

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.**

**If you have sold or otherwise transferred all of your Shares, please send this document, together with the accompanying Form of Proxy and other accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.**

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## **Hochschild Mining plc**

*(Incorporated and registered in England and Wales No. 05777693)*

### **Proposed acquisition of 113,880,630 common shares in International Minerals Corporation**

**and**

### **Notice of Extraordinary General Meeting**

**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Hochschild which is set out on pages 5 to 12 of this document and which recommends you to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting referred to below.**

Notice of an Extraordinary General Meeting of Hochschild to be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom at 9.30 a.m. on 29 November 2013 is set out at the end of this document. A Form of Proxy for use at the Extraordinary General Meeting is enclosed and, to be valid, should be completed, signed and returned so as to be received by the Company's Registrars, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom as soon as possible but, in any event, so as to arrive no later than 9.30 a.m. on 27 November 2013. Completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person should they wish to do so. A summary of the action to be taken by the Shareholders is set out on page 11 of this document and in the Notice of Extraordinary General Meeting.

**For a discussion of certain risk factors which should be taken into account when considering what action you should take in connection with the Extraordinary General Meeting, please see Part II "Risk Factors" of this document.**

BoA Merrill Lynch, who is authorised in the UK by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Hochschild and no-one else in connection with the Transaction. BoA Merrill Lynch will not regard any other person as its client in relation to the Transaction and will not be responsible to anyone other than Hochschild for providing the protections afforded to its clients, nor for providing advice in relation to the Transaction, the contents of this document, or any transaction, arrangement or other matter referred to herein.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of proxies	9.30 a.m. on 27 November 2013
Voting record date	27 November 2013
Extraordinary General Meeting	9.30 a.m. on 29 November 2013
Expected date of Completion	No later than 20 December 2013

*All times shown in this document are London times unless otherwise stated.*

*These times and dates are indicative only and are given on the basis of the Board's current expectations and are subject to change.*

## FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipates”, “expects”, “intends”, “may”, “will”, “believes”, “estimates”, “plans”, “targets”, “contemplates”, “confirms”, “budgets”, “aims”, “could”, “schedule”, “projects” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Hochschild Group’s or the Enlarged Group’s results of operations, financial position, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Hochschild Group’s or the Enlarged Group’s operations and financial position, and the development of the markets and the industry in which the Hochschild Group or the Enlarged Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this document.

In addition, even if the results of operations, financial position and the development of the markets and the industry in which the Hochschild Group or the Enlarged Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors discussed in Part II “Risk Factors” of this document.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as of their respective dates, reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Hochschild Group’s or the Enlarged Group’s operations, results of operations and growth strategy. You should specifically consider the factors identified in this document which could cause actual results to differ before making any decision in relation to the Transaction. Subject to the requirements of the FCA, the London Stock Exchange, the Listing Rules and the DTRs (and/or any regulatory requirements) or applicable law, the Company explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company’s expectations or to reflect events or circumstances after the date of this document.

Forward-looking statements contained in this document do not in any way seek to qualify the working capital statement contained in paragraph 11 of Part VI “Additional Information” of this document.

## **PRESENTATION OF FINANCIAL INFORMATION**

References to “£”, “pounds”, “pounds sterling”, “sterling”, “p”, “penny” and “pence” are to the lawful currency of the United Kingdom.

References to “\$”, “US\$”, “\$US”, “USD”, “US Dollars”, “US dollars” or “cents” are to the lawful currency of the United States of America.

References to “Nuevo Sol”, “Sol” or “S/” are to the lawful currency of Peru.

Percentages in tables may have been rounded and accordingly may not add up to 100%. Certain financial data has been rounded, and as a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

Throughout this document, except as otherwise stated, the sterling equivalents of amounts stated in US dollars have been provided as a guide to Shareholders using an exchange rate of 1.60, being the US dollar/sterling spot rate as published in by Bloomberg on 8 November 2013.

Throughout this document, except as otherwise stated, the Nuevo Sol equivalents of amounts stated in US dollars have been provided as a guide to Shareholders using an exchange rate of 2.80, being the Sol/US dollar spot rate as published by Bloomberg on 8 November 2013.

**PART I**  
**LETTER FROM THE CHAIRMAN OF HOCHSCHILD MINING PLC**

**HOCHSCHILD MINING PLC**

*(Incorporated and registered in England and Wales under number 5777693)*

*Directors:*

Eduardo Hochschild (*Executive Chairman*)  
Ignacio Bustamante (*Chief Executive Officer*)  
Roberto Dañino (*Deputy Chairman & Special Adviser*)  
Sir Malcolm Field (*Senior Independent Director*)  
Dr Graham Birch (*Non-Executive Director*)  
Enrico Bombieri (*Non-Executive Director*)  
Jorge Born Jr. (*Non-Executive Director*)  
Nigel Moore (*Non-Executive Director*)

*Registered Office:*

46 Albemarle Street  
London  
W1S 4JL

12 November 2013

**Acquisition of IMZ Minority Interests in the Pallancata Mine and Inmaculada Advanced Project**

Dear Shareholder

**1 Introduction**

On 2 October 2013, Hochschild Mining plc (“Hochschild” or the “Company”) announced that it had entered into a binding agreement to acquire the 40% interest held by International Minerals Corporation (“IMZ”) in the Pallancata Mine and Inmaculada Advanced Project in Peru (the “Peruvian Assets”). The acquisition of the Peruvian Assets will be effected by way of a court-approved Plan of Arrangement under the Business Corporations Act (Yukon) (the “Canadian Act”) whereby Hochschild will indirectly acquire through a wholly-owned subsidiary, HOC SubCo, all of the issued and outstanding common shares in IMZ that it does not already own (the “Transaction”). There are 117,636,376 IMZ common shares issued and outstanding of which 3,755,746 shares (3.2%) are owned by Hochschild. On Completion, Hochschild will therefore be acquiring 113,880,630 IMZ common shares, assuming no exercise of the IMZ Options. The Peruvian Assets are held through Minera Suyamarca S.A.C (“Suyamarca”), a joint venture company of which, Hochschild currently owns 60% and IMZ owns 40%. Following completion of the Transaction, Hochschild will indirectly own 100% of the Pallancata Mine and the Inmaculada Advanced Project through its 100% ownership of IMZ.

I am writing to you to explain the background to and the reasons for the Transaction, to explain why the Board unanimously considers the Transaction to be fair and reasonable so far as the Shareholders are concerned and to be in the best interests of the Shareholders as a whole and to recommend that you vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.

As a condition to the completion of the Transaction, IMZ will transfer all of its assets (other than the Peruvian Assets) and all of its liabilities (other than the liabilities related to the Peruvian Assets) to Chaparral Gold Corp., a newly incorporated British Columbia, Canada company (“Chaparral Gold”). Each IMZ Shareholder (other than Hochschild or its affiliates) will receive a cash payment of \$2.38 per IMZ Share (for aggregate cash consideration of approximately \$271,000,000) and each IMZ Shareholder (including Hochschild or its affiliates) will receive one common share of Chaparral Gold per IMZ Share. Under the terms of the Transaction, Hochschild will acquire the Peruvian Assets for a total value of approximately \$280,000,000, taking into account the cash payment of approximately \$271,000,000, the undisturbed market value of Hochschild’s existing 3.2% shareholding in IMZ, and the 3.2% shareholding in Chaparral Gold which Hochschild will acquire as part of the Transaction.

The completion of the Transaction is subject to a number of Conditions. Further details are set out in Part III “Principal Terms of the Transaction” of this document.

Due to the size of the Transaction in relation to the size of the Company, the Transaction is classified as a Class 1 transaction for the purposes of the Listing Rules. In addition, since IMZ indirectly holds a 40% interest in Suyamarca, IMZ is a related party of Hochschild and the Transaction is a related party transaction under Chapter 11 of the Listing Rules. The Transaction is therefore subject to, amongst other things, the approval of Hochschild's Shareholders at an Extraordinary General Meeting to be held on 29 November 2013. A Notice convening the Extraordinary General Meeting is set out at the end of this document.

**Shareholders should read the whole of this document and not just rely on the summarised information contained within this letter.**

## **2 Background to, and reasons for, the Transaction**

Hochschild and IMZ entered into a joint venture agreement dated 30 June 2006 (as amended) under which commercial production at the Pallancata Mine commenced in September 2007. Hochschild has a 60% interest in the Pallancata Mine and is also the operator of the mine. Hochschild entered into a joint venture agreement dated 28 December 2010 with, among others, Ares, Hochschild Mining Holdings Limited and IMZ in relation to the Inmaculada Advanced Project. Hochschild has a 60% interest in the Inmaculada Advanced Project through its shareholding in Suyamarca, an entity in which Ares and Hochschild Mining Peru, both being wholly-owned subsidiaries of Hochschild, have a 17.07% and 42.93% interest respectively.

Hochschild and IMZ have been in discussions on a number of occasions over the past several years in relation to the potential acquisition by Hochschild of IMZ's 40% interest in the Pallancata Mine and the Inmaculada Advanced Project. Hochschild and IMZ entered into a non-binding conditional offer letter on 23 August 2013 in relation to the Transaction which preceded the announcement of the Transaction by Hochschild on 2 October 2013 and by IMZ on 1 October 2013 after the close of trading on the TSX. The Board believes that there is a compelling strategic and commercial rationale for the Transaction and that it will offer the following benefits to the Company:

- **The acquisition of the IMZ Minority Interests will allow a low risk consolidation of well understood assets already controlled and operated by Hochschild.** The Pallancata Mine has, since its commissioning in 2007, grown to become Hochschild's biggest current cash flow generator and one of the most important contributing assets in the portfolio with strong potential to continue to expand the resource life-of-mine as well as the incorporation of additional higher grade veins. The Inmaculada Advanced Project has been progressed through Hochschild's project pipeline since the acquisition of a controlling stake from IMZ in 2010 and a feasibility study was published in January 2012 (the "Inmaculada Feasibility Study"). Following the recent approval of the final construction permit by the Peruvian government in September 2013, the Inmaculada Advanced Project is moving into its final phase of plant construction and is on track to commission in Q4 2014. The consolidation of the Peruvian Assets is also expected to deliver tax efficiencies going forward arising from the intended merger of the two Hochschild subsidiaries, Ares and Suyamarca, which is expected to be executed following completion of the Transaction.
- **The consolidation of the Peruvian Assets is expected to deliver production growth in a familiar, low risk jurisdiction at no additional administrative cost to the Company.** Hochschild has been operating in the south-west of Peru for almost 50 years, a region with increasingly strong government support for the mining industry. Its cluster strategy has allowed it to build up a strong local reputation and amongst the local governments, communities and suppliers in remote areas. As well as the Pallancata Mine and the Inmaculada Advanced Project, Hochschild also operates the Arcata Mine, the Selene Plant close to the Pallancata Mine and the smaller Ares operation.
- **The Inmaculada Mine is expected to be the lowest cost producer in the Hochschild portfolio.** The Inmaculada Feasibility Study estimated the operating costs of the Inmaculada operation to be in line with those of the Pallancata Mine. Initial production is set to be mined from the single wide Angela vein with extraction expected to be relatively simple with reduced dilution and an expectation that the overall level of operating costs and sustaining capital expenditure will be the lowest of all of Hochschild's operating assets. In addition, the consolidation of the Pallancata Mine, which is currently Hochschild's lowest cost operation, will also contribute to the lowering of the Company's average cash cost.

- **The Transaction increases exposure to the exciting Inmaculada Advanced Project with strong geological upside potential.** The Inmaculada Feasibility Study details a base case average annual production of approximately 12 million silver equivalent ounces per annum. However, Hochschild believes that the mineable resource base can be expanded by upgrading the inferred mineral resources in the south-west and north-east extensions of the Angela vein, into the reserve category through additional definition drilling work. In addition, the district in which the Inmaculada Advanced Project is located hosts over 25 kilometres of gold/silver-bearing quartz veins of the low sulphidation type which remain largely untested.

### 3 Information on Hochschild

Hochschild 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 50 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.

### 4 Information on IMZ and the Peruvian Assets

IMZ is a Yukon Territory, Canada, incorporated public company headquartered in Scottsdale, Arizona, with interests in gold and silver properties, both producing and under development, in Peru and the USA. The company is currently listed on the Toronto and Swiss stock exchanges under the symbol "IMZ" and quoted on the Frankfurt stock exchange under the symbol "MIW". 117,636,376 IMZ common shares are issued and outstanding, of which 3,755,746 common shares (3.2%) are owned by Hochschild.

IMZ holds its interests in the Peruvian Assets through a wholly-owned subsidiary, Minera Oro Vega S.A. which in turns holds a 40% interest in Suyamarca. Hochschild holds its 60% interest in the Pallancata Mine and the Inmaculada Advanced Project through its 60% interest in Suyamarca and, as a result fully consolidates the profits and gross assets relating to the Pallancata Mine and the Inmaculada Advanced Project within its results. The unaudited gross assets and unaudited profit after taxation of Suyamarca as extracted from the consolidation accounts underlying the audited consolidated financial statements of the Hochschild Group as at 31 December 2012 and for the year then ended were \$341,050,000 and \$89,246,000 respectively. The financial information summarised in this paragraph has been extracted from Part IV "Financial Information on Suyamarca" of this document. Shareholders should read the whole of this document and should not rely solely on the summarised financial information set out above.

Through the acquisition of IMZ Shares, Hochschild is effectively acquiring IMZ's 40% interest in:

- the Pallancata Mine, an underground mine principally producing silver since 2007, with current annual production of 7.4 million ounces of silver and 26,230 ounces of gold and an estimated resource mine life of 7.4 years based on existing measured and indicated resources; and
- the Inmaculada Advanced Project, an underground gold and silver deposit scheduled for production in Q4 2014. It has an expected total production of approximately 12 million silver equivalent ounces per annum and an estimated mine life of at least 6.3 years based on existing resources.

In addition to owning the remaining 60% in the Pallancata Mine and the Inmaculada Advanced Project, Hochschild is the operator of both assets. Consolidating ownership will increase the Company's geographic production exposure to Peru to approximately 85% once the Inmaculada Advanced Project is at full production.

On 20 September 2013, Hochschild announced that the Peruvian government had approved the mill construction permit for the Inmaculada Advanced Project. This represents completion of the final stage of the Inmaculada Advanced Project's construction permitting process with commissioning on track for Q4 2014.

