



Hochschild Mining plc

Strategic Investment — Lake Shore Gold Corp.
19 February 2008



HOCHSCHILD MINING



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Transaction highlights

- Strategic investment in Lake Shore Gold Corp. (“Lake Shore”), a Toronto listed gold company moving to production, via an initial purchase of a 19.99% stake in the company
- Hochschild has the right to:
 - Increase its position to 40% by the end of 2008
 - Maintain its position in subsequent financings
 - Partner in future joint ventures
 - First right to acquire any assets that Lake Shore decides to sell
 - Appoint a proportionate number of board members
- Total cash consideration of C\$64.6m @ C\$2.30/share (30% premium to five day VWAP)
- Lake Shore to use the proceeds primarily to advance its Timmins West project to production



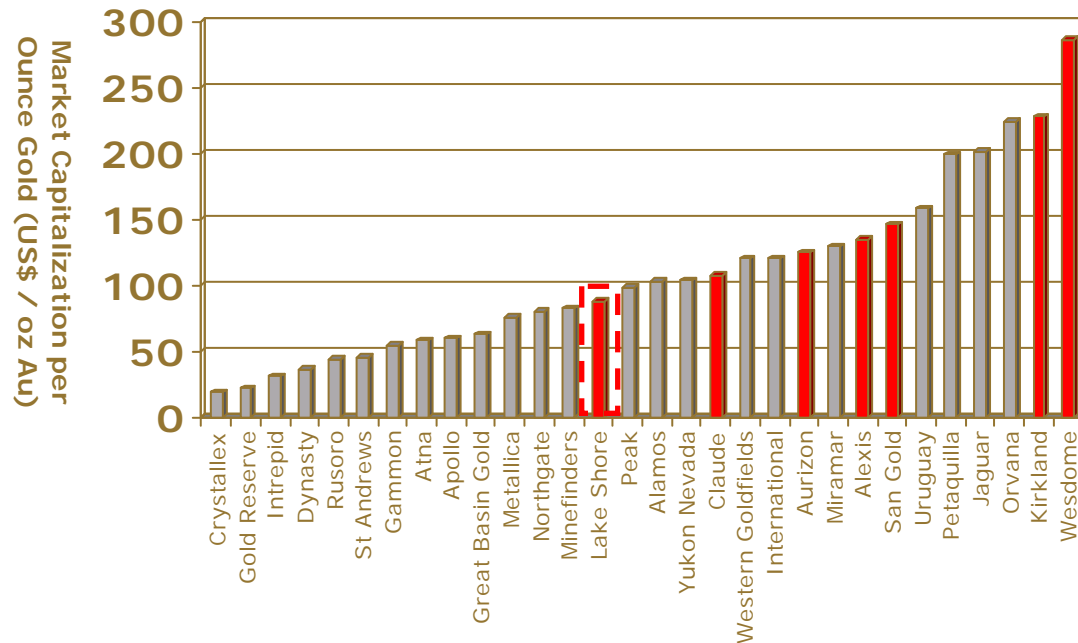
Rationale for the transaction

- Strategy: to bring into production profitable precious metal projects throughout the Americas by making anchor investments in strategic mining districts
 - Staged, low-risk approach to establishing a foothold in a major gold camp
 - Near production project
 - Long-lived assets
 - Significant upside potential
 - Strong management team in place
 - Most prospective terrains for this type of deposits: South Africa, Canada, Brazil & Venezuela
 - Canada has a well known geology and is a stable and mining friendly jurisdiction that fits our strategy
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Lake Shore — High quality ounces at an attractive valuation



Market capitalization per resource ounce
(US\$/oz)



