



Hochschild Mining plc
BMO Global Metals & Mining Conference
24 -27 February 2013



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Hochschild Mining

A unique proposition

- **20m oz silver producer in the Americas**
 - 3 of the 13 largest primary silver mines in the world
- **Two near-term projects set to deliver 50% growth**
 - 10m oz+ production from Inmaculada & Crespo
- **Focus on long-term growth through exploration**
 - Extensive gold & silver pipeline spread across the Americas
- **Opportunistic acquisition strategy**
 - Andina purchase announced in Nov 2012
- **FTSE 250 with mkt cap of \$2.4bn**
- **Strong financial position**
 - Cash balance of approximately \$359m*

Location



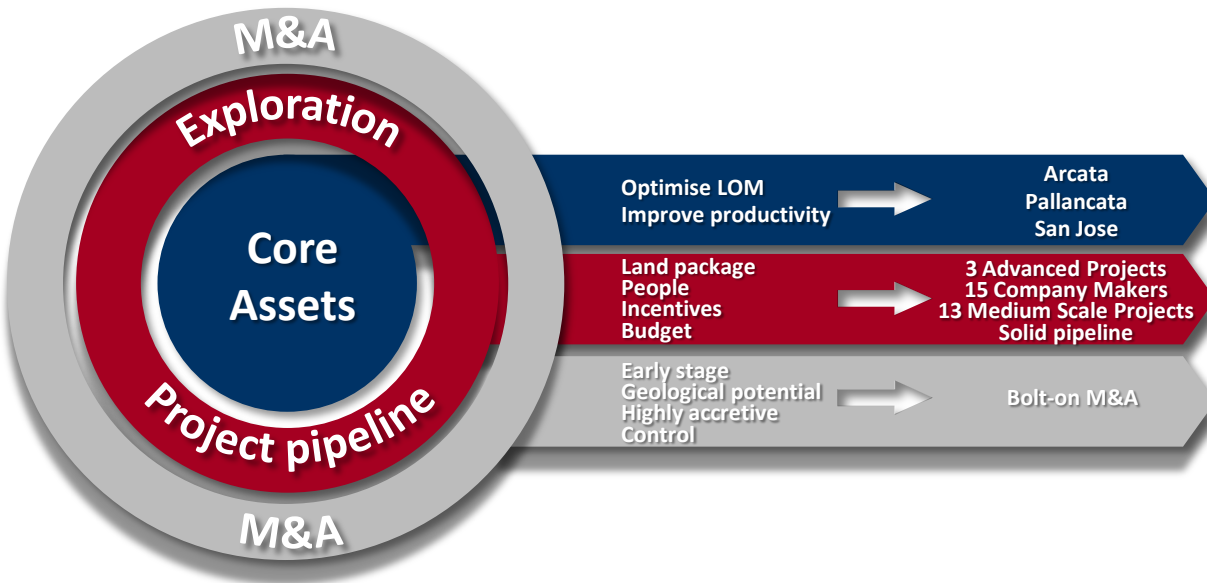
Almost 50 years production experience in high margin, precious metal assets

HOCHSCHILD MINING



Hochschild strategy key

Long-term consistent strategy model



Progress

Core Assets

- 2012 production target of 20.0m Ag. Eq oz (attrib) achieved
- Focus on productivity and increased quality & quantity of LOM at core assets

Exploration

- Inmaculada/Crespo Advanced Projects progressing well
- Full year drilling and exploration targets achieved

M&A

- Substantial flexible cash position
- Opportunistic acquisition strategy
- Andina purchase to complete in Feb 2013

2012 has continued our strategic progress

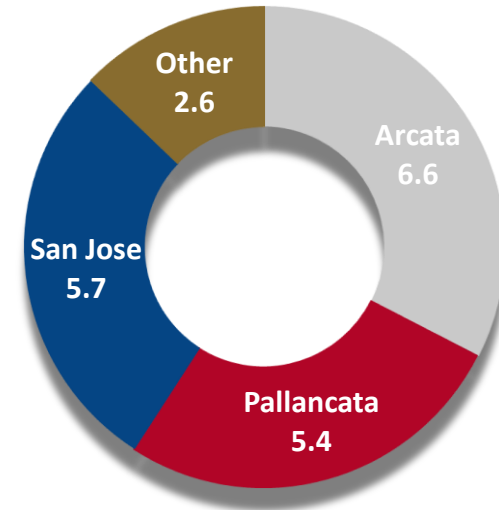


Current assets

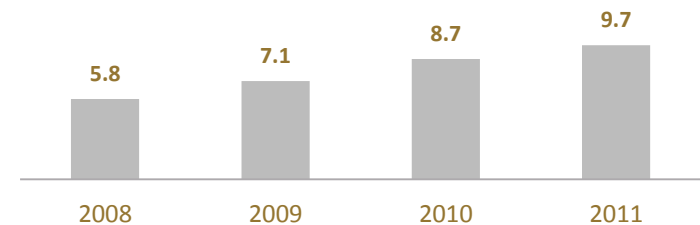
2012 production target achieved

- 20.3m oz Ag Eq achieved in line with expectations
- 2012 Peruvian unit costs expected in line (+15%)
- Arcata:
 - Dore project completed – 100% dore
 - Mining close to average reserve grade
 - Increasing volumes from low grade Macarena Waste Dam deposit
- Pallancata:
 - Processing more mineral from narrower structures, higher mine dilution
 - Policy of mining close to average reserve grade
- Argentina unit costs expected below 15-20% guidance
- San Jose:
 - 2012 production up 3%
 - Higher low grade tonnage from mine developments
 - 10% capacity increase for 2013
- Focus on productivity and increased quality & quantity of LOM at core assets