Shareholders' attention is drawn to the Company's latest mineral reserves and mineral resources statement in the Company's Annual Report on pages 175-180 and the recent Q3 Production Update published by the Company on 16 October 2013.



## 5 Structure and Principal Terms of the Transaction

In connection with the Transaction, each IMZ Shareholder (other than Hochschild or its affiliates) will receive a cash payment of \$2.38 per IMZ Share (for aggregate cash consideration of approximately \$271,000,000) and each IMZ Shareholder (including Hochschild or its affiliates) will receive one common share of Chaparral Gold per IMZ Share.

As a condition to the Completion of the Transaction, IMZ will transfer all of its assets (other than the Peruvian Assets) and all of its related liabilities (other than the liabilities related to the Peruvian Assets), to Chaparral Gold that will initially be a wholly-owned subsidiary of IMZ (the “IMZ Internal Re-Organisation”). The IMZ Internal Re-Organisation will be effected pursuant to the terms of the Master Re-Organisation Agreement among IMZ, Chaparral Gold and the directly-held, non-Peruvian subsidiaries of IMZ. The following non-Peruvian assets and related liabilities of IMZ will be transferred to Chaparral Gold prior to Completion: (a) IMZ’s remaining cash and receivables (held directly or indirectly) (estimated at approximately \$58,000,000) and (b) IMZ’s non-Peruvian assets (based primarily in Nevada) and subsidiaries and related liabilities.

As required by Canadian securities laws, IMZ has obtained a formal, independent valuation of the IMZ Shares and Chaparral Gold Shares. The formal valuation results are required to be included in the notice and materials for the IMZ Securityholders Meeting.

Chaparral Gold intends to apply to have its shares listed on a Canadian stock exchange and IMZ’s Shareholders (including Hochschild through an affiliate) will receive shares of Chaparral Gold by way of a Plan of Arrangement under the Canadian Act in proportion to their existing shareholdings in IMZ. Any listing will be subject to meeting the initial listing requirements of such exchange, and there can be no assurance as to if, or when, the Chaparral Gold Shares will be listed or traded on any such stock exchange.

Hochschild (through HOC SubCo) will acquire 100% of the IMZ Shares (which will, at this stage, hold only the Peruvian Assets and liabilities related to the Peruvian Assets) that it does not already own by way of the Plan of Arrangement under the Canadian Act. In connection with the acquisition of the Peruvian Assets, Hochschild will be acquiring and retaining the current listed company, IMZ. Chaparral Gold has indemnified the Company and certain other entities with respect to all damages that they may suffer or incur as a result of, or arising directly or indirectly out of, or in connection with, or from the failure of Chaparral Gold to satisfy any assumed liability, which includes liabilities and obligations of IMZ related to the non-Peruvian companies being transferred to Chaparral Gold as well as change of control payments, the termination fee, and taxes which may become payable as a result of the IMZ Internal Re-Organisation or the distribution of Chaparral Gold Shares, as well as tax liabilities for taxation years ending on or before the Effective Date of the Transaction. To the extent that the indemnity is insufficient or unenforceable, the Company or IMZ may be liable for such liabilities after the Transaction.

In connection with and for the sole purpose of implementing the Plan of Arrangement under the Canadian Act, Hochschild, HOC SubCo, IMZ and Chaparral Gold have entered into an Arrangement Agreement under Canadian law which contains customary terms and conditions of a transaction of this nature including, but not limited to: (a) unanimous and unqualified support of both Hochschild’s and IMZ’s board of directors and a positive recommendation from each respective board of directors to its shareholders or in the case of IMZ, the IMZ Securityholders; (b) usual representations, warranties and covenants, including to carry on business in the ordinary course, conditions and completion mechanics for the Transaction; and (c) a non-solicitation covenant pursuant to which IMZ and Chaparral Gold have agreed, subject to customary “fiduciary out” provisions, not to solicit, initiate, encourage or otherwise facilitate any inquiry, proposal or offer, engage in any discussions or negotiations with any person (other than Hochschild) regarding any inquiry, proposal or offer, make a change in recommendation as it relates to the Arrangement, or accept, approve, endorse or recommend an Acquisition Proposal. Provided that IMZ complies with the non-solicitation covenant, it is entitled to consider and accept a Superior Proposal, and there is a right in favour of Hochschild to match any Superior Proposal within five business days, during which time it may (but is not required to) amend the terms of the Transaction to match or better any Superior Proposal that may arise.

The Arrangement Agreement can be terminated by the mutual written agreement of the parties to the Arrangement Agreement or by either IMZ or Hochschild on the occurrence of certain events or circumstances. Further details of the termination rights of each party are set out in Part III “Principal Terms of the Transaction” of this document.

Where the Arrangement Agreement is terminated in certain circumstances, a termination fee of \$10,000,000 is payable by IMZ to Hochschild. This includes where: (a) IMZ enters into an agreement with respect to a Superior Proposal prior to approval by IMZ Securityholders; (b) the IMZ board of directors withdraws or modifies its recommendation with respect to the Transaction; (c) IMZ Securityholders do not approve the Transaction; or (d) there is a breach of any representation or warranty or failure to perform any covenant or agreement on the part of IMZ under the Arrangement Agreement that would cause certain conditions under the Arrangement Agreement to not be satisfied and such breach is incapable of being cured if, prior to such termination, an Acquisition Proposal is publicly made or announced and remains outstanding.

Given the inherent volatility of metal prices, as protection for Shareholders, Hochschild has negotiated the right to terminate the Arrangement Agreement in the event of a Material Adverse Change in Metals Prices. This termination right may only be exercised by Hochschild prior to the approval by IMZ Securityholders of the Arrangement Resolution and, if exercised, it would result in a termination fee of \$10,000,000 being payable to IMZ. Due to the size of the termination fee at the time the parties entered into the Arrangement Agreement, under the Listing Rules, the payment of the termination fee should have been made subject to Shareholder approval.

It is intended that IMZ will de-list from the TSX and the SIX and end the quotation of its shares on the Frankfurt stock exchange upon the closing of the Transaction.

Further details of the principal terms of the Transaction are set out in Part III “Principal Terms of the Transaction” of this document.

## **6 Eduardo Hochschild Irrevocable Undertaking**

Eduardo Hochschild, Executive Chairman of Hochschild, has provided an irrevocable undertaking to vote all his current shareholding in the Company, representing, in aggregate, 199,320,272 Shares, or 54.3% of the currently issued share capital of Hochschild in favour of the Resolution at the Extraordinary General Meeting on 29 November 2013. Further details of this irrevocable undertaking are set out in Part III “Principal Terms of the Transaction” of this document.

## **7 IMZ Voting Agreements**

Approval of the Transaction will require the favourable vote of at least: (a) 66 2/3% of the votes cast by IMZ Securityholders voting together by a single class; and (b) a simple majority of the votes cast by minority IMZ Shareholders (excluding Hochschild’s 3.76 million shares and any other shares of any other IMZ Shareholders to be excluded pursuant to applicable Canadian securities laws) who vote in person or by proxy at the annual meeting of IMZ Shareholders and special meeting of IMZ Securityholders.

Customary Voting Agreements for a Canadian transaction of this nature have also been entered into between the Company and directors and officers of IMZ, pursuant to which such IMZ Securityholders have agreed to support and vote in favour of the Transaction at the annual meeting of IMZ Shareholders and special meeting of IMZ Securityholders in relation to the Transaction. Locked-up common shares held by directors and officers of IMZ represent in the aggregate approximately 2.4% of the common shares of IMZ and 55% of the outstanding IMZ Options calculated on a non-diluted basis (representing 3.7% on a fully diluted basis). Taking into account Hochschild’s indirect 3.2% shareholding in IMZ, it is expected that approximately 5.6% of the common shares of IMZ outstanding on a non-diluted basis shall be voted in favour of the Transaction pursuant to the Voting Agreements. Acceptance of a Superior Proposal by IMZ automatically terminates the obligations under the above Voting Agreements with Hochschild.

Further details of the Voting Agreements are set out in Part III “Principal Terms of the Transaction” of this document.

## **8 Financing the Transaction**

As the first stage of a broader corporate refinancing initiative, Hochschild has raised commitments for a \$340,000,000 senior secured bridge loan facility (the “Facility”), subject to the cancellation of the

\$140,000,000 Suyamarca Medium Term Loan Agreement. For further details on the terms of the Medium Term Loan Agreement and the Facility, your attention is drawn to Part VI “Additional Information” of this document.

In addition, on 2 October 2013, the Company undertook an equity placing (the “Placing”) to institutional investors, including Eduardo Hochschild, which raised gross proceeds of approximately \$72,800,000 (£45,000,000) through the issue of 29,000,000 new ordinary shares representing approximately 8.6% of Hochschild’s issued share capital prior to the Placing. For further details on the terms of the Placing, your attention is drawn to Part VI “Additional Information” of this document.

These new funding resources are in addition to Hochschild’s existing cash balance of \$273,300,000 (at 30 September 2013) and its remaining 21.1% stake in Gold Resource Corporation (as described in the Interim Results). The Facility and Placing have been sized to provide Hochschild with the requisite funding to fully support the Transaction, the Company’s anticipated remaining capital expenditure in relation to the Inmaculada Advanced Project of \$230,000,000 and to provide capacity to satisfy the Company’s upcoming convertible bond maturity in October 2014.

A review of bond and bank refinancing alternatives for the second stage of Hochschild’s balance sheet refinancing is being undertaken by Hochschild and its advisers.

## **9 Financial effects of the Transaction**

Hochschild expects the Transaction to be earnings enhancing in the first full year of ownership. The Pallancata and Inmaculada operations are fully consolidated in Hochschild’s accounts. As a result, the primary impact of the Transaction on Hochschild’s profits before subtracting non-controlling interests will be an increase in finance costs. The only impact on Hochschild’s balance sheet, other than a reduction in non-controlling interests, will be a change to the Company’s cash and debt position as a result of the Transaction financing. Profit attributable to non-controlling interests will reduce materially since the only material non-controlling interest remaining after Completion will be the 49% stake in the San José operations not held by Hochschild.

The consolidation of the Peruvian Assets is expected to deliver operational and tax efficiencies going forward arising from the intended merging of Ares and Suyamarca, which is expected to be executed following Completion of the Transaction.

The Transaction increases the Company’s pro forma cash flow and capital cost from the existing operations at Pallancata and the development cost of Inmaculada. However, the additional leverage reduces the Company’s ability to take on further debt financing for the purposes of additional strategic capital allocation. Subject to the Transaction completing, the strategy with regards to the Crespo Advanced Project, as approved by the Board, is to delay the project in order to better sequence capital allocation, with the focus now firmly on the construction of the Inmaculada Advanced Project with the increased resulting capital expenditure. This is expected to postpone approximately \$80,000,000 of remaining Crespo Advanced Project expenditure. Despite the prioritisation of Inmaculada, Crespo remains an important component of the Company’s portfolio of development assets. It is the management’s intention that, in the event that precious metals markets show sustained improvement, this would allow the Company to re-allocate capital to the Crespo Advanced Project and potentially re-initiate development sooner than would be otherwise anticipated.

## **10 Current trading & prospects**

On 21 August 2013, Hochschild published its Interim Results for the six months ended 30 June 2013 and on 16 October 2013 released its interim management statement for the three months ended 30 September 2013.

The Board is of the view that there has been no significant change to the Hochschild Group’s trading and prospects since the date of the Interim Results other than the Board expects that (a) the Hochschild Group will need to recognise an impairment of \$23,600,000 to its 21.1% investment in Gold Resource Corporation (“GRC”) in its next published financial statements due to the decline in the fair market value of the GRC shares it holds and (b) due to the decision of the Board to delay the commencement of production at the Crespo Advanced Project, the Hochschild Group will need to recognise an impairment of approximately \$17,000,000 to the value of the asset in its next published financial statements.

Hochschild remains on track to produce 20 million attributable silver equivalent ounces in 2013. In addition, since Hochschild's Interim Results, there has been no material change to the overall level of cost savings expected to be delivered as part of the Company's cash flow optimisation programme, first announced in May 2013.

Hochschild currently fully consolidates the Peruvian Assets in its accounts and operates both the Pallancata Mine and the Inmaculada Advanced Project. Therefore the performance of the portion of the Pallancata Mine and Inmaculada Advanced Project currently owned by IMZ is expected to match that currently owned and accounted for by Hochschild.

## **11 Other Conditions to Completion**

Completion of the Transaction is also subject to the shares of Chaparral Gold being conditionally approved for listing on the TSX, the approval of the Plan of Arrangement by the Supreme Court of Yukon, any anti-trust or foreign investment approvals (if required), there being no Material Adverse Effect to IMZ, the Peruvian Assets or the Peruvian Subsidiaries, and the Swiss Takeover Board either confirming that Swiss takeover laws do not apply to the transaction or exempting Hochschild from the application of Swiss takeover laws and that the Swiss Takeover Board's relevant decision becoming final and binding. This condition was satisfied effective on 15 October 2013. Further details of the Conditions are set out in Part III "Principal Terms of the Transaction" of this document. In addition, pursuant to the terms of the Arrangement Agreement, the Transaction must be completed prior to 31 January 2014.

Applicable Canadian law also grants shareholders of IMZ the right to dissent and to be paid fair value in cash, as determined by the Supreme Court of Yukon, if they do not support the Transaction and if they strictly follow the dissent requirements of the Canadian Act. It is a condition to Completion of the Transaction that Dissent Rights are not exercised with respect to more than 5% of the issued and outstanding IMZ Shares, otherwise Hochschild will have the right (but not the obligation) to terminate the Arrangement Agreement.

If, after obtaining Shareholder approval at the Extraordinary General Meeting but before Completion, there is a material change to the terms of the Transaction, the Company will seek fresh approval from Shareholders to the Transaction and completion of the Transaction shall be conditional on the Company obtaining such approval.

## **12 Notice of Extraordinary General Meeting**

In accordance with the Listing Rules, the Transaction is conditional on, amongst other things, the approval of Shareholders being obtained at the Extraordinary General Meeting. A Notice convening the Extraordinary General Meeting for the purpose of seeking Shareholder approval for the Resolution to be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom on 29 November 2013 at 9.30 a.m. is set out at the end of this document. At this meeting the Resolution will be proposed as an ordinary resolution requiring a majority of the votes cast in favour.

