



HOCHSCHILD
BEYOND MINING

Hochschild Mining PLC

(Incorporated in England and Wales with registered number 05777693)

**Proposed dividend rectification, capitalisation of Merger Reserve,
reduction of Share Premium Account and reduction of the nominal
value of the Ordinary Shares**

Circular to Shareholders and Notice of Extraordinary General Meeting

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000, as amended ("**FSMA**") immediately, if you are in the United Kingdom, or another appropriately authorised independent professional adviser if you are taking advice in a territory outside the United Kingdom.

If you sell or transfer, or have sold or otherwise transferred, all of your Ordinary Shares in Hochschild Mining PLC (the "**Company**"), please send this document, together with any accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred part of your holding of Ordinary Shares in the Company, please retain this document and any accompanying documents and contact immediately the bank, stockbroker or other agent through whom the sale or transfer was effected.



HOCHSCHILD
BEYOND MINING

Hochschild Mining PLC

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This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 7 to 9 of this document and which recommends you to vote in favour of the resolutions to be proposed in connection with the capitalisation of Merger Reserve, reduction of Share Premium Account and reduction of the nominal value of the ordinary shares of the Company (the "Ordinary Shares") and to vote on the resolution in connection with the proposed dividend rectification (together, the "Resolutions").

Notice of an Extraordinary General Meeting of the Company to be held at the offices of Hudson Sandler LLP, 25 Charterhouse Square, London EC1M 6AE, United Kingdom at 8.45 a.m. on 26 May 2022 (the "**Hochschild General Meeting**") is set out at the end of this document. Details of the actions you are recommended to take are set out on pages 8 to 9 of this document. Whether or not you plan to attend the Hochschild General Meeting, please appoint a proxy in accordance with the instructions enclosed in this document as soon as possible, such that your proxy is received by the Company's Registrars, Link Group, at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom, as soon as possible but, in any event, by no later than 8.45 a.m. on 24 May 2022 (or, in the case of any adjournment of the Hochschild General Meeting, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting). You may submit your proxy online at www.signalshares.com provided that your proxy is lodged by no later than 8.45 a.m. on 24 May 2022 (or, in the case of any adjournment of the Hochschild General Meeting, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting). CREST Members may also appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual, ensuring that it is received by Link Group (ID: RA10) by no later than 8.45 a.m. on 24 May 2022 (or, in the case of any adjournment of the Hochschild General Meeting, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting). Appointing a proxy online or using the CREST electronic proxy appointment service will not prevent members from attending, speaking and voting at the Hochschild General Meeting, or any adjournment thereof, in person, should they wish to do so.

Shareholders should make their own investigations in relation to the Resolutions referred to in this document. Nothing in this document constitutes legal, tax, financial or other advice and, if they are in any doubt about the contents of this document, Shareholders should consult their own professional advisers.

This document is a circular relating to the proposed dividend rectification, capitalisation of the Merger Reserve, reduction of Share Premium Account and reduction of the nominal value of the Ordinary Shares, which has been prepared in accordance with the Listing Rules and approved by the Financial Conduct Authority (the "**FCA**").

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any subsequent time.

RBC Europe Limited ("**RBC**"), which is authorised by the Prudential Regulation Authority and regulated by the FCA in the United Kingdom, is acting solely for the Company in relation to the matters set out or referred to in this document and nobody else and will not regard any other person (whether or not a recipient of this document) as its client and, subject to its responsibilities and liabilities which may arise under FSMA or the regulatory regime established thereunder, will not be responsible to anyone other than the Company for providing the protections afforded to clients of RBC. RBC does not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. RBC accordingly disclaims, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which it might otherwise have in respect of this document or any such statement.

This document is dated 20 April 2022.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

4	Publication and posting of this document and the Notice of Extraordinary General Meeting	20 April 2022
6	Latest time and date for receipt of proxy appointments and CREST Proxy Instructions in respect of the Hochschild General Meeting	8.45 a.m. on 24 May 2022
7	Hochschild General Meeting	8.45 a.m. on 26 May 2022
13	Expected date for the Court directions hearing	10 June 2022
17	Expected date for the issue of the Bonus Shares	20 June 2022
19	Expected Company Reductions Record Time	6 p.m. on 21 June 2022
	Expected date for the Court Hearing to confirm the Company Reductions	21 June 2022
	Expected date for the registration of the Court Order and the effective date of the Company Reductions	22 June 2022
	Expected date for redemption and cancellation of Bonus Shares	22 June 2022

Notes:

1. Unless otherwise stated, all references to time in this document are to London time.
2. The dates given are based on the Company's current expectations and may be subject to change. If any of the times or dates above change, the Company will give notice of the change by issuing an announcement through a Regulatory Information Service.
3. The expected date for the completion of the Company Reductions is based on provisional dates that have been obtained for the required Court hearings of the Company's application. These provisional hearing dates are subject to change dependent on the Court's timetable.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Eduardo Hochschild (Chairman) Ignacio Bustamante (Chief Executive Officer) Michael Rawlinson (Senior Independent Director) Dr Graham Birch (Independent Non-Executive Director) Jorge Born Jr. (Independent Non-Executive Director) Jill Gardiner (Independent Non-Executive Director) Eileen Kamerick (Independent Non-Executive Director) Tracey Kerr (Independent Non-Executive Director) Dionisio Romero Paoletti (Non-Executive Director)
Company Secretary	Raj Bhasin
Company Registered Office	17 Cavendish Square London W1G 0PH United Kingdom
Sponsor	RBC Europe Limited 100 Bishopsgate London EC2N 4AA United Kingdom
Legal Advisers (English law)	Skadden, Arps, Slate, Meagher & Flom (UK) LLP 40 Bank Street London E14 5DS United Kingdom
Registrars	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL United Kingdom

GENERAL INFORMATION

Forward-looking statements

This document may include certain forward-looking statements, beliefs or opinions, including statements with respect to the business, financial condition and results of the Company.

These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These statements are made by the Directors in good faith based on the information available to them at the date of this document and reflect the Directors' beliefs and expectations. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as of their respective dates, reflect the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations and growth strategy. You should specifically consider the factors identified in this document which could cause actual results to differ before making any decision in relation to the Resolutions. Subject to the requirements of the FCA, the London Stock Exchange, the Listing Rules and the Disclosure Guidance and Transparency Rules (and/or any regulatory requirements) or applicable law, the Company explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document.

Publication on website and availability of hard copies

A copy of this document, together with all information incorporated into this document by reference to another source, is and will be available for inspection on the Company's website at www.hochschildmining.com from the time this document is published. For the avoidance of doubt, the contents of the websites referred to in this document are not incorporated into and do not form part of this document.

If and to the extent that any document or information incorporated by reference, or attached to this document, itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document, except where such information or documents are stated within this document as being specifically incorporated by reference or where this document is specifically defined as including such information. In particular, information on or accessible through the Company's corporate website at www.hochschildmining.com does not form part of, and is not incorporated into, this document.

If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated into this document by reference to another source by contacting the Company's Registrars, Link Group, at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom or, between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding English and Welsh public holidays), on +44(0) 371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Calls may be recorded and monitored for training and security purposes), with your full name and the full address to which the hard copy may be sent.

Important information to overseas shareholders

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This document has been prepared for the purposes of complying with English law and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England. It is the responsibility of any person receiving a copy of this document outside the United Kingdom to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such jurisdiction. If in doubt, such persons should consult their professional advisers. Persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send it into any jurisdiction when to do so would, or might, contravene local securities laws or regulations.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100%. In this document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom. References to "US\$" or "cents" are to the lawful currency of the United States. References to "C\$" are to the lawful currency of Canada.

Certain defined terms

Certain terms used in this document, including capitalised terms and certain technical and other items, are defined and explained in Part IV (Definitions and Glossary) of this document.

PART I – LETTER FROM THE CHAIRMAN OF HOCHSCHILD MINING PLC

(incorporated and registered in England and Wales No. 05777693)

Directors:

Eduardo Hochschild (Chairman)
Ignacio Bustamante (Chief Executive Officer)
Michael Rawlinson (Senior Independent Director)
Dr Graham Birch (Independent Non-Executive Director)
Jorge Born Jr. (Independent Non-Executive Director)
Jill Gardiner (Independent Non-Executive Director)
Eileen Kamerick (Independent Non-Executive Director)
Tracey Kerr (Independent Non-Executive Director)
Dionisio Romero Paoletti (Non-Executive Director)

Registered office:

17 Cavendish Square
London
W1G 0PH
United Kingdom
20 April 2022

Dear Shareholder

Proposed dividend rectification, capitalisation of Merger Reserve, reduction of Share Premium Account and reduction of the nominal value of the Ordinary Shares

1 Introduction

In August 2021, the board of directors of the Company (the “**Board**”) became aware of an issue concerning technical compliance with the Companies Act 2006 (“**CA 2006**”) in relation to the payment of certain historic dividends paid between 2018 and 2021, being the 2017 Final Dividend, the 2018 Interim Dividend, the 2018 Final Dividend, the 2019 Interim Dividend, the 2020 Interim Dividend and the 2020 Final Dividend (the “**Relevant Dividends**”). In particular, the Relevant Dividends were paid to shareholders when the Company did not have adequate distributable reserves. Significant corrective transactions (namely, a capital reduction and dividend distribution by the Company’s wholly owned subsidiary, Hochschild Mining Holdings Limited) were implemented by the Company in September 2021, shortly after discovery of the issue. Had these internal corporate transactions been implemented prior to the payment of the first of the Relevant Dividends, adequate distributable reserves would have been available to the Company.

Whilst this breach is technical in nature, the Company theoretically has claims against all shareholders past and present who received dividends as well as persons who were directors of the Company at the time of payment of the Relevant Dividends. The Company has no intention to follow up on such claims and wishes to take steps to rectify this breach.