2012 current asset production split (Moz Ag Eq attributable)



Main operations life-of-mine (yrs)



Long-term sustainable production base



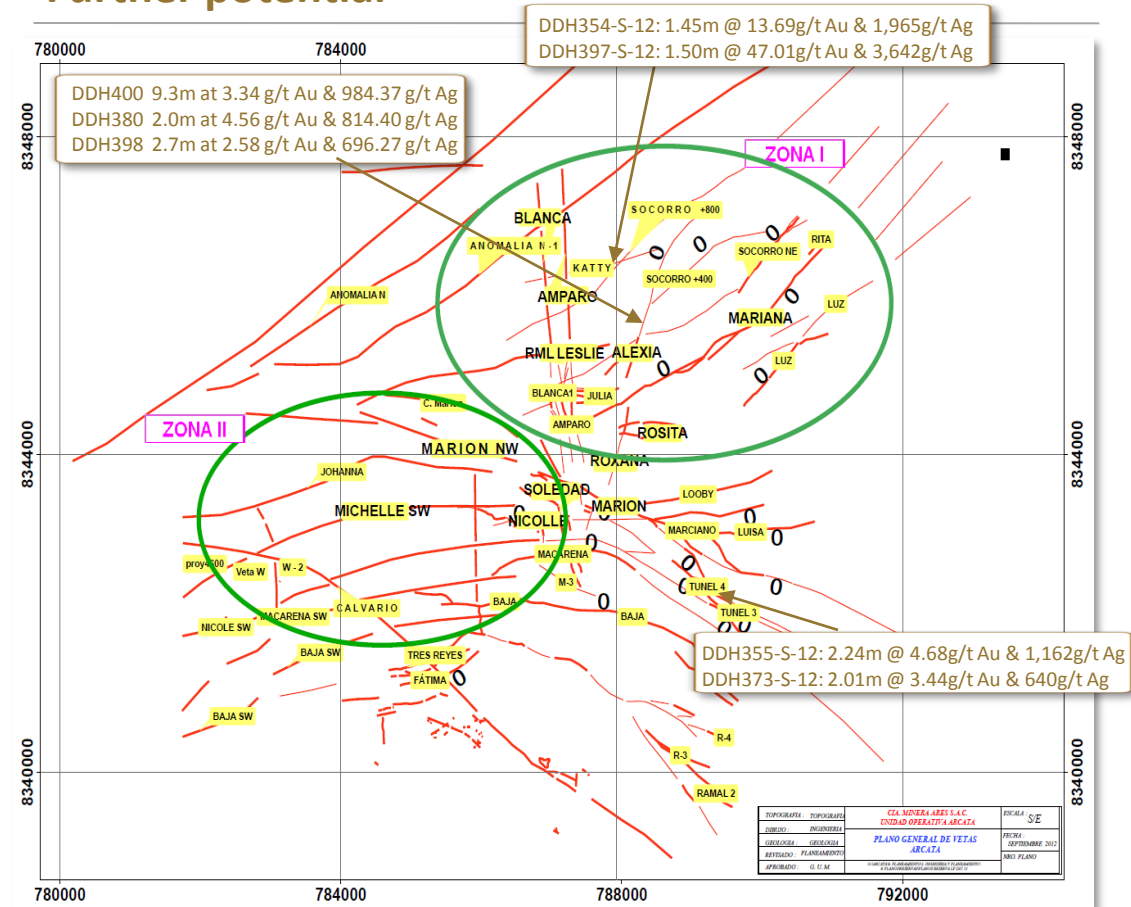
Arcata exploration potential

Significant areas still to be explored

- Main Arcata structures:
 - Mariana NE, Blanca, Amparo, Ramal Leslie, Alexia, Marión
- Known structures extend over 29km
- Structures with potential extend >8.6km and near mine exploration >25.5km
- Newly discovered high grade resource - Tunel 4 area
 - Vein system accessible from existing mine infrastructure
 - Set to improve average grade quality in long-term
- **H2 2012**
 - Katty vein discovered;
 - Alexia vein substantially extended
 - Positive results from Tunel 4 area/Socorro +800 vein