## **13 Action to be Taken**

You will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting. Whether or not you propose to be present at the Extraordinary General Meeting, you are requested to complete and sign the Form of Proxy, in accordance with the instructions printed thereon, and return it to the Company's Registrars, at the address shown on the Form of Proxy, to arrive as soon as possible and, in any event, not later than 9.30 a.m. on 27 November 2013. The return of a Form of Proxy will not prevent you from attending the meeting and voting in person if you wish.

CREST members may also choose to utilise the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of Extraordinary General Meeting at the end of this document.

## **14 Risk Factors and Additional Information**

Your attention is drawn to the further information contained in Parts II to VIII of this document and in particular, to Part II “Risk Factors” of this document and to the Notice of Extraordinary General Meeting set out at the end of this document. Shareholders should consider fully and carefully the risk factors associated with the Transaction and the operations of the Enlarged Group.

## **15 Recommendation**

The Board, which has been so advised by BofA Merrill Lynch, its financial adviser and sponsor, considers that the Transaction is fair and reasonable so far as the Shareholders as a whole are concerned. In providing its advice, BofA Merrill Lynch has taken into account the Board’s commercial assessments of the Transaction.

In addition, the Board believes the Transaction to be in the best interests of Shareholders as a whole and, accordingly, unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting, as the Directors each intend to do in respect of their own beneficial holdings which, as at 8 November 2013, being the latest practicable date prior to publication of this document, amounted in total to 199,633,210 ordinary Shares, representing 54.3% of the existing issued share capital of the Company.

Yours sincerely,

Eduardo Hochschild  
*Executive Chairman*

## **PART II RISK FACTORS**

*Prior to making any decision to vote in favour of the proposed Resolution at the Extraordinary General Meeting, Shareholders should carefully consider, together with all other information contained in this document, the specific factors and risks described below. Hochschild considers the following to be the most significant risk factors relating to the Transaction for Shareholders to consider.*

*The risks described below do not necessarily comprise all those associated with Hochschild and/or IMZ for which there are multiple risks that have not been disclosed below. The risks set out below are not set out in any particular order of priority. The information given is as at the date of this document and, except as required by the FCA, the London Stock Exchange, the Listing Rules and DTRs (and for any regulatory requirements) or applicable law, will not be updated.*

*There may be other risks of which the Board is not aware or which it believes to be immaterial which may, in the future, be connected to the Transaction and have an adverse effect on the business, financial condition, results or future prospects of the Enlarged Group. If this occurs, the price of the Shares may decline and Shareholders could lose all or part of their investment.*

### **Material risks related to the Transaction**

***The Transaction is subject to the satisfaction (or waiver, where applicable) of a number of Conditions and there can be no assurance that the Transaction will proceed if the Conditions are not satisfied or waived***

Completion of the Transaction is subject to the approval of the Shareholders at the Extraordinary General Meeting and the satisfaction (or waiver, where applicable) of a number of Conditions on or before 31 January 2014 or such later date as Hochschild and IMZ agree, including among others:

- (i) the approval of the Transaction by at least: (a) 66 2/3% of the votes cast by IMZ Securityholders voting together as a single class, and (b) a simple majority of the votes cast by minority IMZ Shareholders (excluding the Company's 3.76 million Shares and any other Shares of any other IMZ Shareholders to be excluded pursuant to the application of the Canadian security laws) who vote in person or by proxy at an annual and special meeting of IMZ;
- (ii) the approval of the Plan of Arrangement by the Supreme Court of Yukon;
- (iii) the shares of Chaparral Gold shall have been conditionally approved for listing on the TSX;
- (iv) there being no Material Adverse Effect to IMZ, the Peruvian Assets or the Peruvian Subsidiaries;
- (v) the completion of the IMZ Internal Re-Organisation in accordance with the Master Re-Organisation Agreement;
- (vi) any anti-trust or foreign investment approvals (if required) being obtained; and
- (vii) the Swiss Takeover Board either confirming that Swiss takeover laws do not apply to the transaction, or exempting the Company from the application of the Swiss takeover laws and the Swiss Takeover Board's relevant decision becoming final and binding. This condition was satisfied effective on 15 October 2013.

There is no guarantee that these (or any other) Conditions will be satisfied (or waived, if applicable). A failure to satisfy any of the Conditions may result in the Transaction not completing. If Shareholders do not approve the Transaction at the Extraordinary General Meeting, the Transaction will not complete.

### ***The Arrangement Agreement may be terminated in certain circumstances***

Each of Hochschild and IMZ has the right to terminate the Arrangement Agreement and the Arrangement in certain circumstances. Accordingly, there is no certainty, nor can Hochschild provide any assurance, that the Arrangement Agreement will not be terminated by Hochschild or IMZ before the completion of the Arrangement. For example, IMZ may terminate the Arrangement Agreement if, prior to receiving approval from IMZ Securityholders, the board of directors of IMZ authorises IMZ (subject to IMZ complying with its non-solicitation obligations and its obligation to pay the termination fee under the Arrangement Agreement) to enter

into a written agreement with respect to a Superior Proposal. There is no assurance that IMZ will not receive a Superior Proposal from another party, in which case IMZ could elect to terminate the Arrangement Agreement which would mean the Arrangement would not proceed and the Transaction would not complete.

***Hochschild may fail to realise the anticipated financial benefits from the Transaction or may incur unanticipated costs associated with the Transaction***

There is no assurance that the Transaction will achieve the financial benefits that Hochschild anticipates. Hochschild believes that the consideration for the Transaction is justified in part by the financial benefits it expects to achieve by acquiring the Peruvian Assets. However, these expected financial benefits may not develop and other assumptions upon which Hochschild determined the consideration may prove to be incorrect. To the extent that Hochschild achieves lower financial benefits than expected, its and the Enlarged Group's results of operations, financial condition and the price of the Shares may suffer.

**Existing material risks related to the Hochschild Group (or the Enlarged Group if the Transaction completes) which will be impacted by the Transaction**

***Hochschild and, if the Transaction completes, the Enlarged Group will have increased exposure to the political, legal and regulatory risks of operating in Peru***

Following Completion of the Transaction, Hochschild will indirectly hold 100% of the Pallancata Mine and Inmaculada Advanced Project, both of which are located in Peru. As such, Hochschild and the Enlarged Group will have greater exposure to the legal, tax and regulatory landscape in Peru, which is subject to change in a manner that may be materially adverse to Hochschild and the Enlarged Group. Changes to, among other things, government policies and regulations governing taxation, royalties, the environment and health and safety could result in significant additional expense for Hochschild and the Enlarged Group, and lead to restrictions on or suspensions of Hochschild's and the Enlarged Group's operations in Peru, delays in the development of current operations and projects.

***Hochschild and, if the Transaction completes, the Enlarged Group will have greater exposure to negative consequences of a delay, interruptions or cost overruns in delivering the Inmaculada Advanced Project***

Following Completion of the Transaction, Hochschild will own 100% of the Inmaculada Advanced Project and will therefore have greater exposure to any negative consequences that may arise as a result of a delay or any interruptions in delivering the Inmaculada Advanced Project to commission by Q4 2014, including delaying cash inflows and increasing capital costs which could ultimately reduce the profitability of Hochschild and the Enlarged Group. Any such delay, interruption or cost overruns in implementing Hochschild's and the Enlarged Group's planned capital investments relating to the Inmaculada Advanced Project could result in Hochschild and the Enlarged Group failing to complete the Inmaculada Advanced Project, which could have an adverse effect on Hochschild's and the Enlarged Group's business, financial condition, results of operations and prospects.

## **PART III PRINCIPAL TERMS OF THE TRANSACTION**

The following is a summary of the principal terms of the Transaction Agreements. The Transaction Agreements are available for inspection as described in Part VI “Additional Information” of this document.

### **1 Arrangement Agreement**

On 1 October 2013, Hochschild, HOC SubCo, IMZ and Chaparral Gold (the “Parties”) entered into an Arrangement Agreement, pursuant to which the Parties agreed to carry out the Arrangement in accordance with the Arrangement Agreement and on the terms and conditions set out in the Plan of Arrangement.

The consideration payable in respect of each IMZ Share that is issued and outstanding prior to the Effective Time is (i) in the case of IMZ Shareholders other than Hochschild and its affiliates, \$2.38 in cash and one Chaparral Gold Share, and (ii) in the case of Hochschild and its affiliates, one Chaparral Gold Share.

#### ***Covenants***

##### ***(a) Covenants of IMZ and Chaparral Gold regarding the conduct of business***

Each of IMZ and Chaparral Gold has given, in favour of Hochschild and HOC SubCo, certain covenants that are usual and customary for an agreement of this nature. These are intended to ensure that IMZ and each of its Peruvian subsidiaries carry on business relating to the Peruvian Assets in the ordinary course, except for any action required to give effect to the IMZ Internal Re-Organisation in accordance with the Master Re-Organisation Agreement, until the earlier of the Effective Time and the termination of the Arrangement Agreement.

IMZ and Chaparral Gold have also provided certain non-solicitation covenants in favour of Hochschild, subject to customary “fiduciary out” provisions, which entitle IMZ to consider and accept a Superior Proposal, and a right in favour of Hochschild to match any Superior Proposal within five business days, during which time it may (but is not required to) amend the terms of the Arrangement to match or better any Superior Proposal that may arise.

##### ***(b) Covenants of IMZ and Hochschild regarding the Arrangement***

Each of IMZ and Hochschild has given, in favour of the other, certain covenants which are usual and customary for an agreement of this nature. These covenants include, but are not limited to, the following:

- (i) that IMZ will, and will cause its subsidiaries to, perform all obligations required to be performed by IMZ or any of its subsidiaries under the Arrangement Agreement;
- (ii) that Hochschild will perform all its obligations under the Arrangement Agreement;
- (iii) that each of IMZ and Hochschild will co-operate in connection with the Arrangement Agreement and do or cause to be done all such acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by the IMZ Internal Re-Organisation and the Arrangement; and
- (iv) that Hochschild will have sufficient funds to satisfy the cash consideration payable to IMZ Shareholders.

#### ***Insurance and indemnification***

IMZ has agreed to purchase, prior to the Effective Date, customary “trailing” or “run-off” directors’ and officers’ liability insurance policies providing coverage no less favourable in the aggregate to the coverage provided by the policies maintained by IMZ and its subsidiaries which are in effect immediately prior to the Effective Date, and providing coverage in respect of claims arising from facts or events which occurred on or prior to the Effective Date. Following the Effective Date, Hochschild has agreed that it will, or will cause IMZ and the Peruvian Subsidiaries to, maintain such trailing or run-off policies in effect without any



reduction in scope or coverage for six years from the Effective Date, provided that the cost of such policies shall not exceed 200% of IMZ's current annual aggregate premium for such policies maintained by IMZ or its subsidiaries at the date of the Arrangement Agreement.

Following the Effective Date, Hochschild shall cause IMZ to honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of IMZ and its subsidiaries to the extent that they are disclosed to Hochschild and acknowledges that such rights, to the extent that they are disclosed to Hochschild, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.

### ***Representations and warranties***

The Parties have provided certain representations and warranties that are customary for the type of transactions contemplated by the Arrangement Agreement. The representations and warranties include, but are not limited to, the following:

- (a) the due organisation and authorisation of the Parties to enter into the Arrangement Agreement and carry out their obligations pursuant to it;
- (b) representations and warranties in respect of IMZ's business and operations as it relates to the Peruvian Assets; and
- (c) that Hochschild will have at the Effective Time, sufficient funds available to satisfy the aggregate consideration payable to the IMZ Shareholders pursuant to the Arrangement.

These representations and warranties may be subject to qualifications, limitations and exceptions agreed to by the Parties and shall terminate on the earlier of the Effective Time and the date on which the Arrangement Agreement is terminated in accordance with its terms.

### ***Conditions to Completion***

Completion of the transactions contemplated by the Arrangement Agreement is conditional on, among other things:

- (a) the IMZ Securityholders approving and adopting the Arrangement Resolution at the IMZ Securityholder Meeting;
- (b) the Interim Order and the Final Order of the Supreme Court of Yukon being obtained on terms consistent with the Arrangement Agreement, and in a manner acceptable to IMZ or Hochschild;
- (c) the Shareholders approving and adopting the Resolution at the Extraordinary General Meeting;
- (d) completion of the IMZ Internal Re-Organisation;
- (e) the Chaparral Gold Shares shall have been conditionally approved for listing on the TSX;
- (f) all Regulatory Approvals being obtained, if required;
- (g) the Swiss Takeover Board, the Swiss Financial Markets Supervisory Authority or the Swiss Federal Administrative Court, in a final and binding decision or judgment, in a form and content satisfactory to each of IMZ and Hochschild, acting reasonably, (i) having either confirmed that the Arrangement does not qualify as a takeover offer under Swiss takeover laws or having exempted the Arrangement from the application of Swiss takeover laws; and (ii) having either confirmed that Hochschild has no duty to make or have exempted Hochschild from the duty to make a takeover offer with respect to the transaction contemplated under the Arrangement. This condition was satisfied effective on 15 October 2013; and
- (h) the exemption from the registration requirements under Section 3(a)(10) of the U.S. Securities Act in respect of the issue and exchange of the Chaparral Gold Shares and Class A Shares being available.

In addition, the completion of Hochschild and HOC SubCo's obligations under the Arrangement Agreement are conditional on, among other things:

- (a) the Dissent Rights not being exercised with respect to more than 5% of the issued and outstanding IMZ Shares;
- (b) there not being any event, change, occurrence or state of facts that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect on IMZ, the Peruvian Assets, or the Peruvian Subsidiaries;
- (c) there not having been any single or aggregate breach of one or more of the Voting Agreements by one or more IMZ Shareholders or investment managers, who in the aggregate direct 10% or more of the votes that may be cast at the IMZ Securityholder Meeting, or if Voting Agreements representing less than 10% of the votes that may be cast at the IMZ Securityholder Meeting are executed and delivered to Hochschild, then there not being any breach of any of such executed Voting Agreements by IMZ Shareholders or investment managers who in the aggregate direct 5% or more of the votes that may be cast at the IMZ Securityholder Meeting;
- (d) the expiry or exercise of the IMZ Options, or the cancellation of each IMZ Option outstanding immediately prior to the Effective Time by the Final Order; and
- (e) the receipt from IMZ of the effective resignations from each of the directors and senior officers of IMZ and the Peruvian Subsidiaries, effective as of the Effective Date.

