to be found

	2010
Production moz Ag eq	9.6
Avg. Ag eq grade (g/t)	522.5
Capacity(tpd)	1,750
Unit cost (\$/t)	71.1

LOM resources (yrs)



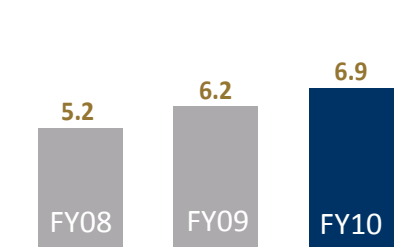
Pallancata



- 60% Hochschild/40% International Minerals Corp. (IMZ)
- Production commenced in Q307
- 2010 Unit cost: \$51.8/t
- Resource life up 11% to 6.9 yrs
- Significant brownfield expansion potential

	2010
Production moz Ag eq	12.3
Avg. Ag eq grade (g/t)	428.4
Capacity(tpd)	3,000
Unit cost (\$/t)	51.8

LOM resources (yrs)



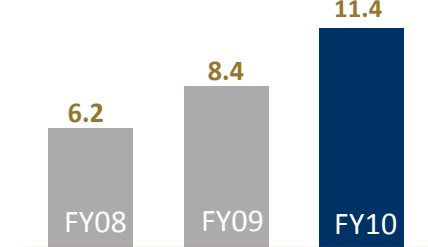
San Jose



- 51% Hochschild/49% Minera Andes (MAI)
- Production commenced in Q307; capacity doubled to 1,500tpd in 2008
- 2010 Unit cost of \$152.3/t up 29% due to high local cost inflation
- MAI lawsuit settled
- Resource life up 36% to 11.4yrs

	2010
Production moz Ag eq	10.4
Avg. Ag eq grade (g/t)	765.6
Capacity(tpd)	1,500
Unit cost (\$/t)	152.3

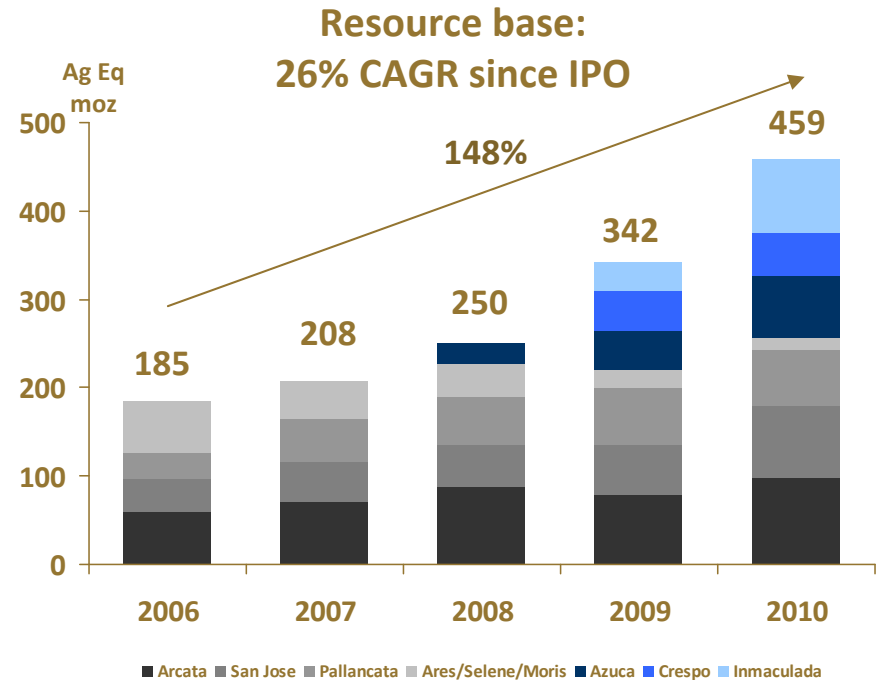
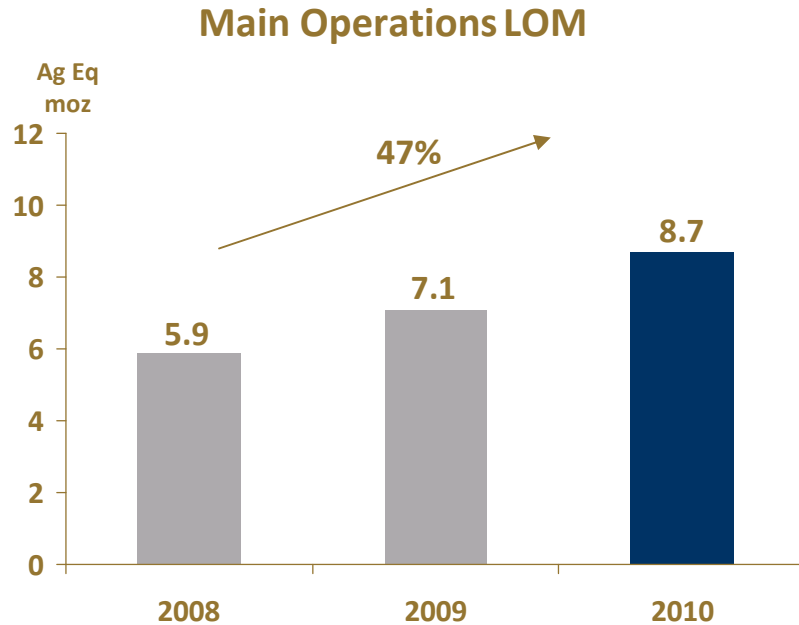
LOM resources (yrs)



