

Reserves and resources

ORE RESERVES AND MINERAL RESOURCES ESTIMATES

Hochschild Mining plc reports its mineral resources and reserves estimates in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 edition ("the JORC Code"). This establishes minimum standards, recommendations and guidelines for the public reporting of exploration results and mineral resources and reserves estimates. In doing so it emphasises the importance of principles of transparency, materiality and confidence. The information on ore reserves and mineral resources on pages 154 to 158 were prepared by or under the supervision of Competent Persons (as defined in the JORC Code). Competent Persons are required to have sufficient relevant experience and understanding of the style of mineralisation, types of deposits and mining methods in the area of activity for which they are qualified as a Competent Person under the JORC Code. The Competent Person must sign off their respective estimates of the original mineral resource and ore reserve statements for the various operations and consent to the inclusion of that information in this report, as well as the form and context in which it appears.

Hochschild Mining plc employs its own Competent Person who has audited all the estimates set out in this report. Hochschild Mining Group companies are subject to a comprehensive programme of audits which aim to provide assurance in respect of ore reserve and mineral resource estimates. These audits are conducted by Competent Persons provided by independent consultants. The frequency and depth of an audit depends on the risks and/or uncertainties associated with that particular ore reserve and mineral resource, the overall value thereof and the time that has lapsed since the previous independent third party audit.

The JORC Code requires the use of reasonable economic assumptions. These include long-term commodity price forecasts (which, in the Group's case, are prepared by ex-house specialists largely using estimates of future supply and demand and long-term economic outlooks).

Ore reserve estimates are dynamic and are influenced by changing economic conditions, technical issues, environmental regulations and any other relevant new information and therefore these can vary from year to year. Mineral resource estimates can also change and tend to be influenced mostly by new information pertaining to the understanding of the deposit and secondly the conversion to ore reserves.

The estimates of ore reserves and mineral resources are shown as at 31 December 2009, unless otherwise stated. Mineral resources that are reported include those mineral resources that have been modified to produce ore reserves. All tonnage and grade information has been rounded to reflect the relative uncertainty in the estimates; there may therefore be small differences. The prices used for the reserves calculation were: Au Price: US\$810 per ounce and Ag Price: US\$13.50 per ounce.

Reserves and resources continued

RESERVES AND RESOURCES

ATTRIBUTABLE METAL RESERVES AS AT 31 DECEMBER 2009

Reserve category	Proved (t)	Probable (t)	Proved and probable (t)	Ag (g/t)	Au (g/t)	Ag (moz)	Au (koz)	Ag Eq (moz)
MAIN OPERATIONS¹								
Arcata								
Proved	947,644			441	1.39	13.4	42.5	16.0
Probable		921,244		393	1.23	11.6	36.4	13.8
Total			1,868,888	417	1.31	25.1	78.9	29.8
Pallancata								
Proved	1,734,541			370	1.62	20.7	90.1	26.0
Probable		610,964		307	1.25	6.0	24.5	7.5
Total			2,345,505	354	1.52	26.7	114.6	33.5
San José								
Proved	315,324			457	7.66	4.6	77.7	9.3
Probable		460,175		452	7.09	6.7	104.8	13.0
Total			775,499	454	7.32	11.3	182.5	22.3
Main operations total								
Proved	2,997,510			402	2.18	38.7	210.2	51.3
Probable		1,992,382		380	2.59	24.3	165.8	34.3
Total			4,989,892	393	2.34	63.1	376.0	85.6
OTHER OPERATIONS								
Ares								
Proved	239,102			95	5.25	0.7	40.3	3.1
Probable		56,740		74	4.16	0.1	7.6	0.6
Total			295,842	91	5.04	0.9	47.9	3.7
Moris								
Proved	857,646			4	1.47	0.1	40.5	2.6
Probable		84,384		4	1.45	0.0	3.9	0.2
Total			942,030	4	1.47	0.1	44.5	2.8
Other operations total								
Proved	1,096,748			24	2.29	0.9	80.9	5.7
Probable		141,124		32	2.54	0.1	11.5	0.8
Total			1,237,872	25	2.32	1.0	92.4	6.5
Group total								
Proved	4,094,258			301	2.21	39.6	291.1	57.0
Probable		2,133,506		357	2.59	24.5	177.3	35.1
TOTAL			6,227,764	320	2.34	64.1	468.4	92.2

Note: Where reserves are attributable to a joint venture partner, reserve figures reflect the Company's ownership only. Includes discounts for ore loss and dilution.

¹ Main operations were audited by P&E Consulting.