#### ***Termination of the Arrangement Agreement***

The Arrangement Agreement will terminate on the Effective Date unless terminated earlier on the occurrence of certain events or circumstances in accordance with the terms of the Arrangement Agreement. Such events and circumstances include, but are not limited to:

- (a) by the mutual written agreement of the Parties;
- (b) by either Hochschild or IMZ, if IMZ Securityholder approval or Hochschild Shareholder approval is not obtained;
- (c) by IMZ, if IMZ enters into an agreement with respect to a Superior Proposal prior to approval by IMZ Securityholders;
- (d) by Hochschild, if there has occurred a Material Adverse Effect to IMZ, the Peruvian Assets or the Peruvian Subsidiaries, provided that this termination right shall expire at 5.00 p.m. (Pacific time) on 6 December 2013; or
- (e) by Hochschild, if there has occurred a Material Adverse Change in Metals Prices, provided that this termination right may only be exercised by Hochschild prior to the approval by the IMZ Securityholders of the Arrangement Resolution.

#### ***Expenses and termination fee***

Termination prior to the Effective Date on the occurrence of certain events or circumstances specified in the Arrangement Agreement may result in (a) a termination fee of \$10,000,000 being payable by Hochschild to IMZ, if the Arrangement Agreement is terminated by Hochschild due to a Material Adverse Change in Metals Prices, or (b) a termination fee of \$10,000,000 being payable by IMZ to Hochschild, in such circumstances as set out in the Arrangement Agreement, including if (i) IMZ enters into an agreement with respect to a Superior Proposal prior to approval by IMZ Securityholders, (ii) the board of directors of IMZ withdraws or modifies its recommendation with respect to the Transaction, (iii) IMZ Securityholder approval is not obtained or (iv) there is a breach of any representation or warranty or failure to perform any covenant or agreement on the part of IMZ under the Arrangement Agreement that would cause certain conditions under the Arrangement Agreement to not be satisfied and such breach is incapable of being cured if, prior to such termination, an Acquisition Proposal is publicly made or announced and remains outstanding.

Each of the Parties will pay their own out-of-pocket third party transaction expenses incurred in connection with the Arrangement Agreement and the Plan of Arrangement including, without limitation, all costs, expenses and fees incurred prior to or after the Effective Date in connection with, or incidental to, the Plan of Arrangement and the IMZ Internal Re-Organisation.

### ***Indemnification by Chaparral Gold***

From the Effective Time, Chaparral Gold has agreed to indemnify and hold harmless the other Parties to the Arrangement Agreement and the Peruvian Subsidiaries (each, an “Indemnified Person”) from any and all damages suffered or incurred by an Indemnified Person as a result of, or arising directly or indirectly out of, or in connection with, or from the failure of Chaparral Gold to satisfy, those assumed obligations and liabilities of IMZ (and its subsidiaries, where required) detailed in the Arrangement Agreement. This provision survives the termination of the Arrangement Agreement.

## **2 Plan of Arrangement**

The Plan of Arrangement is appended to the Arrangement Agreement and sets out the terms and conditions of the Arrangement. The Arrangement shall become effective on the Effective Date, and is deemed to be completed at the Effective Time.

At the Effective Time, each of the following events shall occur in the order set out below:

- (a) each unexercised IMZ Option and the IMZ Option Plan shall immediately be cancelled and be of no further force and effect;
- (b) each of the IMZ Shares in respect of which Dissent Rights have been validly exercised by the Dissenting IMZ Shareholders shall be deemed to have been transferred to HOC SubCo, and HOC SubCo shall be entered as the registered holder of the IMZ Shares in the register of IMZ;
- (c) IMZ will create one new class of shares (the “Class A Shares”), and each IMZ Share will be exchanged for one Class A Share and one Chaparral Gold Share. The IMZ Shares will then be cancelled, and each IMZ Shareholder shall be deemed to be the holder of the Class A Shares and Chaparral Gold Shares and shall be entered as the registered holder of those shares in the register of IMZ or Chaparral Gold, as the case may be; and
- (d) each outstanding Class A Share (other than Class A Shares held by Hochschild, HOC SubCo or any affiliate) will be irrevocably assigned and transferred by the holder of such Class A Shares to HOC SubCo, and HOC SubCo shall be entered as the registered holder of such Class A Shares in the register of the Class A Shares maintained by or on behalf of IMZ.

Each Class A Share will be exchanged for US\$2.38 in cash from HOC SubCo. Each Dissenting IMZ Shareholder shall be entitled in accordance with the Canadian Act to be paid the fair value of the IMZ Shares held by them.

Following completion of the Arrangement, Hochschild will own, directly or indirectly, all of IMZ’s right, title and interest in Suyamarca, the Peruvian Assets and the shares and mineral projects of Minera Oro Vega S.A., IMZ’s existing cash and related receivables, and all of the shares of subsidiaries that own IMZ’s non-Peruvian assets (including the assumption of all liabilities related to IMZ’s non-Peruvian assets) will have been transferred to Chaparral Gold as part of the IMZ Internal Re-Organisation to occur prior to the Effective Date.

## **3 Voting Agreements**

On 1 October 2013, the Locked Up Shareholders, who between them own or exercise control over an aggregate of 2,779,166 IMZ Shares and 1,705,000 IMZ Options, representing approximately 3.7% of the issued and outstanding IMZ Shares (on a fully diluted basis), entered into Voting Agreements with the Company.

Pursuant to these agreements, the Locked Up Shareholders agreed, among other things, to (a) support the Arrangement and vote their IMZ Shares and IMZ Options in favour of the Arrangement Resolution at the

IMZ Securityholder Meeting and (b) vote their IMZ Shares and IMZ Options against any resolution proposed by IMZ, Chaparral Gold or any other person that could reasonably be expected to adversely affect the success of the Arrangement or delay its completion.

The Voting Agreements may be terminated by the Locked Up Shareholders in certain limited circumstances, including in the event that the Arrangement Agreement is terminated in accordance with its terms, including as a result of a Superior Proposal.

The Voting Agreements will be automatically terminated on the first to occur of (a) the Effective Date, (b) the date, if any, that the Arrangement Agreement is terminated in accordance with its terms, (c) the date, if any, upon which the Arrangement Agreement is amended contrary to Hochschild's amendment of the Arrangement Agreement without the Locked Up Shareholders' consent and (d) 31 January 2014, or such later date as may be agreed to in writing by the Parties.

#### **4 Eduardo Hochschild Irrevocable Undertaking**

On 1 October 2013, Eduardo Hochschild provided an irrevocable undertaking to the Company and IMZ under which he irrevocably undertook to each of the Company and IMZ that he will vote in respect of his beneficial shareholding in favour of the Resolution at the Extraordinary General Meeting. Eduardo Hochschild also agreed not to acquire or deal in any Shares, or fetter the voting rights attached thereto, in certain ways which may prejudice the success of the Transaction.

The obligations of Eduardo Hochschild under his undertaking shall lapse on the first to occur of (a) the date shown on the certificate of arrangement to be issued pursuant to subsection 195(11) of the Canadian Act, as amended, in respect of the articles of arrangement of IMZ pursuant to the Plan of Arrangement, (b) the date, if any, that the Arrangement Agreement is terminated in accordance with its terms, or (c) 31 January 2014 (or such later date as may be agreed to in writing by the Parties).

**PART IV**  
**FINANCIAL INFORMATION ON SUYAMARCA**

IMZ's sole assets following the IMZ Internal Re-Organisation will be the Peruvian Assets held indirectly through its wholly-owned subsidiary, Minera Oro Vega S.A., which in turn has a 40% interest in Suyamarca. Hochschild holds the remaining 60% interest in Suyamarca. As described in Part I "Letter from the Chairman of Hochschild Mining plc" of this document, IMZ will transfer to Chaparral Gold all of its non-Peruvian assets (based primarily in Nevada), subsidiaries and related liabilities including any remaining cash and receivables.

The unaudited financial information contained in this Part IV "Financial Information on Suyamarca" is in respect of Suyamarca, the owner of 100% of the Pallancata Mine and the Inmaculada Advanced Project. Suyamarca is a subsidiary of the Hochschild Group and 100% of its results, assets and liabilities are already consolidated into the Hochschild Group's historical financial statements. The unaudited financial information contained herein has been prepared under IFRS as adopted by the EU and has been extracted without material adjustment from the consolidation schedules used in preparing the audited consolidated financial statements of the Hochschild Group for the three years ended 31 December 2012, being the end of the latest financial period for which the Hochschild Group prepared statutory accounts.

The following financial information does not constitute the statutory accounts of Suyamarca for the three years ended 31 December 2012 within the meaning of Section 434 of the Companies Act 2006. The consolidated statutory accounts for the Hochschild Group for those financial years have been delivered to the Registrar of Companies. The auditors' reports in respect of the statutory accounts for each of those three financial years were unqualified, and did not contain references to any matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain statements under Sections 498(2) or (3) of the Companies Act 2006.

**INCOME STATEMENT**

<b>Year ended 31 December</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>US\$(000)</b>	<b>US\$(000)</b>	<b>US\$(000)</b>
<b>Revenues</b>	261,877	352,642	257,725
Cost of sales	(99,759)	(119,088)	(119,078)
<b>GROSS PROFIT</b>	162,118	233,554	138,647
Administrative expenses	(2,931)	(2,873)	(3,648)
Exploration expenses	(3,813)	(2,971)	(4,251)
Selling expenses	(3,497)	(4,132)	(3,524)
Other income	48	7,803	9,357
Other expenses	(173)	(10,229)	(9,320)
Impairment and write-off of assets	(102)	-	-
<b>PROFIT FROM CONTINUING OPERATIONS BEFORE NET FINANCE COSTS AND INCOME TAX</b>	151,650	221,152	127,261
Finance income	47	818	324
Finance costs	(206)	(267)	(359)

<b>Year ended 31 December</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>US\$(000)</b>	<b>US\$(000)</b>	<b>US\$(000)</b>
Foreign exchange gain/(loss)	(457)	1,488	(837)
<b>PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX</b>	151,034	223,191	126,389
Income tax expense	(42,140)	(66,883)	(37,143)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	108,894	156,308	89,246

## BALANCE SHEET

<b>As at 31 December</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>US\$(000)</b>	<b>US\$(000)</b>	<b>US\$(000)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	66,639	104,324	208,092
Evaluation & exploration assets	3,105	25,019	38,038
Total trade and other receivables	82	84	75
Total non-current assets	69,826	129,427	246,205
<b>CURRENT ASSETS</b>			
Inventories	13,410	10,238	12,708
Trade and other receivables	61,825	77,061	54,659
Income tax receivable	-	-	13,701
Other financial assets	8,744	-	-
Cash and cash equivalents	16,847	12,114	13,777
Total current assets	100,826	99,413	94,845
<b>TOTAL ASSETS</b>	170,652	228,840	341,050
<b>NON-CURRENT LIABILITIES</b>			
Provisions	6,739	10,564	10,472
Deferred income tax liabilities	9,920	9,077	23,618
Total non-current liabilities	16,659	19,641	34,090
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12,819	18,551	29,438
Derivative financial instruments	-	5,702	3,351

<b>As at 31 December</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>US\$(000)</b>	<b>US\$(000)</b>	<b>US\$(000)</b>
Borrowings	-	98	30
Provisions	12,759	18,080	5,276
Total income tax payable	14,010	15,444	1,819
Total current liabilities	39,588	57,875	39,914
<b>TOTAL LIABILITIES</b>	<b>56,247</b>	<b>77,516</b>	<b>74,004</b>

**PART V**  
**UNAUDITED PRO FORMA BALANCE SHEET FOR THE ENLARGED GROUP**

**SECTION A: UNAUDITED PRO FORMA BALANCE SHEET**

The unaudited pro forma balance sheet of the Hochschild Group has been based on the consolidated balance sheet of the Hochschild Group as at 30 June 2013 and prepared on the basis of the notes set out below. The unaudited pro forma balance sheet includes certain adjustments and has been prepared to illustrate the effect of the Transaction on the consolidated balance sheet of the Hochschild Group, the draw down of the Facility and the Placing as if they had taken place on 30 June 2013.

The unaudited pro-forma balance sheet has been prepared in a manner consistent with the accounting policies adopted by the Hochschild Group in preparing the interim consolidated condensed financial statements for the period ended 30 June 2013. The unaudited pro forma balance sheet of the Hochschild Group as at 30 June 2013 has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the actual financial position or results of the Hochschild Group.

			ADJUSTMENTS			
	Notes	Hochschild Group	Consideration	Elimination of non-controlling interest	Financing	Enlarged Group Pro forma
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		Note 1	Note 2	Note 3	Note 4	
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment		684,776				684,776
Evaluation and exploration assets		354,578				354,578
Intangible assets		44,334				44,334
Available for sale financial assets	2(ii)	142,609	(6,702)			135,907
Trade and other receivables		9,931				9,931
Deferred income tax assets		1,349				1,349
		<b>1,237,577</b>	<b>(6,702)</b>	-	-	<b>1,230,875</b>
<b>Current assets</b>						
Inventories		68,905				68,905
Trade and other receivables		145,751				145,751
Income tax receivable		28,219				28,219
Other financial assets		51				51
Cash and cash equivalents	2(i), 4(i), 4(ii)	239,274	(271,036)		342,800	311,038
		<b>482,200</b>	<b>(271,036)</b>	-	<b>342,800</b>	<b>553,964</b>
<b>Total assets</b>		<b>1,719,777</b>	<b>(277,738)</b>	-	<b>342,800</b>	<b>1,784,839</b>



			ADJUSTMENTS			
	Notes	Hochschild Group	Consideration	Elimination of non-controlling interest	Financing	Enlarged Group Pro forma
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		Note 1	Note 2	Note 3	Note 4	
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and reserves attributable to shareholders of the Parent</b>						
Equity share capital and share premium	4(ii)	554,665			72,800	627,465
Treasury shares		(898)				(898)
Other reserves	4	(211,809)		(128,289)		(340,098)
Retained earnings		675,417				675,417
		<b>1,017,375</b>	-	<b>(128,289)</b>	<b>72,800</b>	<b>961,886</b>
<b>Non-controlling interests</b>	4	258,889		(149,449)		109,440
<b>Total equity</b>		<b>1,276,264</b>	-	<b>(277,738)</b>	<b>72,800</b>	<b>1,071,326</b>
<b>Non current liabilities</b>						
Borrowings	3(i)	107,944			270,000	377,944
Provisions		71,936				71,936
Deferred income		20,000				20,000
Deferred income tax liabilities		80,798				80,798
		<b>280,678</b>	-	-	<b>270,000</b>	<b>550,678</b>
<b>Current liabilities</b>						
Trade and other payables		95,215				95,215
Other financial liabilities		16,174				16,174
Borrowings		39,775				39,775
Provisions		6,589				6,589
Income tax payable		5,082				5,082
		<b>162,835</b>	-	-	-	<b>162,835</b>
<b>Total liabilities</b>		<b>443,513</b>	-	-	<b>270,000</b>	<b>713,513</b>
<b>Total equity and liabilities</b>		<b>1,719,777</b>	-	<b>(277,738)</b>	<b>342,800</b>	<b>1,784,839</b>

## Notes to Pro Forma Financial Information

1. The consolidated balance sheet of the Hochschild Group as at 30 June 2013 has been extracted without material adjustment from the unaudited 2013 interim condensed consolidated set of financial statements for the Hochschild Group contained in the Interim Results, which are incorporated by reference in Part VII “Documentation Incorporated by Reference” of this document.
2. As set out in Part III “Principal Terms of the Transaction” of this document, the consideration payable in respect of each IMZ Share that is issued and outstanding prior to the Effective Time is:
  - (i) in the case of IMZ Shareholders other than the Hochschild Group and its affiliates, \$2.38 in cash and one Chaparral Gold Share. Adjustment reflects the cash payment by the Hochschild Group of \$2.38 for each of the IMZ common shares issued and outstanding not owned by the Hochschild Group as extracted without material adjustment from Part I “Letter from the Chairman of Hochschild Mining plc” of this document.

