



Investor Day Presentation
Hochschild Mining plc
Achieving Transformational Growth

6th September 2016





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TODAY'S PRESENTERS

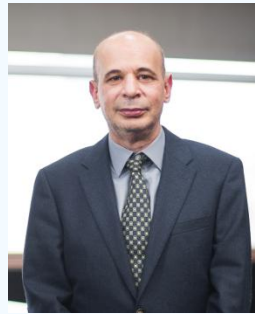


Ignacio Bustamante
Chief Executive Officer



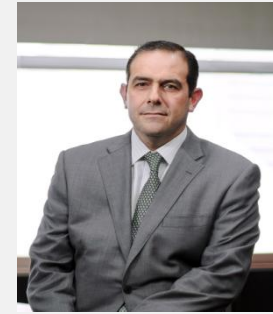
Isac Burstein

*Vice-President of Exploration
& Business Development*



Eduardo Landin

Chief Operating Officer



Oscar Garcia

Head of Brownfield Exploration



Ramon Barua

Chief Financial Officer



AGENDA



2.00 pm	Welcome and Introduction	Ignacio Bustamante
2.20 pm	Geological Background	Isac Burstein
2.30 pm	Operational Overview	Eduardo Landin
3.15 pm	Break	
3.30 pm	Brownfield Exploration Plan	Oscar García
4.00 pm	Early Stage Projects & Greenfield	Eduardo Landin/Isac Burstein
4.15 pm	Finance	Ramon Barua
4.25 pm	Conclusions	Ignacio Bustamante
	Q&A	

Introduction

Ignacio Bustamante

LA SEGURIDAD
EMPIEZA
POR MI



WHY ARE WE HERE TODAY?



Q: Inmaculada is delivering above expectations, but what's next?

Q: Can you maintain your current low cost levels?

Q: Is Pablo a small, medium or large resource? When will it produce?

Q: Is there geological potential in your operations? How much?

Q: How much are you investing in brownfield? What is your goal? Is there a target LOM?

Q: Do you have the money to invest aggressively in brownfield, reduce debt and sustain a dividend at the same time?

Q: Are you looking at M&A opportunities?

Exciting value creation potential



- A leading Latin American precious metal producer
- +100yrs of history and +50yrs of operating experience
- World class Inmaculada asset
- Low costs improving competitive position
- Strong brownfield potential at all operations
- Robust capital structure



Strong portfolio, operational experience, financial stability, exciting growth

—————> Shareholder value



SAFETY GOAL: NO ACCIDENTS



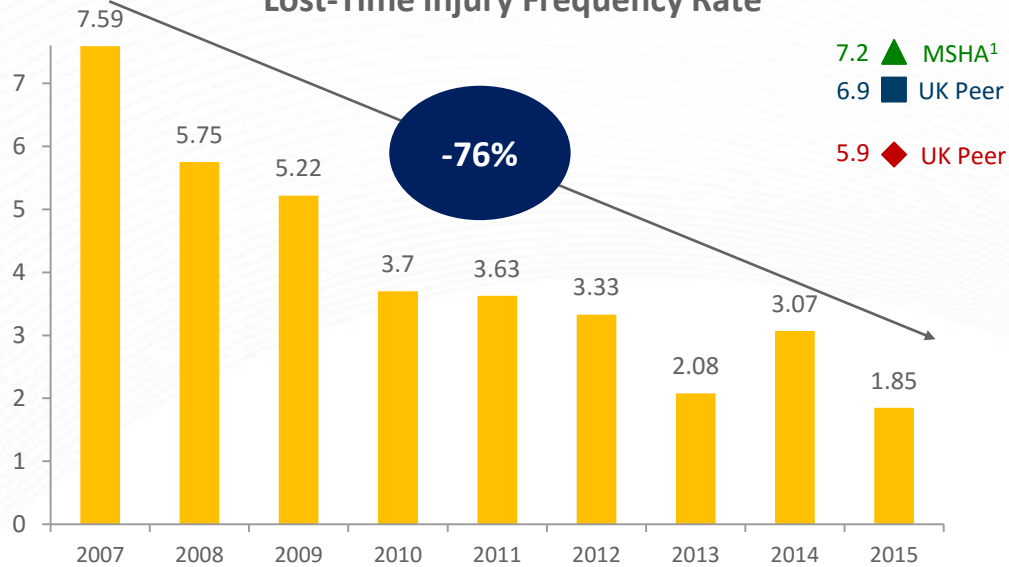
• Strategy Components

- DNV system in place: strong system to identify/control hazards
- Leaders committed to HOC Safety Programme
- Continuous improvement

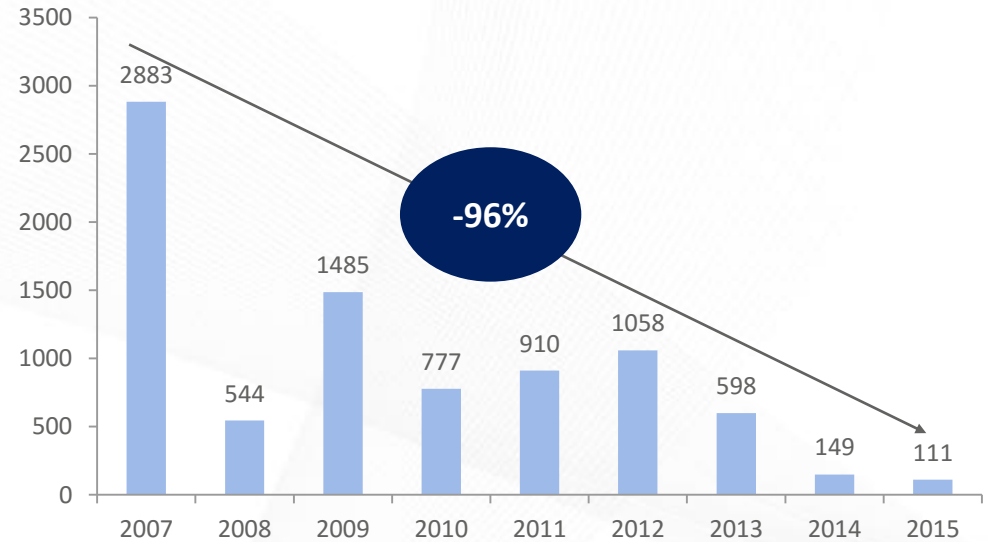
• Results

- Zero fatalities since 2013
- Pallancata recognised as one of the “Safest underground mines” in 2015

Lost-Time Injury Frequency Rate*



Severity Rate



Hochschild has created a strong safety culture

* Calculated as total number of accidents per million labour hours
 1. Mine Safety and Health Administration: As reported in MSHA Fact Sheet



RIGOROUS FRAMEWORK OF ENVIRONMENTAL CONTROLS

- Experienced and robust team of professionals with proven track record in mining
- Continuous internal and external audits by authorities and third parties (ISO 14001)
- On-going improvement of environmental controls and infrastructure in mining operations
- Strict local environmental regulations aligned with highest international standards:

MPL*	Peru	World Bank
PH	6-9	6-9
Arsenic	0.1	0.1
Cyanide	1	1
Mercury	0.002	0.002

**Maximum Permissible Level*

Recent accomplishment

- Cut overall water consumption at operations by:
 - ✓ Reducing average monthly fresh water consumption per metric tonnes of treated ore from 0.34m³ /t to 0.14 m³/t; and
 - ✓ Increase in recycled water usage from 36% in 2014 to 54% in 2015