ATTRIBUTABLE METAL RESOURCES AS AT 31 DECEMBER 2009

Resource category	Measured (t)	Indicated (t)	Measured and indicated (t)	Inferred (t)	Ag (g/t)	Au (g/t)	Zn (%)	Pb (%)	Cu (%)	Ag Eq (g/t)	Ag (moz)	Au (koz)	Zn (kt)	Pb (kt)	Cu (kt)
MAIN OPERATIONS¹															
Arcata															
Measured	1,310,666				514	1.60	-	-	-	610	21.7	67.4	-	-	-
Indicated		1,024,287			464	1.42	-	-	-	549	15.3	46.8	-	-	-
Total			2,334,953		492	1.52	-	-	-	584	37.0	114.2	-	-	-
Inferred				2,227,956	417	1.32	-	-	-	496	29.9	94.5	-	-	-
Pallancata															
Measured	2,017,132				439	1.91	-	-	-	553	28.5	123.6	-	-	-
Indicated		1,000,005			379	1.57	-	-	-	473	12.2	50.6	-	-	-
Total			3,017,137		419	1.80	-	-	-	527	40.6	174.2	-	-	-
Inferred				950,743	376	1.51	-	-	-	466	11.5	46.3	-	-	-
San José															
Measured	378,861				527	8.62	-	-	-	1,044	6.4	105.0	-	-	-
Indicated		969,658			445	6.58	-	-	-	839	13.9	205.0	-	-	-
Total			1,348,519		468	7.15	-	-	-	897	20.3	310.0	-	-	-
Inferred				914,296	314	4.51	-	-	-	585	9.2	132.6	-	-	-
Main operations total															
Measured	3,706,659				475	2.48	-	-	-	624	56.6	296.0	-	-	-
Indicated		2,993,950			429	3.14	-	-	-	618	41.3	302.4	-	-	-
Total			6,700,609		454	2.78	-	-	-	621	97.9	598.4	-	-	-
Inferred				4,092,994	385	2.08	-	-	-	509	50.6	273.4	-	-	-
OTHER OPERATIONS															
Ares															
Measured	543,826				144	5.45	-	-	-	471	2.5	95.2	-	-	-
Indicated		145,638			124	4.19	-	-	-	376	0.6	19.6	-	-	-
Total			689,464		140	5.18	-	-	-	451	3.1	114.8	-	-	-
Inferred				362,138	167	3.91	-	-	-	402	1.9	45.6	-	-	-
Moris															
Measured	1,205,895				4	1.30	-	-	-	82	0.2	50.3	-	-	-
Indicated		103,265			4	1.31	-	-	-	82	0.0	4.4	-	-	-
Total			1,309,160		4	1.30	-	-	-	82	0.2	54.7	-	-	-
Inferred				415,689	5	1.22	-	-	-	78	0.1	16.3	-	-	-
Other operations total															
Measured	1,749,721				48	2.59	-	-	-	203	2.7	145.5	-	-	-
Indicated		248,903			74	3.00	-	-	-	254	0.6	24.0	-	-	-
Total			1,998,624		51	2.64	-	-	-	209	3.3	169.5	-	-	-
Inferred				777,826	80	2.47	-	-	-	229	2.0	61.9	-	-	-
ADVANCED PROJECTS															
Azuca															
Measured	-				-	-	-	-	-	-	-	-	-	-	-
Indicated		-			-	-	-	-	-	-	-	-	-	-	-
Total			-		-	-	-	-	-	-	-	-	-	-	-
Inferred				3,745,984	288	1.31	-	-	-	366	34.6	157.4	-	-	-
Crespo															
Measured	1,303,461				53	0.69	-	-	-	94	2.2	28.8	-	-	-
Indicated		8,224,590			38	0.56	-	-	-	71	9.9	147.5	-	-	-
Total			9,528,050		40	0.58	-	-	-	74	12.1	176.3	-	-	-
Inferred				8,315,845	38	0.74	-	-	-	82	10.1	198.4	-	-	-

Reserves and resources continued

ATTRIBUTABLE METAL RESOURCES AS AT 31 DECEMBER 2009 (CONTINUED)