Solid core asset base with brownfield expansion potential



Maximising LOM at core assets



- Resource life of mine at main operations is now approx **8.7 years** (core assets)
- Reserve cut-off grades applied to resources
- High conversion rate from resources to reserves

Growing resource base underpins plans at core assets and advanced projects

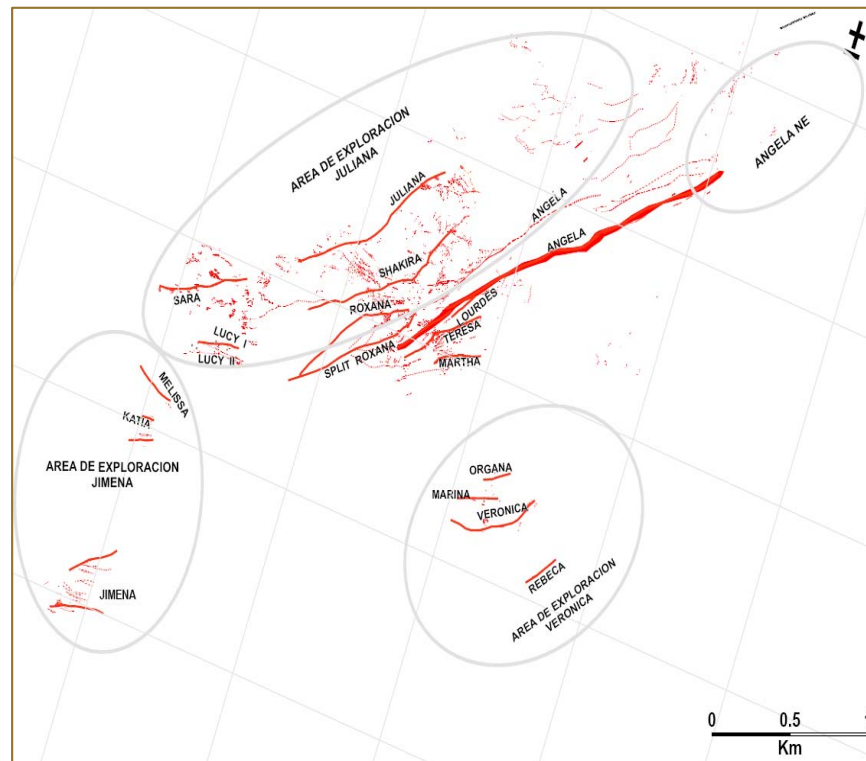


Advanced Projects: Inmaculada (Peru)

- 60% owned project at feasibility stage
- Acquisition cost of US\$84 per Au oz
- Estimated pre-operating investment of US\$168m
- Initial scoping study showing strong resource base:
 - Approximately 50m oz Ag Eq (M&I) resources already
 - Approximately 70m oz Ag Eq Inferred
 - Angela vein structure at 6 metre width
 - Mineralisation over 2,000m strike length and still open
- February announcement strengthens opportunity:
 - 59% increase in M&I resources to 76.0m oz Ag Eq
 - 29% increase in Ag Eq grades to 498g/t
 - 12% increase in total resources to 128.3m oz Ag Eq

SCOPING STUDY ECONOMICS		Au: \$1,000/oz Ag: \$17/oz	Au: \$1,400/oz Ag: \$24/oz
NPV (Non-discounted)*	\$m	660	1,148
NPV @ 5%	\$m	434	787
IRR	%	41%	63%