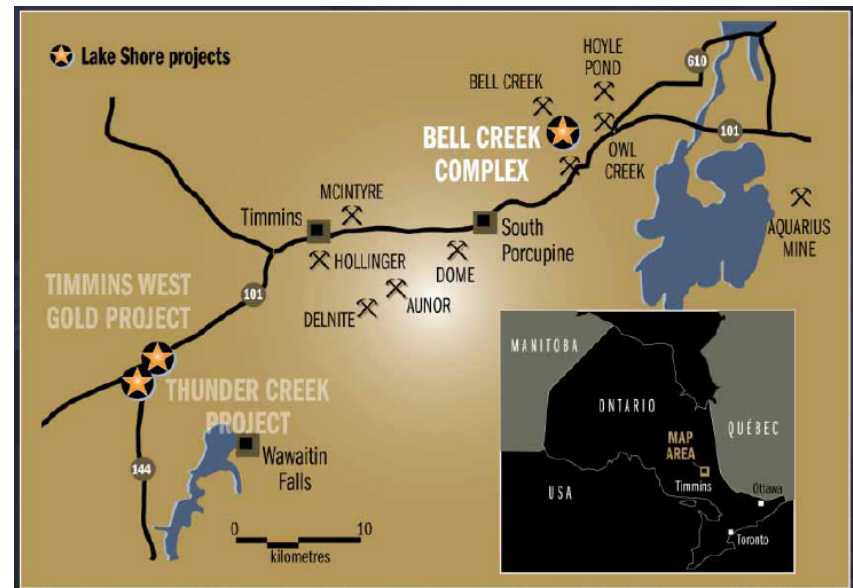
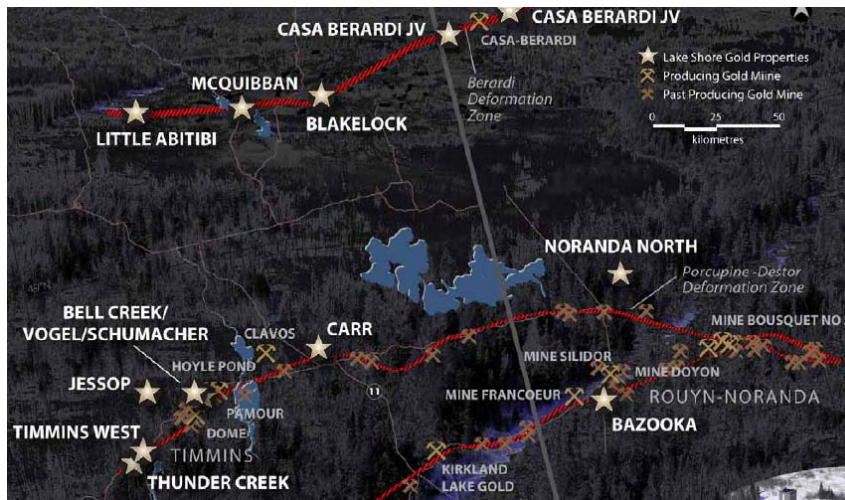
Emergent gold producers in the Americas. Red bars are Canadian companies. Data from Canaccord & Company websites. Lakeshore Gold's number includes historic resources and indicated resources at cut grade. Data as of the end of January 2008.



Lake Shore — a snapshot

- Well run Canadian junior with significant progress towards production in its Timmins West Project
- Outstanding properties in the Timmins Camp (67 moz Au produced) including Timmins West and the Bell Creek mine and mill
- Good property portfolio in several gold trends in the Canadian Shield
- Experienced management team and superior exploration skills
- Unique and comprehensive proprietary database over large areas of the Canadian Shield
- 1.9 - 2.3 moz Au of total resources (including historic resources) in Timmins Camp gold properties, with significant potential outside the Timmins Camp

Lake Shore — Quality portfolio of assets



Timmins West — The next Canadian high grade gold mine



- 100% owned
- Shaft sinking initiated
- 2007 pre-feasibility study by SRK
- 40 km away from 100% owned Bell Creek mill
- Near term production (expected late 2009) at 71 koz Au per annum (cut reserves)
- High grade & low cash cost: US\$319 / oz (cut) or US\$234 / oz (uncut)
- Pre operational capex: C\$66m
- Sustaining capex: C\$79m for life of mine

