

Hochschild Mining plc



Interim Results 2010

Ignacio Bustamante, CEO

Ramon Barúa, CFO

Isabel Lutgendorf, Head of IR



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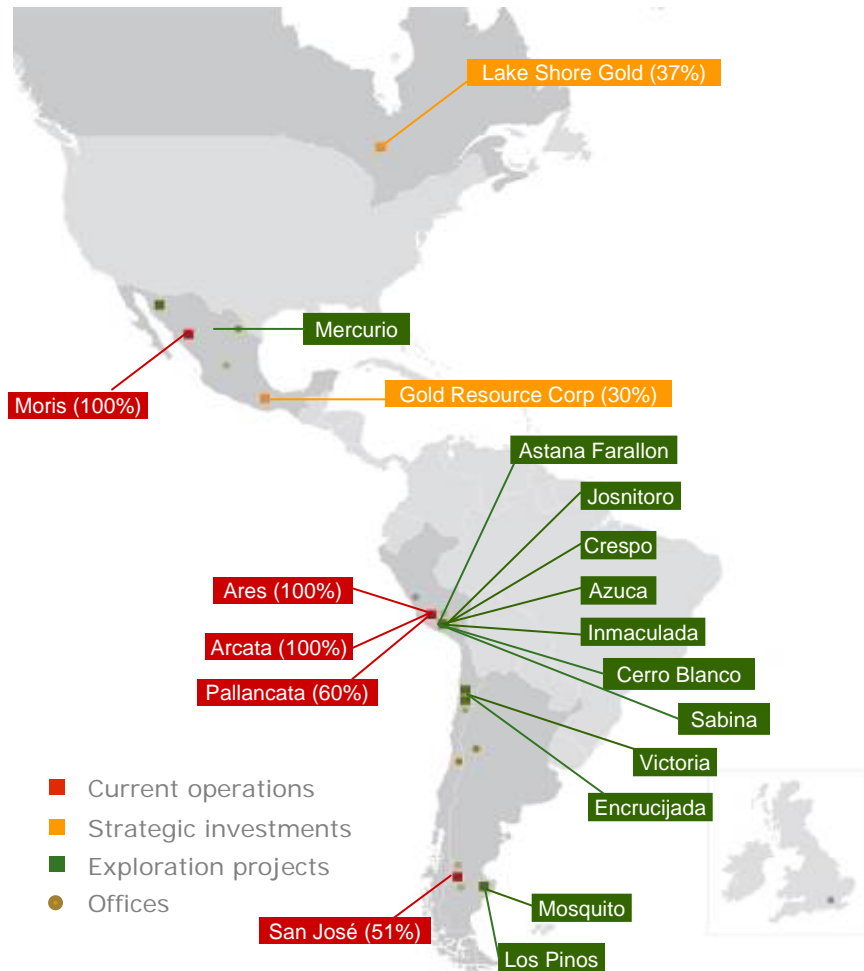
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Proven track record & attractive land package



- Leading precious metals producer
- Specialising in high margin, precious metal assets in the Americas
- Mine operators for more than 40 years
- FTSE 250 with market cap over US\$1.7bn
- Consistent production & project delivery



H110: Strong operational performance

- H110 production of 12.8 million attributable silver equivalent ounces
- \$24.4 million invested in exploration:
 - Resource life up 11% to 7.9 years, expected to further increase by year end
 - Scoping commenced at Azuca
 - Crespo progressing towards scoping
 - Impressive drill results at core assets
 - “Company maker” pipeline expanded to six projects

ON TRACK TO ACHIEVE 2010 PRODUCTION TARGET



H110: Solid financial performance



Impressive results vs H109:

- Record H1 revenue of \$306.9m, up 33%
- Costs remain in line with expectations
- EBITDA of \$150.1m, up 51%
- Profit before tax trebled to \$87.3m
- Interim dividend of \$0.02 per share
- Solid financial position - cash balance of \$91.0m

EPS MORE THAN DOUBLED TO \$0.11 PER SHARE



H1 2010 P&L

\$million	H110	H109 ¹
	Pre-exceptional	Pre-exceptional
Revenue	306.9	230.6
Cost of sales	(152.0)	(135.4)
<i>Unit costs (\$/t)²</i>	78.6	73.9
D&A	43.4	40.2
Gross profit	154.8	95.1
Administrative exp.	(29.7)	(23.5)
Selling exp.	(11.0)	(8.5)
Exploration exp.	(14.3)	(6.2)
Others ³	(3.3)	(2.2)
Finance net	(9.2)	(26.9)
Tax	(31.3)	(8.5)
Net profit	56.1	19.2
Attrib. net profit	38.9	12.9
EPS	0.11	0.04

Main Exceptional Items H110	(\$ million)
+ Positive	
Other income	13.5
(-) Negative	
Bonus to workers	(8.9)
Impairment	(14.7)