ENVIRONMENT

Monitoring Water Quality



On-Site Government Audits



Water Management



Waste Management

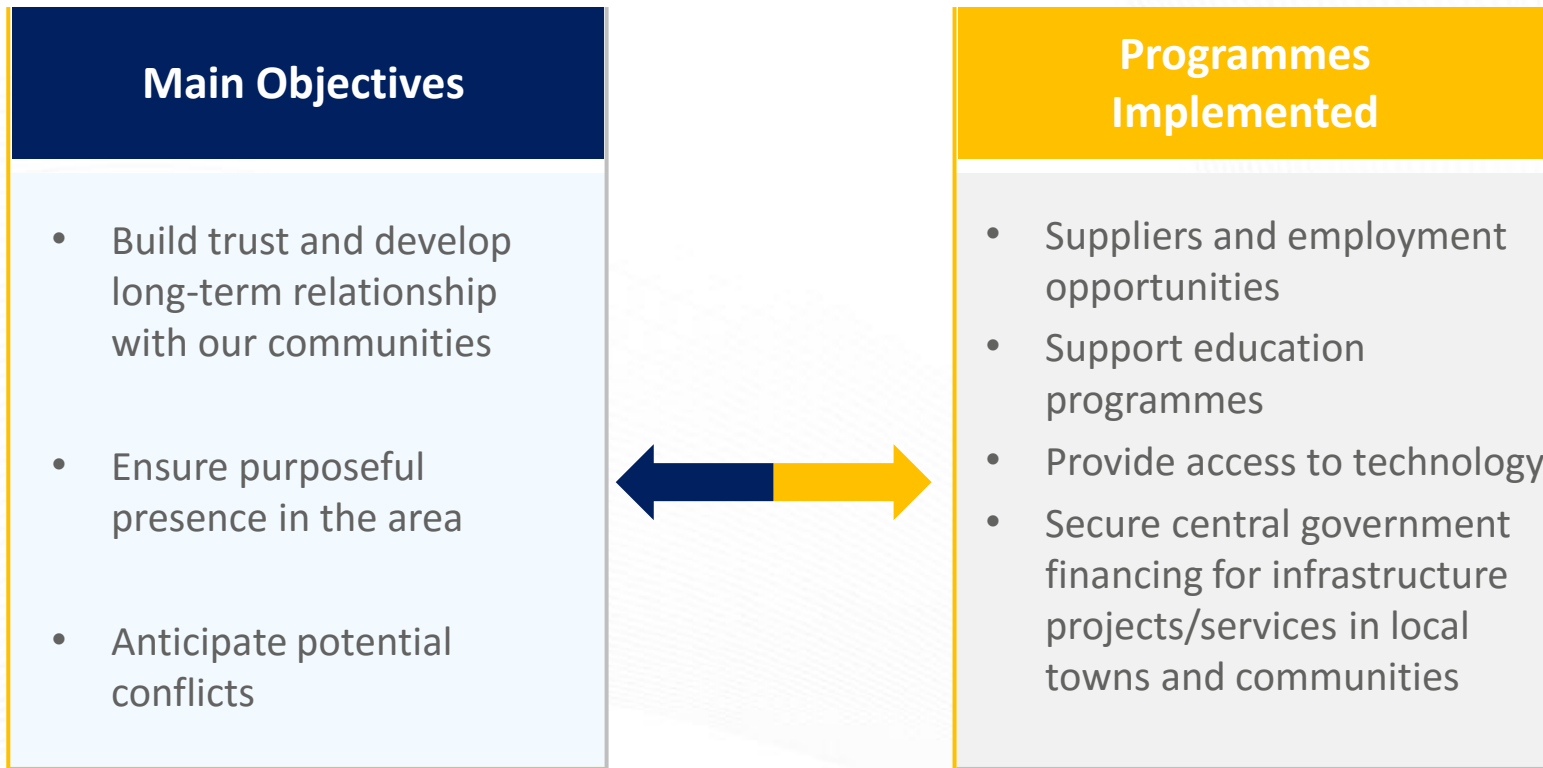


Reclamation Management



Land Rehabilitation

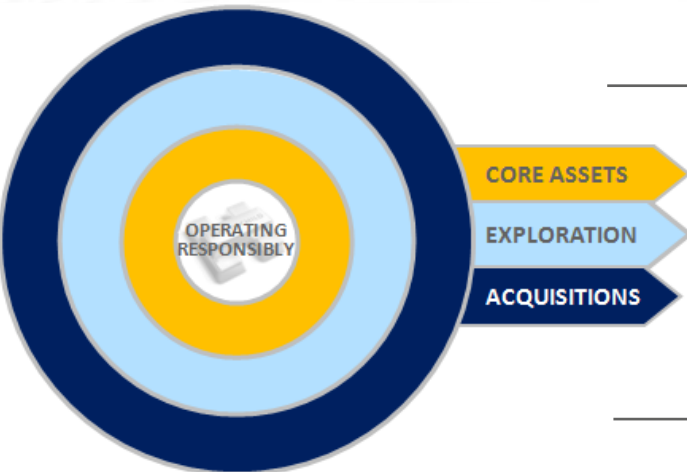




Strategy to maximise shared value

STRATEGY: ACHIEVING TRANSFORMATIONAL GROWTH

Long term strategy model



Disciplined investment
balanced with shareholder
return

CORE ASSETS

- Strong focus on cost control and operational efficiencies
- Increase LOM at all operations
- Spare capacity available for higher throughput
- Efficient delivery of Pablo

EXPLORATION

- Restart greenfield exploration
- Add properties through staking
- Projects: Crespo, Azuca & Volcan