The Resolutions, as explained further below in this document, seek to put Shareholders, the Directors and the Former Director into the position in which they were intended to be. The entry by the Company into the Shareholders’ Deed of Release and the Directors’ Deed of Release (further details of which are included later in this document) constitute a related party transaction as defined in the Listing Rules. Additionally, the Company proposes to take a number of actions to create additional distributable reserves.

Finally, I would like to emphasise that none of the actions proposed will impact the Company’s financial position. To effect these changes we are asking our shareholders to vote on the three Resolutions.

This letter sets out the details of proposals to (a) rectify the Relevant Dividends and enter into the Shareholders’ Deed of Release and the Directors’ Deed of Release in connection with their issue and (b) create distributable reserves for the Company by way of:

- (i) a capitalisation of the Company’s merger reserve followed by a cancellation of the shares that are issued (the “**Merger Reserve Capitalisation and Cancellation**”);
- (ii) the subsequent reduction of all or part of the Company’s share premium account, which will include the share premium created through the Merger Reserve Capitalisation and Cancellation (the “**Share Premium Account**”), and the crediting of the amount by which the Share Premium Account is reduced to the Company’s retained earnings reserve (the “**Share Premium Reduction**”); and
- (iii) the reduction in the nominal value of the Ordinary Shares from 25 pence per Ordinary Share to 1 pence per Ordinary Share (the “**Capital Reduction**” and, together with the Share Premium Reduction, the “**Company Reductions**”).

Entry into the Shareholders’ Deed of Release and the Directors’ Deed of Release, the Merger Reserve Capitalisation and Cancellation and the Company Reductions are conditional upon, among other things:

- the Resolutions being passed at the Hochschild General Meeting;
- the confirmation of the Company Reductions by the Court at the Court Hearing; and
- a copy of the Court Order having been delivered to the Registrar of Companies and registered by them.

A full explanation of the proposed Resolutions are set out in Part II of this document.

PART I – LETTER FROM THE CHAIRMAN OF HOCHSCHILD MINING PLC

CONTINUED

1.1 Dividend rectification

The Relevant Dividends were paid to shareholders when the Company did not have adequate distributable reserves. Had certain internal corporate transactions been implemented prior to the payment of the 2017 Final Dividend, adequate distributable reserves would have been available to the Company.

The CA 2006 provides that a public company may pay a dividend out of its distributable profits as shown in the last annual accounts circulated to shareholders or, if those accounts do not show sufficient distributable reserves, interim accounts must be prepared. The CA 2006 also requires that interim accounts, where used by a public company to justify the declaration of an interim dividend, must be prepared on an individual accounting basis and filed at Companies House prior to payment of the relevant dividend. Accordingly, each of the Relevant Dividends was distributed otherwise than in accordance with the CA 2006.

The Company has been advised that, as a consequence of the Relevant Dividends having been distributed otherwise than in accordance with the CA 2006, it may have claims against past and present shareholders who were recipients of the Relevant Dividends and against persons who were directors of the Company at the time of payment of the Relevant Dividends. It is therefore proposed that the Company put resolutions before Shareholders to complete the rectification of the Relevant Dividends and the Company enter into (i) a deed of release in favour of all shareholders who appeared on the register of members on the record date for each of the Relevant Dividends from any and all claims which the Company has or may have in respect of the payment of those Relevant Dividends (the **"Shareholders' Deed of Release"**) and (ii) a deed of release by which the Company waives any rights to make claims against the Directors and the Former Director in respect of the Relevant Dividends (the **"Directors' Deed of Release"**). The maximum potential amount to which the Shareholders' Deed of Release will relate is \$73,766,000, being the aggregate amount of the Relevant Dividends paid to Shareholders. The maximum potential amount to which the Directors' Deed of Release will relate is \$73,766,000, being the aggregate amount of the Relevant Dividends which were approved by the Directors.

The entry by the Company into the Directors' Deed of Release and the Shareholders' Deed of Release constitute related party transactions (as defined in the Listing Rules). Therefore, the Resolutions will also seek the specific approval of the Company's Shareholders for the entry into the Directors' Deed of Release and the Shareholders' Deed of Release as related party transactions, in accordance with the requirements of the Listing Rules.

1.2 Merger Reserve Capitalisation and Cancellation

As a matter of company law, a merger reserve cannot be reduced directly in a reduction of capital and so an additional intermediate step will be required in order to effect the reduction of capital. The reduction of capital will therefore be executed through a capitalisation issue of the Bonus Shares paid up out of the Merger Reserve, followed by the cancellation of the Bonus Shares in a court-approved reduction of capital.

The capitalisation of the Merger Reserve will be achieved by means of an issue of new fully paid-up deferred ordinary shares in the capital of the Company (whereby the nominal value of such shares is equal to the sum that is obtained by dividing the number of such shares to be issued into US\$303,268,000) (the **"Bonus Shares"**) to each Shareholder, on the basis of one Bonus Share for each Ordinary Share held at the Company Reductions Record Time. Immediately following the issuance of the Bonus Shares, the Bonus Shares will then be cancelled. The cancellation of the Bonus Shares will result in the nominal value of such shares being credited to the Share Premium Account.

1.3 Share Premium Reduction

The Company will undertake a reduction of the Company's Share Premium Account.

Share premium forms part of the capital of the Company which arises on the issue by the Company of Ordinary Shares at a premium to their nominal value. The premium element is credited to the Share Premium Account. Under the CA 2006, the Company is generally prohibited from paying any dividends or making other distributions in the absence of positive distributable reserves, and the Share Premium Account, being a non-distributable reserve, can be applied by the Company only for limited purposes.

However, provided the Company obtains the approval of Shareholders by way of a special resolution and the subsequent confirmation by the Court, it may undertake the Share Premium Reduction.

1.4 Capital Reduction

Under the CA 2006, a company may, with the sanction of a special resolution and the confirmation of the Court, reduce or cancel its existing share capital, provided the company's articles of association do not contain any provisions restricting or prohibiting such reduction or cancellation.

The Company's articles of association do not prohibit the Company from reducing or cancelling its share capital and the Company therefore proposes the Capital Reduction.

A full explanation of the proposed Resolutions is set out in Part II of this document.

2 Notice of Extraordinary General Meeting

The Notice of Extraordinary General Meeting convening the Hochschild General Meeting is contained at the end of this document. The Hochschild General Meeting will be held at the offices of Hudson Sandler LLP, 25 Charterhouse Square, London EC1M 6AE, United Kingdom to consider and, if thought appropriate, pass the proposed Resolutions as special resolutions.

Definitions for capitalised terms used in this letter and the rest of this document can be found in Part IV (Definitions and Glossary) of this document.

3 Action to be taken

Whether or not you will be attending the Hochschild General Meeting, I would urge you to appoint a proxy in accordance with the instructions below and ensure that such proxy is lodged and received by the Company's Registrars, Link Group, as soon as possible and, in any event, by no later than 8.45 a.m. on Tuesday 24 May 2022.

A Shareholder can appoint a proxy by:

– logging on to www.signalshares.com and following the instructions;

– requesting a hard copy form of proxy from the Company's Registrars, Link Group, by:

- sending a letter addressed to Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom; or
- contacting Link Group on +44 (0) 371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales (the "Shareholder Helpline"). Please note that the helpline operators cannot provide advice on the merits of the Resolutions or give any financial, legal or tax advice),

and completing, signing and returning such hard copy form of proxy in accordance with the instructions set out thereon; or

– in the case of CREST Members, utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 6 of the Notice of Extraordinary General Meeting set out on page 21 of this document,

in each case so that such proxy is received no later than 8.45 a.m. on Tuesday 24 May 2022.

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 8.45 a.m. on Tuesday 24 May 2022 in order to be considered valid.

Further details in relation to the appointment of proxies, including the CREST electronic proxy appointment service, are given in the notes to the Notice of Extraordinary General Meeting set out on pages 21 and 22 of this document.

Additional forms of proxy may be obtained by contacting Link Group on the Shareholder Helpline.

Appointing a proxy online, completing and returning a hard copy form of proxy or appointing a proxy using the CREST electronic proxy appointment service will not preclude Shareholders from attending and voting in person at the Hochschild General Meeting, should they so wish.

The attention of corporate Shareholders wishing to appoint more than one corporate representative is drawn to note 8 of the Notice of Extraordinary General Meeting set out on page 22 of this document.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial and/or legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA, if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

4 Further information

Your attention is drawn to the further information contained in the remaining sections of this document. Shareholders should read the whole of this document and not rely solely on information summarised in this letter.

5 Recommendation

5.1 Resolution 1 (Relevant Dividend rectification and release and related party transactions)

In shareholder circulars it is customary for directors to (i) state that the proposed resolutions are in the best interests of the company and its shareholders as a whole and (ii) recommend shareholders to vote in favour of the proposed resolutions. However, as the Directors have an interest in Resolution 1 as beneficiaries of the Directors' Deed of Release, they are unable to make the customary statement and recommendation with respect to Resolution 1. The Board does, however, recommend that Shareholders vote on Resolution 1.

Given the interests of the Board in Resolution 1 (*Relevant Dividend rectification and release and related party transactions*), and as required by the Listing Rules:

- (a) the Board has not considered whether Resolution 1 is in the best interests of the Company. Accordingly, the Board cannot recommend that Shareholders vote in favour of Resolution 1 but recommends that Shareholders vote on it. However, as required by Listing Rule 13.61(5), each of (i) the waiver of claims against the Directors and the Former Director pursuant to paragraph (d) of Resolution 1, (ii) the entry into of the Directors' Deed of Release, (iii) the waiver of claims against Shareholders pursuant to paragraph (b) of Resolution 1, and (iv) the entry into of the Shareholders' Deed of Release, is fair and reasonable as far as the shareholders of the Company are concerned and the Directors have been so advised by RBC, in its capacity as the Company's sponsor; and
- (b) each of the Directors, the Related Party Former Director, the Substantial Shareholder and each of their respective associates are precluded from voting on Resolution 1. Therefore, each of them will not vote on, and have undertaken to take all reasonable steps to ensure that their associates abstain from voting on, Resolution 1.