Attrib. net profit post exceptional	H110	H109
	29.2	15.6

¹ Retrospective restatement for change to depreciation calculation

² Refers to unit cost per tonne for our underground operations. Including Moris, our only open pit operation, unit cost per tonne was \$55.6 (H12009: \$53.1)

³ Others include HOC's share in associates, other income and other expenses



H1 2010 P&L by segment¹

Company (US\$m)	Ares	Arcata	Pallancata	San José	Moris	Consolidation adjustment	Total HOC
Revenue	27.0	77.5	107.4	77.2	17.6	0.0	306.9
Cost of sales (Pre consolidation)	(19.4)	(35.2)	(47.9)	(46.7)	(12.9)	1.3	(160.9)
Consolidation adjustment	(0.0)	(0.0)	(2.0)	(0.2)	-	1.3	(1.0)
Cost of sales (Post consolidation)	(19.3)	(35.2)	(45.9)	(46.5)	(12.9)	-	(159.9)
<i>Production cost w/o depreciation</i>	<i>(16.1)</i>	<i>(20.5)</i>	<i>(25.8)</i>	<i>(30.3)</i>	<i>(9.8)</i>		<i>(102.4)</i>
<i>Depreciation in production cost</i>	<i>(1.8)</i>	<i>(8.5)</i>	<i>(14.4)</i>	<i>(15.7)</i>	<i>(2.8)</i>		<i>(43.2)</i>
<i>Other items</i>	<i>(3.2)</i>	<i>(5.8)</i>	<i>(5.3)</i>	<i>(0.4)</i>			<i>(14.7)</i>
<i>Change in inventories</i>	<i>1.8</i>	<i>(0.4)</i>	<i>(0.4)</i>	<i>(0.1)</i>	<i>(0.4)</i>		<i>0.4</i>
Gross profit	7.7	42.2	59.5	30.5	4.7	1.4	146.0
Administrative expenses	-	-	-	-	-	(29.7)	(29.7)
Exploration expenses	-	-	-	-	-	(14.3)	(14.3)
Selling expenses	(0.0)	(1.2)	(1.6)	(8.2)	-	-	(11.0)
Other income/ expenses	-	-	-	-	-	11.5	11.5
Operating profit before impairment	7.7	41.0	57.9	22.3	4.7	(31.1)	102.5
Impairment of assets	-	-	-	-	-	(14.7)	(14.7)
Investments under equity method	-	-	-	-	-	(3.2)	(3.2)
Finance income	-	-	-	-	-	3.0	3.0
Finance costs	-	-	-	-	-	(12.8)	(12.8)
FX gain/(loss)	-	-	-	-	-	(0.2)	(0.2)
Profit/(loss) from continuing operations before income tax²	7.7	41.0	57.9	22.3	4.7	(59.0)	74.6
Income Tax	-	-	-	-	-	(28.7)	(28.7)
Profit/(loss) for the year from continuing operations	7.7	41.0	57.9	22.3	4.7	(87.7)	45.9

¹ On a post exceptional basis

6 ² Hochschild profit before income tax reflected in 2010 interim report



Strategy - pillars for growth

1

Maintain solid production through our world class assets

- Maximise life of mine at main operations
- Increase productivity

- Arcata
- San José
- Pallancata

2

Emphasis on exploration to generate value

- Fund exploration through largest ever budget
- Maximise economies of scale by targeting opportunities within clusters
- Expand land base where company makes sense

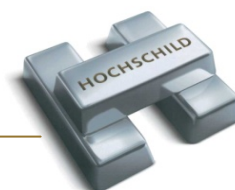
- Strategic project pipeline
- Experienced team