ACQUISITIONS

- Early stage
- Geological potential
- ROIC of 12-15%
- Path to control

Keeping to our core principles

Geology: Introduction to Epithermal Veins

Isac Burstein



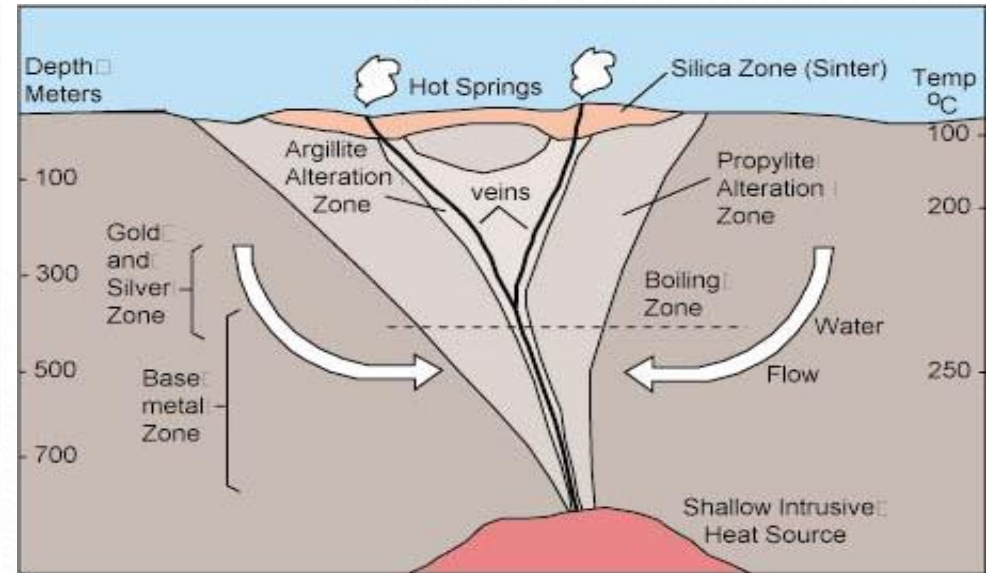
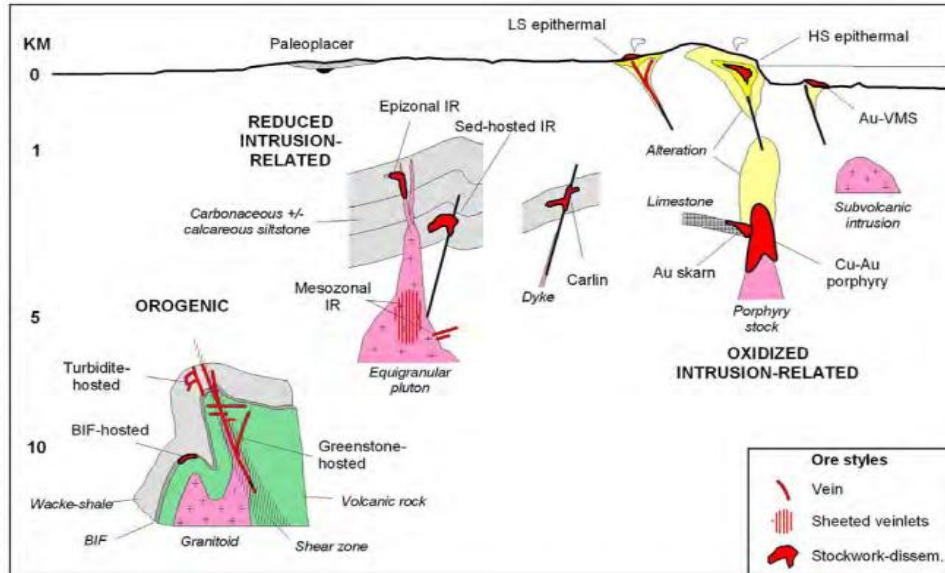
WHERE ARE GOLD AND SILVER FOUND?

DEPOSIT TYPE	Orogenic	Epithermal veins	High sulphidation
GEOMETRY	Veins/Orebodies	Veins	Disseminated bodies
MINING STYLE	Underground/ Open pit	Underground	Open pit
NUMBER OF WORLDWIDE DEPOSITS <i>(documented)</i>	610	260	60
HOCHSCHILD OPERATIONS AND PROJECTS	-	Arcata, Pallancata, Inmaculada, San Jose, Azuca	Volcan Crespo



We own leading underground mines

SHALLOW UNDERGROUND DEPOSITS: EPITHERMAL VEINS



- Formed 200-400m below paleo surface
- Mine life significantly exceeds initial mine life
- Limited footprint
- High grade leading to highly competitive cash cost position

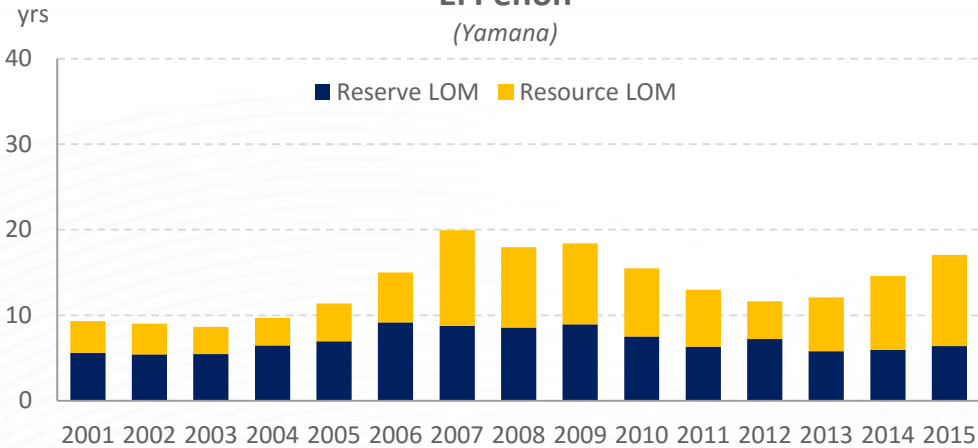
Geological understanding of vein deposits evolves over time



LIFE-OF-MINE IN EPITHERMAL VEIN SYSTEMS

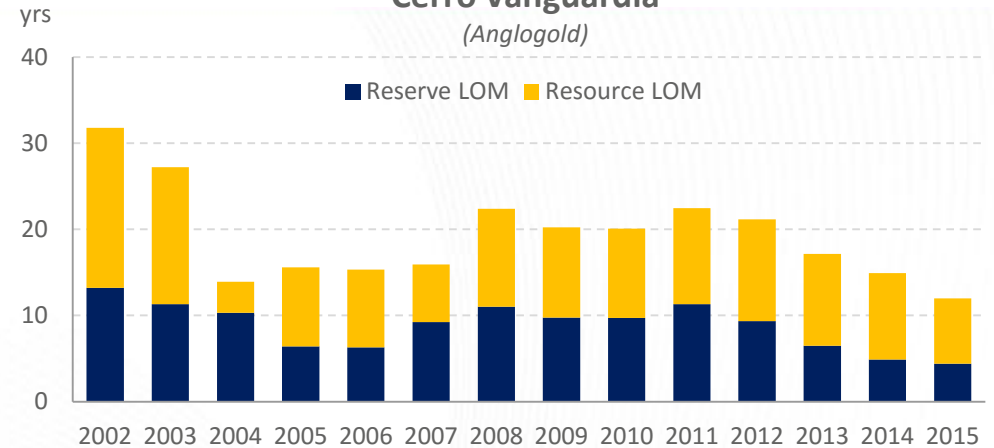
El Penon

(Yamana)



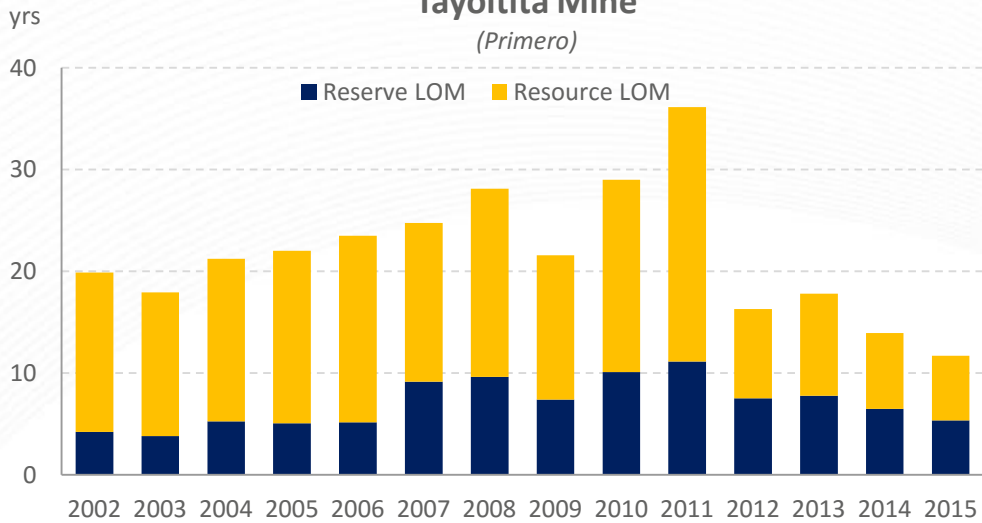
Cerro Vanguardia

(Anglogold)