The Board has taken steps to ensure that, in future, the issues referred to in this document do not arise in relation to the payment of future dividends. We are grateful for Shareholders' understanding in respect of the issues set out in this document.

5.2 Resolution 2 (Capitalisation of Merger Reserve and cancellation of Bonus Shares) and Resolution 3 (Reduction of Capital)

The Directors consider that, for the reasons set out in this document, Resolutions 2 and 3 are, in the Board's opinion, in the best interests of the Company and its Shareholders as a whole and unanimously recommend Shareholders to vote in favour of them, as they intend to in respect of their own beneficial holdings.

Yours faithfully,



Eduardo Hochschild
Chairman

PART II – BUSINESS OF THE HOCHSCHILD GENERAL MEETING

1 The Relevant Dividends

As stated in Part I (*Letter from the Chairman of Hochschild Mining PLC*) of this document, in August 2021, the Board became aware of an issue concerning technical compliance with the CA 2006 in relation to the Relevant Dividends. In particular, the Relevant Dividends were paid to Shareholders when the Company did not have adequate distributable reserves. Had certain internal corporate transactions been implemented prior to the payment of the 2017 final dividend, adequate distributable reserves would have been available to the Company.

These issues only affected the Relevant Dividends and did not affect any other distributions made by the Company.

2 The consequences of the Relevant Dividends having been made otherwise than in accordance with the CA 2006

The Company has been advised that, as a consequence of the Relevant Dividends having been distributed otherwise than in accordance with the CA 2006, it may have claims against past and present shareholders of the Company who were recipients of the Relevant Dividends and against persons who were directors of the Company at the time of payment of the Relevant Dividends.

It is not the intention of the Company that any such claims should be made by the Company against either its Shareholders (past or present), the Directors or the Former Director. The position can be remedied by the Shareholders passing a resolution which puts Shareholders, the Directors and the Former Director, so far as possible, into the position in which they were also intended to be.

It is therefore proposed that the Company enter into the Shareholders' Deed of Release and the Directors' Deed of Release. The consequence of the entry into of these deeds of release by the Company is that the Company will be unable to make any claims against:

- (a) past and present shareholders of the Company who were recipients of the Relevant Dividends; and
- (b) the Directors and the Former Director,

in each case in respect of the payment of the Relevant Dividends otherwise than in accordance with the CA 2006.

3 The authorisation of the appropriation of the Company's distributable profits and the Shareholders' Deed of Release (Resolution 1)

The approach that the Company is proposing involves the authorisation of the appropriation of the distributable profits of the Company to the payment of the Relevant Dividends for which the Company is seeking approval by Shareholders. The Company has been advised that it is preferable for Shareholders to approve the Company's entry into the Shareholders' Deed of Release, since the release of those past and present Shareholders, the Directors and the Former Director from any and all claims which the Company has or may have in respect of the payment of the Relevant Dividends will, insofar as those persons remain Shareholders of the Company, comprise a Shareholder distribution.

The proposed authorisation of the appropriation of the Company's distributable profits to the payment of each of the Relevant Dividends and the entry by the Company into the Shareholders' Deed of Release will not, however, have any effect on the Company's financial position. This is because the aggregate amount of the Relevant Dividends is equal to and offset by the release of each Shareholder from the liability to repay the amount already paid and the Company will not be required to make any further payments to Shareholders in respect of the Relevant Dividends.

4 The Shareholders' Deed of Release and the Directors' Deed of Release and Related Party Transactions (Resolution 1)

The entry by the Company into the Shareholders' Deed of Release constitutes a related party transaction as defined in the Listing Rules. This is because Pelham Investment Corporation (a company controlled by Eduardo Hochschild) (the "**Substantial Shareholder**"), which holds more than 10 per cent. of the Company's voting rights and each Director of the Company, together with any of their respective associates (as defined in the Listing Rules) who received one or more of the Relevant Dividends ("**Recipient Director Shareholders**"), are deemed to be related parties under the Listing Rules and will, under the Shareholders' Deed of Release, be released from any liability to repay any amounts of the Relevant Dividends received by them, in the same manner as other Recipient Director Shareholders. Similarly, the entry by the Company into the Directors' Deed of Release constitutes a related party transaction with respect to the Directors and the Former Director who are also current or former directors (who resigned less than 12 months before the date of entry into the Directors' Deed of Release) of the Company (the "**Related Party Former Directors**"). Therefore, Resolution 1 (Relevant Dividend rectification and release and related party transactions) will seek the specific approval of Shareholders for the entry into each of the Shareholders' Deed of Release and the Directors' Deed of Release as related party transactions, in accordance with the requirements of the Listing Rules.

As at 19 April 2022 (being the "**Latest Practicable Date**" before publication of this document), the Substantial Shareholder, the Directors and the Related Party Former Directors were recorded in the Company's register of members as holding in aggregate a total of 198,218,340 Ordinary Shares representing approximately 38.6 per cent. of the Company's existing Ordinary Share capital.

5 Capitalisation of the Merger Reserve and cancellation of Bonus Shares (Resolution 2)

In certain circumstances, such as where shares are issued in consideration for the acquisition of shares in another company, instead of creating share premium, an amount is credited to an accounting reserve known as a "**Merger Reserve**". The Company has US\$303,268,000 standing to the credit of the Merger Reserve, comprising a realised portion of US\$104,870,000 and an unrealised portion of US\$198,398,000, primarily as a result of a reorganisation transaction effected at the time of the initial public offering of the Company in November 2006.

As in the case of a share premium account, the Merger Reserve can only be used in very limited circumstances. However, unlike the share premium account, the Merger Reserve is a non-statutory reserve and the Court does not have the power to reduce non-statutory reserves.

Therefore, it is proposed that the Company capitalises the amount of US\$303,268,000 standing to the credit of the Merger Reserve of the Company by applying that sum in paying up the Bonus Shares. Bonus Shares will be issued to Shareholders on the basis of one Bonus Share for every Ordinary Share held at the Company Reductions Record Time. Shareholders will then be asked to approve the cancellation of the Bonus Shares issued pursuant to Resolution 2 (*Capitalisation of the merger reserve and cancellation of bonus shares*) with the sum arising on the cancellation being credited to the Company's retained earnings reserve. The Bonus Shares will not be admitted to trading on the London Stock Exchange, or on any other market or stock exchange. It is a condition of issue of the Bonus Shares that no share certificates will be issued in respect of them. The Bonus Shares will have extremely limited rights. In particular, the Bonus Shares will carry no rights to participate in the profits of the Company and no rights to participate in the Company's assets, save on a winding up. The Bonus Shares will be transferable, but no market will exist in them and it is anticipated that the Court will confirm their cancellation the day after they are issued.

6 Reduction of Capital – Share Premium Account (Resolution 3)

As at 19 April 2022, the Company had US\$458,267,123 standing to the credit of the Share Premium Account. Following the Merger Reserve Capitalisation and Cancellation, the Share Premium Account shall be US\$761,535,123.

The Board is recommending that the Share Premium Account be reduced to nil (US\$0).

In order to effect the Share Premium Reduction, the Company first requires the authority of Shareholders by the passing of a special resolution at the Hochschild General Meeting.

The Share Premium Reduction will take effect when the Court Order confirming it and a statement of capital approved by the Court have been registered with the Registrar of Companies.

7 Reduction of Capital – nominal value of Ordinary Shares (Resolution 3)

The Company is proposing to reduce its issued share capital by cancelling and extinguishing capital of 24 pence on each Ordinary Share and reducing the nominal value of each Ordinary Share from 25 pence to 1 pence each in accordance with the CA 2006.

The reserves arising as a result of the Capital Reduction, expected to be \$219,078,012, will, subject to any arrangements required for the protection of creditors and any direction given by the Court in confirming the Capital Reduction, qualify as distributable reserves for the purposes of the CA 2006 and these reserves will be available to enable the Company to pay dividends and other distributions to Shareholders in the future.

The Directors reserve the right to elect not to proceed with the Capital Reduction if the Directors believe that the terms required to obtain confirmation by the Court are unsatisfactory to the Company or if, as a result of an unforeseen event, the Board considers that to continue with the Capital Reduction would be inappropriate or inadvisable or no longer in the best interests of the Company and its Shareholders as a whole.

No new share certificates will be issued as a result of the Capital Reduction as the Capital Reduction only affects the nominal value of the Ordinary Shares, not the number of Ordinary Shares held by each Shareholder.

8 Further details on the Company Reductions

If Shareholders approve the Resolutions at the Hochschild General Meeting, the Board intends to make an application to the Court to obtain its approval to the Company Reductions as soon as possible following the Hochschild General Meeting.

The Court will be concerned to ensure that the Company's creditors (including contingent creditors), whose debts remain outstanding on the date the Court Order is registered will not be prejudiced by the proposed Company Reductions. The Directors intend to take such steps to satisfy the Court in this regard as they consider appropriate.

The Company Reductions will not take effect until the Court Order confirming the Company Reductions is filed with and registered by the Registrar of Companies. The Board intends to file the required documentation with the Registrar of Companies on the Business Day following the Court Hearing, which is anticipated to be on or around 22 June 2022, and, subject to compliance with all procedural requirements, it is expected that the Registrar of Companies will register the documents within a week of filing.