3

Corporate development focused on identifying value

- Focus on early stage projects with high geological potential

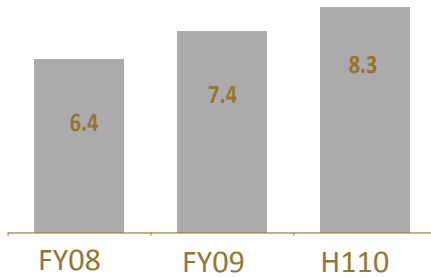
- Third party investments



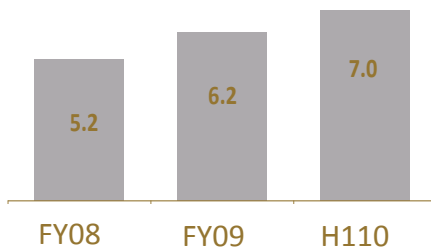
HOCHSCHILD MINING

1 Main operations: actively increasing resources

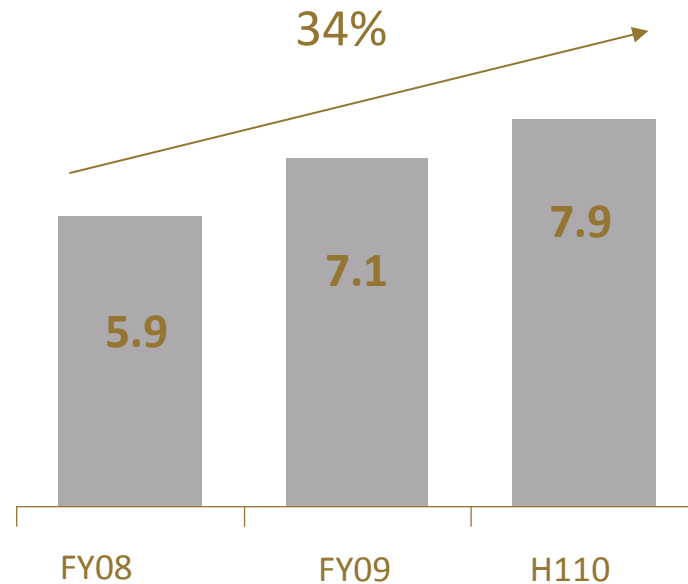
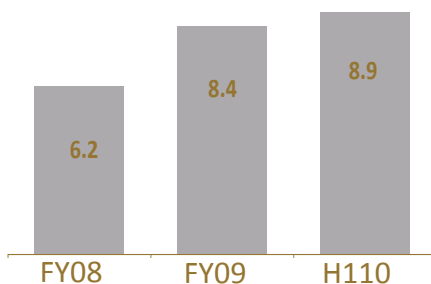
Arcata



Pallancata



San Jose



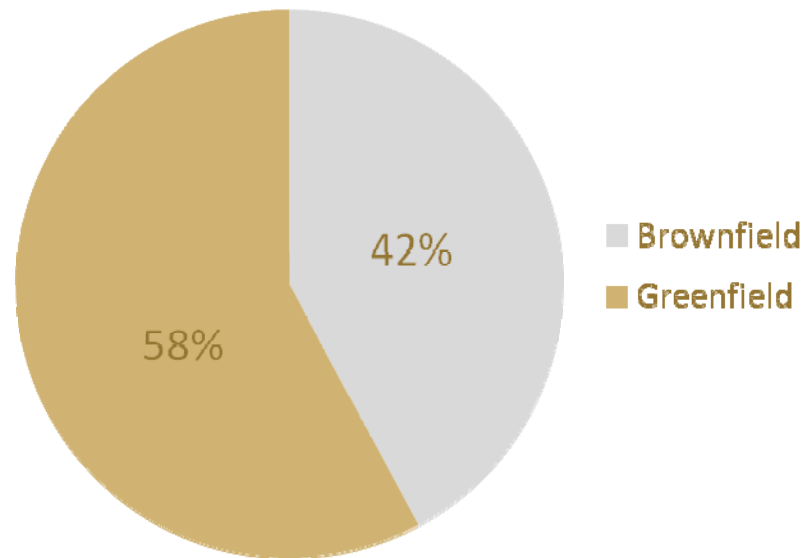
34% INCREASE IN RESOURCE LIFE AT MAIN OPERATIONS¹ OVER 18 MONTHS

- Resource life of mine at main operations now at 7.9 years
- 11% increase over the last six months
- LOM expected to increase further the end of the year

