Hochschild Mining plc

Preliminary Annual Results Presentation
Year ended 31 December 2006

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Agenda

1. Introduction:

2. Financial update:

3. Operational update:

Highlights of 2006

- Successfully listed on the London Stock Exchange
- Strong financial results
  - Revenue of $211 million, up 31%
  - EBITDA of $108 million, up 52% with margin expansion
  - Cash flow from operations of $126 million, up over 300%
- Despite industry wide cost pressure, weighted average cost per tonne decreased by 2%
- Stable production with 11.6 moz Ag and 196 koz of Au (23.3 moz Ag eq)
- Attributable stated reserves up 25% in second half of 2006
- On track to reach our target of 50moz Ag eq by 2011

Achieving our goals

Our corporate strategy

- Maintain low cost profile and improve profitability
- Consolidation in underground mining
- Focus on high grade deposits
- Maintain our strong focus on corporate social responsibility
- Increase reserve and resource base
- Deliver on organic growth

Our outlook for 2007

- 2007 production target → over 26 moz Ag eq
  - Complete expansions at existing operations and commence production at three projects on schedule
  - Operating capacity at 2007 year end of 2,780 ktpa, +184% increase
- Maintain rigorous approach to cost control
- Continue expansion of reserve base
- Financial strength to participate in regional consolidation via both joint ventures and acquisitions
- Benefit from positive fundamentals for both silver and gold
- Attractive environment in Latin America: stable political environment / economic growth forecasted to continue throughout 2007

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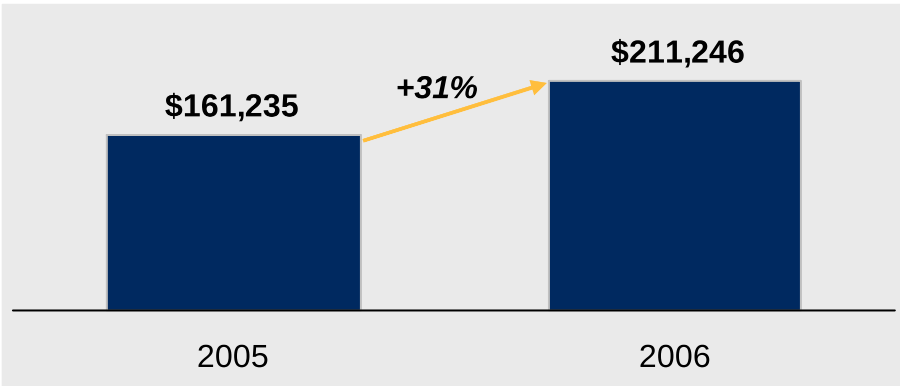
3. Operational update:

A substantial increase in revenue

Revenue (US$ thousands)



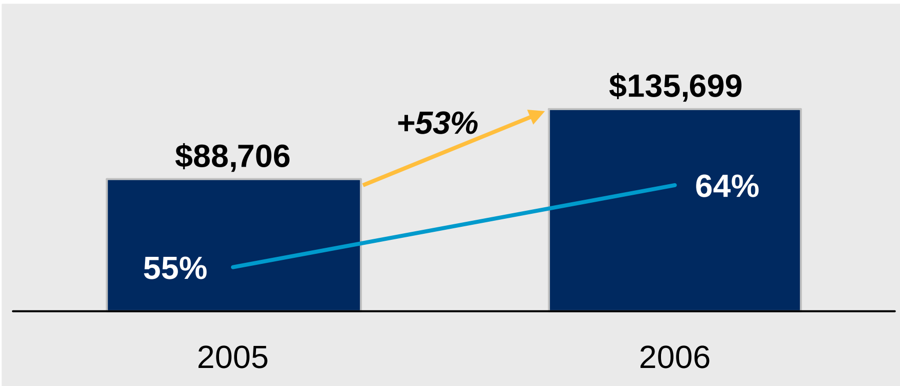
Revenue breakdown

	2005	2006	% change
Au sales (koz)	231	190	(18%)
Ag sales (koz)	10,366	10,403	0%
Au average price	$391/oz	$487/oz	25%
Ag average price	$6.8/oz	$11.4/oz	68%