Resource category	Measured (t)	Indicated (t)	Measured and indicated (t)	Inferred (t)	Ag (g/t)	Au (g/t)	Zn (%)	Pb (%)	Cu (%)	Ag Eq (g/t)	Ag (moz)	Au (koz)	Zn (kt)	Pb (kt)	Cu (kt)
San Felipe															
Measured	1,393,716				69	0.02	7.12	3.10	0.39	315	3.1	0.9	99.26	43.15	5.50
Indicated		1,354,261			82	0.06	6.14	2.73	0.31	295	3.6	2.4	83.18	36.97	4.24
Total			2,747,977		76	0.04	6.64	2.92	0.35	305	6.7	3.3	182.45	80.12	9.74
Inferred				1,257,731	84	0.05	6.18	2.26	0.19	283	3.4	1.9	77.76	28.47	2.34
Advanced projects total															
Measured	2,697,176				61	0.34	3.68	1.60	0.20	208	5.3	29.7	99.26	43.15	5.50
Indicated		9,578,851			44	0.49	0.87	0.39	0.04	103	13.5	150.0	83.18	36.97	4.24
Total			12,276,027		48	0.46	1.49	0.65	0.08	126	18.8	179.7	182.45	80.12	9.74
Inferred				13,319,559	112	0.84	0.58	0.21	0.02	181	48.2	357.7	77.76	28.47	2.34
OTHER INVESTMENTS															
Timmins (Lake Shore)²															
Measured					0	0.00	-	-	-	0	0.0	0.0	-	-	-
Indicated		1,158,465			0	8.56	-	-	-	513	0.0	318.7	-	-	-
Total			1,158,465		0	8.56	-	-	-	513	0.0	318.7	-	-	-
Inferred				319,158	0	5.74	-	-	-	344	0.0	58.9	-	-	-
Inmaculada (IMZ)³															
Measured					0	0.00	-	-	-	0	0.0	0.0	-	-	-
Indicated		606,620			122	3.90	-	-	-	354	2.4	75.5	-	-	-
Total			606,620		122	3.90	-	-	-	354	2.4	75.5	-	-	-
Inferred				2,296,140	147	3.40	-	-	-	350	10.8	250.9	-	-	-
Other investments total															
Measured					0	0.00	-	-	-	0	0.0	0.0	-	-	-
Indicated		1,765,085			42	6.96	-	-	-	459	2.4	394.9	-	-	-
Total			1,765,085		42	6.96	-	-	-	459	2.4	394.9	-	-	-
Inferred				2,615,298	129	3.69	-	-	-	350	10.9	309.9	-	-	-
TOTAL															
Measured	8,153,557				246	1.80	1.22	0.53	0.07	396	64.5	471.2	99.26	43.15	5.50
Indicated		14,586,789			123	1.86	0.57	0.25	0.03	254	57.8	871.2	83.18	36.97	4.24
Total			22,740,345		167	1.84	0.80	0.35	0.04	305	122.4	1342.4	182.45	80.12	9.74
Inferred				20,805,678	167	1.50	0.37	0.14	0.01	269	111.6	1002.9	77.76	28.47	2.34

Note: Resources include undiscounted reserves, where resources are attributable to a joint venture partner, resources figures reflect the Company's ownership only. No ore loss or dilution has been included, and stockpiled ore excluded.

1 Main operations were audited by P&E Consulting.

2 Hochschild owns a 38% interest in Lake Shore Gold.

3 Hochschild owns a 49% interest (IMZ owns the remaining 51%). IMZ can earn a 70% interest (diluting Hochschild to 30%) by completing a feasibility study by September 2013 at its sole cost and issuing to Hochschild 200,000 IMZ shares.