9 Certain United Kingdom Taxation Matters

The following comments are intended as a general guide only and relate only to certain UK tax consequences. The comments are based on current legislation and published HM Revenue & Customs ("HMRC") practice, both of which are subject to change, possibly with retrospective effect. Save where expressly stated otherwise, these comments deal only with Shareholders who are resident and ordinarily resident for taxation purposes in the UK, who are absolute beneficial owners of Ordinary Shares and who hold them as an investment and not on trading account ("UK Shareholders"). They do not deal with the position of certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes or persons regarded as having obtained their Ordinary Shares by reason of employment.

This section is not intended to be, and should not be construed to be, legal or taxation advice to any particular Shareholder. Any Shareholder who has any doubt about his or her own taxation position, whether regarding taxation of chargeable gains ("CGT") or otherwise, or who is subject to taxation in any jurisdiction other than (or in addition to) the UK should consult his or her professional taxation adviser immediately.

9.1 Rectification of the Relevant Dividends

9.1.1 Position of UK Shareholders

It is the Company's expectation that the UK tax position of UK Shareholders who did not know or have reasonable grounds to believe that the Relevant Dividends were made otherwise than in accordance with the CA 2006 should not be affected by any procedural irregularity in the Relevant Dividends. This accords with the approach that HMRC is understood to have adopted to the circumstances surrounding the payment of dividends otherwise than in administrative compliance with the CA 2006 by other UK incorporated companies whose shares are admitted to the FCA's Official List and to trading on the Main Market of the London Stock Exchange. The Company has not sought and does not intend to seek any confirmation of this from HMRC. Therefore, based on such approach, the Company does not expect the passing of Resolution 1 (Relevant Dividend rectification and release and related party transactions) to have an effect on the UK tax position of UK Shareholders.

If any UK Shareholder has any doubts about his or her tax position, he or she should however consult with an independent professional adviser.

9.1.2 Position of non-UK Shareholders

The Company's expectation is that the passing of Resolution 1 (Relevant Dividend rectification and release and related party transactions) should not have an effect on the UK tax position of persons who are not UK Shareholders, although the Company has not sought and does not intend to seek any confirmation on this from HMRC.

If any person who is not a UK Shareholder has any doubts about his or her tax position, he or she should consult with an independent professional adviser.

PART II – BUSINESS OF THE HOCHSCHILD GENERAL MEETING CONTINUED

9.2 Issuance and cancellation of the Bonus Shares

Taxation of income

Provided that the Bonus Shares are treated as being paid up for new consideration received by the Company (which will depend on how the Merger Reserve was originally created), the issue of the Bonus Shares should not be treated as a dividend or distribution giving rise to a liability to UK income tax or corporation tax (as the case may be) for UK Shareholders. If, however, the Bonus Shares are not treated as being paid up for new consideration received by the Company, the amount paid up on the Bonus Shares may, depending on the circumstances (including, in particular, where a repayment of capital has previously been made), be treated as a distribution made in respect of the Bonus Shares. In that event, a UK Shareholder would be subject to UK income tax or corporation tax (as applicable) in respect of such distribution subject to available exemptions or reliefs.

CGT

The issuance of the Bonus Shares should be treated as a reorganisation for the purposes of CGT, so that UK Shareholders should not be treated as making a disposal or part disposal of their Ordinary Shares for CGT purposes upon receipt of the Bonus Shares. Instead, the Bonus Shares are treated as the same asset, acquired at the same time, as their Ordinary Shares.

For CGT purposes, a UK Shareholder's base cost in the Bonus Shares and Ordinary Shares should be calculated by apportioning the original base cost of such UK Shareholder's Ordinary Shares between the Bonus Shares and the Ordinary Shares based on their respective market values at the time of the issuance of the Bonus Shares.

The Company expects that, due to the fact that:

- the Bonus Shares have no voting rights or rights to income;
- the Bonus Shares have no market; and
- at the time issued, it is anticipated that the Bonus Shares will be cancelled for no payment on the day immediately following their issue,

the market value of the Bonus Shares is likely to be nil for the duration of their existence.

On that basis, the issuance of the Bonus Shares would not impact on the base cost of the Ordinary Shares, and there should be no chargeable gain nor any allowable loss on the cancellation of the Bonus Shares.

Stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax will be payable on the issue of the Bonus Shares. This is the case for all Shareholders.

9.3 Share Premium Reduction

The Share Premium Reduction should not be treated as a dividend or distribution to, or as a disposal or deemed disposal by, any UK Shareholders in respect of their Ordinary Shares.

9.4 Capital Reduction

The Capital Reduction should be treated as a reorganisation of the share capital of the Company and accordingly should not result in a disposal or deemed disposal by any UK Shareholders. After the Capital Reduction, the Ordinary Shares should be treated as the same asset as was originally acquired by each UK Shareholder for UK tax purposes and, therefore, the base cost of the Ordinary Shares should remain unaffected.

10 Other information

The share capital of the Company as at the Latest Practicable Date comprises 513,875,563 Ordinary Shares.

Copies of the final forms of the Shareholders' Deed of Release and the Directors' Deed of Release are at the end of this document and available on the Company's website www.hochschildmining.com and in hard copy during normal business hours on any Business Day at the registered office of the Company up to the time of the Hochschild General Meeting. Copies will also be available at the place of the Hochschild General Meeting until the conclusion of the Hochschild General Meeting.

PART III – ADDITIONAL INFORMATION

1 Directors

The Directors and their principal functions are as follows:

Director	Title
Eduardo Hochschild	Chairman
Ignacio Bustamante	Chief Executive Officer
Michael Rawlinson	Senior Independent Director
Dionisio Romero Paoletti	Non-Executive Director
Dr Graham Birch	Independent Non-Executive Director
Eileen Kamerick	Independent Non-Executive Director
Jill Gardiner	Independent Non-Executive Director
Jorge Born Jr	Independent Non-Executive Director
Tracey Kerr	Independent Non-Executive Director

2 Directors' shareholdings

As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company were as follows:

Director	Interest	Number of Ordinary Shares
Eduardo Hochschild ⁽¹⁾	Beneficial	196,900,306
Ignacio Bustamante	Beneficial	1,214,115
Dr Graham Birch	Beneficial	33,750
Dionisio Romero Paoletti	Beneficial	55,169
Eileen Kamerick	—	0
Jill Gardiner	—	0
Jorge Born Jr.	—	0
Michael Rawlinson	—	0
Tracey Kerr	—	0
Related Party Former Director		
Sanjay Sarma	Beneficial	15,000

Note:

(1) The shareholding of Eduardo Hochschild is held through Pelham Investment Corporation.

3 Directors' service contracts and terms of appointment

Save for the service contracts described below, there are no existing or proposed service contracts between any Director (or proposed director of the Company) and the Company and its subsidiary undertakings.

3.1 Directors' service contracts

Ignacio Bustamante is employed under a contract of employment with Compañía Minera Ares S.A.C. ("Ares") dated 1 April 2007.

Name	Service agreement start date	Current salary p/a	Notice by Hochschild (days)	Notice by the Director (days)	Place of work
Ignacio Bustamante	1 April 2007	US\$700,000 ⁽¹⁾⁽²⁾	0	30	Lima, Peru

Notes:

(1) Figures disclosed include certain statutory payments accounted for internally within base salary, which were US\$300 for the 12 months ending 31 December 2021.

(2) Ignacio Bustamante also received taxable benefits of US\$27,000 for the 12 months ending 31 December 2021. Taxable benefits include use of a company car and medical insurance.

In addition to the above, Ignacio Bustamante is entitled to an annual bonus of up to 180 per cent. of base salary based on performance during a calendar year against a range of objectives reflecting operational performance, progress against strategic priorities and ESG performance. Any bonus earned above 150 per cent. of base salary will be paid in shares and deferred for two years.

The contract is subject to Peruvian law and, as such, has no fixed term and may be terminated (i) by Ignacio Bustamante on 30 days' notice, and (ii) by Ares without notice. Under Peruvian law, termination by Ares other than termination for certain prescribed reasons (such as gross negligence) gives rise to an entitlement to compensation of no less than 1.5 times the monthly base salary for each year of service completed, up to a maximum of 12 months' base salary. In addition to these provisions and to reflect Peruvian market practice, Hochschild's remuneration committee has discretion to award Ignacio Bustamante up to an additional 12 months' base salary on termination (other than for the prescribed reasons such as gross negligence). The prevailing circumstances will be taken into consideration at the time of termination.

3.2 Terms of appointment

The remainder of the Directors serve under letters of appointment (each a "Letter of Appointment") as detailed in the table below. In accordance with their terms, the Directors serve for an initial period of three years which is automatically extended for a further three years. Notwithstanding the foregoing, in line with the UK Corporate Governance Code, all Directors are subject to annual re-election by the Company at a general meeting and the appointments of such Directors may be determined by the Board or the Director giving not less than three months' notice.

On termination by the Board of a Director's Letter of Appointment, the Director shall be entitled to an amount equivalent to three months' fees.

PART III – ADDITIONAL INFORMATION CONTINUED

The annual salaries of the Directors and the Former Director for the year ended 31 December 2021, are set out in the table below.