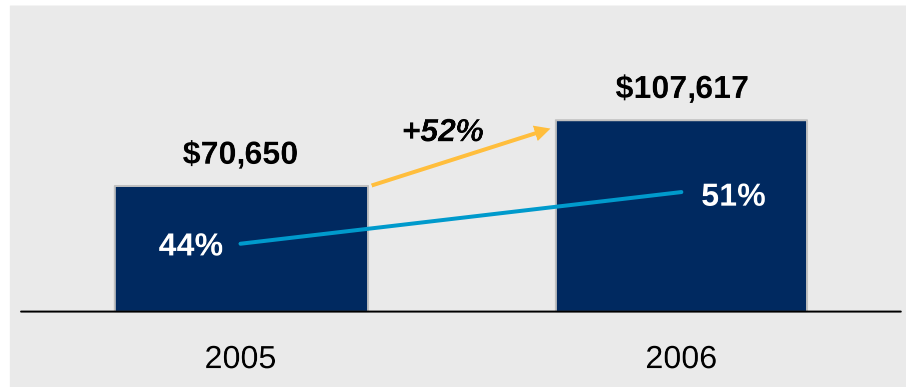
- Revenue increase driven by higher realisable commodity prices
- Timing difference between production and sale of concentrate created a significant build up of inventory
  - 1.3 moz silver
  - 5.3 koz gold
  - Will add to revenue in 2007
- We have legacy hedges which expire mid-2007
  - ~60 koz Au hedged in 2007 at $418/oz
  - ~880 koz Ag hedged in 2007 at $10.7/oz
- However, our policy going forward is not to hedge commodity prices

Profitability margins driven by commodity prices and cost control

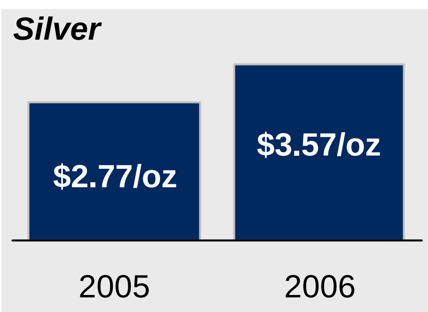
Gross profit (US$ thousands)

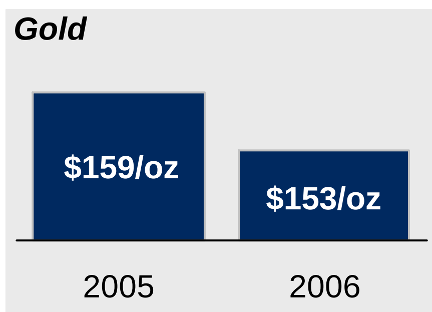


EBITDA (US$ thousands)



Co-product cash cost

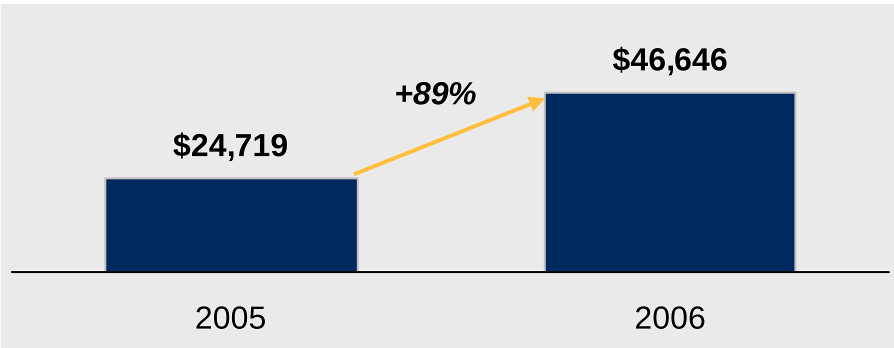




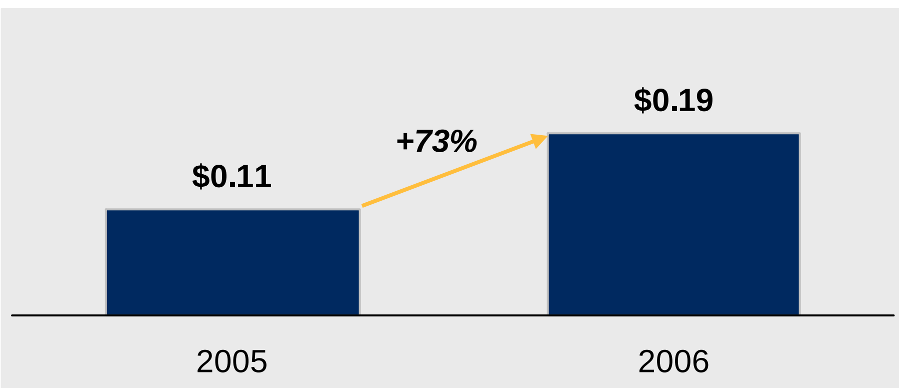
- Despite industry wide cost pressure, 2% decrease in weighted average cost per tonne unit cost
  - Selene $/tonne cost down 20%
  - Arcata $/tonne cost up 6%
  - Ares $/tonne cost up 2%
- Silver co-product cash cost up primarily driven by shift in product mix
  - Ag 56% of revenue in 2006 vs. 44% in 2005