Timmins West	Tonnes	Grade (g/t Au)	Ounces
Probable Reserves ¹ :			
Uncut	3,600,000	10.4	1,200,000
Cut	3,400,000	7.6	830,000
Indicated Resources ² :			
Uncut	3,268,000	12.29	1,291,000
Cut	3,268,000	8.62	905,000
Inferred Resources ² :			
Uncut	968,000	5.79	207,000
Cut	968,000	5.54	174,700

¹ August 2007 – SRK Consulting and 43-101 compliant

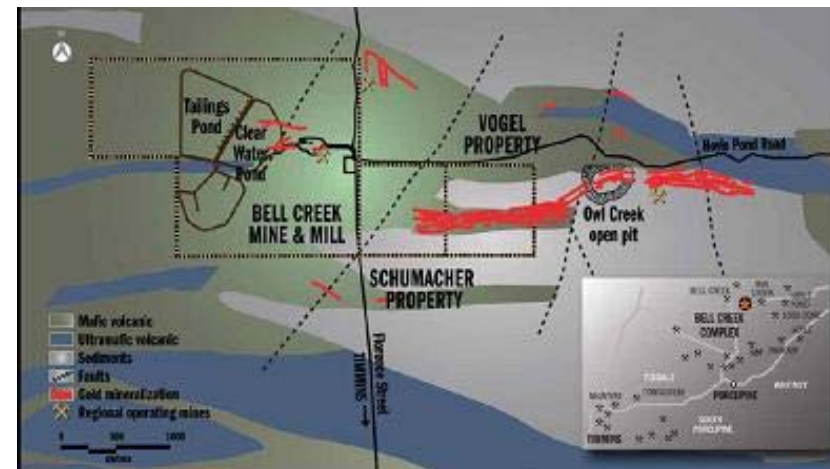
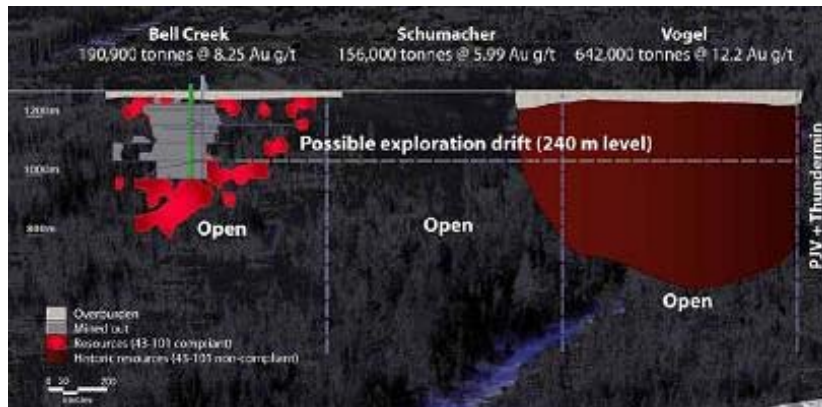
² November 2006 – Audited Watts, Griffis and McQuat Limited, resources include reserves

The Bell Creek Complex — Potential additional feed for the Bell Creek Mill



- Located immediately west of the Hoyle Pond Mine (operated by Goldcorp, > 10 g/t Au)
- Excellent potential for additional veins along 2.4 km
- Significant historic resource

	Tonnes	Grade (g/t Au)	Ounces
Bell Creek ¹			
Indicated Resources	190,900	8.25	50,641
Inferred Resources	346,000	7.70	85,888
Vogel ²			
Measured & indicated	642,000	12.2	261,200
Inferred Resources	933,800	12.2	379,800
Schumacher ³			
Measured & indicated	156,000	5.99	30,043