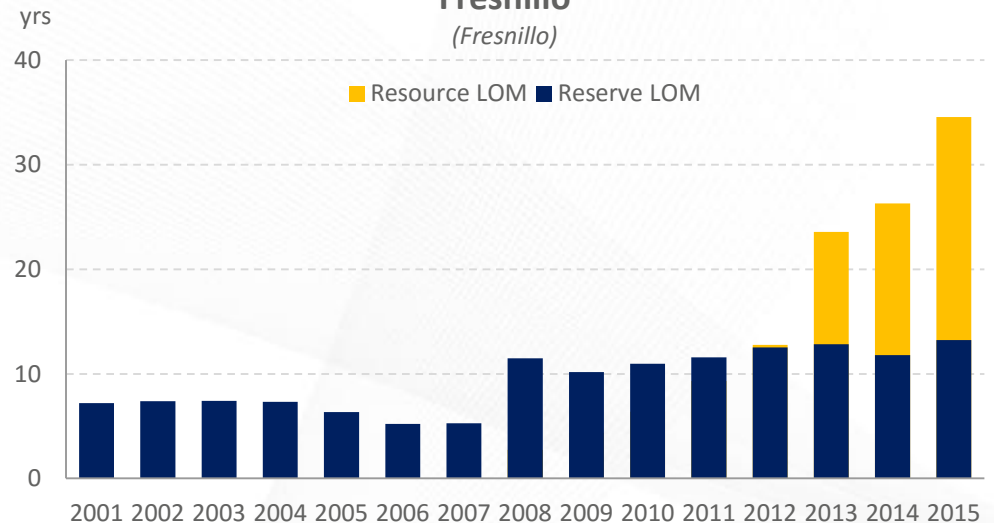
Tayoltita Mine

(Primero)



Fresnillo

(Fresnillo)

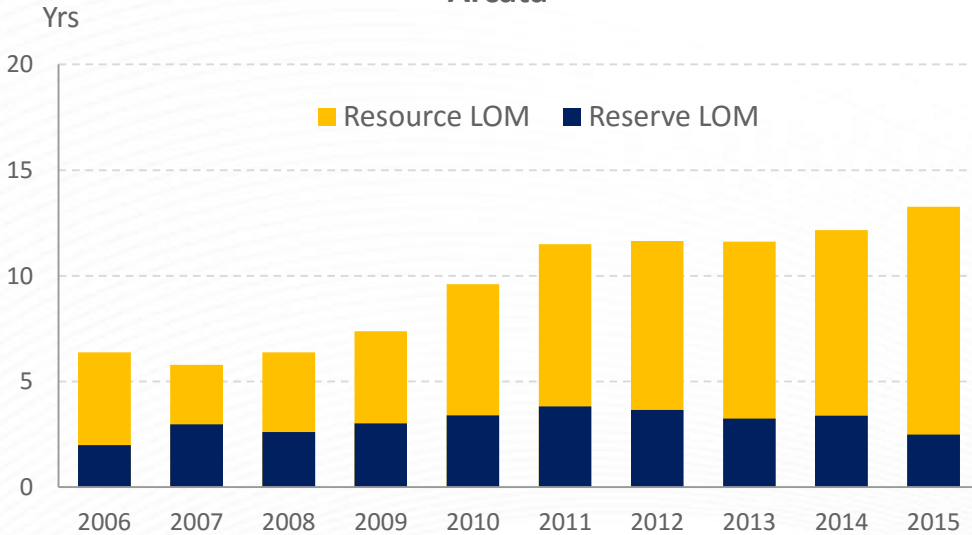


Reserve life stable through time

LIFE-OF-MINE IN EPITHERMAL VEIN SYSTEMS - HOC CASE



Arcata



San Jose



- For comparative purposes theoretical throughput considered in Arcata is 1,750 tpd and in San Jose 1,500 tpd

Brownfield exploration sustains reserve life

TOTAL RESOURCES: PRICE ASSUMPTION SENSITIVITY ANALYSIS¹ *(operations)*



	\$1,200/Au oz & \$20/Ag oz			\$1,200/Au oz & \$16.5/Ag oz		
Reserves	Tonnes	Ag Eq (g/t)	Ag Eq (moz)	Tonnes	Ag Eq (g/t)	Ag Eq (moz)
Proven	5,450,005	512	89,719,230	5,145,011	523	86,470,520
Probable	6,178,260	450	89,443,807	5,803,574	462	86,121,411
Total	11,628,265	479	179,163,037	10,948,585	490	172,591,932
Variation (%)	-	-	-	(6%)	2%	(4%)
Resources	Tonnes	Ag Eq (g/t)	Ag Eq (moz)	Tonnes	Ag Eq (g/t)	Ag Eq (moz)
Measured	8,900,825	614	175,640,365	8,667,406	626	174,538,787
Indicated	9,384,134	541	163,175,127	9,055,796	555	161,569,307
Inferred	13,920,487	400	179,221,889	13,039,859	418	175,372,258
Total	32,205,447	500	518,037,382	30,763,062	517	511,480,352
Variation (%)	-	-	-	(4%)	3%	(1%)