Significant increase in the bottom-line

Attributable profit after tax (US$ thousands)



EPS (US$ per share)



230m shares **243m shares**

- Stated on a pre-exceptional basis
  - $3.0 million asset impairment at Sipan
  - $2.2 million loss on sale of investment
- Items exceptional when non-recurring in nature and outside normal course of business
- Effective tax rate in 2006 of 42% versus 19% in 2005

Strong cash flow generation

Key line items (US$ thousands)

	FY 2006	FY 2005
Cash generated from operating activities	126,231	30,464
Net cash generated from operating activities	88,208	7,990
Net cash used in investing activities	(62,723)	(2,678)
Proceeds from issue of share	515,245	—
Net cash flows generated from financing activities	407,553	(8,458)
Exchange difference	38	(20)
Net (decrease) increase in cash during the year	433,038	(3,146)
Cash at the end of the period	**435,543**	**2,467**

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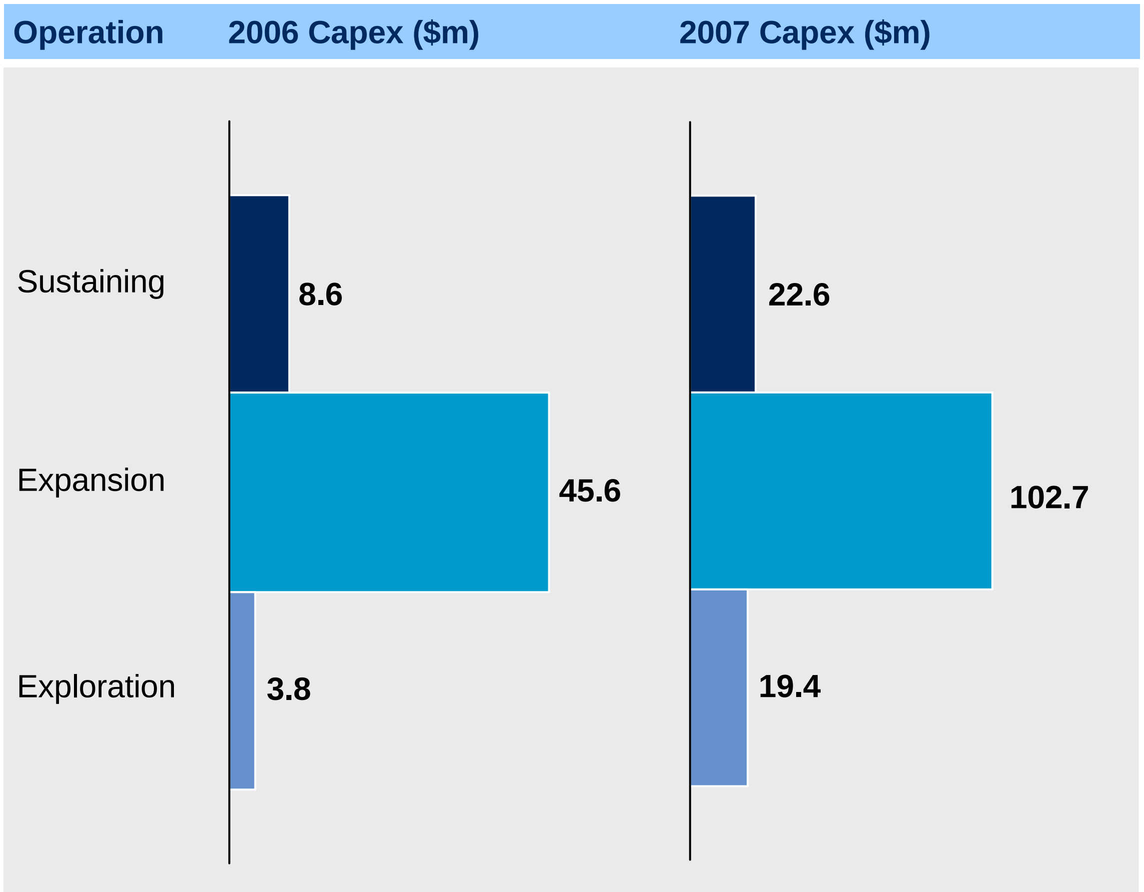
Capital expenditure to fund our growth