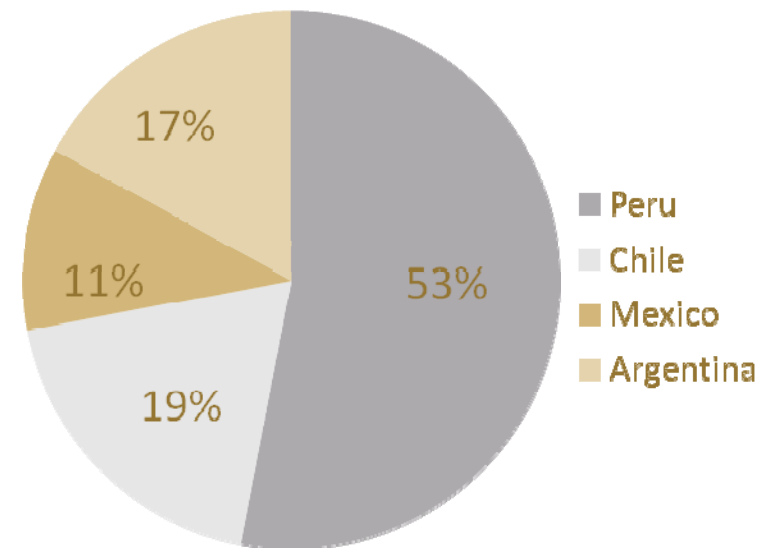


Exploration - Largest ever budget

2010 exploration budget: \$50 million



Greenfield breakdown by country

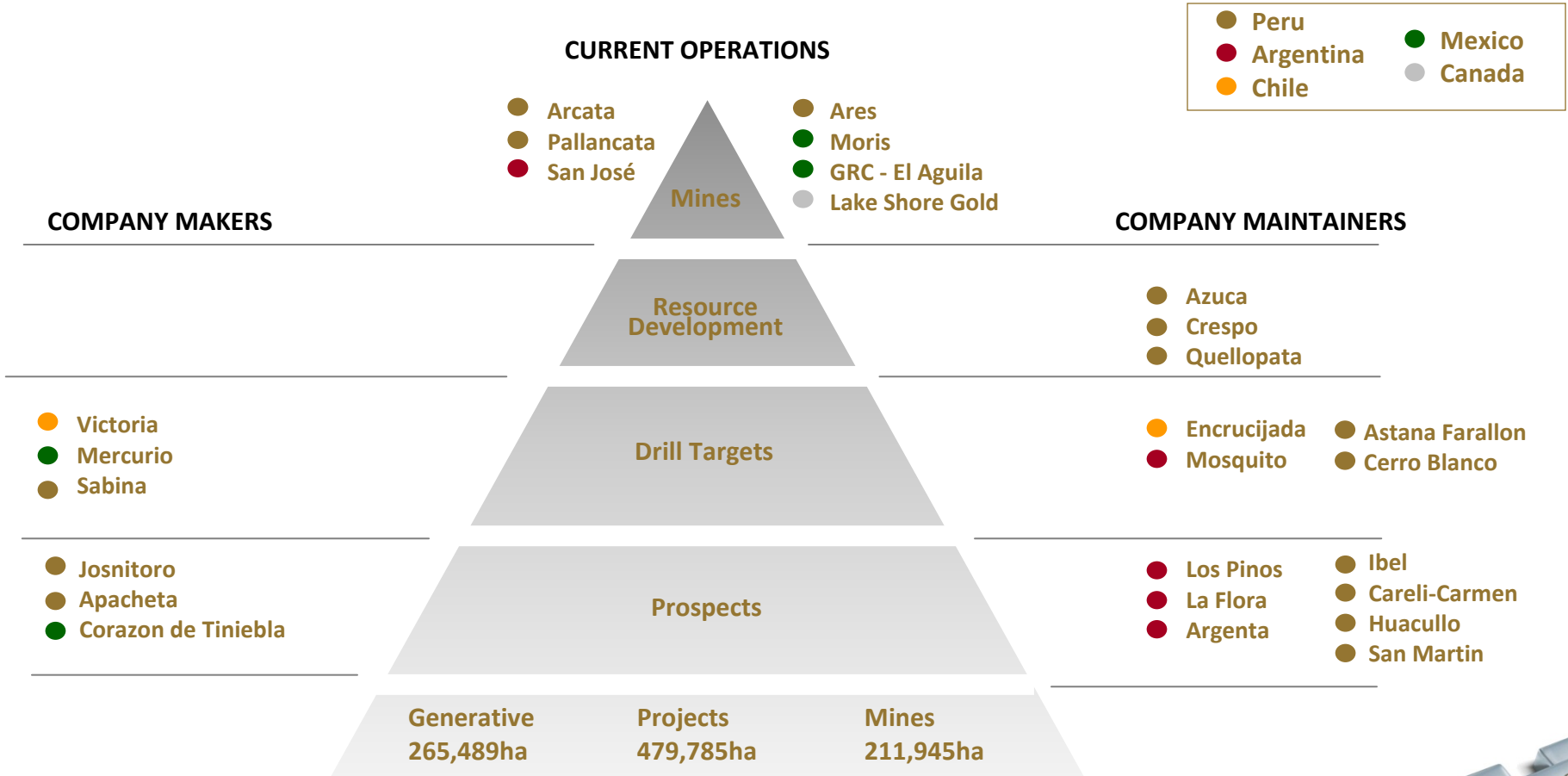


\$24 MILLION ALREADY INVESTED IN EXPLORATION IN THE FIRST HALF



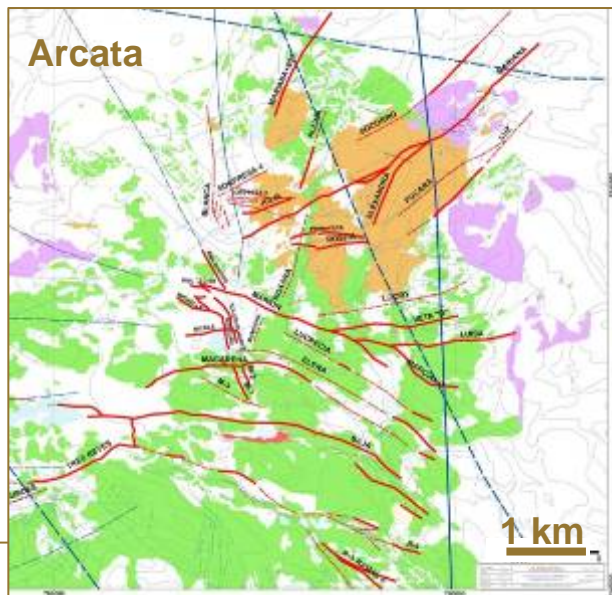
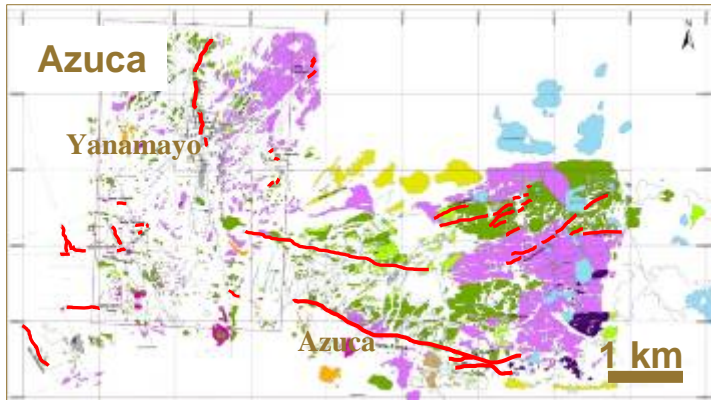
2

Strong project pipeline



2

Azuca - advancing towards a new mine



- 100% owned, located in Peru cluster, with 50 moz Ag eq
- Drilling commenced in May aims to deliver resources of +60moz Ag eq