¹ 43-101 Compliant, 2004
² 1999 CIM Historic Resource
³ 1997 Historic Resource

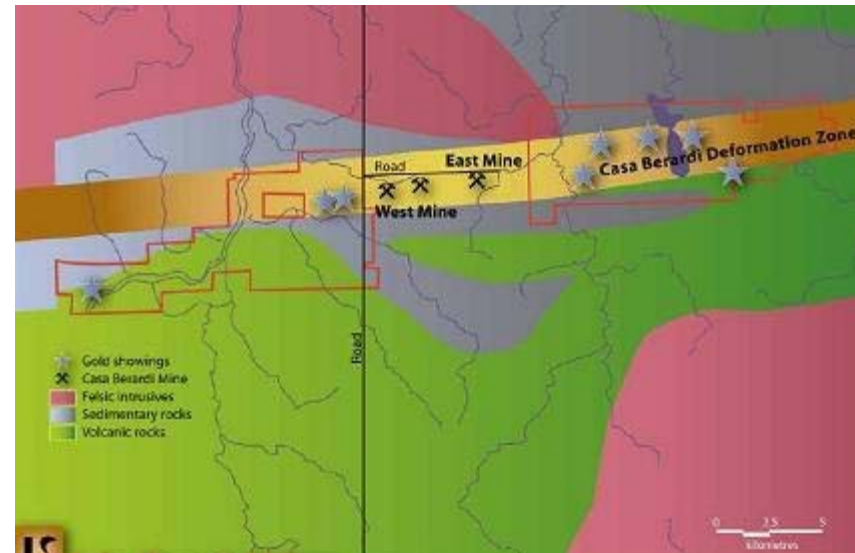
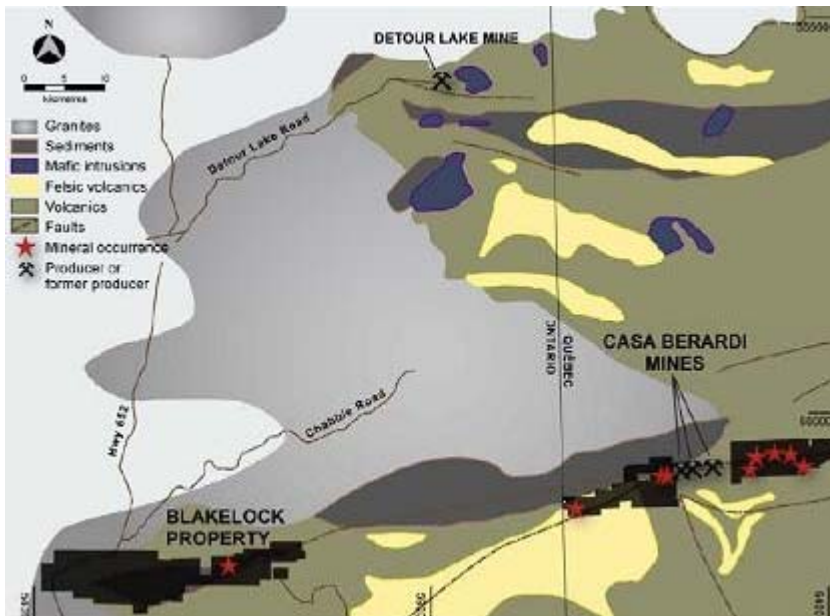
Thunder Creek — Great exploration results adjacent to Timmins West



- 60% interest, Lake Shore operator
- Contiguous to Timmins West
- Drilling will continue throughout 2008
- New gold zones discovered in 2007
- TC07-30
 - 10.91 g/t Au over 3.65 metres
 - 5.43 g/t Au over 1.20 metres
 - 27.6 g/t Au over 0.5 metres
 - 9.77 g/t Au over 3.95 metres
- TC07-36
 - 23.61 g/t Au over 7.0 metres



Lake Shore — Exciting exploration projects outside the Timmins Camp





In summary

- Hochschild's investment in Lake Shore fits our long term growth strategy to bring into production new profitable precious metal projects throughout the Americas
- Transaction provides Hochschild access to:
 - Near production project
 - Long-life assets
 - Significant upside potential
 - Strong management team in place
 - Staged, low-risk approach to establishing a foothold in a major gold camp