- Sustaining capex is increasing by 163%
  - Replace obsolete equipment in operating mines
- Expansion capex is increasing by 125%
  - Capacity expansion and incremental doré processing at Ares
  - Commencement of three new projects
- Exploration capex increasing by 405% in existing mines and projects
  - In addition, we will spend approximately $15 million in regional exploration

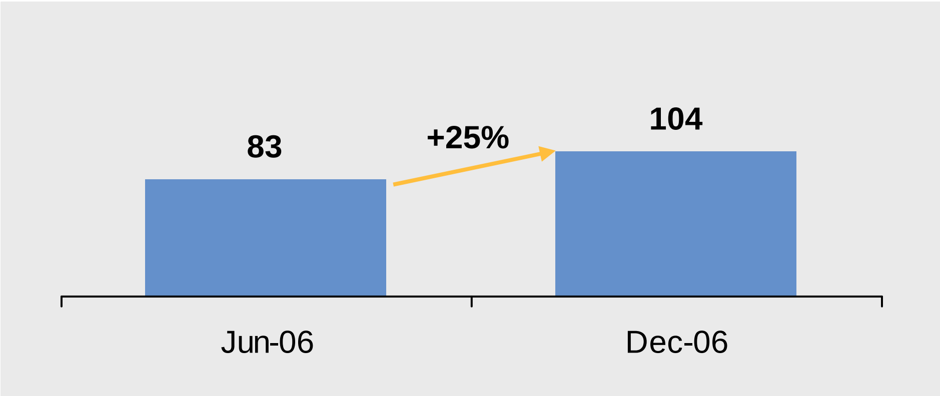
Transformational expansion in capacity during 2007

Operation	2006 YE run rate	2007 YE run rate	% change	Timing
Arcata	350ktpa	420ktpa	+20%	2Q07
Ares	280ktpa	325ktpa	+16%	Completed
Selene	350ktpa	525ktpa	+50%	3Q07
Pallancata		175ktpa	n.m.	3Q07
San José		275ktpa	n.m.	2Q07
Mina Moris		1,080ktpa	n.m.	3Q07
TOTAL	980ktpa	2,780ktpa	+184%	

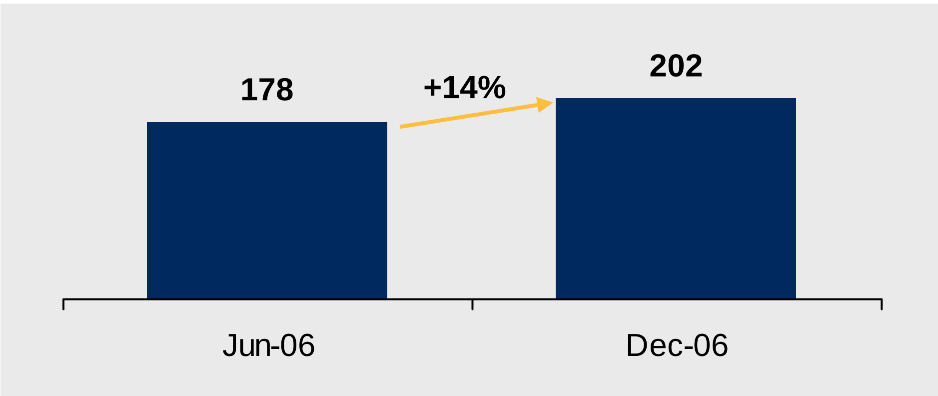
- 2007 will be an exciting year
- Expanding capacity at three operations
- Bringing three new projects into production
- Full operational and financial benefits to be fully realized in 2008

Increasing reserve and resource base

Attributable reserves (moz Ag eq.)