- Aggressive resource development and potential delineation drilling will continue in H210

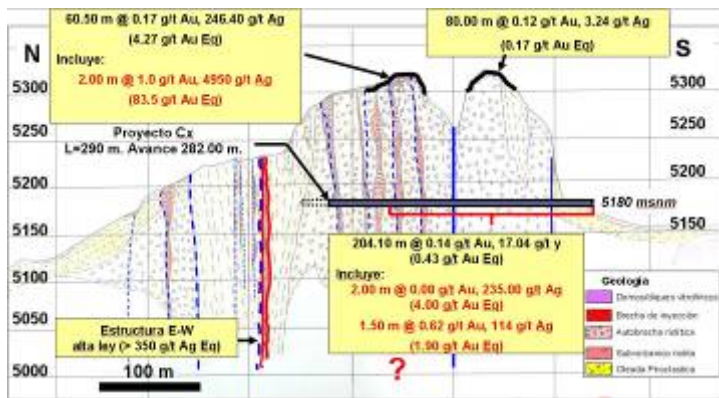
**ARE WE IN THE PRESENCE OF A POTENTIAL
ARCATA SIZE SYSTEM (+300 MOZ AG EQ)?**



2 Crespo – progressing to scoping



- Cross-cut totals 255m in June, just entering the mineralised zone
- Once cross-cut is complete, underground drilling program scheduled for resource development with the aim of reaching 60 moz Ag eq
- Preliminary metallurgy suggests excellent gold recovery (+90%)/improved silver recovery (30%)
- Surface diamond drill programme completed totaling 2,864m in 11 holes