Inmaculada vein system

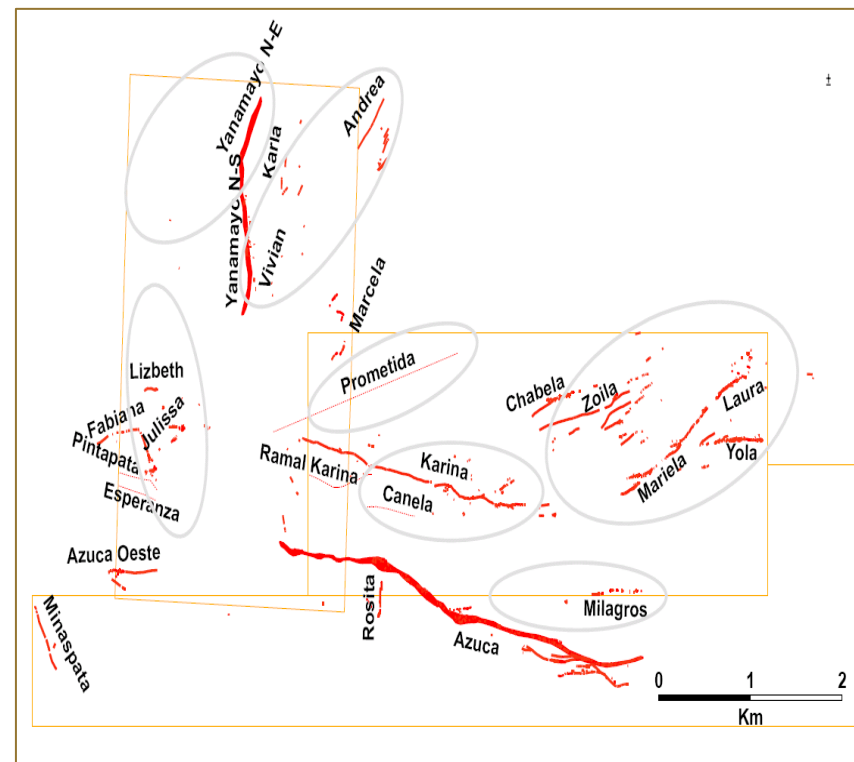


Advanced Projects: Azuca (Peru)

- 100% owned project
- Estimated pre-operating investment of US\$75m
- Significant geological potential:
 - 3 new veins discovered in 2010
 - Total inferred resources: 60.8m oz (Ag Eq)
 - Arcata sized district system: +300m oz Ag Eq?

SCOPING STUDY ECONOMICS		Au: \$1,000/oz Ag: \$17/oz	Au: \$1,400/oz Ag: \$24/oz
NPV (Non-discounted)*	\$m	107	304
NPV @ 5%	\$m	61	208
IRR	%	21%	57%

Azuca vein system

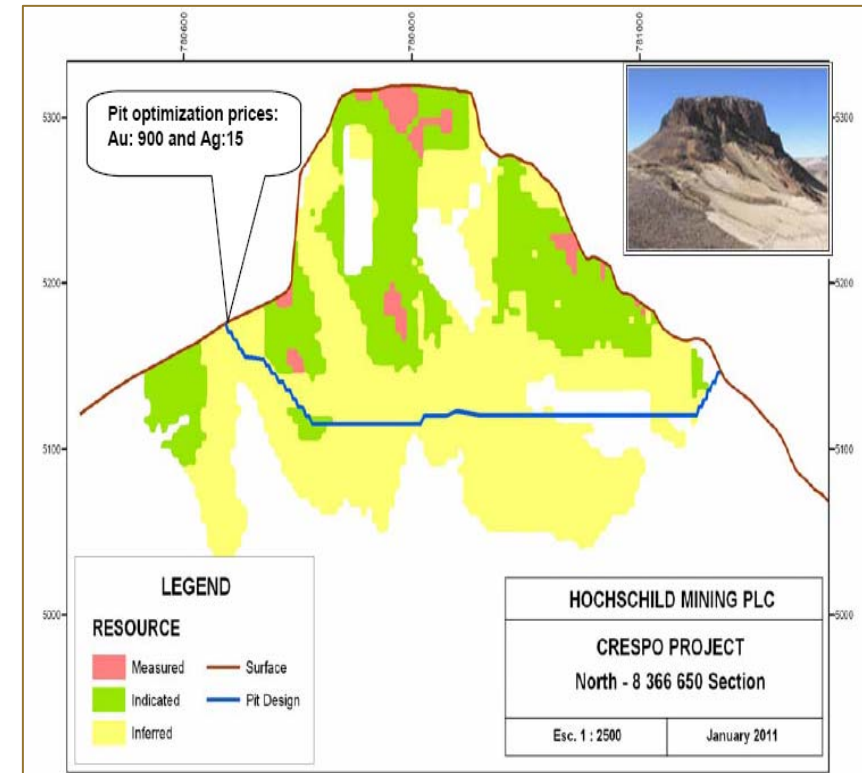


Advanced Projects: Crespo (Peru)

- 100% owned project
- Total resources of 49.4m oz (Ag Eq)*
 - Scoping study only used 31.3m of M&I resources
- Estimated pre-operating investment of US\$65m
- Strong exploration potential

SCOPING STUDY ECONOMICS		Au: \$1,000/oz Ag: \$17/oz	Au: \$1,400/oz Ag: \$24/oz
NPV (Non-discounted)**	\$m	54	167
NPV @ 5%	\$m	32	117
IRR	%	19%	47%

Crespo pit design



Simple open pit, heap leach operation