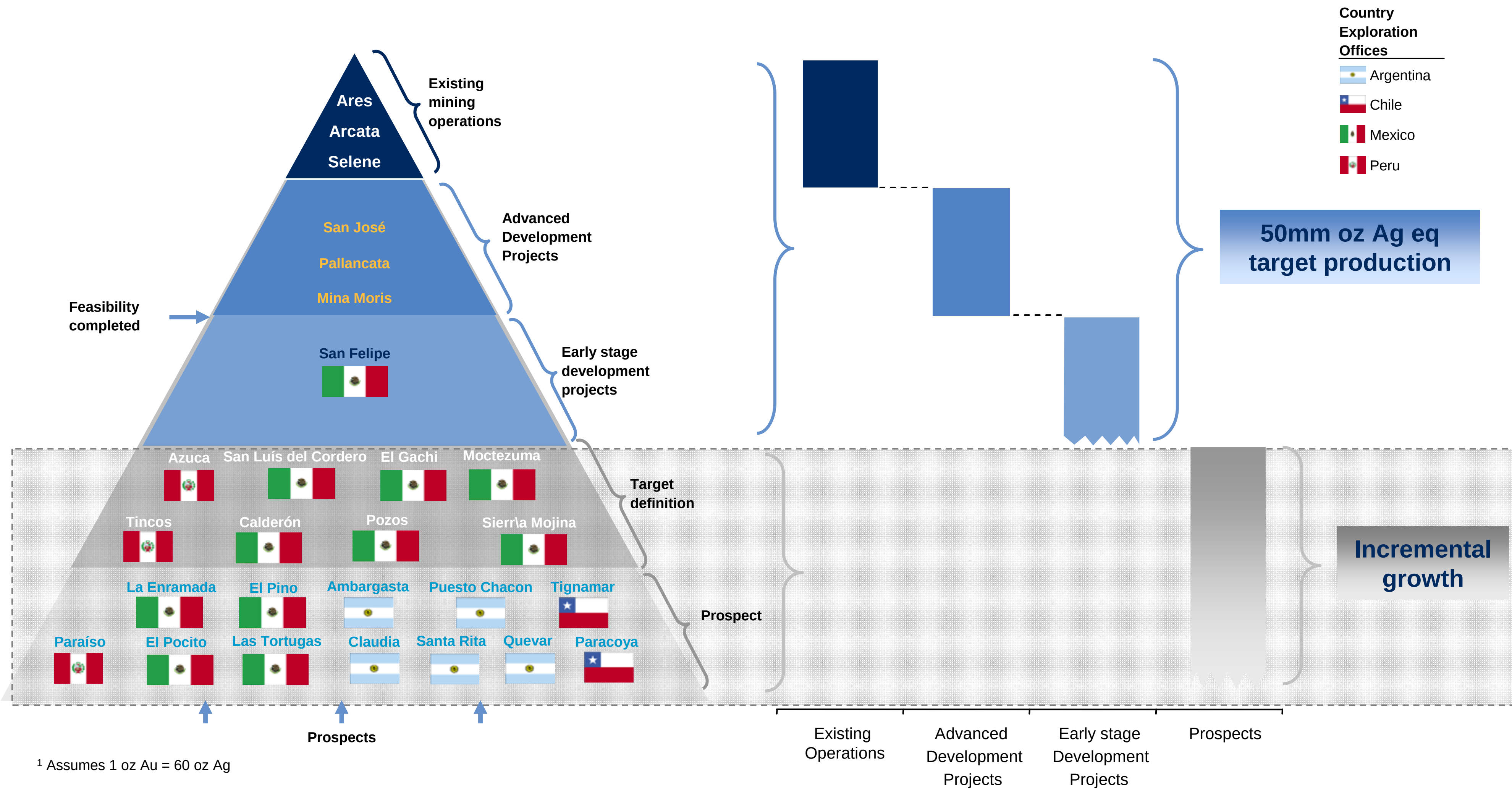


Attributable resources (moz Ag eq.)



- Have budgeted $35 million for exploration in 2007
- Approximately $20 million will be spent on three existing operations and three new operations
- Leaves approximately $15 million for further exploration throughout the region

Exploring the region



[1] Assumes 1 oz Au = 60 oz Ag

Looking for acquisitions with a specific profile

- High grade underground properties
- >50% EBITDA margin
- Value accretive
- Mainly precious metals deposits
- Prioritising countries where we operate / the Americas
- Aim to continue to be partner of choice for joint ventures

Summary

- Delivering on IPO commitments: On track for 50 moz Ag eq. by 2011
- More than doubling production capacity in 2007
- Maintaining low cash costs
- Extending reserve base
- Financial resources to significantly enhance our growth

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