Number of IMZ common shares issued and outstanding	A	117,636,376
Number of IMZ common shares issued and outstanding owned by the Hochschild Group	B	3,755,746
Number of IMZ common shares issued and outstanding not owned by the Hochschild Group	C = A-B	113,880,630
Cash consideration	\$2.38 x C	US\$ 271,036,000

The payment of Chaparral Gold Shares to the IMZ Shareholders (other than the Hochschild Group or its affiliates) does not impact the balance sheet of the Hochschild Group.

- (ii) in the case of the Hochschild Group and its affiliates, one Chaparral Gold Share. The adjustment against “Available for sale financial assets” comprises the following:

<i>Adjustment</i>	<i>Reference</i>	<i>\$'000</i>
Value of Hochschild Group’s 3.2% shareholding in Chaparral Gold	2(iii)	938
Less: Value of Hochschild Group’s existing 3.2% shareholding in IMZ	2(iv)	(7,640)
Net adjustment		(6,702)

- (iii) Valuation of Chaparral Gold based on the valuation of IMZ less the cash element of the consideration as follows:

Valuation of IMZ based on the closing price of IMZ’s common shares of \$2.63 at 8 November 2013, being the latest practicable date prior to publication of this document, and total issued and outstanding common shares of 117,636,376 as extracted without material adjustment from Part I “Letter from the Chairman of Hochschild Mining plc” of this document	A	US\$’000 309,384
<i>Less:</i> valuation of the Peruvian Assets extracted without material adjustment from Part I “Letter from the Chairman of Hochschild Mining plc” of this document	B	(280,000)
Implied value of Chaparral Gold	C = A-B	29,384
Value of Hochschild Group share of Chaparral Gold based on 3.2% ownership of IMZ prior to the Transaction extracted without material adjustment from Part I “Letter from the Chairman of Hochschild Mining plc” of this document	D = C x 3.2%	938

- (iv) Value of the Hochschild Group’s existing 3.2% interest in IMZ:

Extracted without material adjustment from note 11 of the unaudited 2013 interim condensed consolidated set of financial statements in the Interim Results, which are incorporated by reference in Part VII “Documentation Incorporated by Reference” of this document.	US\$’000 7,640
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3. Represents the elimination of the non-controlling minority interest in Suyamarca as follows:

	US\$'000
Consideration:	
Cash (note 2(i))	271,036
Value of Hochschild Group's share of Chaparral Gold (note 2(ii))	(938)
Value of the Hochschild Group's existing 3.2% interest in IMZ (note 2(iv))	7,640
	277,738
Minority interest in Minera Suyamarca S.A.C extracted without material adjustment from the consolidation schedules used in preparing the interim condensed consolidated financial statements of the Hochschild Group for the six months ended 30 June 2013	(149,449)
Eliminated against other reserves	128,289

4. Adjustments to reflect the financing of the Transaction have been extracted without material adjustment from paragraph 8 of Part I "Letter from the Chairman of Hochschild Mining plc" of this document:
- (i) Gross draw down of the \$270,000,000 tranche of the \$340,000,000 senior secured bridge loan facility in order to finance the Transaction extracted without material adjustment from paragraph 9.1(d) of Part VI "Additional Information" of this document. As set out in paragraph 9.1(e)(ii) of Part VI "Additional Information" of this document, the \$140,000,000 Suyamarca Medium Term Loan Agreement will be terminated on Completion of the Transaction, although as this loan was undrawn at 30 June 2013 there would have been no repayments of the loan as at that date.
  - (ii) Gross proceeds of \$72,800,000 from the Placing on 2 October 2013.
5. No account has been taken of any trading or other transactions since 30 June 2013.

#### **Income statement pro forma**

As described in Part IV "Financial Information on Suyamarca" of this document, IMZ's sole assets following the IMZ Internal Re-Organisation will be its interests in the Peruvian Assets held indirectly through its wholly owned subsidiary, Minera Oro Vega S.A., which has a 40% interest in Suyamarca. The results, assets and liabilities of Suyamarca are already fully consolidated into the Hochschild Group's historical financial statements. The Directors believe that, had the Transaction, draw down of the Facility and the Placing taken place at the beginning of the last financial period, the consolidated income statement would have been affected only to the extent that finance costs would have been increased by the costs associated with the Facility offset by additional finance income generated from interest earned on increased cash deposits arising from any unutilised net proceeds from the Placing. The increase in finance costs would result in a decreased tax charge over this period. The loss for the period from continuing operations attributable to equity shareholders of the Company and non-controlling interests would have been impacted by an equal and opposite amount by the elimination of IMZ's indirect 40% minority interest in Suyamarca. This statement should not be taken to mean that the earnings per share of the Hochschild Group will necessarily match or exceed the historical reported earnings per share of the Hochschild Group and no forecast is intended or implied.

## SECTION B: ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

12 November 2013

The Directors  
Hochschild Mining plc  
46 Albemarle Street  
London, W1S 4JL  
United Kingdom

Dear Sirs

We report on the pro forma financial information (the "Pro Forma Financial Information") set out in Part V of the Circular dated 12 November 2013, which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by Hochschild Mining plc in preparing the interim consolidated condensed financial statements for the period ended 30 June 2013. This report is required by Listing Rule 13.3.3R and is given for the purpose of complying with that rule and for no other purpose.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Circular.

### **Responsibilities**

It is the responsibility of the directors of Hochschild Mining plc to prepare the Pro Forma Financial Information in accordance with Listing Rule 13.3.3R.

It is our responsibility to form an opinion, as required by Listing Rule 13.3.3R as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of Hochschild Mining plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Hochschild Mining plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion:

- 1 the Pro Forma Financial Information has been properly compiled on the basis stated; and
- 2 such basis is consistent with the accounting policies of Hochschild Mining plc.

Yours faithfully

Ernst & Young LLP

## **PART VI ADDITIONAL INFORMATION**

### **1 Responsibility**

Hochschild and the Directors, whose names are set out in paragraph 3.1 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of Hochschild and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **2 Hochschild and information on Pallancata and Inmaculada**

#### **2.1 Information on Hochschild**

The Company was incorporated and registered in the United Kingdom on 11 April 2006 under the Companies Act 1985 as a private company limited by shares with registered number 05777693 with the name of Hackremco (No. 2372) Limited.

Subsequently, the Company's name was changed to Hochschild Mining Limited on 13 June 2006 and then Hochschild Mining plc on re-registration as a public company limited by shares on 17 October 2006.

The registered office of the Company is 46 Albemarle Street, London W1S 4JL, United Kingdom (telephone: +44 (0) 207 907 2930). The Company's headquarters are located in Peru at Calle La Colonia No. 180, Urb. El Vivero, Santiago de Surco, Lima 33 (telephone: +511 317 2000).

#### **2.2 Duration and main terms of the licences**

As of the date of this document, the Company's mining rights and concessions in relation to its Peruvian activities are in full force and effect under applicable Peruvian laws and Hochschild believes that it is in compliance in all material respects with the terms and requirements applicable to its mining rights and concessions. The Hochschild Group also holds all material permits, licenses, and surface agreements necessary to access its mining concessions, as well as to operate its mines, carry on its development projects, and conduct exploration.

In Peru, mineral resources belong to the State. Mining activities are carried out exclusively through various forms of concessions granted by the State. A concession provides its titleholder with the exclusive right to undertake a specific mining activity within a determined area. Specifically, mining concessions grant the right to explore and exploit mineral resources (either metallic or non-metallic) and a processing concession grants the right to extract and concentrate minerals and, to purify and refine metals. A mining concession, however, is a different and separate property from the surface land where it is located. Consequently, holding a mining concession does not grant the titleholder any right to the surface land above the mine. To initiate mining activities, the holder of a mining concession must also have a title to the surface land.

The concessions for the Pallancata Mine and the Inmaculada Advanced Project, including rights to the surface land above each mine, are granted for an unlimited period, subject to the achievement of annual minimum levels of production/investment which come into effect after the sixth anniversary of the granting of title of the concession. The title to Pallancata was granted in September 1988 and title to Inmaculada was granted in November 1994. The annual minimum levels of aggregate revenue from production and investment at Pallancata and Inmaculada are US\$3,550,000 and US\$3,620,000 respectively. Annual concession fees of US\$59,093 for Pallancata and US\$62,070 for Inmaculada are also payable. An environmental impact assessment has been performed in relation to both assets and a mill operating permit has been granted to Pallancata. Inmaculada, which is currently under construction, has been granted a construction permit and the Company will seek a mill operating permit once construction has been completed. Additional licenses and permits have been granted including, among others, for the storage and use of explosives, to use underground and fresh water resources, to discharge domestic or industrial wastewaters, to dispose of solid waste, and to transport and use controlled chemical feedstock. The Company currently has no material

outstanding permits other than the mill operating permit for Inmaculada which is expected to be granted in due course.

## **2.3 Accessibility of the deposits**

### **2.3.1 Inmaculada Advanced Project**

The Inmaculada property is located in southern Peru in the Ayacucho Department. The property is found at elevations between 4,200 metres and 4,800 metres above sea level in the Puquio-Caylloma Belt and is located approximately 210 kilometres south-west of the town of Cuzco and 530 kilometres south-east of Lima. Inmaculada is 112 kilometres from Hochschild's Pallancata operation.

The site is readily accessible with two routes identified: (a) Lima-Inmaculada - a 930 kilometre route with 750 kilometres of paved road to be used to transport heavy equipment, materials, general supplies etc. and (b) Arequipa-Inmaculada - a 530 kilometre route with 250 kilometres of paved road providing an alternative for personnel transport and vehicles.

### **2.3.2 Pallancata Mine**

The Pallancata silver-gold property is located approximately 650 kilometres south-east of Lima in the Coronel Castaneda District, Parinacochas Province, Ayacucho Department, Peru. It is approximately 180 kilometres south-west of Cuzco and 240 kilometres north-west of Arequipa. The Pallancata property is accessed by road from Cuzco. The nearest sizeable population centre is the village of Izcahuaca, 40 kilometres to the north-west, with a population of approximately 500.

## **3 Directors and Senior Management**

3.1 The Directors and their principal functions are as follows:

Eduardo Hochschild	Executive Chairman
Ignacio Bustamante	Chief Executive Officer
Roberto Dañino	Deputy Chairman and Special Adviser
Sir Malcolm Field	Senior Independent and Non-Executive Director
Dr Graham Birch	Non-Executive Director
Enrico Bombieri	Non-Executive Director
Jorge Born Jr.	Non-Executive Director
Nigel Moore	Non-Executive Director

3.2 The Senior Management and their principal functions are as follows:

César Aguirre	Vice President, Exploration and Geology
Ramón Barúa	Chief Financial Officer
Isac Burstein	Vice President, Business Development
Eduardo Landin	Vice President, Operations
José Augusto Palma	Vice President, Legal & Corporate Affairs
Eduardo Villar	Vice President, Human Resources

## 4 Directors' and Senior Management's shareholdings

### 4.1 Interests in Shares

As at 8 November 2013 (being the latest practicable date prior to the publication of this document) the interests of the Directors and Senior Management in the share capital of the Company were as follows:

<u>Name</u>	<u>Interest</u>	<u>Number of Shares</u>	<u>As a percentage of issued share capital<sup>(1)</sup></u>
César Aguirre		0	0
Ramon Barua		0	0
Graham Birch	Beneficial	10,000	0.003%
Enrico Bombieri		0	0
Jorge Born Jr.		0	0
Isac Burstein		0	0
Ignacio Bustamante	Beneficial	62,219	0.017%
Roberto Dañino	Non-beneficial <sup>(2)</sup>	200,000	0.054%
Sir Malcolm Field	Beneficial	14,285	0.004%
Eduardo Hochschild	Beneficial <sup>(3)</sup>	199,320,272	54.30%
Eduardo Landin		0	0
Nigel Moore	Beneficial	26,434	0.007%
José Augusto Palma	Beneficial	2,245	0.001%
Eduardo Villar		0	0

Notes:

- (1) This assumes that none of the Convertible Bonds in issue at 8 November 2013 (being the last practicable date prior to the publication of this document) have been converted into Shares.
- (2) Roberto Dañino's shareholding is held by Navajo International Holdings Ltd.
- (3) Eduardo Hochschild holds an indirect interest in the Company through an intermediate holding company which he controls and which owns the entire issued share capital of Pelham Investment Corporation which, in turn, owns 182,415,206 Shares. The balance of 16,905,066 Shares is held by Inversiones Pacasmayo SA which is indirectly controlled by Eduardo Hochschild.

## 5 Directors' service contracts

Save for the service contracts described below, there are no existing or proposed service contracts between any Director or proposed director of the Company and the Company and its subsidiary undertakings.