Name	Title	Letter of Appointment dated	Current fees per annum ⁽¹⁾
Eduardo Hochschild	Chairman	30 January 2015	US\$400,000
Dr Graham Birch	Independent Non-Executive Director	20 June 2011	£84,000
Jorge Born Jr	Independent Non-Executive Director	16 October 2006	£70,000
Jill Gardiner	Independent Non-Executive Director	17 July 2020	£70,000
Eileen Kamerick	Independent Non-Executive Director	9 September 2016	£84,000
Tracey Kerr	Independent Non-Executive Director	4 December 2021	£70,000
Dionisio Romero Paoletti	Non-Executive Director	18 December 2017	£70,000
Michael Rawlinson	Senior Independent Director	18 December 2015	£98,000
Related Party Former Director			
Sanjay Sarma	Former Non-Executive Director	13 December 2016	£70,000 ⁽²⁾

Notes:

- (1) Fees are listed inclusive of any supplements payable to the Senior Independent Director and committee chairs. From 1 March 2022, Non-Executive Directors receive, in addition to their base and supplementary fees, an additional fee of £5,000 per year for every main Board Committee served on with the exception of the Nomination Committee. There has been no change to the supplementary fees payable to the Senior Independent Director and the Chairs of the Audit, Sustainability and Remuneration Committees.
- (2) Sanjay Sarma's appointment as a non-executive director of the Company terminated on 10 December 2021 and, under the terms of his letter of appointment, he is not entitled to any additional remuneration.

4 Major Shareholders

As at the Latest Practicable Date, the Company had been notified of the following direct or indirect interests in the Company's issued ordinary share capital or voting rights pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules:

Shareholder	Number of Ordinary Shares held	Number of voting rights in which Shareholder has a direct or indirect interest	Percentage of voting rights in which Shareholder has a direct or indirect interest
Eduardo Hochschild ⁽¹⁾	196,900,306	196,900,306	38.32%
BlackRock, Inc ⁽²⁾	26,072,197	28,189,714	5.49%
Majedie Asset Management Limited ⁽³⁾	25,384,745	25,384,745	4.99%
Van Eck Associates Corporation ⁽⁴⁾	17,949,877	17,949,877	3.49%
AFP Integra ⁽⁵⁾	19,402,156	19,402,156	3.78%

Notes:

- (1) The shareholding of Eduardo Hochschild is held through Pelham Investment Corporation.
- (2) This information is taken from the latest notification received by Hochschild from BlackRock, Inc. on 11 April 2022.
- (3) This information is taken from the latest notification received by Hochschild from Majedie Asset Management Limited on 29 October 2018.
- (4) This information is taken from the latest notification received by Hochschild from Van Eck Associates Corporation on 16 December 2021.
- (5) The Company has not received a notification form from AFP Integra in relation to its shareholding; however, based on the Company's analysis of its register of members as at 28 February 2022, it believes that AFP Integra has a legal and/or beneficial interest as shown in the table above.

Save as set out above, the Company is not aware of any other notifiable interests.

5 Related party transactions

5.1 Aclara Related Party Transaction

In December 2021, the Company effected the demerger of shares representing 80 per cent. of the entire issued share capital of Aclara Resources Inc. ("**Aclara**") (the "**Demerger Aclara Shares**") from the Hochschild Group which was effected through a distribution in specie of the Demerger Aclara Shares by the Company to Shareholders (the "**Demerger Dividend**"). In addition to the demerger, Aclara conducted an initial public offering (the "**Offering**") of the remainder of its share capital (the "**Aclara Shares**").

Immediately following the Demerger Dividend, the Substantial Shareholder owned 27,054,102 Aclara Shares representing 30.7% of the Aclara Shares.

For the purposes of Chapter 11 of the Listing Rules, the Substantial Shareholder is a related party of the Company. Pursuant to a subscription agreement dated 2 December 2021 between Aclara and the Substantial Shareholder, the Substantial Shareholder agreed to purchase on a prospectus-exempt basis in Canada 22,791,399 Aclara Shares at the offering price of the Aclara Shares for aggregate gross proceeds to Aclara of C\$38,745,378 (the "**Private Placement**"). In addition, Eduardo Hochschild purchased 9,855,660 Aclara Shares at the offering price as part of the Offering for aggregate gross proceeds to Aclara of C\$16,754,622.

The Aclara Shares acquired by Eduardo Hochschild pursuant to the Private Placement and the Offering were in addition to the Aclara Shares that he received as a part of the Demerger Dividend. Upon completion of each of the Demerger Dividend, the Private Placement and the Offering, Eduardo Hochschild held 59,701,161 Aclara Shares representing 35.3% of the Aclara Shares.

The Private Placement and the Substantial Shareholder's purchase of Aclara Shares in the Offering were deemed to be a smaller related party transaction for the purposes of Listing Rule 11.110R and, pursuant to Listing Rule 11.110R(2)(b), the Company obtained written confirmation from a sponsor that the terms of the Private Placement and the Offering were fair and reasonable as far as the Shareholders of the Company were concerned (the "**Aclara Related Party Transaction**").

5.2 Aggregation of related party transactions in any 12 month period

The Shareholders' Deed of Release and the Directors' Deed of Release constitute related party transactions.

Pursuant to Listing Rule 11.11R, as the Company will, under this document, enter into a transaction with the same related party (the Substantial Shareholder), the Aclara Related Party Transaction and the transactions contemplated by this document must be aggregated. Under the Listing Rules, the Company is therefore seeking specific approval of the Shareholders for the entry into each of the Shareholders' Deed of Release and Directors' Deed of Release as related party transactions.

As at the Latest Practicable Date, the Directors, the Related Party Former Directors and the Substantial Shareholder were recorded in the Company's register of members as holding in aggregate a total of 198,218,340 Ordinary Shares representing approximately 38.6 per cent. of the Company's issued share capital.

Pursuant to Listing Rule 13.61R(5), the Board has obtained written confirmation from the Sponsor that the terms of the related party transaction are fair and reasonable as far as the Shareholders are concerned.

Each of the Directors, the Related Party Former Director and the Substantial Shareholder will therefore not vote on, and have undertaken to take all reasonable steps to ensure that their associates abstain from voting on, the Shareholders' Deed of Release and the Directors' Deed of Release and the related party transactions.

6 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Hochschild Group: (i) within the two years immediately preceding the date of this document which are or may be material; or (ii) which contain any provision under which any member of the Hochschild Group has any obligation or entitlement which is material to the Hochschild Group as at the date of this document:

6.1 Amarillo Acquisition Documents

6.1.1 Acquisition Agreement

On 29 November 2021, the Company entered into an arrangement agreement between the Company, 1334940 B.C. Limited (an entity ultimately controlled and owned by the Company) (the "**Purchaser**"), Amarillo Gold Corporation ("**Amarillo**") and Lavras Gold Corp. ("**SpinCo**") in relation to the proposed acquisition of Amarillo (the "**Acquisition**"), as amended from time to time (the "**Acquisition Agreement**"). The Acquisition completed on 1 April 2022 (Pacific Time). The Acquisition Agreement sets out the terms on which the Purchaser acquired all of the issued and outstanding and to be issued shares in Amarillo, such that Amarillo is now an indirect wholly-owned subsidiary of the Company. The Acquisition Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada (as applicable). The following is a summary of the principal terms of the Acquisition Agreement.

The net acquisition cost to the Hochschild Group, including Amarillo's net cash as at 1 April 2022, was C\$148,297,018 (US\$117,696,046).

6.1.2 SpinCo Royalty Agreement

(a) Introduction

Pursuant to the Acquisition Agreement, the Lavras do Sul Project was transferred to SpinCo prior to completion of the Acquisition. Under the royalty agreement, AMB granted LDS a royalty of 2.0 per cent. of net smelter returns on any production from certain exploration properties retained by AMB that are separate from the Posse gold project located on the Mara Rosa Project (the "**Property**") (the "**SpinCo Royalty**") in consideration for a cash payment of C\$150,000 by SpinCo on behalf of LDS to AMB (the "**SpinCo Royalty Agreement**").

(b) Key terms

The SpinCo Royalty applies to the sale of all the raw, intermediate and refined mining products (including, without limitation, gold, silver and copper) derived from the Property (the "**Products**"). The SpinCo Royalty shall run with the title of the Property in perpetuity, subject to the terms and conditions of the SpinCo Royalty Agreement, and shall survive any disposition or transfer of the Property, or any interest therein, by AMB. In accordance with the SpinCo Royalty Agreement, AMB is required to use its best commercial endeavours to sell the Products as soon as commercially reasonable subject to customary restrictions, including in relation to stockpiling, commingling and tailings activities.

The SpinCo Royalty Agreement includes an indemnity in favour of AMB with respect to any claims or liabilities that may be made or brought against AMB that result from or relate to operations conducted on or in respect of the Property or other mining activities. The SpinCo Royalty Agreement contains customary reporting and audit requirements and payment mechanics. The SpinCo Royalty Agreement also contains restrictions on transfers by LDS of its rights under the SpinCo Royalty Agreement without AMB's consent, and also includes a right of first refusal in favour of AMB to repurchase and cancel the SpinCo Royalty Agreement in the event that LDS receives a bona fide offer by a third party to purchase its rights under the SpinCo Royalty Agreement.

(c) Governing law and dispute resolution

The SpinCo Royalty Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. In addition, the SpinCo Royalty Agreement contains a dispute resolution mechanism providing for binding arbitration to settle any disputes between the parties in accordance with the rules of the International Chamber of Commerce.

6.2 Medium Term Loan Facility

On 13 December 2019, the Company and its wholly-owned subsidiary, Ares, entered into a facility agreement with (among others) the Bank of Nova Scotia and Banco Bilbao Vizcaya Argentaria S.A., New York Branch pursuant to which Ares was borrower and the Company was guarantor. On 20 September 2021, the Company and Ares entered into an amendment agreement to the original facility agreement with (among others) Scotiabank Perú S.A.A., the Bank of Nova Scotia and Banco Bilbao Vizcaya Argentaria S.A., New York Branch. Under the amendment agreement, the relevant lenders (the "**Lenders**") agreed to advance to Ares a total facility amount of US\$300,000,000 (the "**Medium Term Loan Facility**"). The Medium Term Loan Facility is available to Ares for: (i) the purpose

PART III – ADDITIONAL INFORMATION CONTINUED

of re-financing the original facility; and (ii) general corporate purposes, including financing the working capital requirements of the Mara Rosa Project. The Company is guarantor in relation to the Medium Term Loan Facility under an English law guarantee. The Medium Term Loan Facility has a term of five years, commencing on the closing date of the amendment agreement, which occurred on 20 September 2021.