Further potential



Near-mine exploration on track to add additional high grade resources



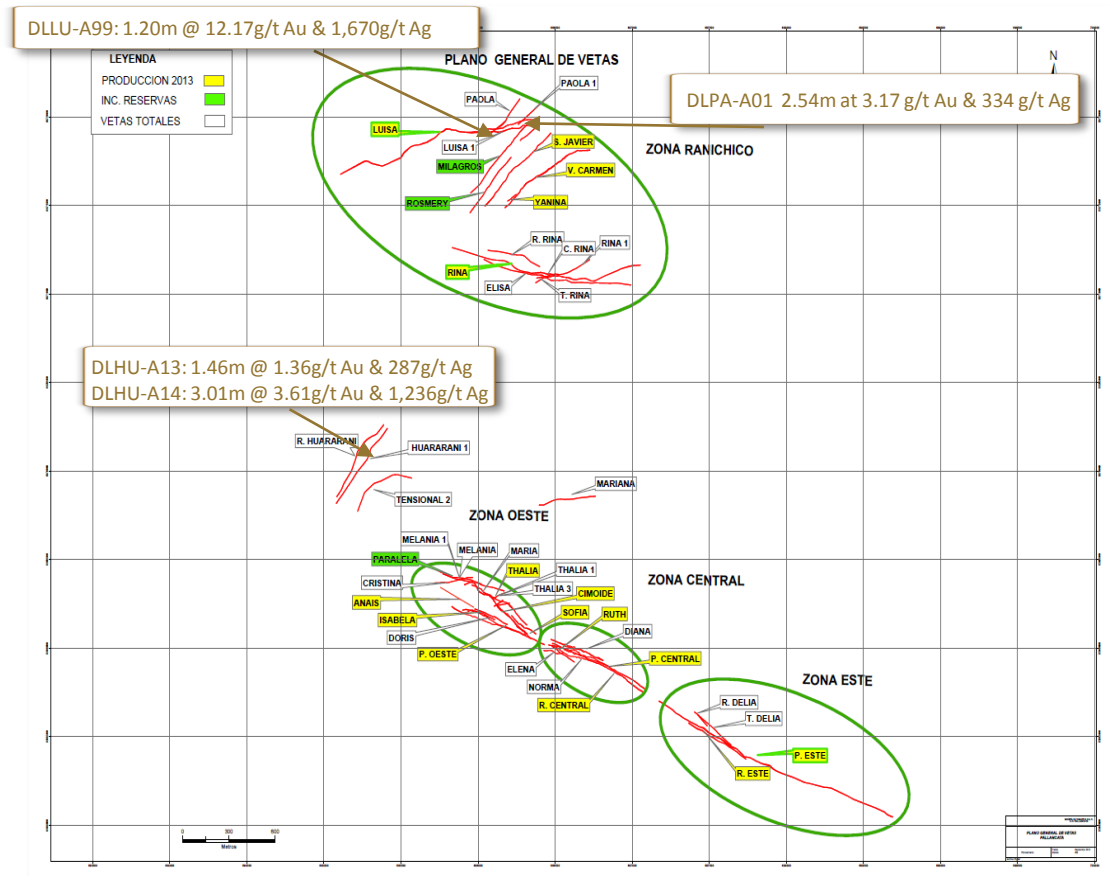
Pallancata exploration potential

Significant areas still to be explored

- Known structures extend over an area of 16km
- Structures with potential extend over 14.3km and near mine exploration over 19.5km
- 2012 focus on identifying wider structures and incorporation of new higher grade resources
- Positive results in two new vein systems –
— Bolsa/Huararani areas
- 2013 exploration:
— Definition of structures with high quality resources from known veins systems
— Identification of new high grade veins - 39,050m drilling planned