### Executive Directors

Eduardo Hochschild is employed under contracts of employment with Hochschild and Ares, a Hochschild Group company, dated 16 October 2006 (as subsequently amended). Under these arrangements, one-fifth of his base salary is paid by the Company and four-fifths is paid by Ares. Mr Hochschild's contract has no fixed terms and may be terminated on 12 months' notice in writing. In setting the notice period for termination at 12 months, the Remuneration Committee of Hochschild has reduced the likelihood of having to pay excessive compensation in the event of termination at the Company's behest and, to this end, a provision for immediate dismissal with no compensation payable in the event of unsatisfactory performance is included in Mr Hochschild's contract.

Ignacio Bustamante is employed under a contract of employment with Ares dated 1 April 2007. The contract is subject to Peruvian law and, as such, has no fixed term and may be terminated (a) by Ignacio Bustamante on 30 days' notice and (b) by Ares without notice. Under Peruvian law, termination by Ares

other than termination for certain prescribed reasons (such as gross negligence) gives rise to an entitlement to compensation of no less than one-and-a-half times the monthly base salary for each year of service completed, up to a maximum of 12 months' base salary.

### Non-Executive Directors

The Hochschild Group's Non-Executive Directors serve under "Letters of Appointment" as detailed in the table below. In accordance with their terms, the Non-Executive Directors serve for an initial period of three years which is automatically extended for a further three years. Notwithstanding the foregoing, in line with the UK Corporate Governance Code, all Directors are subject to annual re-election by the Company in general meeting and the appointments of Non-Executive Directors may be determined by the Board or the Director giving not less than three months' notice.

In addition to the arrangements with respect to his Non-Executive directorship, as described above, Roberto Dañino has been engaged as a special adviser to the Chairman and Senior Management Team of the Company pursuant to a contract with Ares dated 28 December 2010. The contract provides for a one year term which renews automatically for further one year periods and can be terminated by either party on 30 days' written notice. In the event that Ares terminates the contract before 31 December 2015, Roberto Dañino is entitled to receive 30% of the fee payable to him in the period from the date of termination until 31 December 2015.

<u>Name</u>	<u>Letter of Appointment dated</u>	<u>Notice period</u>	<u>Current fees per annum</u>
Sir Malcolm Field <sup>(1)</sup> . . . . .	16 October 2006	3 months	£84,000 (US\$134,358)
Jorge Born Jr. . . . .	16 October 2006	3 months	£70,000 (US\$111,965)
Nigel Moore <sup>(1)</sup> . . . . .	16 October 2006	3 months	£84,000 (US\$134,358)
Roberto Dañino . . . . .	11 January 2011	3 months	£70,000 (US\$111,965)
Dr Graham Birch . . . . .	20 June 2011	3 months	£70,000 (US\$111,965)
Enrico Bombieri . . . . .	20 October 2012	3 months	£70,000 (US\$111,965)

Notes:

(1) The fees payable to Sir Malcolm Field and Nigel Moore reflect the additional time commitment required, given their positions as Chairman of the Remuneration Committee and the Audit Committee respectively.

## 6 Key Individuals

The names and principal functions of the key individuals of IMZ are as follows:

<u>Name</u>	<u>Position</u>
Stephen J. Kay	President and CEO, Executive Director
Scott M. Brunson	Chief Financial Officer
Nick Appleyard	Vice President, Corporate Development
Paul Durham	Vice President, Corporate Relations
Alan F. Matthews	Vice President, Special Projects



## 7 Major Shareholders

As at 8 November 2013 (being the latest practicable date prior to the publication of this document) the Company had been notified of the following holdings in the Company's issued share capital pursuant to DTR 5:

<b>Shareholder</b>	<b>Number of Shares</b>	<b>Number of voting rights<sup>(1)</sup></b>	<b>Percentage of voting rights attached to the issued share capital</b>
Eduardo Hochschild	199,320,272	199,320,272	54.30%
Vanguard Group Inc.	41,000,000	41,000,000	11.17%
Prudential plc Group of Companies <sup>(2)</sup>	22,277,961	22,277,961	6.07%
Altima Global Special Situations Master Fund Limited <sup>(3)</sup>	12,003,175	12,003,175	3.27%

Notes:

- (1) The total number of issued Shares in the Company on 8 November 2013, which is the latest practicable date before the publication of this document, is 367,101,352, carrying one vote each on a poll. Therefore, the total number of votes exercisable as at 8 November 2013 is 367,101,352.
- (2) In addition to the holdings disclosed above, Prudential plc Group of Companies has notified the Company of an interest in 931,666 ordinary Shares through a holding of the Company's Convertible Bonds.
- (3) Notwithstanding the above (which is based on information received by the Company in June 2009), the Company is aware that Altima no longer has an interest in the Company which is notifiable under the DTR.

## 8 Related party transactions

Save as otherwise disclosed below, there have been no related party transactions entered into by Hochschild since 30 June 2013, the date on which the last published Interim Results were prepared.

On 2 October 2013, Eduardo Hochschild provided an irrevocable undertaking to the Company and IMZ to vote all his shares in Hochschild in favour of the Resolution at the Extraordinary General Meeting to be held on 29 November 2013. Further details of this irrevocable undertaking are set out in Part III "Principal Terms of the Transaction" of this document.

On 2 October 2013, in connection with the Placing, Eduardo Hochschild entered into an irrevocable commitment letter pursuant to which he provided an irrevocable undertaking to subscribe, through Inversiones Pacasmayo S.A. (an entity controlled by Eduardo Hochschild), for the lower of (i) such number of Placing Shares as is equal to an amount representing not more than 4.99% of the total issued share capital of the Company prior to completion of the Placing and (ii) such number of Placing Shares as results in an aggregate consideration of an amount equal to not less than \$50,000,000 being payable for such Placing Shares such that immediately following completion of the Placing, Eduardo Hochschild will indirectly hold not less than 50.1% of the total issued share capital of the Company on a fully diluted basis.

## 9 Material contracts

### 9.1 The Hochschild Group

The following contracts (not being contracts entered into in the ordinary course of business) are the only contracts which (A) the Shareholders would reasonably require in making a properly informed assessment of how to vote on the Resolution and (B) have been entered into by members of the Hochschild Group (i) within the two years immediately preceding the date of this document which are, or may be, material or (ii) which contain any provision under which any member of the Hochschild Group has any obligation or entitlement which is material to the Hochschild Group as at the date of this document:

(a) **Agreements in relation to the issue of Convertible Bonds by the Company**

(i) **Trust Deed**

The Company entered into a trust deed with Citicorp Trustee Company Limited dated 20 October 2009.

The trust deed constituted the Convertible Bonds, appointed Citicorp Trustee Company Limited as the trustee and provided for a commission in respect of the services provided by Citicorp Trustee Company Limited.

(ii) **Paying and Conversion Agency Agreement**

The Company entered into a paying and conversion agency agreement with, among others, Citicorp Trustee Company Limited dated 20 October 2009. The paying and conversion agency agreement set out, among other things, the terms of the appointment and duties of Citibank, N.A., in its capacity as the principal paying and conversion agent, and provided for a commission in respect of the services provided by Citibank, N.A.

(b) **Relationship Agreement**

The Company entered into a relationship agreement with, among others, Eduardo Hochschild, dated 20 October 2006, which ensures that the Hochschild Group is capable of carrying on its business independently, and that transactions and relationships between, among others, the Hochschild Group and Eduardo Hochschild are at arm's length and on normal commercial terms.

(c) **Agreements in relation to the Placing**

(i) **Placing Agreement**

On 2 October 2013, the Company undertook an equity Placing to institutional investors, raising gross proceeds of approximately US\$72,800,000. The Placing Shares in respect of the Placing were placed pursuant to a Placing Agreement entered into by the Company with Goldman Sachs International and BoA Merrill Lynch (together, the "Banks"). Under the Placing Agreement, the Banks, as agents for and on behalf of the Company, agreed severally (and not jointly or jointly and severally) to use reasonable endeavours to procure institutional investors to accept the allotment of the Placing Shares, on such terms as are provided for in the Placing Agreement.

Subject to certain conditions set out in the Placing Agreement, the Banks also agreed severally (and not jointly or jointly and severally) that, to the extent any institutional investor defaulted in paying the price in respect of any Placing Shares allocated to it, such price to be determined by the Banks pursuant to a bookbuilding process and notified to the Company in accordance with the Placing Agreement, the Banks would acquire such Placing Shares for the price previously determined and in such proportions as set out in the Placing Agreement. Under the terms of the Placing Agreement, the Company agreed to pay each of the Banks a commission fee.

(ii) **Subscription and Transfer Agreement**

The Company entered into a subscription and transfer agreement with Skyfall Jersey Limited and BoA Merrill Lynch on 2 October 2013. The agreement provides for, among other things, the subscription by BoA Merrill Lynch of 100 preference shares in Skyfall Jersey Limited and the acquisition by the Company of the ordinary shares and preference shares issued by Skyfall Jersey Limited to BoA Merrill Lynch.

The transfer to the Company of the preference shares held by BoA Merrill Lynch pursuant to the subscription and transfer agreement is consideration for the issue and allotment of the Placing Shares by the Company pursuant to the Placing Agreement.

(iii) **Option Agreement**

The Company entered into an option agreement with Skyfall Jersey Limited and BoA Merrill Lynch on 2 October 2013 regarding, among other things, the subscription by BoA Merrill Lynch of 11 ordinary shares in Skyfall Jersey Limited and setting out the rights of BoA Merrill Lynch to require the Company to purchase the ordinary shares held by BoA Merrill Lynch in the event that the admission of the Placing Shares to the Official List and to trading on the London Stock Exchange becomes effective in accordance with the Listing Rules and the Admission and Disclosure Standards.

(d) **Bridge Facility**

The Company entered into an acquisition bridge Facility of up to US\$340,000,000 on 2 October 2013 via a commitment letter with Bank of America, N.A., Goldman Sachs International and Banco Bilbao Vizcaya Argentaria, S.A (the “Lenders”). The Facility will be available to Ares, a wholly-owned subsidiary of the Company, for, amongst other purposes, the financing of the Transaction subject to satisfactory completion of customary conditions. The Company, Hochschild Mining (Perú) S.A. and Suyamarca, among others, will be guarantors in relation to the Facility (the “Guarantors”), and the Facility may be further syndicated.

The Facility will have two tranches: (i) US\$270,000,000 to finance the Transaction, available in a single drawdown on the date of the acquisition by HOC SubCo of all the equity interests in IMZ not then owned by HOC SubCo and its affiliates (the “Closing Date”) and (ii) US\$70,000,000 available until 31 January 2014, to finance working capital and other general corporate purposes. The aggregate principal amount of the Facility is up to US\$340,000,000 at an initial coupon of LIBOR plus a margin between 250 – 475 basis points, dependent on (i) rating, (ii) a market flex mechanism and (iii) an increasing ratchet over time between three and 16 months post-closing to a maximum margin of 600 – 800 basis points. Ares shall also pay the Lenders a commitment fee at a rate per annum equal to 35% of the then applicable margin on the daily average amount of the commitments of the senior lenders in respect of the Facility and will commence to accrue on the date on which the credit agreement evidencing the Facility is executed, and shall cease to accrue on the date on which the commitments in respect of the Facility terminate.

The Facility contains customary terms pursuant to which the Lenders can require the issuance of debt instruments to refinance the Facility subject to certain caps on yield dependent on whether the Company has obtained a credit rating and, if so, the level of the rating obtained. Such conversion may be required at any point from 1 February 2014, and the highest yield at which such take-out financing could be set is fixed at a rate equal to the indicative yield the Company would pay to issue debt securities if it were to issue them on signing of the Facility, plus a spread of 275 basis points. The Facility will be secured by a valid and perfected first priority lien and security interest in favour of the senior lenders in all shares of capital stock of, and equity rights in, each Guarantor, other than the Company. The Facility will mature on the 12 month anniversary of the Closing Date, but may be extended by Ares for an additional 4 months. The Facility can be repaid prior to maturity.

(e) **Agreements in relation to Suyamarca**

(i) **Medium Term Loan Agreement**

Suyamarca entered into a loan agreement for a total amount of US\$140,000,000 with BBVA Banco Continental (“BBVA”) and Banco de Crédito del Perú (“BCP”) on 18 March 2013 (the “Closing Date”), pursuant to which BBVA advanced US\$75,000,000 and BCP advanced US\$65,000,000 to Suyamarca for the purpose of (i) financing the Inmaculada Advanced Project, (ii) refinancing the debt incurred pursuant to the Inmaculada Advanced Project and (iii) replenishing the funds used in the Inmaculada Advanced Project. The loan has a term of 7 years (commencing on the Closing Date).

Under the terms of the loan agreement, Suyamarca has a period of 18 months from the Closing Date in which it can request disbursements to be re-paid under the loan (the “Availability Period”). During the Availability Period, Suyamarca cannot make any prepayments under the loan agreement, however, after the Availability Period, it may make prepayments of not less than US\$3,000,000 at any time provided that advance notice is given to the agent administering the loan in accordance with the terms of the loan agreement.

Compensatory interest is payable on a quarterly basis under the loan agreement, at a rate of LIBOR plus the applicable margin. In addition, default interest is also payable at a rate of the compensatory interest plus an additional 2%.

This loan agreement will be terminated on Completion of the Transaction.

**(ii) Engineering, Procurement and Construction Agreement**

Suyamarca entered into a construction agreement with GYM S.A. on 10 August 2012 for the engineering, procurement, construction, pre-commissioning and commissioning of the components (and sub-components) comprising the mill processing plant. The construction agreement became effective on 8 August 2012 and will expire on completion of construction. Under the terms of the construction agreement, Suyamarca has agreed to pay GYM S.A. a fixed lump sum of US\$99,400,000 plus S/.112,890,000 (US\$40,289,079) as consideration.

Suyamarca has been granted the following guarantees by GYM S.A. as security under the construction agreement: (a) a performance guarantee, (b) an advance payment guarantee, (c) a guarantee fund (equivalent to 5% of each monthly invoice), (d) a design guarantee and (e) a construction guarantee.

**(iii) Power Transmission Agreement for the Installation of Supplementary Transmission System**

Suyamarca entered into a power transmission agreement with Consorcio Transmataro S.A. (“CTM”) on 23 November 2012, pursuant to which CTM has agreed to build, maintain and operate power transmission assets (the “Power Transmission Assets”) for the supply of 220kV of power to the Pallancata Mine and the Inmaculada Advanced Project, and to provide services for such supply. CTM has agreed to complete the construction and installation of the Power Transmission Assets by 9 January 2014 (the “Availability Date”), on which date CTM will commence the supply of electricity to the Pallancata Mine and the Inmaculada Advanced Project. The term of the agreement is 18 years from the Availability Date.