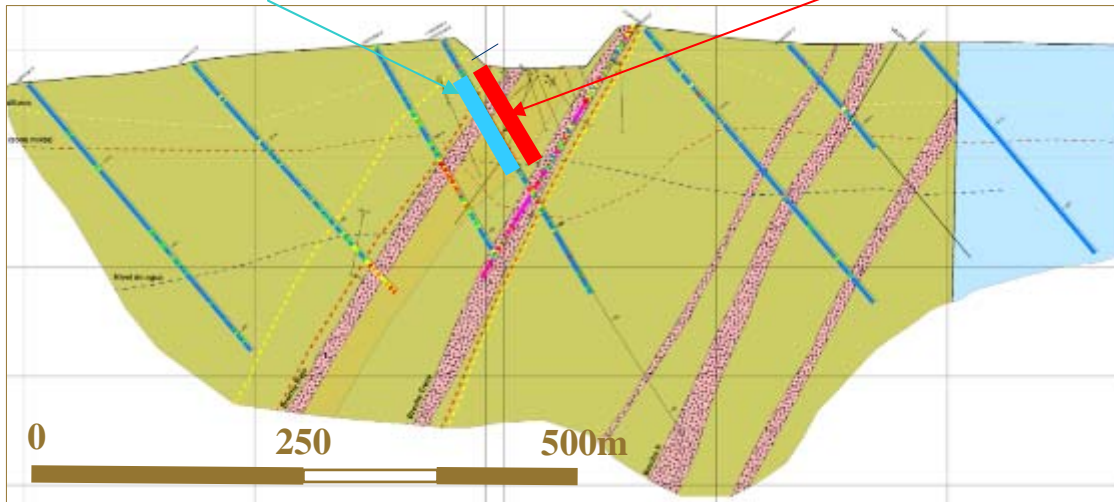


**BEST HISTORICAL INTERCEPT: 7.4M @
11.9 G/T AG & 1,050 G/T AU**



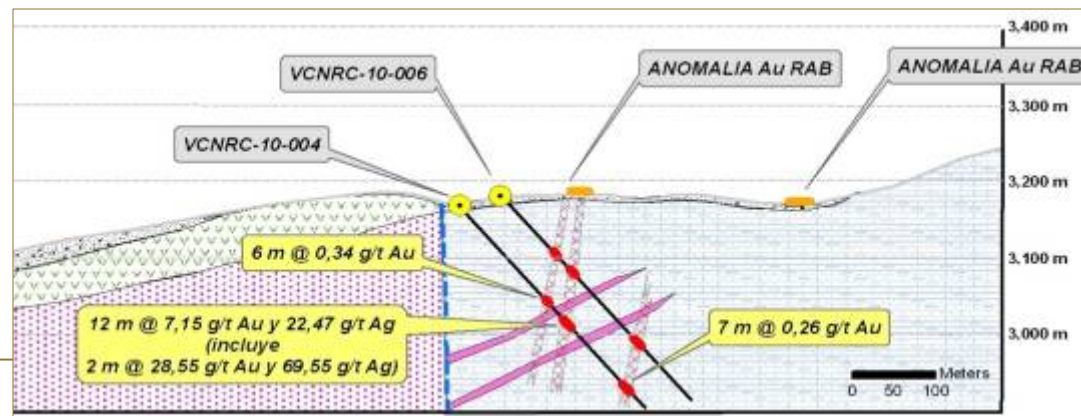
2 Company Makers - Victoria, Chile

102m @ 0.43 g/t Au, 34 g/t Ag 101.9m @ 0.91g/t Au , 57 g/t Ag



Vaquillas Target

- Other twin holes planned to prove the consistency of the difference between core and reverse circulation drilling assay results



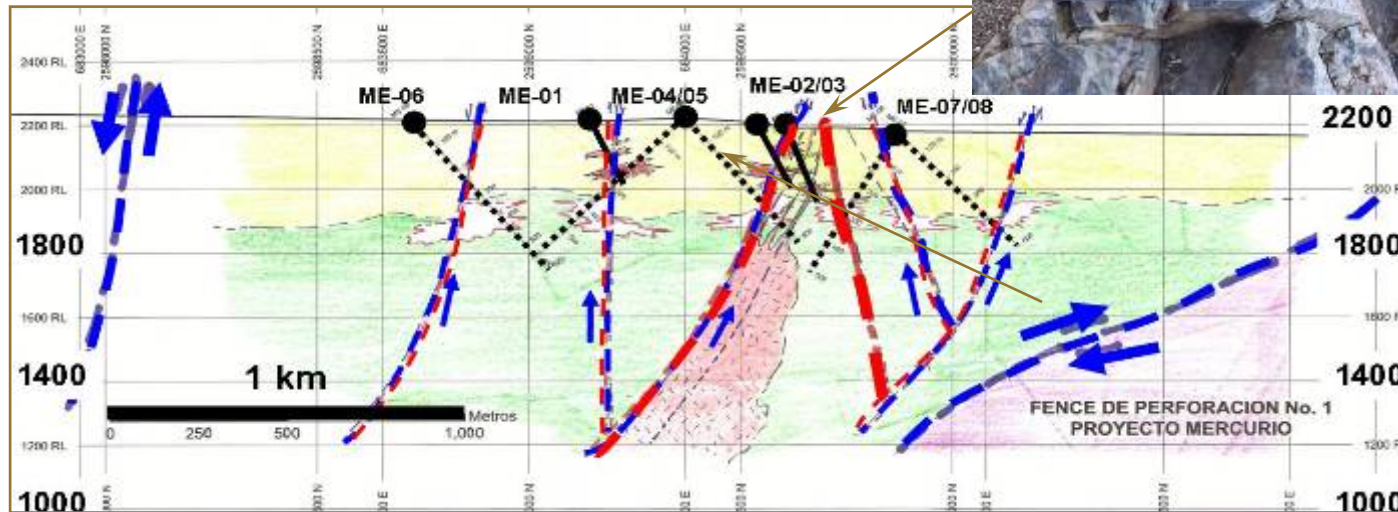
Vida Target

- New discovery (8m @ 10.5 g/t Au & 30 g/t Ag)