1. The table is based on internal calculations and has not been audited by the external third party consultant.

Tightly defined vein structures lead to low resource sensitivity to price

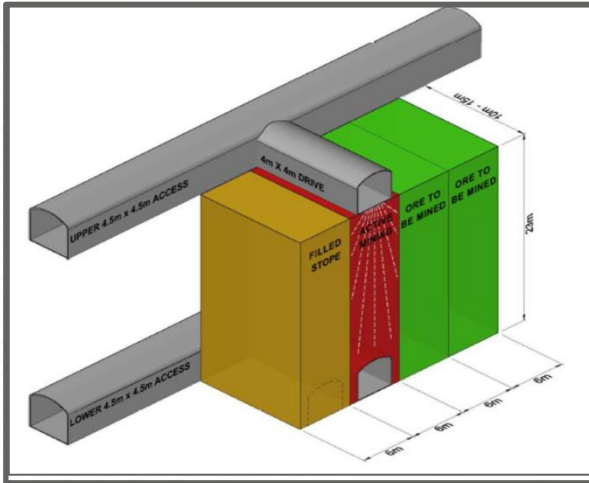
Operational Overview

Eduardo Landin

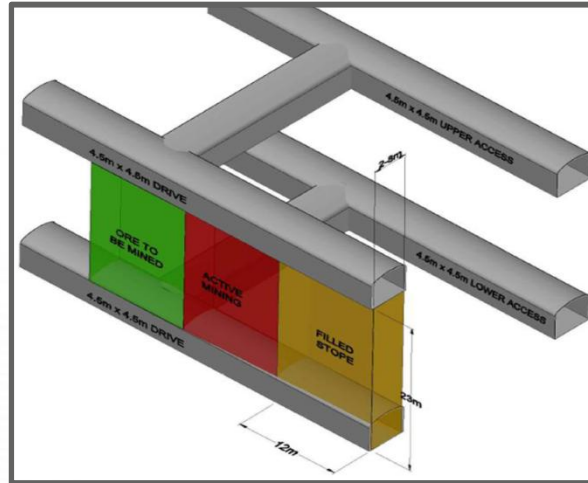


MINING METHODS FOR WIDE VEINS

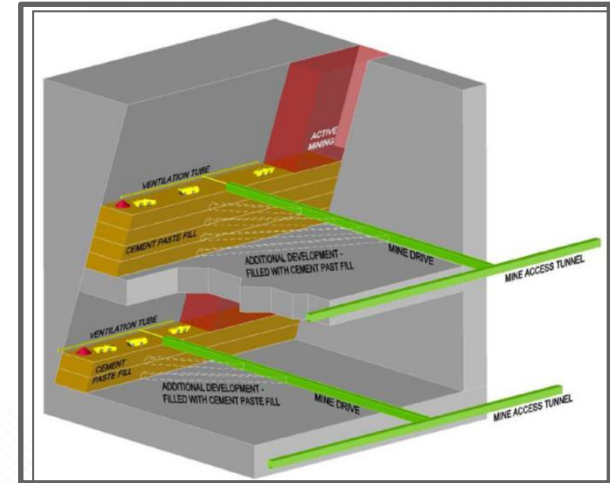
Transversal Open Stoping



Longitudinal Open Stopping



Cut and Fill



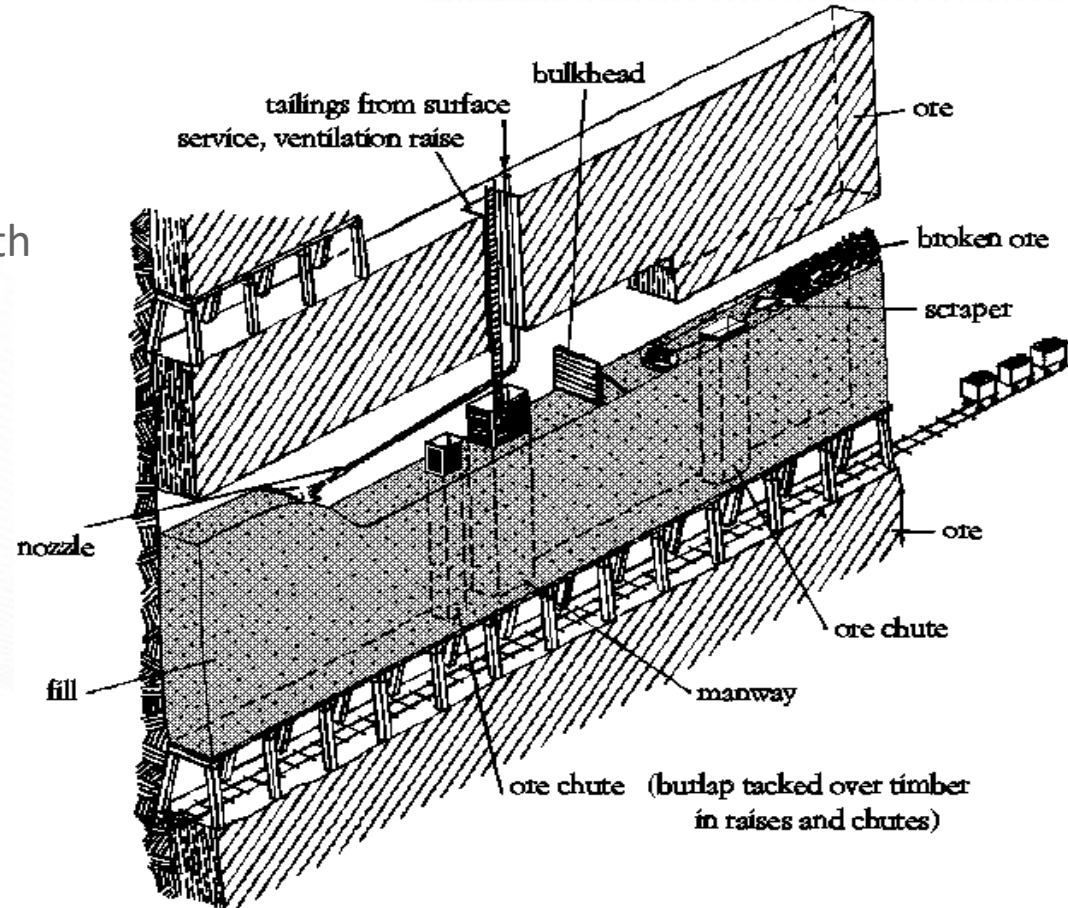
- Vein width: 2 – 20m
- Expected dilution: 18% – 30%
- Production: 1,500 – 3,000 tonnes per stope/month
- Highly mechanised
- Examples: Inmaculada, Pallancata, Pablo and San Jose

Highly efficient method leading to low AISC

MINING METHODS FOR NARROW VEINS

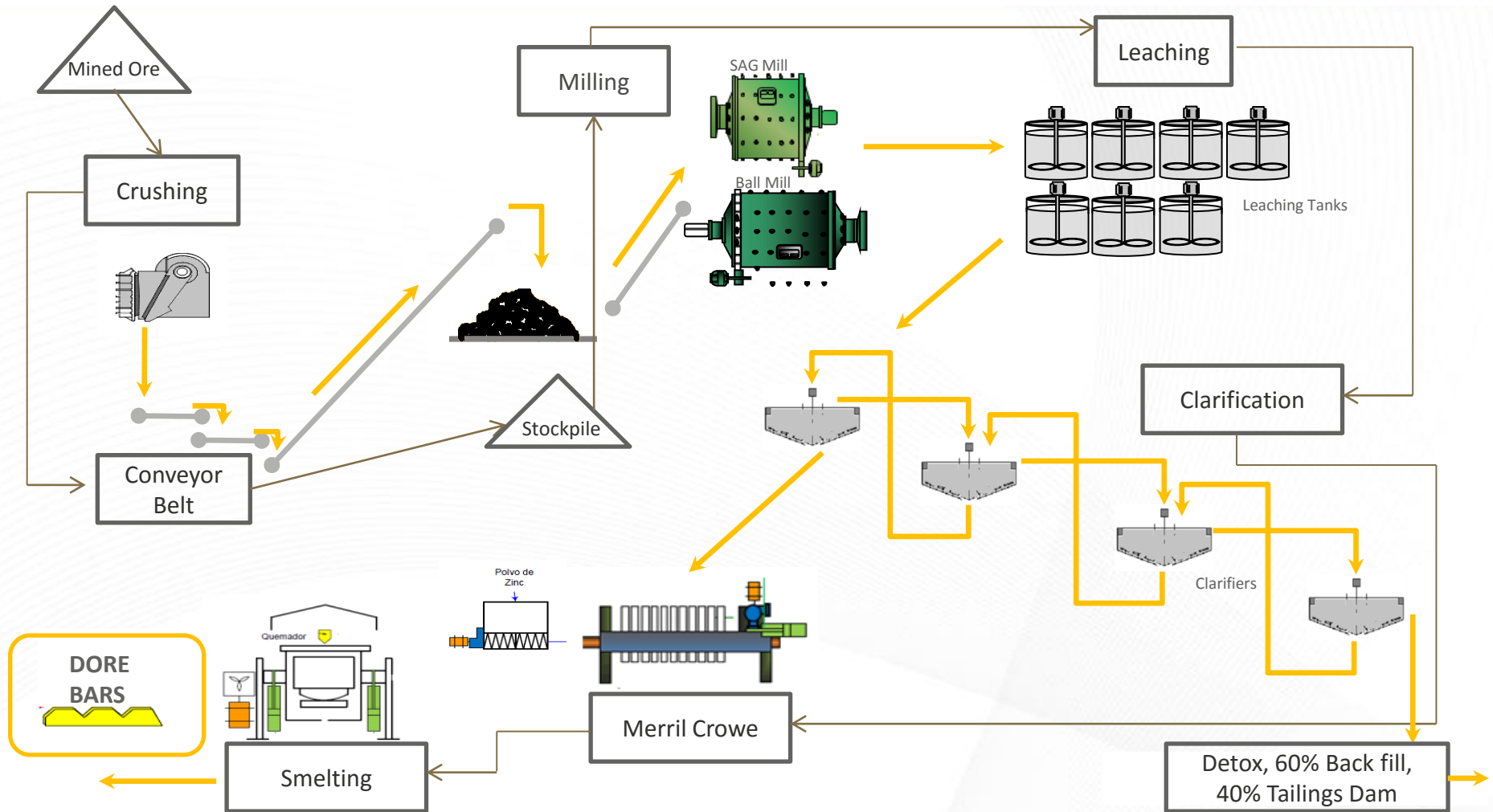
- Vein width: 0.8–1.5m
- Expected dilution: 36%–40%
- Production: 500 – 650 tonnes per stope/month
- Labour intensive
- Example: Arcata