CTM and Suyamarca have agreed that the supply of electricity and the use of the Power Transmission Assets shall be exclusive as between them from the Availability Date until 4 January 2015 (the “Commercial Operation Date”), on which date the Power Transmission Assets may also be used by third parties. As consideration for the supply of power, Suyamarca will pay CTM an annual sum of US\$744,640 (not including VAT) from the Availability Date until the Commercial Operation Date. Thereafter, it will pay CTM an annual sum of US\$487,993 (not including VAT) until the termination of the agreement. These sums will be annually adjusted according to a variation index published by the Labour Department of the United States of America.

Pursuant to the terms of the agreement, Suyamarca has agreed that if the Pallancata Mine or the Inmaculada Advanced Project cease to operate indefinitely, Suyamarca will pay the annual payments set out above for the remainder of the term of the agreement, or terminate the contract with a penalty equivalent to the net balance of amortisation.

Suyamarca will finance a further electricity transmission system to be constructed by Cobra Perú S.A for the supply of electricity from the Power Transmission Assets to the Pallancata Mine and the Inmaculada Advanced Project (as further described in paragraph 9.1(e)(iv) below). Construction of the electricity transmission system by Cobra Perú S.A. will commence after the Availability Date.

**(iv) Power Transmission System Construction Agreement**

On 25 April 2012 Cobra Perú S.A. (“Cobra”) entered into a construction agreement with Empresa de Transmisión Aymaraes S.A.C. (“Aymaraes”, a Peruvian company formed as a special purpose vehicle, and whose shares are held equally by Cobra and Suyamarca). Pursuant to this agreement, Cobra has agreed to design, develop, construct and commission a transmission system for the supply of electricity to the Inmaculada Advanced Project and the Pallancata Mine. The transmission system assets constructed by Cobra pursuant to this agreement (the “Transmission System Assets”) will be owned by Aymaraes.

In connection with the construction of the Transmission System Assets, Suyamarca has agreed to provide finance by way of a US\$31,612,654.26 loan to Aymaraes, pursuant to an investment agreement dated 25 April 2012 (as further described in paragraph 9.1(e)(v) below).

Construction of the Transmission System Assets is expected to commence in January 2014, and the agreement will terminate once construction of the Transmission System Assets is completed in accordance with the agreement of the parties.

Under the terms of the agreement: (a) Cobra agrees to comply with all applicable laws, including in relation to occupational health and safety and the environment; (b) Suyamarca and Aymaraes have the right to supervise the execution of the works by Cobra; (c) Cobra's liability under the agreement is limited to the amount of the loan provided by Aymaraes pursuant to the investment agreement dated 25 April 2012 (further details of which are set out in paragraph 9.1(e) (v) below); (d) Aymaraes and/or Cobra shall not be able to assign their contractual position to any third party without Suyamarca's previous and express consent; (e) Suyamarca is granted a corporate guarantee by Cobra securing its rights under the agreement; and (f) Cobra is obliged to keep confidential all information shared under the agreement for four years since the date of execution of the agreement.

**(v) Investment Agreement**

Suyamarca entered into an investment agreement on 25 April 2012 pursuant to which it has agreed to provide Cobra Perú S.A. ("Cobra") with a loan of US\$31,612,654.26 (the "Construction Loan") for the construction of a transmission system for the supply of electricity to the Inmaculada Advanced Project and the Pallancata Mine. The Construction Loan is provided pursuant to a Power Transmission System Construction Agreement dated 25 April 2012 (as further described in paragraph 9.1(e)(iv) above).

Under the investment agreement, certain terms and conditions in relation to the grant of the Construction Loan have been agreed between Suyamarca and Cobra, including the terms on which the loan will be capitalised in return for shares in Aymaraes on completion of construction of the transmission system. Suyamarca's rights under the investment agreement are secured by way of a pledge of Cobra's shares in Aymaraes and a mortgage granted by Aymaraes in favour of Suyamarca over certain mining concession rights held by Aymaraes.

The investment agreement became effective on 25 April 2012 and shall terminate in any of the following cases: (a) mutual agreement between the parties to the agreement; (b) at the request of Suyamarca following an event of default under the Power Transmission System Construction Agreement dated 25 April 2012; (c) on Suyamarca's default, provided that Suyamarca has 15 days to remedy such breach; and (d) on Cobra's and/or Aymaraes' default, provided that each of Cobra and Aymaraes have 15 days to remedy such breach.

**(vi) IMZ Joint Venture Agreement**

The Company entered into a joint venture agreement on 28 December 2010 (effective as at 23 December 2010) with, among others, Ares, Hochschild Mining Holdings Limited and IMZ. Under the terms of the joint venture agreement, Ares holds a 60% interest in the Inmaculada Advanced Project and operates the Inmaculada Advanced Project. The joint venture agreement sets out, among other things, the terms on which the Inmaculada Advanced Project will be developed and is further to a framework agreement dated 12 October 2010 entered into by the Company and, among others, IMZ.

Under the terms of the joint venture agreement, Ares made a cash payment to IMZ of US\$15,000,000 and the Company undertook to fund all of the first US\$100,000,000 of capital expenditure towards the Inmaculada Advanced Project's feasibility and development. Any further capital expenditure required to achieve commercial production would be contributed by each joint venture partner in proportion to their ownership interests. The agreement sets out a number of other terms including: (i) in the event of late commissioning, the payment by Ares to IMZ of a percentage of the free cash flows generated by Inmaculada and the reimbursement of such payments to Ares from subsequent cash distributions or dividends which has been subsequently superseded; (ii) minimum drilling objectives and (iii) the payment by IMZ to Ares of a management fee equal to 7% of the operating costs of the Inmaculada Mine.

Following Completion of the Transaction, this joint venture agreement with IMZ will terminate.

## 9.2 IMZ

The following contracts (not being contracts entered into in the ordinary course of business) are the only contracts which (A) the Shareholders would reasonably require in making a properly informed assessment of how to vote on the Resolution and (B) have been entered into by members of the IMZ Group (i) within the two years immediately preceding the date of this document which are or may be, material or (ii) which contain any provision under which any member of the IMZ Group has any obligation or entitlement which is material to the IMZ Group as at the date of this document:

### (a) Arrangement Agreement

For a summary of the terms of this agreement see Part III “Principal Terms of the Transaction” of this document.

### (b) Eduardo Hochschild Irrevocable Undertaking

For a summary of the terms of this agreement see Part III “Principal Terms of the Transaction” of this document.

Save as disclosed in this paragraph 9.2, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by members of the IMZ Group (i) within the two years immediately preceding the date of this document which are or may be, material or (ii) which contain any provision under which any member of the IMZ Group has any obligation or entitlement which is material to the IMZ Group as at the date of this document.

## 10 Litigation

### 10.1 The Hochschild Group

Save as set out below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened by or against any member of the Hochschild Group of which Hochschild is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the Hochschild Group’s financial position or profitability.

On 4 November 2013, the Company was made aware of a claim being filed in the courts of Cajamarca in Peru by an association called Colectivo de Protección Ambiental, Derechos y Desarrollo Humano de la Cuenca del Río Yanahuanga Llapa (the “Association”) against: (a) Hochschild Mining (Perú) S.A., (b) Compañía Minera Sipán S.A.C. (a former company of the Hochschild Group that was sold in 2007 which is the operator of the Sipan mine) and (c) four individuals (former authorities of the rural community of San Antonio de Ojos) alleging that the operations of the Sipan mine, being an open pit gold mine located in the Llapa district in the province of San Miguel in Peru currently in the mining closure stage, has caused environmental damage. The Association is seeking (a) compensation for environmental and moral damages for a total amount of US\$23,000,000 (S/ 65,000,000), (b) execution of the mining closure plan of the Sipan Mine by the end of 2013, (c) the construction of a water dam and (d) the remediation of the soil. As at the date of this document, the Company has not been formally served or notified by the court of the claim under Peruvian law and is still in the process of determining the merits and credibility of the claim. The Company will be seeking external legal counsel advice to understand and assess the likelihood of such claim being successful.

### 10.2 IMZ

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened by or against any member of the IMZ Group of which Hochschild is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the IMZ Group’s financial position or profitability.

## **11 Working capital**

The Company is of the opinion that the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

## **12 Significant changes**

### **12.1 The Hochschild Group**

Save as described in paragraphs (a) to (c) below, there has been no significant change in the financial or trading position of the Hochschild Group since 30 June 2013, the date to which the last published Interim Results were prepared.

#### **(a) Gold Resource Corporation investment**

As highlighted in paragraph 10 of Part 1 “Letter from the Chairman of Hochschild Mining plc” of this document, the Board expects that the Hochschild Group will need to recognise an impairment to its 21.1% investment in Gold Resource Corporation (“GRC”) in its next published financial statements due to the decline in the fair market value of GRC shares.

#### **(b) Crespo Advanced Project**

As highlighted in paragraph 10 of Part 1 “Letter from the Chairman of Hochschild Mining plc” of this document, the Board expects that the Hochschild Group will need to recognise an impairment to the value of the Crespo Advanced Project in its next published financial statements due to the decision by the Board to delay commencement of production at the project as announced on 2 October 2013.

#### **(c) Placing**

As highlighted in paragraph 8 of Part 1 “Letter from the Chairman of Hochschild Mining plc” of this document and as further described in paragraph 9.1(c) of Part VI “Additional Information” of this document, on 2 October 2013, the Company undertook a Placing and raised gross proceeds of approximately \$72,800,000 (£45,000,000).

### **12.2 IMZ**

There has been no significant change in the financial or trading position of IMZ since 30 June 2013, the date on which the last published audited financial statements were prepared.

## **13 Incorporation by reference**

The Annual Report, the Interim Results and the Q3 Production Update (or parts of those documents) are incorporated by reference in, and form part of, this document.

Part VII “Documentation incorporated by Reference” of this document sets out the location of references to the above documents within this document.

## **14 Consents**

- (a) BoA Merrill Lynch has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.
- (b) Ernst & Young LLP has given and not withdrawn its written consent to the inclusion in Part V “Unaudited Pro Forma Balance Sheet for the Enlarged Group” of this document of its report and references to it in the form and context in which it is included.

## **15 Documents available for inspection**

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of Hochschild at 46 Albemarle Street, London W1S 4JL, United Kingdom and at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom up to and including the date of the Extraordinary General Meeting:

- (a) the Articles;
- (b) the consent letters referred to in paragraph 14 above;
- (c) the Transaction Agreements;
- (d) the report on the unaudited pro forma balance sheet for the Enlarged Group from Ernst & Young set out in Part V “Unaudited Pro Forma Balance Sheet for the Enlarged Group” of this document;
- (e) the consolidated audited accounts of the Hochschild Group for each of the two financial years ended 31 December 2011 and 31 December 2012;
- (f) the Annual Report;
- (g) the Interim Results;
- (h) the Q3 Production Update; and
- (i) this document and the Form of Proxy.



**PART VII  
DOCUMENTATION INCORPORATED BY REFERENCE**

<i>Information incorporated by reference</i>	<i>Document reference</i>	<i>Page number(s) in this document</i>
Mineral reserves and resources statement	Annual Report (pages 175-180)	Paragraph 4, Part I (page 7)
Production update in relation to the Pallancata Mine and Inmaculada Advanced Project	Q3 Production Update (page 4)	Paragraph 4, Part I (page 7)
Unaudited 2013 interim condensed consolidated set of financial statements	Interim Results (pages 25-45)	Note 1 and 2(iv) to the Unaudited Pro Forma Balance Sheet, Part V (page 25)

## **PART VIII DEFINITIONS**

The following definitions apply throughout this document, unless stated otherwise:

<b>Acquisition Proposal</b>	any proposed sale, takeover, merger or any other similar transaction involving IMZ or any of its subsidiaries, except in the case of any transaction relating solely to the non-Peruvian Assets or non-Peruvian Subsidiaries
<b>Admission and Disclosure Standards</b>	the Admission and Disclosure Standards published by the London Stock Exchange
<b>Annual Report</b>	the Company's annual report and accounts for the year ended 31 December 2012
<b>Arcata Mine</b>	the operating underground mine located in the Department of Arequipa in southern Peru, approximately 300 kilometres from the city of Arequipa
<b>Ares</b>	Compañía Minera Ares S.A.C.
<b>Arrangement</b>	the arrangement under the provisions of section 195 of the Canadian Act, on the terms and conditions set out in the Plan of Arrangement, subject to any amendments, or supplements thereto made in accordance with the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Supreme Court of Yukon in the Final Order
<b>Arrangement Agreement</b>	the arrangement agreement among Hochschild, IMZ, HOC Holdings Canada Inc. and Chaparral Gold (formerly known as 0980507 B.C. Ltd.) dated 1 October 2013, together with the Schedules attached thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof
<b>Arrangement Resolution</b>	the special resolution of IMZ Securityholders approving the Arrangement, as presented at the annual meeting of IMZ Shareholders and special meeting of the IMZ Securityholders
<b>Articles</b>	the articles of association of the Company
<b>BoA Merrill Lynch</b>	Merrill Lynch International
<b>Board</b>	the board of the Company comprising the Directors
<b>Canadian Act</b>	the Business Corporations Act (Yukon). R.S.Y. 2002, c.20 and the regulations made thereunder as promulgated from time to time
<b>Chaparral Gold</b>	Chaparral Gold Corp. (formerly known as 0980507 B.C. Ltd.), a newly incorporated company under the laws of the Province of British Columbia, which is a wholly-owned subsidiary of IMZ
<b>Chaparral Gold Shares</b>	the common shares without par value in the capital of Chaparral Gold
<b>Class A Shares</b>	the Class A voting common shares of IMZ which are to be created in accordance with the Plan of Arrangement and which shall be entitled to two votes per Class A Share with respect to the election of the board of directors to IMZ, but which will otherwise have attached to them the same rights and privileges as the IMZ Shares
<b>Company or Hochschild</b>	Hochschild Mining plc
<b>Company's Registrars</b>	Capita Asset Services, whose registered office is at The Registry, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom
<b>Completion</b>	completion of the Transaction
<b>Conditions</b>	the conditions to Completion