CHANGE IN TOTAL RESERVES AND RESOURCES

Ag equivalent content (million ounces)	Category	December 2008	Production ¹	Movements ²	December 2009	Net difference	% change
Arcata	Resource	87.2		(7.8)	79.4	(7.8)	(9.0)%
	Reserve	33.1	12.3	9.0	29.8	(3.3)	(10.0)%
Pallancata	Resource	90.9		18.0	108.9	18.0	19.8%
	Reserve	63.1	12.3	5.1	55.9	(7.2)	(11.4)%
San José	Resource	96.0		14.0	110.0	14.0	14.5%
	Reserve	52.3	11.4	2.8	43.7	(8.6)	(16.5)%
Main operations total	Resource	274.2		24.1	298.3	24.1	8.8%
	Reserve	148.5	36.0	16.9	129.4	(19.1)	(12.9)%
Ares	Resource	17.5		(2.9)	14.7	(2.9)	(16.4)%
	Reserve	8.6	3.8	(1.1)	3.7	(4.9)	(56.5)%
Moris	Resource	7.8		(3.3)	4.5	(3.3)	(42.0)%
	Reserve	5.2	3.2	0.8	2.8	(2.4)	(46.1)%
Other operations total	Resource	25.3		(6.1)	19.2	(6.1)	(24.2)%
	Reserve	13.8	7.0	(0.3)	6.5	(7.3)	(52.6)%
Azuca	Resource	23.3		20.8	44.1	20.8	89.5%
	Reserve	0.0	0.0	0.0	0.0	0.0	–
Crespo	Resource	0.0		44.7	44.7	44.7	–
	Reserve	0.0	0.0	0.0	0.0	0.0	–
San Felipe	Resource	38.5		0.0	38.5	0.0	0.0%
	Reserve	0.0	0.0	0.0	0.0	0.0	–
Advanced projects total	Resource	61.7		65.5	127.3	65.5	106.2%
	Reserve	0.0	0.0	0.0	0.0	0.0	–
Timmins (Lake Shore Gold) ³	Resource	64.8		(1.3)	63.5	(1.3)	(2.0)%
	Reserve	49.6	0.0	(0.8)	48.7	(0.8)	(1.7)%
Inmaculada (IMZ) ⁴	Resource	45.6		21.3	66.9	21.3	46.7%
	Reserve	0.0	0.0	0.0	0.0	0.0	–
Other investments total	Resource	110.4		20.0	130.4	20.0	18.1%
	Reserve	49.6		(0.8)	48.7	(0.8)	(1.7)%
Total	Resource	471.6		103.5	575.0	103.5	21.9%
	Reserve	211.9	43.0	15.8	184.6	(27.2)	(12.8)%

1 Depletion: reduction in reserves based on ore delivered to the mine plant.

2 Increase in reserves and resources due mainly to mine site exploration but also to price increases.

3 Hochschild owns a 38% interest in Lake Shore Gold.

4 Hochschild owns a 49% interest (IMZ owns the remaining 51%). IMZ can earn a 70% interest (diluting Hochschild to 30%) by completing a feasibility study by September 2013 at its sole cost and issuing to Hochschild 200,000 IMZ shares.

Reserves and resources continued

CHANGE IN ATTRIBUTABLE RESERVES AND RESOURCES

Ag equivalent content (million ounces)	Category	Percentage attributable	December 2008 Att. ¹	December 2009 Att. ¹	Net difference	% change
Arcata	Resource	100%	87.2	79.4	(7.8)	(9.0)%
	Reserve		33.1	29.8	(3.3)	(10.0)%
Pallancata	Resource	60%	54.6	65.3	10.8	19.8%
	Reserve		37.9	33.5	(4.3)	(11.4)%
San José	Resource	51%	49.0	56.1	7.1	14.5%
	Reserve		26.7	22.3	(4.4)	(16.5)%
Main operations total	Resource		190.7	200.8	10.1	5.3%
	Reserve		97.6	85.6	(12.0)	(12.3)%
Ares	Resource	100%	17.5	14.7	(2.9)	(16.4)%
	Reserve		8.6	3.7	(4.9)	(56.5)%
Moris	Resource	100%	5.4	4.5	(0.9)	(17.1)%
	Reserve		3.6	2.8	(0.8)	(23.0)%
Other operations total	Resource		23.0	19.2	(3.8)	(16.5)%
	Reserve		12.2	6.5	(5.7)	(46.6)%
Azuca	Resource	100%	23.3	44.1	20.8	89.5%
	Reserve		0.0	0.0	0.0	-
Crespo	Resource	100%	0.0	44.7	44.7	-
	Reserve		0.0	0.0	0.0	-
San Felipe	Resource	100%	38.5	38.5	0.0	0.0%
	Reserve		0.0	0.0	0.0	-
Advanced projects total	Resource		61.7	127.3	65.5	106.2%
	Reserve		0.0	0.0	0.0	-
Timmins (Lake Shore Gold) ²	Resource	35.7%	25.2	22.7	(2.6)	(10.2)%
	Reserve		19.3	17.4	(1.9)	(9.9)%
Inmaculada (IMZ) ³	Resource	49%	22.3	32.8	10.4	46.7%
	Reserve		0.0	0.0	0.0	-
Other investments total	Resource		47.6	55.4	7.9	16.5%
	Reserve		19.3	17.4	(1.9)	(9.9)%
Total	Resource		323.0	402.7	79.7	24.7%
	Reserve	100%	129.2	109.6	(19.6)	(15.2)%

¹ Attributable reserves and resources based on the Group's percentage ownership of its joint venture projects.

² Hochschild owns a 38% interest in Lake Shore Gold.

³ Hochschild owns a 49% interest (IMZ owns the remaining 51%). IMZ can earn a 70% interest (diluting Hochschild to 30%) by completing a feasibility study by September 2013 at its sole cost and issuing to Hochschild 200,000 IMZ shares.