Further potential

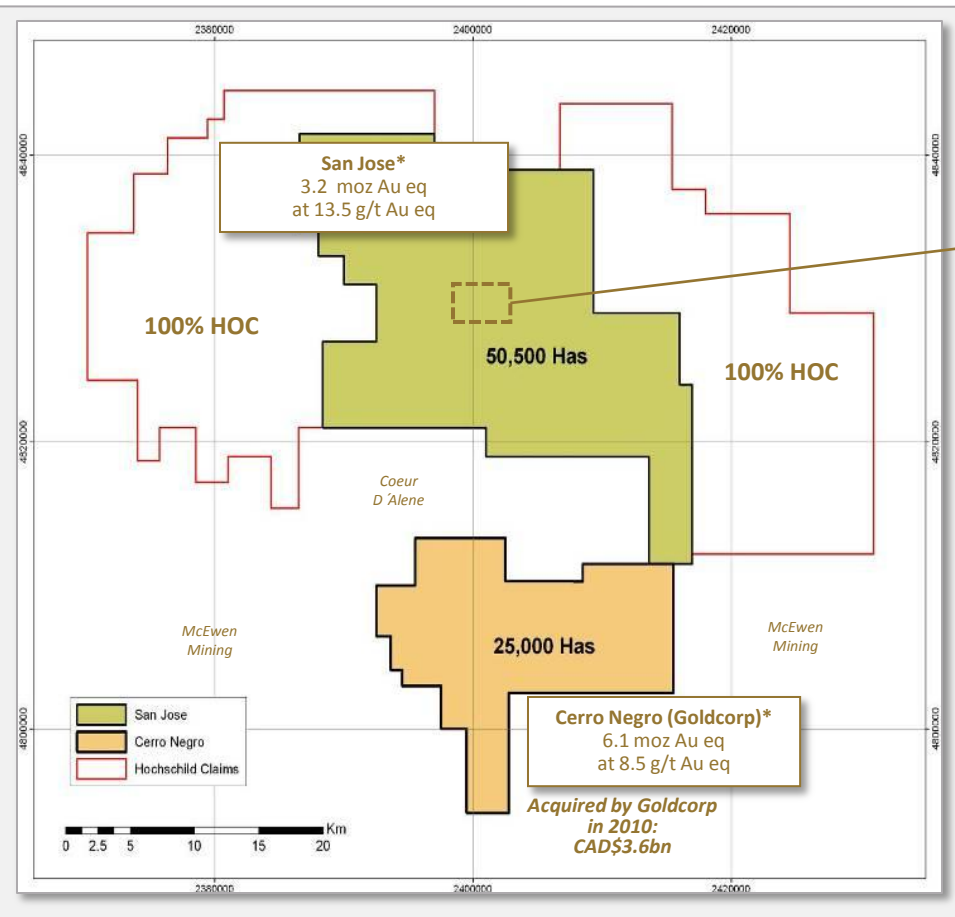


Near-mine exploration on track to add additional high grade resources

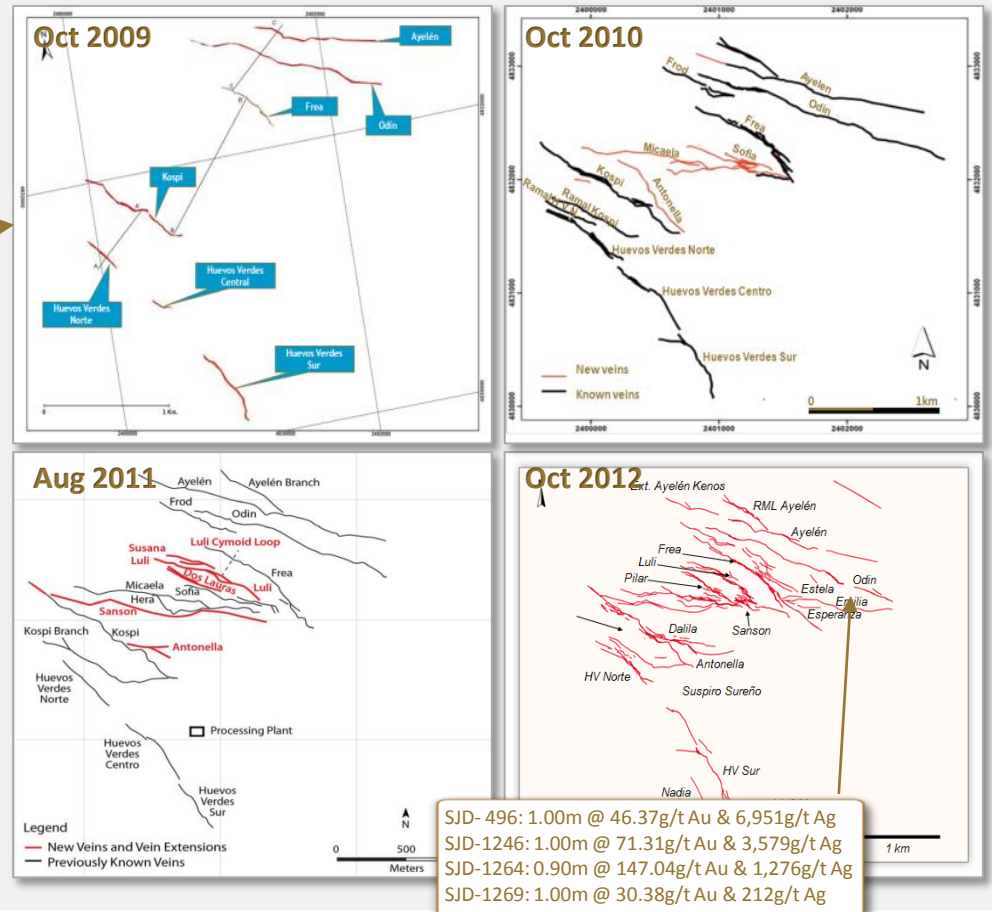


San Jose exploration potential

A high grade district



Three years of exploration success



Exploration success has significantly increased resources



Southern Peru Cluster: Inmaculada Advanced Project

Hochschild's most exciting Advanced Project

- Set to deliver **7.0m oz Ag eq. p.a.** (attrib)
- 2012 progress:
 - Plant construction contract awarded within budget (\$142m)
 - Construction of three exploration tunnels commenced (3km)
 - Completion of main access road due early 2013
 - Detailed project engineering on track
 - Work continuing on electricity transmission line
- Social development initiatives on track
 - **EIS approved by government**
- Permit approval process:
 - Strong governmental support remains for project development
 - Permit application submitted
 - Final mill construction permit expected in H2 2013
 - Commissioning expected in H2 2014
- Total capex: \$370m
- 46,676m of drilling completed in 2012