Traditional Cut and Fill Stoping



HOCHSCHILD has over 50 years experience in narrow vein mining

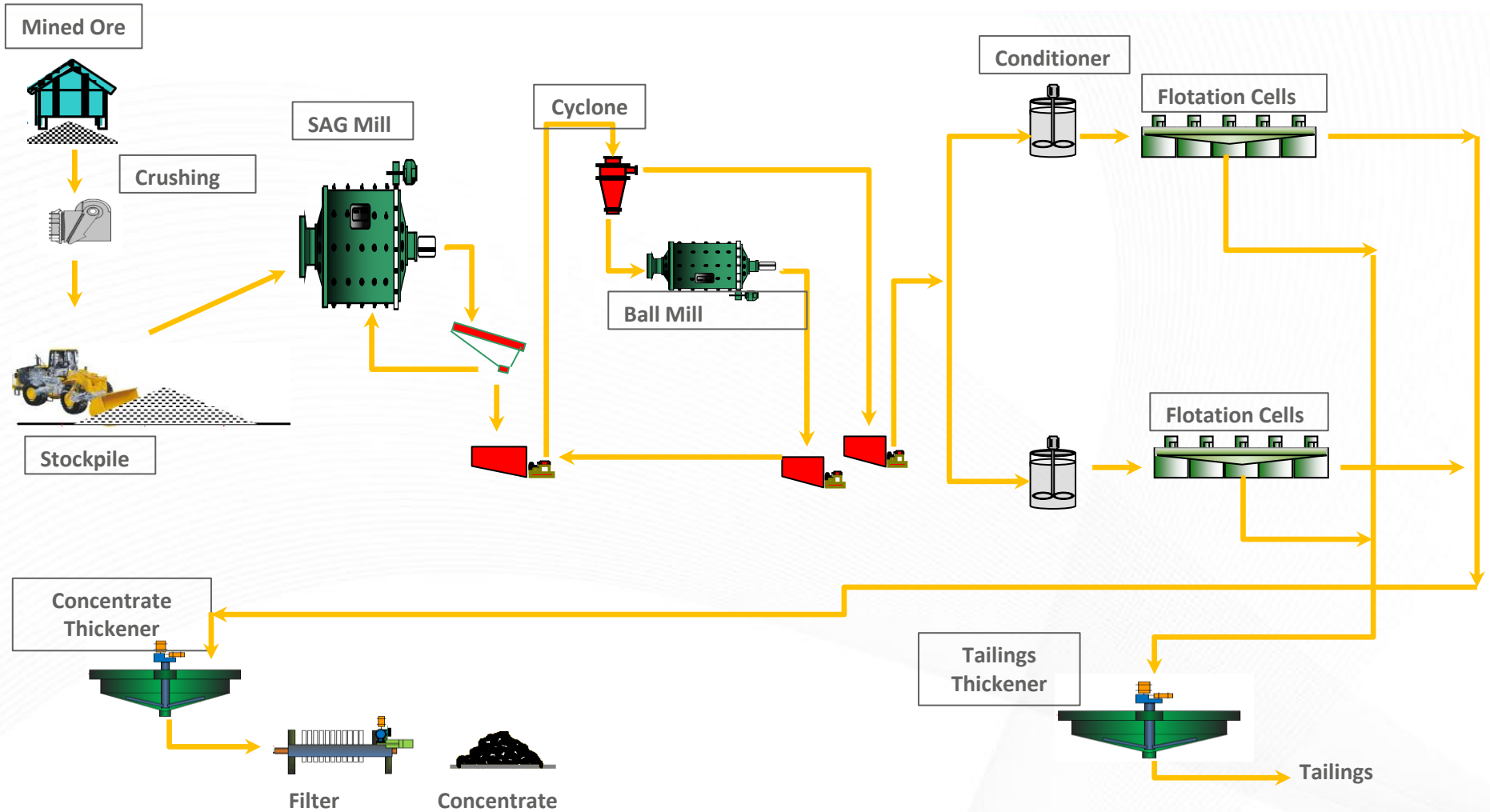
PROCESSING METHODS – DYNAMIC LEACHING (OXIDES + SULPHIDES)



Expected Recoveries Au \approx 96% Ag \approx 89%

Example: Inmaculada

PROCESSING METHODS – FLOTATION (SULPHIDES)



Expected Recoveries Au \approx 89% Ag \approx 86%

Examples: Arcata, Pallancata & San Jose

STRONG FOCUS ON COST AND EFFICIENCY CONTROL

Set of integrated control tools developed to ensure rapid identification of deviations and corrective action