The Medium Term Loan Facility has two tranches: (i) US\$200,000,000 to re-finance the original facility, available in a single drawdown on the closing date of the amendment agreement; and (ii) US\$100,000,000, available until the end of the term of the Medium Term Loan Facility with a utilisation period of two years from the closing date of the amendment agreement, to finance the working capital requirements of the Mara Rosa Project and other general corporate purposes. The aggregate principal amount of the Medium Term Loan Facility is up to US\$300,000,000 at an interest rate payable on a quarterly basis of three-month LIBOR plus a margin of 165 basis points. Ares shall also pay: (i) to the Bank of Nova Scotia and Banco Bilbao Vizcaya Argentaria S.A., New York Branch as arrangers an arrangement fee at a rate equal to 30 basis points of the total Medium Term Loan Facility amount, payable on the closing date of the amendment agreement; and (ii) to the Lenders, a commitment fee at a rate equal to 60 basis points of the undrawn commitments from time to time, payable quarterly for the duration of the availability period. As at the Latest Practicable Date, Ares has drawn down US\$300,000,000 of the aggregate principal amount of the Medium Term Loan Facility.

The Medium Term Loan Facility contains customary covenants for a facility of this nature, including, among other things, *pari passu*, cross default (for any amount above US\$15,000,000), cross acceleration (for any amount above US\$15,000,000), negative pledge, change of control, limitations on the distribution of dividends in an event of default, limitations on making disposals, loans or giving guarantees and any other covenants that may be required by the Lenders. The governing law of the Medium Term Loan Facility is New York law.

Save as disclosed above, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by members of the Hochschild Group: (i) within the two years immediately preceding the date of this document which are, or may be, material; or (ii) which contain any provision under which any member of the Hochschild Group has any obligation or entitlement which is material to the Hochschild Group as at the date of this document.

7 No significant change

There has been no significant change in the financial performance or financial position of the Hochschild Group since 31 December 2021, being the end of the last financial period for which audited annual financial statements were published.

8 Consents

RBC has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

9 Documents available for inspection

Copies of the following documents will be available for physical inspection during normal business hours on any Business Day at the registered office of the Company and on the Company's website at www.hochschildmining.com from the date of this document up to and including the conclusion of the Hochschild General Meeting:

- (a) the memorandum and articles of association of the Company;
- (b) the Shareholders' Deed of Release;
- (c) the Directors' Deed of Release;
- (d) the written consent referred to in paragraph 8 of this Part III (*Additional Information*); and
- (e) this Circular.

PART IV – DEFINITIONS AND GLOSSARY

2017 Final Dividend	the final dividend, for the 52 weeks ended 31 December 2017, of 1.965 cents per Ordinary Share paid on 1 June 2018
2018 Final Dividend	the final dividend, for the 52 weeks ended 31 December 2018, of 1.959 cents per Ordinary Share paid on 12 June 2019
2018 Interim Dividend	the interim dividend, for the 26 weeks ended 30 June 2018, of 1.965 cents per Ordinary Share paid on 20 September 2018
2019 Interim Dividend	the interim dividend, for the 26 weeks ended 30 June 2019, of 2.0 cents per Ordinary Share paid on 19 September 2019
2020 Final Dividend	the final dividend, for the 52 weeks ended 31 December 2020, of 2.335 cents per Ordinary Share paid on 2 June 2021
2020 Interim Dividend	the interim dividend, for the 26 weeks ended 30 June 2020, of 4.0 cents per Ordinary Share paid on 31 December 2020
Aclara	Aclara Resources Inc.
Aclara Related Party Transaction	has the meaning given to that term in paragraph 5.1 (<i>Aclara Related Party Transaction</i>) of Part III (<i>Additional Information</i>)
Aclara Shares	has the meaning given to that term in paragraph 5.1 (<i>Aclara Related Party Transaction</i>) of Part III (<i>Additional Information</i>)
Acquisition	has the meaning given to that term in paragraph 6.1.1 (<i>Acquisition Agreement</i>) of Part III (<i>Additional Information</i>)
Acquisition Agreement	has the meaning given to that term in paragraph 6.1.1 (<i>Acquisition Agreement</i>) of Part III (<i>Additional Information</i>)
AMB	Amarillo Mineração do Brasil Limitada
Amarillo	Amarillo Gold Corporation
Ares	Compañía Minera Ares S.A.C.
Board	the board of directors of the Company comprising the Directors
Bonus Shares	new fully paid-up deferred ordinary shares in the capital of the Company (whereby the nominal value of such shares is equal to the sum that is obtained by dividing the number of such shares to be issued into US\$303,268,000)
Business Day	any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in London, England
CA 2006	the Companies Act 2006
Capital Reduction	the proposed reduction of the nominal value of the Ordinary Shares from 25 pence each to 1 pence each
Company Reductions	the Share Premium Reduction and the Capital Reduction
Company Reductions Record Time	6 p.m. on 21 June 2022
Circular	this document
Company or Hochschild	Hochschild Mining PLC
Court	the High Court of England and Wales
Court Hearing	the hearing by the Court to confirm the Company Reductions
Court Order	the order of the Court confirming the Company Reductions
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
CREST Manual	the rules governing the operation of CREST as published by Euroclear
CREST Member	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
CREST Proxy Instruction	an authenticated CREST message to appoint or instruct a proxy in accordance with Euroclear's specifications and the CREST Manual
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
Demerger Aclara Shares	has the meaning given to that term in paragraph 5.1 (<i>Aclara Related Party Transaction</i>) of Part III (<i>Additional Information</i>)
Demerger Dividend	has the meaning given to that term in paragraph 5.1 (<i>Aclara Related Party Transaction</i>) of Part III (<i>Additional Information</i>)
Directors	the directors of the Company, whose names are set out on page 5 of this document
Directors' Deed of Release	the deed of release by which the Company waives any rights to make claims against the Directors and the Former Director in respect of the Relevant Dividends
Disclosure Guidance and Transparency Rules	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to part 6 of FSMA
FCA	the Financial Conduct Authority
Former Director	Emani Sanjay Sarma
FSMA	the Financial Services and Markets Act 2000, as amended
Hochschild General Meeting	the extraordinary general meeting of the Company to be held at the offices of Hudson Sandler LLP, 25 Charterhouse Square, London EC1M 6AE, United Kingdom at 8.45 a.m. on 26 May 2022 (or any adjournment thereof, notice of which is set out at the end of this document)
Hochschild Group	the Company and its subsidiary undertakings
Latest Practicable Date	19 April 2022
Lavras do Sul Project	the gold project near to the town of Lavras do Sul in the state of Rio Grande do Sul, southern Brazil
Lenders	has the meaning given to that term in paragraph 6.2 (<i>Medium Term Loan Facility</i>) of Part III (<i>Additional Information</i>)

PART IV– DEFINITIONS AND GLOSSARY CONTINUED

Letter of Appointment	has the meaning given to that term in paragraph 3.2 of Part III (<i>Additional Information</i>)
LIBOR	London Inter-Bank Offered Rate
Listing Rules	the rules and regulations made by the FCA under FSMA, and contained in FCA's publication of the same name
LDS	LDS Mineração Do Brasil Ltda
Mara Rosa Project	the gold project located approximately seven kilometres north of the town of Mara Rosa in Goiás state, central Brazil
Medium Term Loan Facility	has the meaning given to that term in paragraph 6.2 (<i>Medium Term Loan Facility</i>) of Part III (<i>Additional Information</i>)
Merger Reserve Capitalisation and Cancellation	the capitalisation of the Company's Merger Reserve followed by a cancellation of the Bonus Shares that are issued
Merger Reserve	the Company's accounting reserve known as the merger reserve
Nominated Persons	persons who have been nominated to receive communications from the Company in accordance with section 146 of the CA 2006
Notice of Extraordinary General Meeting	the notice set out at the end of this document giving Shareholders notice of the Hochschild General Meeting
Offering	has the meaning given to that term in paragraph 5.1 (<i>Aclara Related Party Transaction</i>) of Part III (<i>Additional Information</i>)
Ordinary Shares	the ordinary shares of 25 pence each in the capital of the Company
Private Placement	has the meaning given to that term in paragraph 5.1 (<i>Aclara Related Party Transaction</i>) of Part III (<i>Additional Information</i>)
Products	has the meaning given to that term in paragraph 6.1.2 of Part III (<i>Additional Information</i>)
Property	has the meaning given to that term in paragraph 6.1.2 of Part III (<i>Additional Information</i>)
Purchaser	1334940 B.C. Limited (an entity ultimately controlled and owned by the Company)
RBC	RBC Europe Limited
Recipient Director Shareholders	each Director of the Company, together with any of their respective associates (as defined in the Listing Rules) who received one or more of the Relevant Dividends
Related Party Former Directors	each of the Directors and the Former Director who is also a current or former director (who resigned less than 12 months before the date of entry into the Directors' Deed of Release) of the Company
Relevant Dividends	the 2017 Final Dividend, the 2018 Interim Dividend, the 2018 Final Dividend, the 2019 Interim Dividend, the 2020 Interim Dividend and the 2020 Final Dividend
Resolutions	the special resolutions proposed to Shareholders to vote on the matters discussed in this document as set out in the Notice of Extraordinary General Meeting at the end of this document
Share Premium Account	the Company's share premium account
Share Premium Reduction	the reduction of the Share Premium Account and the crediting of the amount the Share Premium Account is reduced by to the Company's retained earnings reserve
Shareholder Helpline	the telephone helpline of Link Group on +44 (0) 371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales)
Shareholders	the holders of the Ordinary Shares
Shareholders' Deed of Release	the deed of release in favour of all shareholders who appeared on the register of members on the record date for each of the Relevant Dividends
SpinCo	Lavras Gold Corp., a corporation existing under the laws of the Province of British Columbia, Canada
SpinCo Royalty	has the meaning given to that term in paragraph 6.1.2 of Part III (<i>Additional Information</i>)
SpinCo Royalty Agreement	has the meaning given to that term in paragraph 6.1.2 of Part III (<i>Additional Information</i>)
Sponsor or RBC	RBC Europe Limited
Substantial Shareholder	Pelham Investment Corporation (a company controlled by Eduardo Hochschild)

HOCHSCHILD MINING PLC

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Hochschild Mining PLC (the “Company”) will be held at the offices of Hudson Sandler LLP, 25 Charterhouse Square, London EC1M 6AE, United Kingdom at 8.45 a.m. on 26 May 2022 to consider and, if thought fit, pass the following resolutions, which will be proposed as special resolutions. All references to times in this Notice of Extraordinary General Meeting are to London time.