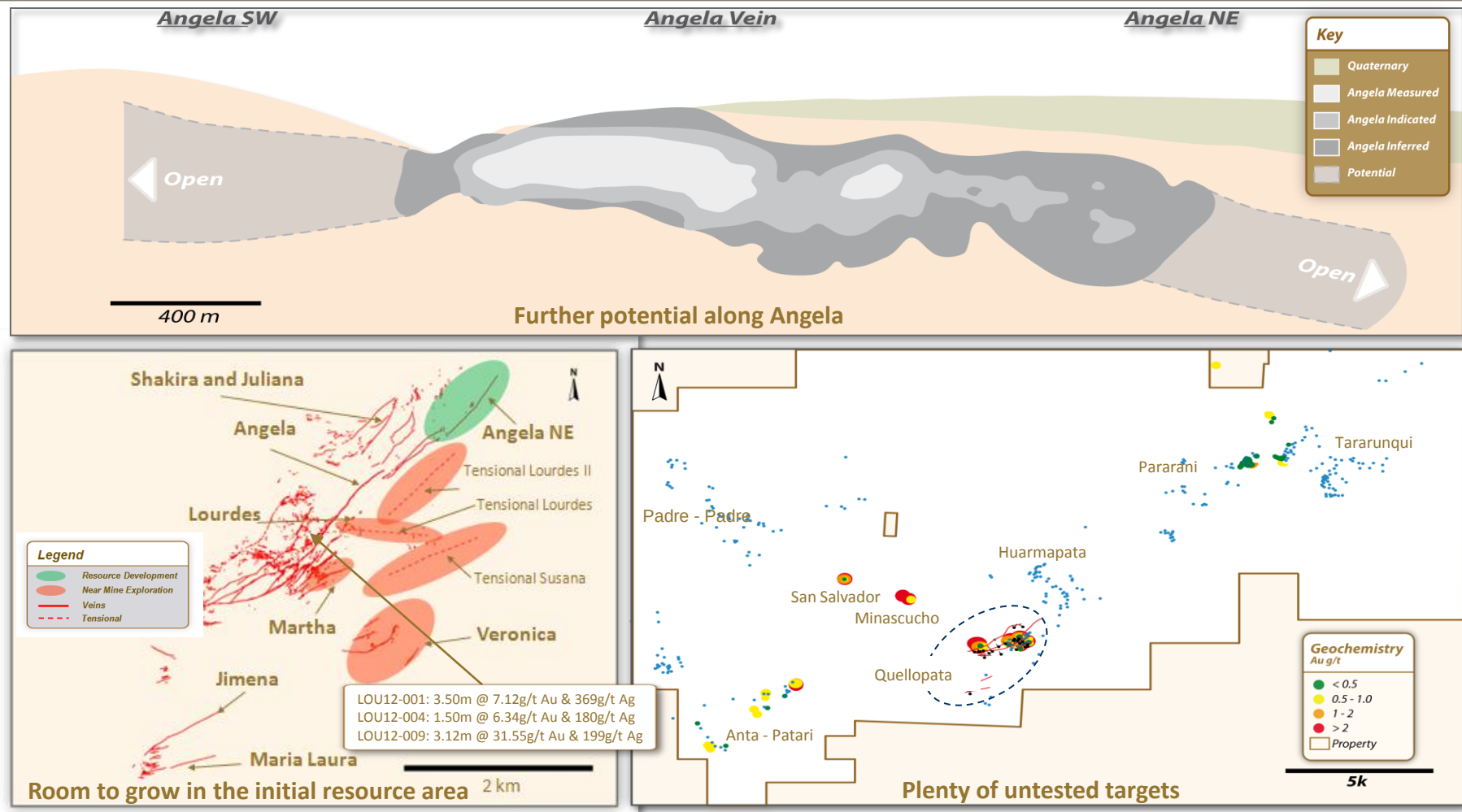
Ownership: 60% Hochschild / 40% International Minerals Corp



Strong potential to exceed Pallancata scale



Inmaculada upside



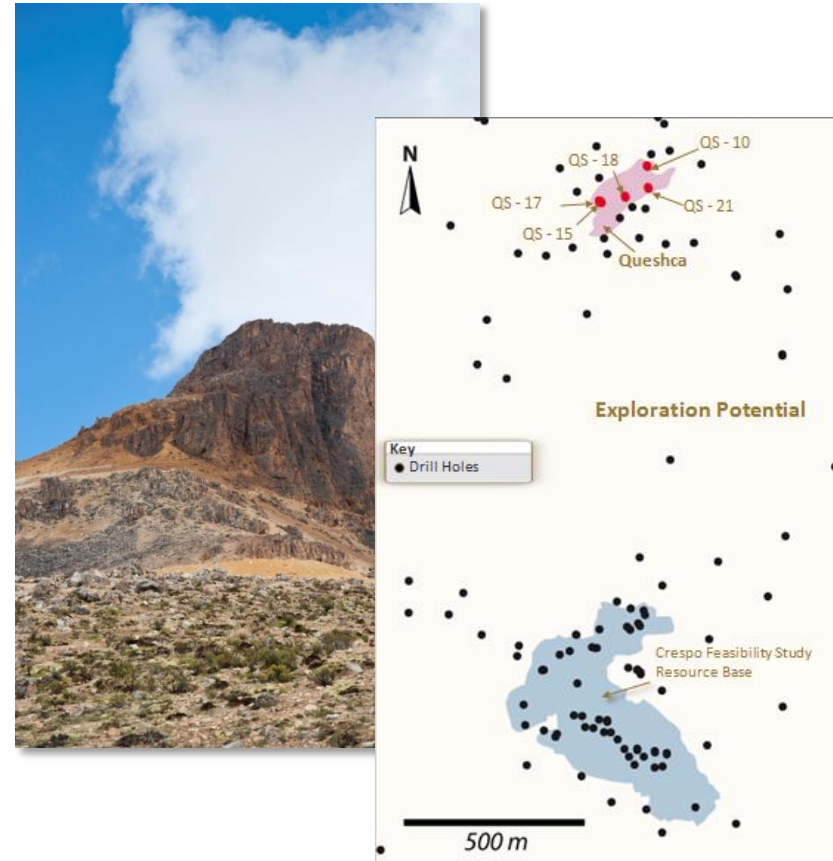
Only current Angela vein resources included in Feasibility Study



Southern Peru Cluster: Crespo Advanced Project

Open pit, heap leach operation

- Set to deliver **2.7m oz** Ag eq. p.a. from 2014
- Engineering contracts for plant, leach pads, waste dump and parts of infrastructure awarded to local contractor
- Social development initiatives on track
 - Public audience completed successfully (April 2012)
 - Community relations support programmes in place
- Permit approval process:
 - Strong governmental support remains for project development
 - Surface water study + surface land agreement approved Dec/Jan
 - Final mill construction permit expected in H2 2013
 - Commissioning expected in H2 2014
- Total capex: \$111m
- 2,200m drilling programme completed in H2