2 Mercurio, Mexico - new discovery

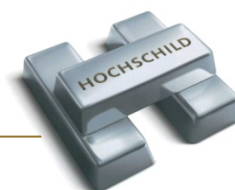
La Troje Manto: 2m @ 1.8 g/t Au, 997 g/t Ag



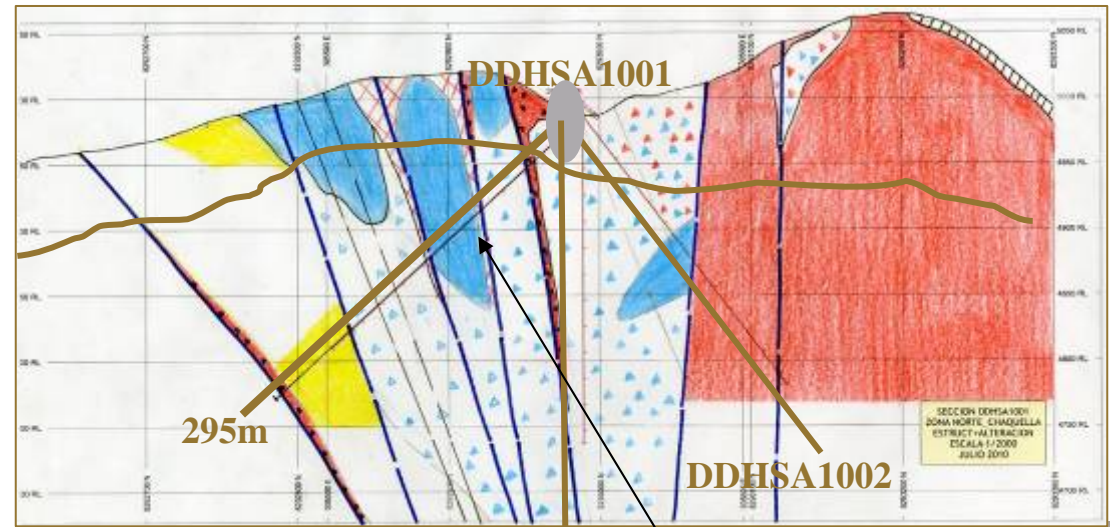
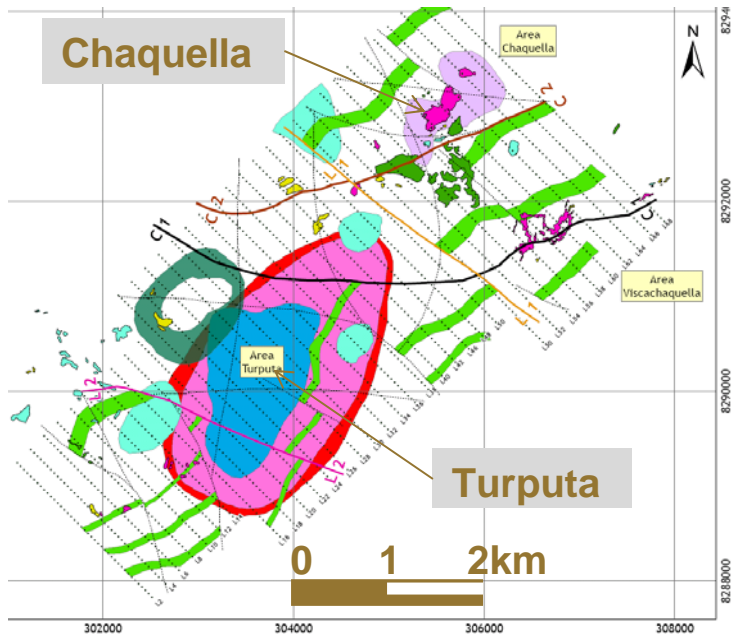
30 km NW of Fresnillo
(1,100 moz Ag @ 700 g/t Ag, 0.6 g/t Au)

35km SE of Sombretete
(210 moz Ag @ 700 g/t Ag, 1.5 g/t Au production)

DH-5: 40m (82-122m) s86m @ 20 g/t Ag, 0.22% Cu;
0.49% Pb, 1.40% Zn (includes: 3.5m @ 300 g/t Ag,
4.36% Cu; 1.18% Pb, 7.49% Cu).