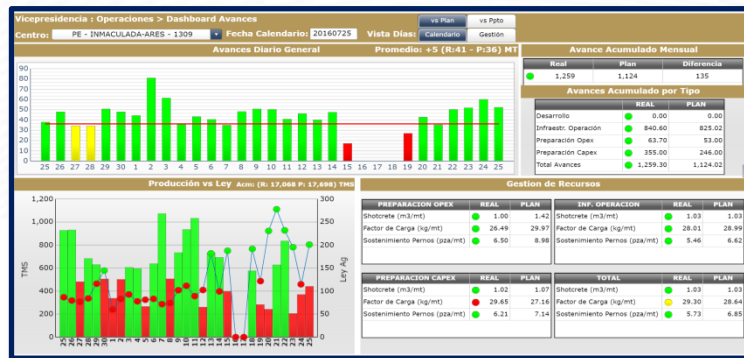
Mine Panels



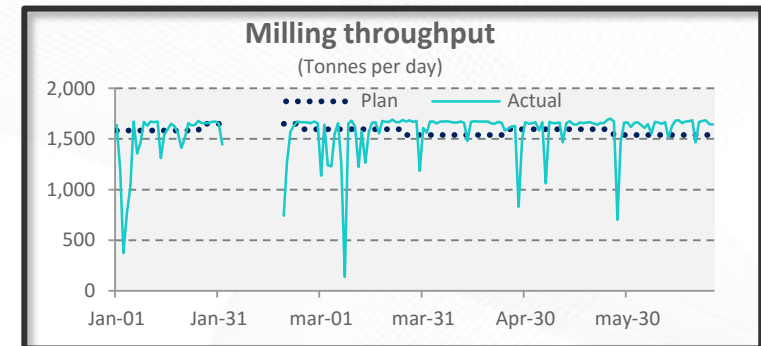
Plant Panels



Developments Panels



Daily control of operation metrics



Real-time access to data is key to cost control



CONTROL TOOL: MINE PANELS

Inmaculada Mine Panel

Vicepresidencia : Operaciones > Dashboard Mina

vs Plan vs Ppto
 Calendario Gestión

Centro: PE - INMACULADA-ARES - 1309

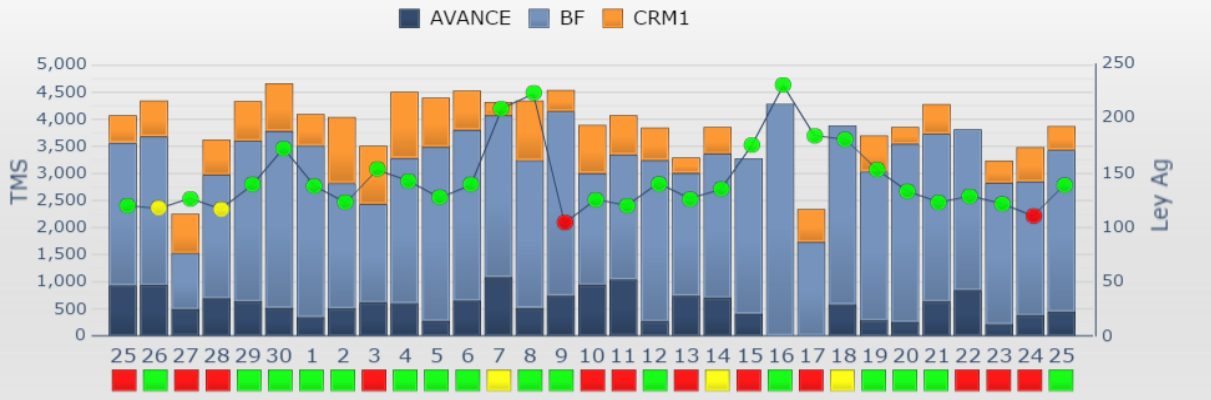
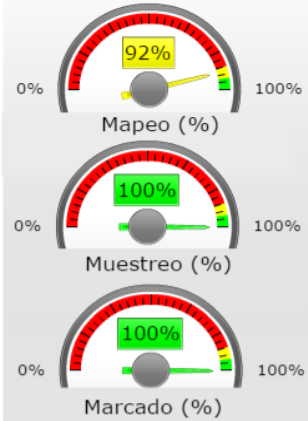
Fecha Calendario: 20160725

Vista Días:

25/07/2016

Ore Control Acum: +25 (R:144 - P:119) LEY Producción Mina Tajos Prom: +18 (R:3341 - P:3323) TMS

Producción Acumulada Tajos



Real	Plan	Diferencia
103,578	103,010	568

Area Minable y Alineamiento

Indicador	Real	Plan
Area Minable Disponible(m2)	6,597	6,551
Area Minable Usada(m2)	6,597	6,551
Eficacia TM (%)	0	0
D. Absoluto Prog-Ejec (%)	0	0
D. Absoluto Prog-No Ejec (%)	0	0
D. Relativo (%)	0	0

Equipos de Perforación Mantenimiento

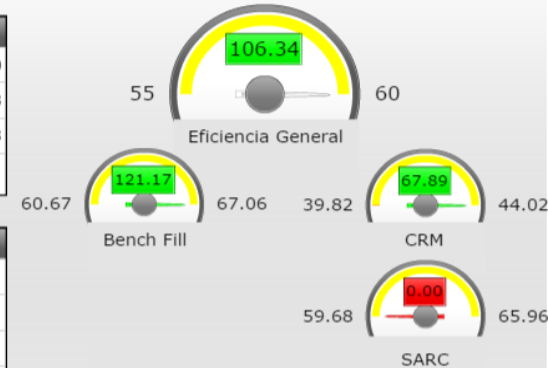
Flota	6.00 yd3					
	Real	Plan	Real	Plan	Real	Plan
Disponibilidad(%)	90.24	85.00	0.00	0.00	0.00	0.00
Utilización(%)	64.42	50.00	0.00	0.00	0.00	0.00
MTBF	102.98	60.00	0.00	0.00	0.00	0.00
MTTR(hr)	4.58	6.00	0.00	0.00	0.00	0.00

Indicador	Real	Plan
Energía Acumulado (kw-hr)	1,532,270.00	4,313,786.40
Cons. Unitario (kw-hr/tn)	12.70	37.71

Gestión de Recursos

Indicador	Real	Plan
Relleno (m3/m3)	1.22	1.00
F. Potencia (kg/tn)	0.31	0.33
C. Pernos (pza/tn)	0.03	0.03

Eventos	Día	Acum. Mes
Tal. Fallados (und)	0	0
Evento Fallados (ctd)	0	0
Hr. Paradas (hr)	0	363