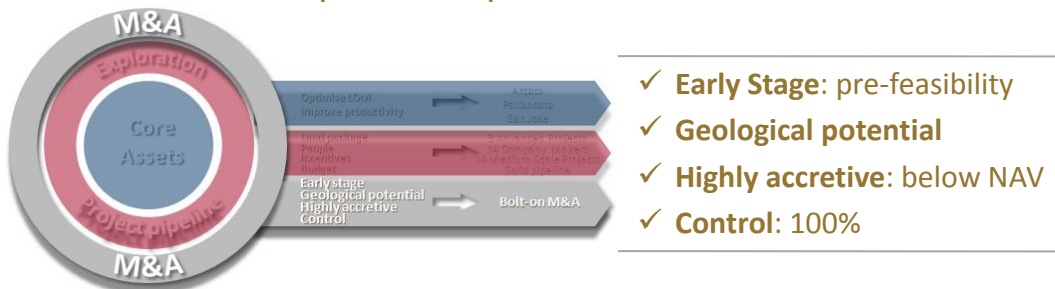
Similar to Hochschild's Moris operation in Mexico



Andina Minerals offer

Opportunistic acquisition

- C\$0.80/shr all-cash offer Andina Minerals close to completion
- Values company at C\$103m (4% of HOC market cap)
- Boosts long-term 'Company Maker' pipeline
- Assets in Chile - key targeted mining jurisdiction
 - Strategically located in prolific Maricunga Gold Belt
- Pre-feasibility study under review and EIA submitted
- Extensive technical/geological evaluation to be carried out
- Significant work completed over 5yrs - 119,207m drilling
- Water rights purchased by Andina in 2008 for C\$26.6m
- In line with disciplined acquisition criteria:



Asset location



Strong potential in one of the world's most supportive mining jurisdictions

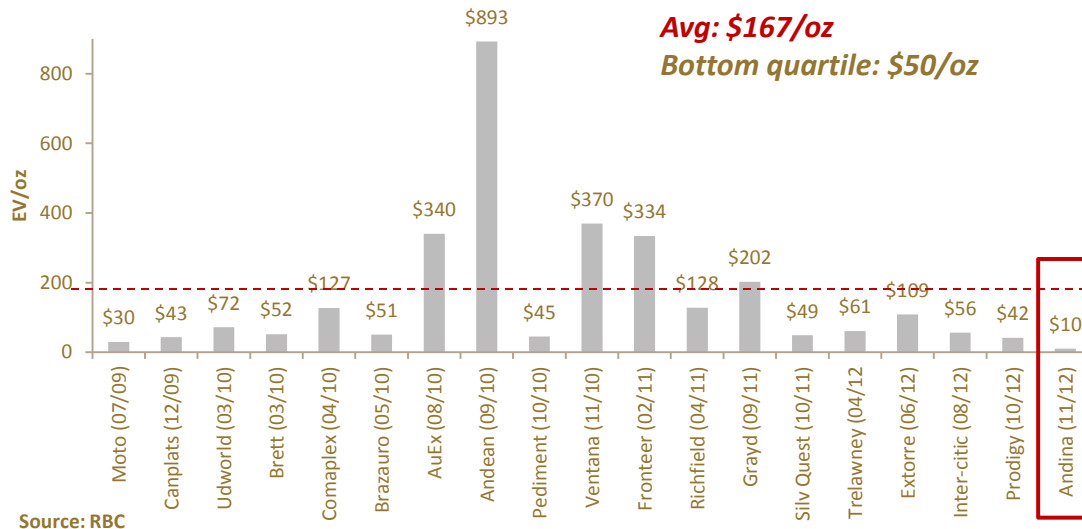


Andina Minerals offer

Excellent addition at an attractive price

- Large scale Volcan project with +10Moz in-situ gold
- Purchase price implies a valuation of **\$10/oz** in-situ Au
- Significantly below price paid in recent transactions: average \$167/oz

Gold precedent transaction multiples



Opportunistic timing

Significant discount to historic Andina share price



Pre-Feasibility Study Mineral Resources (Feb 2011)