Capitalised terms used in this Notice of Extraordinary General Meeting shall have the same meaning as is given to them in the Circular of which this notice forms part.

Special Resolutions

Resolution 1 – Relevant Dividend rectification and release and related party transactions

1 THAT, in relation to certain dividends paid by the Company, being the final dividend for the 52 weeks ended 31 December 2017, the interim dividend for the 26 weeks ended 30 June 2018, the final dividend for the 52 weeks ended 31 December 2018, the interim dividend for the 26 weeks ended 30 June 2019, the interim dividend for the 26 weeks ended 30 June 2020 and the final dividend for the 52 weeks ended 31 December 2020:

(a)

- (i) the appropriation of distributable profits of the Company (as shown in the audited financial statements of the Company for the 52 weeks ended 31 December 2017) to the payment of the final dividend, for the 52 weeks ended 31 December 2017, of 1.965 cents per Ordinary Share paid on 1 June 2018 be and is hereby authorised and confirmed by reference to the same record date as the original accounting entries for such dividend;
- (ii) the appropriation of distributable profits of the Company (as shown in the audited financial statements of the Company for the 52 weeks ended 31 December 2018) to the payment of the interim dividend, for the 26 weeks ended 30 June 2018, of 1.965 cents per Ordinary Share paid on 20 September 2018 be and is hereby authorised and confirmed by reference to the same record date as the original accounting entries for such dividend;
- (iii) the appropriation of distributable profits of the Company (as shown in the audited financial statements of the Company for the 52 weeks ended 31 December 2018) to the payment of the final dividend, for the 52 weeks ended 31 December 2018, of 1.959 cents per Ordinary Share paid on 12 June 2019 be and is hereby authorised and confirmed by reference to the same record date as the original accounting entries for such dividend;
- (iv) the appropriation of distributable profits of the Company (as shown in the audited financial statements of the Company for the 52 weeks ended 31 December 2019) to the payment of the interim dividend, for the 26 weeks ended 30 June 2019, of 2.0 cents per Ordinary Share paid on 19 September 2019 be and is hereby authorised and confirmed by reference to the same record date as the original accounting entries for such dividend;
- (v) the appropriation of distributable profits of the Company (as shown in the audited financial statements of the Company for the 52 weeks ended 31 December 2020) to the payment of the interim dividend, for the 26 weeks ended 30 June 2020, of 4.0 cents per Ordinary Share paid on 31 December 2020 be and is hereby authorised and confirmed by reference to the same record date as the original accounting entries for such dividend; and
- (vi) the appropriation of distributable profits of the Company (as shown in the audited financial statements of the Company for the 52 weeks ended 31 December 2020) to the payment of the final dividend, for the 52 weeks ended 31 December 2020, of 2.335 cents per Ordinary Share paid on 2 June 2021 be and is hereby authorised and confirmed by reference to the same record date as the original accounting entries for such dividend,

the dividends referred to in paragraphs 1(a)(i) to (vi) (inclusive) being the “**Relevant Dividends**” and each being a “**Relevant Dividend**”;

- (b) any and all claims which the Company has or may have arising out of or in connection with the payment of any of the Relevant Dividends against those shareholders who appeared on the register of members on the record date for any of the Relevant Dividends be waived and released, and that a deed of release in favour of such shareholders be entered into by the Company in the form produced to the meeting and initialled by the Chairman for the purposes of identification and any Director in the presence of a witness or any two Directors or any Director and the Company Secretary be authorised to execute the deed of release as a deed poll for and on behalf of the Company;
- (c) any distribution involved in the giving of the release (referred to in paragraph 1(b) above) in relation to the Relevant Dividends be made out of the relevant distributable profits of the Company appropriated to each Relevant Dividend by reference to a record date identical to the record date for each such Relevant Dividend; and
- (d) any and all claims which the Company has or may have against each of its directors (whether past or present) arising out of or in connection with the approval, declaration or payment of the Relevant Dividends be waived and released and a deed of release in favour of such persons be entered into by the Company in the form produced to the meeting and initialled by the Chairman for the purposes of identification and any Director in the presence of a witness or any two Directors or any Director and the Company Secretary be authorised to execute the same as a deed poll for and on behalf of the Company.

Resolution 2 – Capitalisation of Merger Reserve and cancellation of Bonus Shares

2 THAT:

- 2.1 the amount of US\$303,268,000 standing to the credit of the merger reserve of the Company be capitalised and applied in paying up in full and at par such number of new deferred shares in the capital of the Company (the “**Bonus Shares**”) as is equal to the number of ordinary shares of 25 pence each in the capital of the Company (the “**Ordinary Shares**”, and each an “**Ordinary Share**”) in issue as at 6.00 p.m. on the day before the date of the final hearing of the Company’s application to cancel certain amounts standing to the credit of its share premium account, such Bonus Shares having a nominal value equal to the sum that is obtained by dividing the number of Bonus Shares to be issued as set out above into US\$303,268,000, as shall be required to effect such capitalisation;

- 2.2 the directors of the Company be and are hereby authorised for the purposes of section 551 of the Companies Act 2006 (the “CA 2006”) to allot and issue all of the Bonus Shares created pursuant to paragraph 2.1 above to such members of the Company as they shall in their absolute discretion determine upon terms that they are paid up in full by such capitalisation, and such authority shall for the purposes of section 551 of the CA 2006 expire on the date falling six months after the date of the passing of this resolution;
- 2.3 the Bonus Shares created and issued pursuant to paragraphs 2.1 and 2.2 of this resolution shall have the following rights and restrictions:
- (a) the holders of the Bonus Shares shall have no right to receive any dividend or other distributions, whether of capital or income;
 - (b) the holders of the Bonus Shares shall have no right to receive notice of or attend or vote at any general meeting of the Company;
 - (c) the holders of the Bonus Shares shall, on a return of capital on a liquidation, but not otherwise, be entitled to receive the nominal amount of each such share but only after the holder of each Ordinary Share shall have received the amount paid up or credited as paid up on such a share and the holders of Bonus Shares shall not be entitled to any further participation in the assets or profits of the Company;
 - (d) a reduction by the Company of the capital paid up or credited as paid up on the Bonus Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the Bonus Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holders of Bonus Shares to reduce its capital (in accordance with the CA 2006); and
 - (e) the Company shall have irrevocable authority at any time after the creation or issue of the Bonus Shares to appoint any person to execute on behalf of the holders of such shares, as such person’s agent, a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof and/or an agreement to transfer the same without making any payment to the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the CA 2006 purchase all but not some only of the Bonus Shares then in issue at an aggregate price not exceeding £1.00 for all the Bonus Shares; and
- 2.4 subject to the confirmation of the High Court of Justice of England and Wales (the “Court”), the Bonus Shares created and issued pursuant to this Resolution 2 be cancelled.

Resolution 3 – Reduction of Capital – Share Premium Account and nominal value of Ordinary Shares

3 THAT, subject to the passing of Resolution 2 and the confirmation of the Court:

- 3.1 the amount standing to the credit of the Company’s share premium account be cancelled; and
- 3.2 the issued share capital of the Company be reduced by cancelling and extinguishing capital to the extent of 24 pence on each issued fully paid up Ordinary Share of 25 pence.

By order of the Board,

Raj Bhasin
Company Secretary
20 April 2022

Registered office:

17 Cavendish Square
London W1G 0PH
United Kingdom

Registered in England and Wales No. 05777693

Notes:

1. A member is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote on his or her behalf at the Hochschild General Meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the Hochschild General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
2. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("**Nominated Persons**"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. Nominated Persons should contact the registered member by whom they were nominated in respect of such arrangements.
3. A member can appoint a proxy (a "**Proxy Vote**"):
 - (a) by logging on to www.signalshares.com and following the instructions;
 - (b) by requesting a hard copy form of proxy from the Company's Registrars, Link Group, by:
 - (i) sending a letter addressed to Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom; or
 - (ii) contacting Link Group on +44 (0) 371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the helpline operators cannot provide advice on the merits of the Resolutions or give any financial, legal or tax advice),
and completing, signing and returning such hard copy form of proxy in accordance with the instructions set out thereon; or
 - (c) in the case of CREST Members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 6 below.

In order for a proxy appointment to be valid, a form of proxy must be completed in accordance with one of the methods above. In each case, the form of proxy and any power of attorney or other authority under which it is signed (or a duly certified copy of any such authority) must be received by Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom by 8.45 a.m. on Tuesday 24 May 2022 or, if the Hochschild General Meeting is adjourned, not less than 48 hours (excluding non-business days) before the time of the holding of such adjourned Hochschild General Meeting.