2 Sabina, Peru - Chaquella target

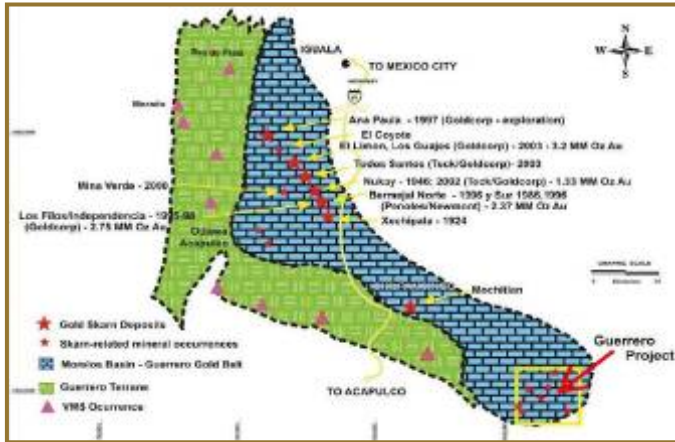


Surface sampling (0.1-0.6 g/t Au) in line with partial results from first core hole: 11.8m @ 0.38 g/t Au, 1.6 g/t Ag



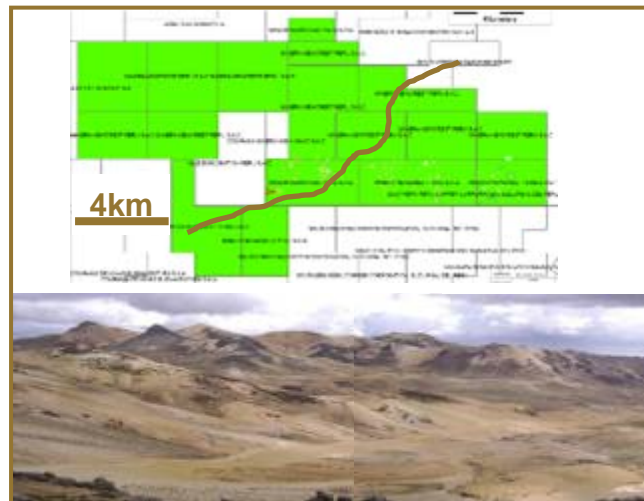
2

Other potential Company Maker targets



Corazón de Tinieblas, Mexico (100% owned)

- Guerrero Gold Belt: +10moz Au endowment
- Project has similar geological characteristics
- Field work commenced in H210



Apacheta, Peru (100% owned)

- Footprint >12 x 6 km silicification & advanced argillic alteration
- Early stage, only 1,000 surface samples & partial geological mapping
- Paved highway, 2 hrs from Ayacucho city



3

Other investments

LAKE SHORE GOLD

- Ownership: 37%
- Large land properties in the prolific Timmins Gold Camp in Ontario, Canada
- Commercial production expected in Q4 2010
- Potential to produce over 300 koz of gold over the coming years
- Low-cost production



GOLD RESOURCE CORPORATION

- Located in southern Mexico, 30% ownership
- Commercial production commenced in July 2010
- Production target of 70 koz of gold in first 12 months commercial production
- Longer term target to triple annual production to 200 koz Au equivalent within 3 years



Source: Public information from Lake Shore Gold Corp. & GRC

Strong re-rating opportunity



- LOM increased by 20% in 2009, already increased by a further 11% in H1 2010
- Advanced projects approaching feasibility stage (Azuca, Crespo)
- Increased exploration targets and budget provides platform for further growth
- Value of investments not fully recognised by the market
- Targeting new investors
- Strong precious metals prices

**POTENTIAL FOR FURTHER
VALUE CREATION**



Appendix



CONTACT US

Isabel Lutgendorf

Head of Investor Relations

+44 207 907 2934

Isabel.lutgendorf@hocplc.com



HOCHSCHILD MINING

Resources M+I+I at December 2009

100% mines and project basis

Total Resources: Measured, indicated and inferred

	Tonnage (Mt)	Ag (g/t)	Au (g/t)	Ag Eq (g/t)	Ag Eq (Moz)
Main operations	15.6	422	2.88	594	298.3
Arcata	4.6	456	1.42	541	79.4
Pallancata	6.6	409	1.73	512	108.9
San José	4.4	406	6.08	771	110.0
Other operations	2.8	59	2.59	215	19.2
Ares	1.0	149	4.74	434	14.7
Moris	1.7	4	1.28	81	4.5
Advanced projects	25.6	81	0.65	155	127.3
Azuca	3.7	288	1.31	366	44.1
Crespo	17.8	39	0.65	78	44.7
San Felipe	4.0	78	0.04	299	38.5
Other investments	10.0	83	5.33	403	130.5
Timmins LSG ⁽¹⁾	4.1	0	7.95	477	63.5
Inmaculada IMZ ⁽²⁾	5.9	142	3.50	351	66.9
TOTAL	54.0	179	2.27	331	575.0
TOTAL ATTRIBUTABLE	43.5	167	1.68	288	402.7

Note: Resources include undiscounted reserves

⁽¹⁾Source: SEDAR Updated 43-101 on Timmins Mine, Oct 2009

⁽²⁾Source: SEDAR International Minerals reported increased resource estimate at Inmaculada Project, Feb 2010