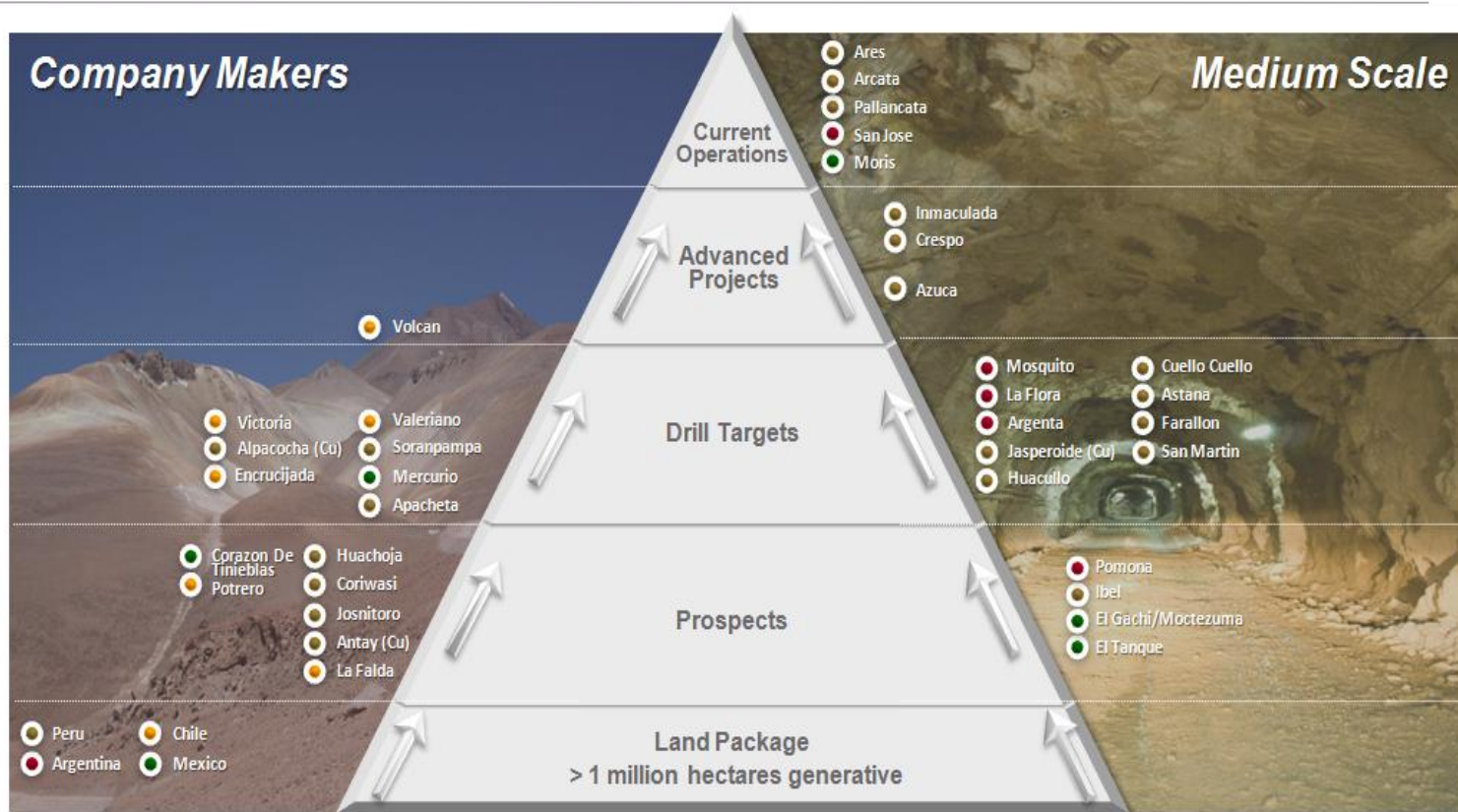
Classification	Total In-Pit Resource		
	Tonnes	Gold grade (g/t Au)	Contained gold ounces
Measured	105,918,000	0.738	2,511,000
Indicated	283,763,000	0.698	6,367,000
Measured & Indicated	389,681,000	0.709	8,878,000
Inferred	41,553,000	0.502	671,000

Adds further long-term pipeline optionality



High quality project pipeline.....

Project pipeline



% split of 2013 exploration budget

- Current operations: **26%**
- Advanced Projects: **14%**
- Greenfield: **44%**
 - Company Makers: 23%
 - Medium Scale: 7%
 - Success Fund: 10%
 - Generative: 3%
- Support: 16%

Exploration budget set at \$77m for 2013



Company Makers

Widening Hochschild's exploration focus

- 33% of 2013 Exploration budget to be spent on greenfield projects
- Company Makers (23%)
 - Typically high sulphidation/disseminated/gold/copper porphyry deposits
 - Expected to be open pit operations
 - Potential to produce 20-30m Ag Eq oz per annum
- 15 long-dated projects spread across Peru, Chile & Mexico
- Majority are large land packages close to well-established footprint
 - Mercurio: 36,388ha prospect close to Fresnillo /Sombrerete
 - Victoria: close to Escondida, & El Penon
 - Valeriano: close to El Morro & Pascua-Lama
- Over 30,000m drilled on Company Makers in 2012

Selected Company Makers



23% of 2013 exploration budget on Company Makers



Strong and flexible financial position

Sources of cash

Cash generation*

\$434m

Cash balance

\$359m**

Minority investments

\$256m**

Uses of cash

Maintenance capex

Per annum

≈\$150m (H1 2012: \$76m)

Exploration

≈2013: \$77m

Dividend

H1 2012: \$0.03 per share

Project capex

2012	2013	2014
≈\$480m (\$370m attrib)		

M&A

Bolt-on M&A

e.g. Andina

No further investment

Growth strategy financed and capital structure improved



The Hochschild proposition

Current valuation

Current mkt cap: \$2.4bn

Cash and minority investments

\$0.62bn

\$1.8bn

Current producing assets

Near-term upside

50% production growth

Inmaculada

Total Resources: 150m oz Ag Eq

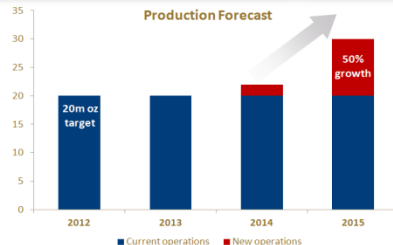


Crespo

Total Resources: 58m oz Ag Eq



Production Forecast



Medium-term upside



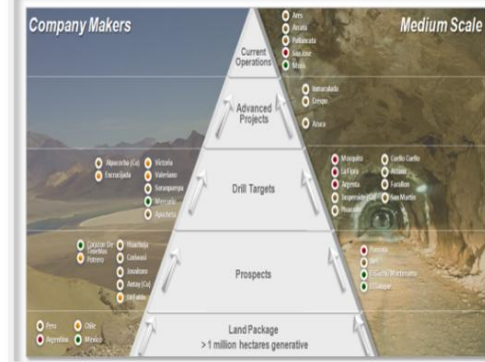
C\$103m offer
9.5 moz resources



Exploration optionality

Extensive project pipeline

\$90m investment in Latin American exploration potential



Upside in current Hochschild valuation



Hochschild is in a stronger position than ever before....