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 8.45 a.m. on Tuesday 24 May 2022 in order to be considered valid. Before you can appoint a proxy via this process, you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

4. Completion and return of a Proxy Vote does not prevent a member from subsequently attending the Hochschild General Meeting and voting in person.
5. Pursuant to Regulation 41(1) of the CREST Regulations, the Company specifies that only those members registered on the register of members of the Company at 8.45 a.m. on Tuesday 24 May 2022 or, in the event of an adjournment, at 8.45 a.m. on the date which is 48 hours (excluding non-business days) before the day of the adjourned meeting, shall be entitled to attend and vote at the Hochschild General Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to the register of members after 8.45 a.m. on Tuesday 24 May 2022 shall be disregarded in determining the rights of any person to attend or vote at the Hochschild General Meeting.
6. CREST Members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Hochschild General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Members who are CREST personal members or other CREST sponsored members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for those instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). The message must, in order to be valid (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to him or her by other means. CREST Members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the

CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same shares.
8. Members wishing to appoint more than one proxy can request additional forms of proxy by contacting Link Group on +44 (0) 371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales). The helpline operators cannot provide advice on the merits of the Resolutions or give any financial, legal or tax advice.
9. To change a proxy instruction, a member needs to submit a new Proxy Vote using the methods set out in the notes above. Note that the deadline for receipt of Proxy Votes (8.45 a.m. on Tuesday 24 May 2022) also applies in relation to amended instructions and any amended proxy appointment received after the relevant deadline will be disregarded. Where a member has appointed a proxy using a hard copy form of proxy and would like to change the instructions using another such form, that member should contact the Company's Registrars, Link Group, on +44 (0) 371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales). If more than one valid proxy appointment is submitted, the appointment received last before the deadline for the receipt of proxies will take precedence.
10. In the event that a member is a joint holder and the joint holder purports to appoint a proxy, only the appointment submitted by the member whose name appears first on the register of members will be accepted.
11. The total number of Ordinary Shares in issue as at the Latest Practicable Date was 513,875,563 Ordinary Shares carrying one vote each. There were no shares held in treasury. The total number of voting rights in the Company as at this date was, therefore, 513,875,563.
12. Any member attending the Hochschild General Meeting has the right to ask questions. It would be helpful if members could state their name before asking a question. The Company must cause to be answered any question relating to the business to be dealt with at the Hochschild General Meeting put by a member attending the Hochschild General Meeting. However, members should note that no answer need be given in the following circumstances: (i) if to do so would interfere unduly with the preparation of the Hochschild General Meeting or would involve a disclosure of confidential information; (ii) if the answer has already been given on a website in the form of an answer to a question; and/or (iii) if it is undesirable, in the interests of the Company or the good order of the Hochschild General Meeting, that the question be answered.
13. Members may not use any electronic address provided in this notice (or in the accompanying circular of which this Notice of Extraordinary General Meeting forms part or any related documents, including the Chairman's Letter in Part I (*Letter from the Chairman of Hochschild Mining PLC*) of this document) to communicate with the Company for any purposes other than those expressly stated.
14. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at: **www.hochschildmining.com**.
15. The Resolutions will be voted on by poll and not by a show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. The results of the poll will be published on the Company's website and notified to the FCA once the votes have been counted and verified.
16. The Hochschild General Meeting will be held at the offices of Hudson Sandler LLP, 25 Charterhouse Square, London EC1M 6AE, United Kingdom at 8.45 a.m. on 26 May 2022.
17. Shareholders who wish to attend the Hochschild General Meeting in person are requested to register their intention to attend by emailing **info@hocplc.com** no later than 8.45 a.m. on Tuesday 24 May 2022.
18. COVID-19:
 - (a) Information relating to any changes to the Hochschild General Meeting as a result of COVID-19, including any changes made in response to government advice on travel and social distancing, will be communicated to Shareholders through announcements via the London Stock Exchange and through the Company's website at **www.hochschildmining.com** before the Hochschild General Meeting.
 - (b) for the safety of others, members or proxies experiencing any of the symptoms connected with COVID-19 are requested not to attend the Hochschild General Meeting.

FORM OF SHAREHOLDERS' DEED OF RELEASE

DEED POLL

THIS DEED POLL is made on _____ 2022

BY:

HOCHSCHILD MINING PLC (registered number 05777693) whose registered office is at 17 Cavendish Square, London W1G 0PH (the "Company") in favour of the Recipient Shareholders (as defined below).

WHEREAS:

- (A) As explained in the Notice of Extraordinary General Meeting addressed to the shareholders of the Company dated 20 April 2022 that is appended to this deed poll (the "**Notice of Extraordinary General Meeting**"), the board of directors of the Company has become aware of technical issues in respect of the Company's procedures for the payment of the 2017 final dividend paid on 1 June 2018, the 2018 interim dividend paid on 20 September 2018, the 2018 final dividend paid on 12 June 2019, the 2019 interim dividend paid on 19 September 2019, the 2020 interim dividend paid on 31 December 2020, and the 2020 final dividend paid on 2 June 2021 (collectively, the "**Relevant Dividends**").
- (B) The Company has been advised that, as a consequence of the Relevant Dividends having been made otherwise than in accordance with the Companies Act 2006, it may have claims against past and present shareholders who were recipients of one or more of the Relevant Dividends (or their personal representatives (and their successors in title) if they are deceased) (the "**Recipient Shareholders**").
- (C) Pursuant to Resolution 1 (*Relevant Dividend rectification and release and related party transactions*) set out in the Notice of Extraordinary General Meeting and duly passed by the Company's shareholders at the Company's extraordinary general meeting on 26 May 2022, the Company proposes to waive and release any and all claims which it has or may have in respect of the Relevant Dividends against the Recipient Shareholders and wishes to enter into this deed poll in favour of the Recipient Shareholders in order to effect the same.

THIS DEED POLL WITNESSES as follows:

1. RELEASE

The Company unconditionally and irrevocably waives and releases each of the Recipient Shareholders from any and all liability that any such Recipient Shareholder has or may have to the Company and all claims and demands the Company has or may have against each of them (whether such liability, claims or demands are present, future, actual or contingent, known or unknown) in connection with receipt by them of all or part of the Relevant Dividends.

2. GOVERNING LAW

This deed poll is governed by English law. Any non-contractual obligations arising out of or in connection with this deed poll shall be governed by English law.

IN WITNESS of which this deed poll has been executed and has been delivered on the date which appears first above.

EXECUTED as a deed poll by _____)
HOCHSCHILD MINING PLC)
acting by _____) _____
Director

and acting by _____) _____
Company Secretary

FORM OF DIRECTORS' DEED OF RELEASE

DEED POLL

THIS DEED POLL is made on _____ 2022

BY:

HOCHSCHILD MINING PLC (registered number 05777693) whose registered office is at 17 Cavendish Square, London W1G 0PH (the "**Company**") in favour of each of the current and certain former directors of the Company, whose names are set out in the schedule to this deed (the "**Directors**") (or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased).

WHEREAS:

- (A) As explained in the Notice of Extraordinary General Meeting addressed to the shareholders of the Company dated 20 April 2022 that is appended to this deed poll (the "**Notice of Extraordinary General Meeting**"), the board of directors of the Company has become aware of technical issues in respect of the Company's procedures for the payment of the 2017 final dividend paid on 1 June 2018, the 2018 interim dividend paid on 20 September 2018, the 2018 final dividend paid on 12 June 2019, the 2019 interim dividend paid on 19 September 2019, the 2020 interim dividend paid on 31 December 2020, and the 2020 final dividend paid on 2 June 2021 (collectively, the "**Relevant Dividends**").
- (B) The Company has been advised that, as a consequence of the Relevant Dividends having been made otherwise than in accordance with the Companies Act 2006, it may have claims against each of the Directors (or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased).
- (C) Pursuant to Resolution 1 (*Relevant Dividend rectification and release and related party transactions*) set out in the Notice of Extraordinary General Meeting and duly passed by the Company's shareholders at the Company's extraordinary general meeting on 26 May 2022, the Company proposes to waive and release any and all claims which it has or may have in respect of the Relevant Dividends against each of the Directors (or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased) and wishes to enter into this deed poll in favour of the Directors and the personal representatives and their successors in title of the estate of any deceased Directors in order to effect the same.

THIS DEED POLL WITNESSES as follows:

1. RELEASE

The Company unconditionally and irrevocably waives and releases each of the Directors or the personal representatives and their successors in title (as appropriate) of the Director's estate (if such Director is deceased) from any and all liability that any of them has or may have to the Company and all claims and demands the Company has or may have against each of them (whether such liability, claims or demands are present, future, actual or contingent, known or unknown), including, without limitation, any derivative action from or on behalf of shareholders of the Company, in connection with the approval, making and/or payment of all or part of the Relevant Dividends.

2. GOVERNING LAW

This deed poll is governed by English law. Any non-contractual obligations arising out of or in connection with this deed poll shall be governed by English law.

IN WITNESS of which this deed poll has been executed and has been delivered on the date which appears first above.

EXECUTED as a deed poll by _____)
HOCHSCHILD MINING PLC)
acting by _____) _____
Director

and acting by _____) _____
Company Secretary

SCHEDULE OF DIRECTORS

Name	Date of Appointment	Date of Termination
A. Current Directors		
Eduardo Hochschild	28 June 2006	N/A
Ignacio Bustamante	1 April 2010	N/A
Michael Rawlinson	1 January 2016	N/A
Dr. Graham Birch	1 July 2011	N/A
Jorge Born Jr.	16 October 2006	N/A
Jill Gardiner	1 August 2020	N/A
Eileen Kamerick	1 November 2016	N/A
Tracey Kerr	10 December 2021	N/A
Dionisio Romero Paoletti	1 January 2018	N/A
B. Former Director		
Emani Sanjay Sarma	1 January 2017	10 December 2021