<b>Convertible Bonds</b>	the US\$115,000,000 5.75% senior unsecured, convertible bonds due in 2014 issued by Hochschild and convertible into Shares
<b>Crespo Advanced Project or Crespo</b>	the project in respect of the sulphidation epithermal deposit located in southern Peru, approximately 145 kilometres south-west of Cuzco
<b>Directors</b>	the directors of the Company, whose names are set out on page 29 of this document
<b>Dissent Procedures</b>	the procedures set forth in section 193 of the Canadian Act as amended by the Plan of Arrangement and the Interim Order and/or Final Order required to be taken by an IMZ Shareholder to exercise a Dissent Right
<b>Dissent Rights</b>	the rights of dissent of IMZ Shareholders in respect of the Arrangement Resolution
<b>Dissenting IMZ Shareholder</b>	an IMZ Shareholder who has duly exercised a Dissent Right in strict compliance with the Dissent Procedures
<b>DTR</b>	the Disclosure and Transparency Rules made by the FCA pursuant to Part 6 of FSMA
<b>Effective Time</b>	the time when the Arrangement will be deemed to have been completed, which shall be 12:01 a.m., Pacific time, on the Effective Date, or such other time as the parties to the Arrangement Agreement agree to in writing before the Effective Date
<b>Effective Date</b>	the date shown on the certificate of arrangement to be issued pursuant to subsection 195(11) of the Canadian Act giving effect to the Arrangement
<b>Enlarged Group</b>	the Hochschild Group in its form after Completion of the Transaction
<b>Ernst &amp; Young</b>	Ernst & Young LLP, reporting accountants to Hochschild
<b>Executive Directors</b>	each of Eduardo Hochschild and Ignacio Bustamante
<b>Extraordinary General Meeting</b>	the extraordinary general meeting of the Company to be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom on 29 November 2013 at 9.30 a.m. (or any adjournment thereof), notice of which is set out at the end of this document
<b>Facility</b>	the acquisition bridge facility as further described in Part VI “Additional Information” of this document
<b>Final Order</b>	the final order of the Supreme Court of Yukon approving the Arrangement
<b>Financial Conduct Authority or FCA</b>	the Financial Conduct Authority of the UK
<b>Form of Proxy</b>	the form of proxy accompanying this document for use by Shareholders in relation to the Extraordinary General Meeting
<b>FSMA</b>	Financial Services and Markets Act 2000, as amended
<b>HOC SubCo</b>	HOC Holdings Canada Inc., a corporation existing under the laws of the Yukon, and an indirect wholly-owned subsidiary of HOC
<b>Hochschild Group</b>	Hochschild and all of its subsidiary undertakings
<b>IFRS</b>	International Financial Reporting Standards
<b>IMZ</b>	International Minerals Corporation, a corporation existing under the laws of Yukon
<b>IMZ Group</b>	IMZ and all of its subsidiary undertakings
<b>IMZ Internal Re-Organisation</b>	the transfer of all of IMZ’s assets and subsidiaries (other than the Peruvian Assets) and the Peruvian Subsidiaries and the assumption of all of its related liabilities (other than the liabilities related to the

	Peruvian Assets) to Chaparral Gold, pursuant to the terms of the Master Re-Organisation Agreement and any such documents to be entered into in connection thereto
<b>IMZ Minority Interests</b>	the 40% interest in the Peruvian Assets held by IMZ
<b>IMZ Optionholder</b>	a holder of IMZ Options
<b>IMZ Option Plan</b>	IMZ's Incentive Share Option Plan dated 8 December 1994 and adopted by IMZ Shareholders on 18 January 1995, as amended with IMZ Shareholder approval on 14 December 1999, 18 December 2003, 6 November 2006, 21 November 2008 and 11 November 2011
<b>IMZ Options</b>	the outstanding IMZ options to purchase IMZ Shares issued pursuant to the IMZ Option Plan
<b>IMZ Securityholders</b>	collectively, IMZ Shareholders and IMZ Optionholders
<b>IMZ Securityholder Meeting</b>	the annual meeting of the IMZ Shareholders and the special meeting of the IMZ Securityholders to be held in accordance with the Interim Order to consider, among other matters, the Arrangement Resolution on 26 November 2013 or on such date pursuant to any adjournment(s) or postponement(s) in accordance with the terms of the Arrangement Agreement
<b>IMZ Shares</b>	the common shares without par value in the capital of IMZ
<b>IMZ Shareholders</b>	the registered or beneficial holders of the IMZ Shares, as the context requires, except that with respect to Dissent Rights, IMZ Shareholders refers only to its registered shareholders
<b>Inmaculada Advanced Project or Inmaculada</b>	the 20,000 hectare gold-silver project located in southern Peru, approximately 210 kilometres south-west of Cuzco
<b>Inmaculada Mine</b>	the underground gold-silver deposit being developed as part of the Inmaculada Advanced Project
<b>Interim Order</b>	the interim order of the Supreme Court of Yukon providing for, among other things, the calling and holding of an annual and special meeting of the IMZ Shareholders
<b>Interim Results</b>	the half-yearly financial report of the Company for the six months ended 30 June 2013
<b>Listing Rules</b>	the Listing Rules of the Financial Conduct Authority
<b>Locked Up Shareholders</b>	all of the directors, officers and management of IMZ that have executed and delivered a Voting Agreement to the Company
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Master Re-Organisation Agreement</b>	the master re-organisation agreement dated 25 October 2013 to be effective no later than one hour prior to the Effective Time among IMZ, Chaparral Gold, EMC (US) and Ventura
<b>Material Adverse Effect</b>	any change, event, occurrence, effect or circumstance that is or could reasonably be expected to be material and adverse to the business, financial condition, or results of operations of the Peruvian Assets and/ or the Peruvian Subsidiaries, but excluding changes, effects, or circumstances that (a) are the result of economic factors affecting the economy as a whole, or that are the result of factors generally affecting the industry or specific market in which IMZ or its subsidiaries operate, (b) arise out of or result from matters contemplated by the parties in connection with the Arrangement Agreement, (c) arise out of or result from actions of IMZ or its subsidiaries requested by the Company, (d) arise out of or result from actions taken by the Company or its affiliates in connection with the Company's operation of the Suyamarca assets, (e) arise out of or result from changes in law, (f) arise out of or result from changes in

	generally accepted accounting principles, (g) arise out of or result from acts of war or terrorism or (h) are attributable to the announcement or performance of the transactions contemplated by the Arrangement Agreement
<b>Material Adverse Change in Metals Prices</b>	any change in the price of silver or gold which is or could reasonably be expected to be material and adverse to the business, financial conditions or results of operations of the Peruvian Assets and/or the Peruvian Subsidiaries
<b>Non-Executive Directors</b>	each of Sir Malcolm Field, Jorge Born Jr., Nigel Moore, Roberto Dañino, Dr Graham Birch and Enrico Bombieri
<b>Official List</b>	the Official List of the UKLA
<b>Pallancata Mine or Pallancata</b>	the Pallancata silver mine located in southern Peru, approximately 180 km south-west of Cuzco
<b>Peruvian Assets</b>	the 40% interest held by IMZ in the Pallancata Mine and the Inmaculada Advanced Project
<b>Peruvian Subsidiaries</b>	Minera Oro Vega S.A. and Minera Qorihuayta S.A.C.
<b>Placing</b>	the placing of the 29,000,000 ordinary shares of 155 pence each in the capital of the Company pursuant to the Placing Agreement
<b>Placing Agreement</b>	the agreement dated 2 October 2013 between the Company, Goldman Sachs International and BoA Merrill Lynch, as further described in Part VI “Additional Information” of this document
<b>Placing Shares</b>	the 29,000,000 ordinary shares of 155 pence each in the capital of the Company issued pursuant to the Placing
<b>Plan of Arrangement or Plan</b>	the plan of arrangement, substantially in the form attached as Schedule A to the Arrangement Agreement, subject to any amendments or variations to such plan made in accordance with the Arrangement Agreement and the terms of such plan of arrangement, or made at the direction of the Supreme Court of Yukon in the Final Order, with the prior written consent of IMZ, Chaparral Gold, Hochschild and HOC SubCo, each acting reasonably
<b>Prudential Regulation Authority or PRA</b>	the Prudential Regulation Authority of the UK
<b>Q3 Production Update</b>	the production update relating to the third quarter of the financial year published by the Company on 16 October 2013
<b>Regulatory Approvals</b>	any consent, waiver, permit, exemption, review, order, notice, decision or approval of, or any registration and filing with, any governmental entity, or the expiry, waiver or termination of any waiting period imposed by law or a governmental entity, in each case required in connection with the Arrangement and including, without limitation, those required by the TSX, SIX, Frankfurt Stock Exchange or the Swiss Takeover Board, and any approval required under the Investment Canada Act, as amended
<b>Resolution</b>	the resolution to approve the Transaction as set out in the notice of Extraordinary General Meeting at the end of this document
<b>Selene Plant</b>	the plant used to treat the ore produced by the Pallancata Mine, located in southern Peru
<b>Senior Management</b>	the senior management of the Company, whose names are set out on page 29 of this document
<b>Shareholders</b>	the holders of the Shares
<b>Shares</b>	the ordinary shares of 25 pence each in the capital of the Company

<b>SIX</b>	the SIX Swiss exchange, based in Zurich
<b>Superior Proposal</b>	any unsolicited bona fide written proposal from any person after the date of the Arrangement Agreement who is an arm's length third party to IMZ and Chaparral Gold to acquire not less than all the outstanding IMZ Shares, or all or substantially all of the assets of IMZ, in accordance with the terms of the Arrangement Agreement
<b>Supreme Court of Yukon</b>	the Supreme Court of Yukon
<b>Suyamarca</b>	the Peruvian joint venture company, Minera Suyamarca S.A.C. in which Hochschild has a 60% interest and IMZ has a 40% interest which was formed to operate the Pallancata Mine and bring the Inmaculada Advanced Project into production
<b>Swiss Takeover Board</b>	the Swiss Takeover Board established under the Federal Act on Stock Exchanges and Securities Trading of 24 March 1995
<b>Transaction</b>	the proposed acquisition of the Peruvian Assets by way of a court-approved Plan of Arrangement under the Canadian Act pursuant to which Hochschild will indirectly acquire through HOC SubCo all of the issued and outstanding common shares in IMZ that it does not already own
<b>Transaction Agreements</b>	the Arrangement Agreement, the Plan of Arrangement, the Voting Agreements and the Eduardo Hochschild Irrevocable Undertaking
<b>TSX</b>	the Toronto Stock Exchange
<b>UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UKLA</b>	the FCA acting in its capacity as the competent authority for the purposes of Part 6 of FSMA
<b>Voting Agreements</b>	the agreements (including all amendments thereto) between the Company and the Locked Up Shareholders, as further described in Part III "Principal Terms of the Transaction" of this document

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### Hochschild Mining plc

*(Incorporated and registered in England and Wales No. 05777693)*

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Hochschild Mining plc (the "Company") will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom on 29 November 2013 at 9.30 a.m. to consider and, if thought fit, pass the following ordinary resolution. Capitalised terms not defined below are references to those terms as defined in the circular to shareholders dated 12 November 2013.

#### Ordinary resolution

THAT the Transaction, on the terms set out in the Transaction Agreements, be and is hereby approved and the Directors (or a committee of the Directors) be and are hereby authorised to waive, amend, vary or extend any of the terms of the Transaction Agreements (provided that any such waivers, amendments, variations or extensions are not a material change to the terms of the Transaction) and to do all things as they may consider to be necessary or desirable to implement and give effect to, or otherwise in connection with, the Transaction and any matters incidental to the Transaction.

By order of the Board,

R.D. Bhasin  
Company Secretary

12 November 2013

Registered office:  
46 Albemarle Street  
London  
W1S 4JL

#### Notes

1. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the Extraordinary General Meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the Extraordinary General Meeting provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by that member. To appoint more than one proxy, please follow the notes contained in the proxy form.
2. The right to appoint a proxy does not apply to persons whose Shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the Shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the Shares as to the exercise of voting rights.
3. A Form of Proxy is enclosed. Completion and return of a Form of Proxy will not prevent a member from subsequently attending the Extraordinary General Meeting and voting in person.
4. To appoint a proxy either (a) the Form of Proxy and any power of attorney or other authority under which it is signed (or a duly certified copy of any such power or authority) must be sent to the Company's Registrars, Capita Asset Services ("Capita"), at The Registry, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom or (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with notes 6-9 below, in both cases, not less than 48 hours before the time of the holding of the Extraordinary General Meeting or any adjournment thereof.

5. Entitlement to attend and vote at the Extraordinary General Meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members at 6.00 p.m. on 27 November 2013 or if the meeting is adjourned, at 6.00 p.m. on the day two days prior to the day fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time on the relevant date shall be disregarded in determining the rights of any person to attend and vote at the Extraordinary General Meeting.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message must, in order to be valid (regardless of whether it constitutes the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy), be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified in Note 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to him by other means.
8. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Shares.
11. Holders of Shares are entitled to attend and vote at general meetings of the Company. The total number of issued Shares in the Company on 8 November 2013, which is the latest practicable date before the publication of this Notice, is 367,101,352, carrying one vote each on a poll. Therefore, the total number of votes exercisable as at 8 November 2013 is 367,101,352.
12. Any member with special needs wishing to attend the Extraordinary General Meeting should contact the Company's London office on +44 (0) 20 7907 2930, so that appropriate arrangements can be made.
13. Persons who are not members of the Company will not be admitted to the Extraordinary General Meeting unless prior arrangements have been made with the Company. Investors holding Shares through nominees are welcome to attend provided that they bring proof of their holding with them to the Extraordinary General Meeting (see notes 1 and 2 above).
14. Members should note that doors to the Extraordinary General Meeting will open at 9.15 a.m.
15. Please note that, for security reasons, all hand luggage may be subject to examination prior to entry being granted to the Extraordinary General Meeting. Cameras, tape recorders, laptop computers and similar equipment may not be taken into the Extraordinary General Meeting.



16. We ask all those present at the Extraordinary General Meeting to facilitate the orderly conduct of the meeting and the Company reserves the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.
17. Members may not use any electronic address provided in either this Notice or any related documents (including the Chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
18. Any member attending the Extraordinary General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
19. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found at [www.hochschildmining.com](http://www.hochschildmining.com).
20. The Resolution to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. The results of the poll will be published on the Company's website and notified to the UKLA once the votes have been counted and verified.