...and demonstrated by our 2012/2013 progress

- | | | |
|---|---|---|
| • Strong and stable production base | ➔ | • Annual production target once again achieved
• 20m oz target maintained for 2013 |
| • Near-term growth prospects | ➔ | • 50% increase by end 2014 |
| • Medium term optionality | ➔ | • Andina acquisition completed in Feb 2013 |
| • Broad and diverse exploration pipeline | ➔ | • \$77m budget for 2013
• 28 projects in four countries in Americas |
| • All current capex requirements, dividend and exploration programme fully funded | ➔ | • \$359m cash position*
• Minority investments of over \$256 million
• Strong cashflow generation |



Hochschild Mining plc



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Southern Peru Cluster: Arcata

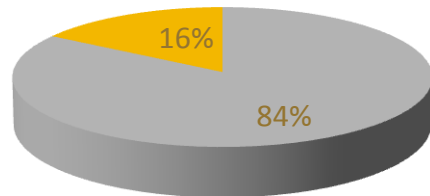
Long-term flagship asset

- Located in Arequipa, Southern Peru
- Production started in 1964
- **2012 production of 6.6 moz Ag Eq**
- Dore project completed – 100% dore
- 2012 Peruvian costs expected in line with guidance
- Ongoing grade levels subject to:
 - Policy of mining close to average reserve grade
 - Level of volumes from low grade Macarena Waste Dam deposit

Ownership: 100% Hochschild



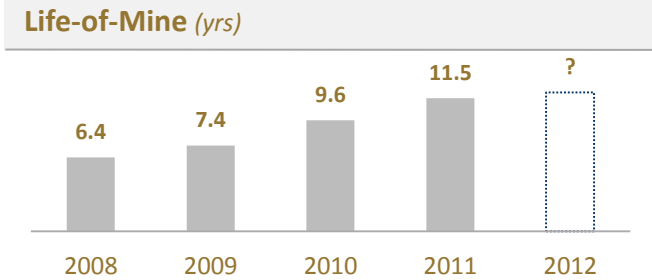
Production split by metal



Key statistics

	2012
Production (moz Ag eq)	6.6
Avg. Ag grade (g/t)	271
Avg. Au grade (g/t)	0.83
Mine capacity (tpd)	1,750
Unit cost (\$/t) (H1)	80.5

Life-of-Mine (yrs)



Cornerstone of Hochschild's Southern Peru Cluster



Southern Peru Cluster: Pallancata

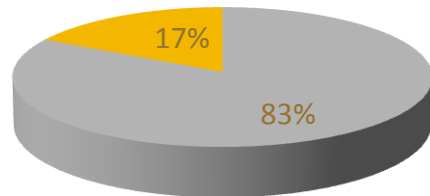
Long-term sustainability

- Located in Ayacucho, Southern Peru
- Production commenced in 2007
- 100% concentrate
- **2012 production of 9.0moz Ag Eq**
- Grades adjusted lower due to:
 - Processing more mineral from narrower structures, higher mine dilution
 - Policy of mining close to average reserve grade
- 2012 Peruvian costs expected in line with guidance

Ownership: 60% Hochschild / 40% International Minerals Corp



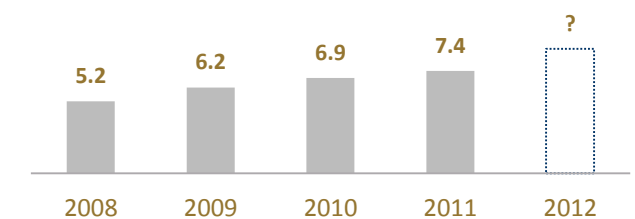
Production split by metal



Key statistics

	2012
Production (moz Ag eq)	9.0
Avg. Ag grade (g/t)	256
Avg. Au grade (g/t)	1.09
Capacity (tpd)	3,000
Unit cost (\$/t) (H1)	65.7

Life-of-Mine (yrs)



Strong contributing core asset since 2007



Argentina: San Jose

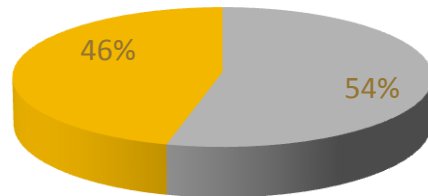
Another very strong year

- Located in Santa Cruz, Southern Argentina
- Production commenced in 2007
- 50:50 concentrate/dore
- **2012 production of 11.1moz Ag Eq up 3%**
- 2012 costs to be lower than 15-20% guidance
 - Higher low grade tonnage from mine developments
 - Efficiency gains
 - Increased local currency devaluation
- 10% capacity increase for 2013

Ownership: 51% Hochschild/49% McEwen Mining Inc.



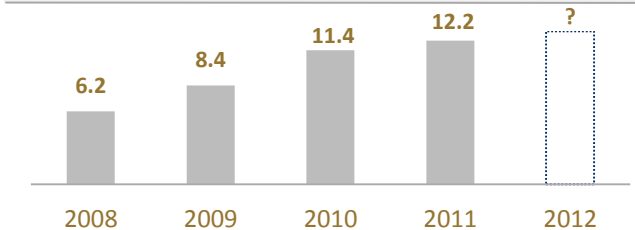
Production split by metal



Key statistics

	2012
Production (moz Ag eq)	11.1
Avg. Ag grade (g/t)	417
Avg. Au grade (g/t)	5.79
Capacity (tpd)	1,500
Unit cost (\$/t) (H1)	185.3

Life-of-Mine (yrs)



A world class primary silver mine



Southern Peru Cluster: Azuca Advanced Project