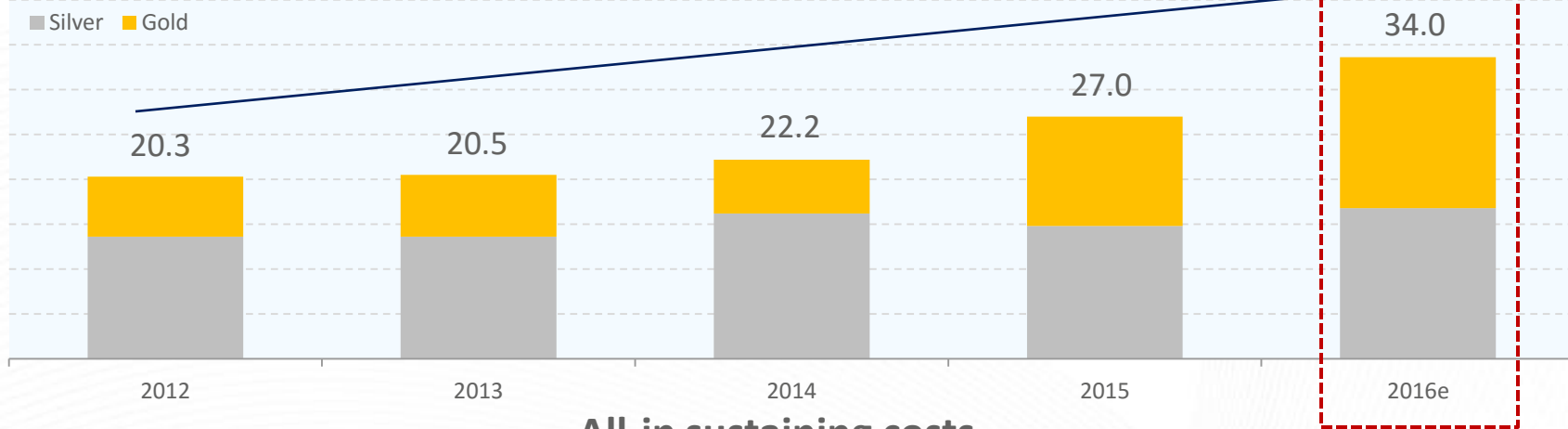




HOCHSCHILD TRANSFORMATION: PRODUCTION AND AISC

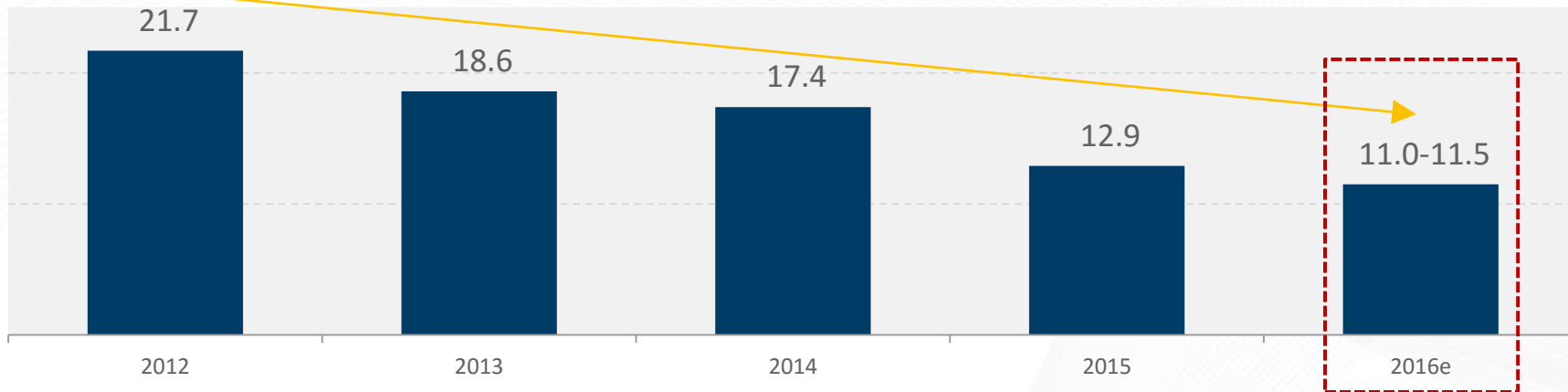
Attributable production

(m oz Ag Eq)



All-in sustaining costs

(\$/oz Ag Eq)



Delivering 70% production growth & 50% cost reduction

CASH OPTIMISATION PLAN

- In 2013, cash optimisation plan implemented including:
 - Significant headcount reduction
 - Productivity measures (incl. dilution control, energy efficiency, mining methods)
 - Supply chain management
 - Commercial negotiations
- Plan has achieved \$725m of total cumulative savings since 2012*:
 - \$286m from Peru operations
 - \$274m from San Jose
 - \$54m from Inmaculada (vs Feasibility Study)
 - \$110m from savings in Administrative expenses

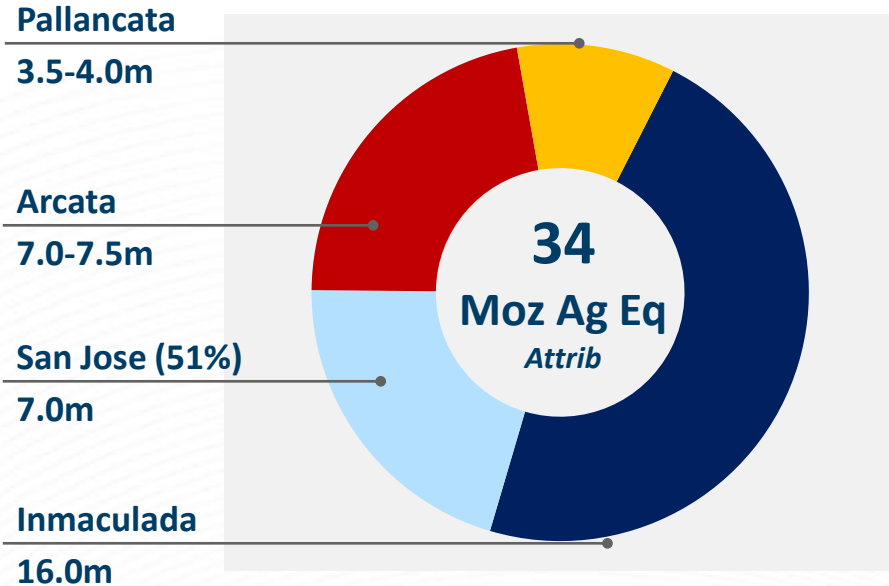


\$725m+ of savings delivered since 2012



2016 SPLIT BY OPERATION

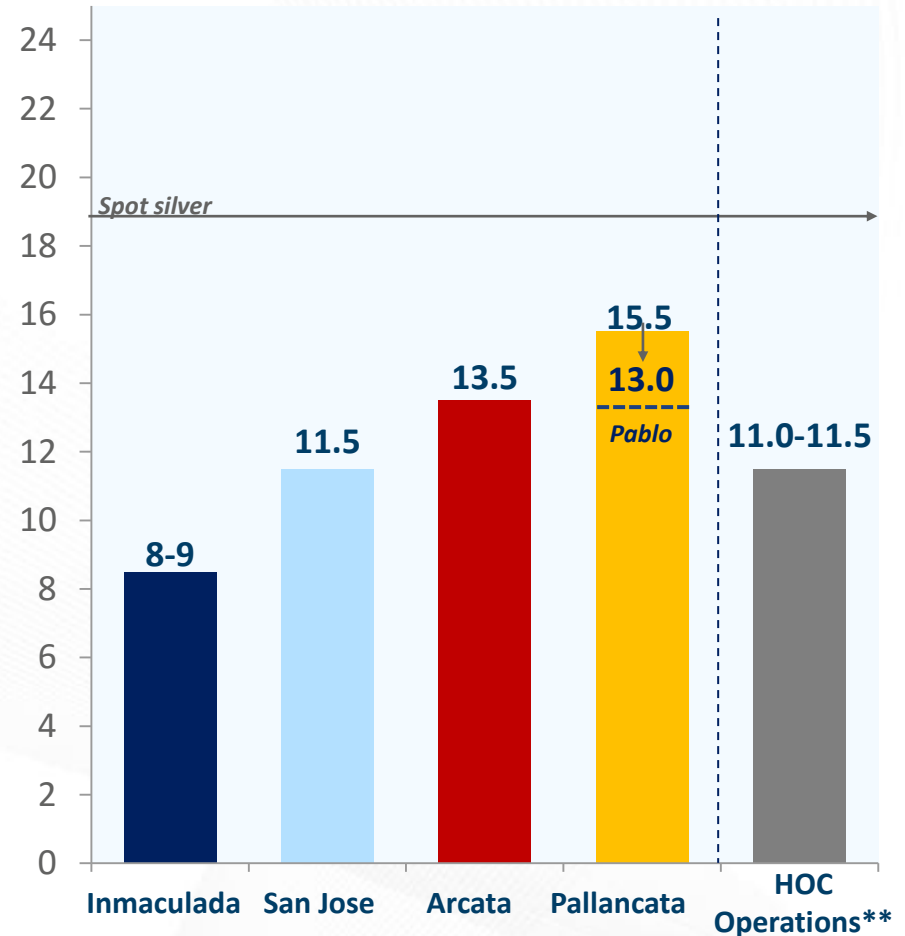
Production forecast*



- 2016 production guidance increased from 32m to 34m Ag Eq oz
- 2016 AISC guidance reduced from 12.0-12.5 to 11.0-11.5 \$/oz Ag Eq
- Pallancata in transition stage before introduction of Pablo feed

\$/oz Ag

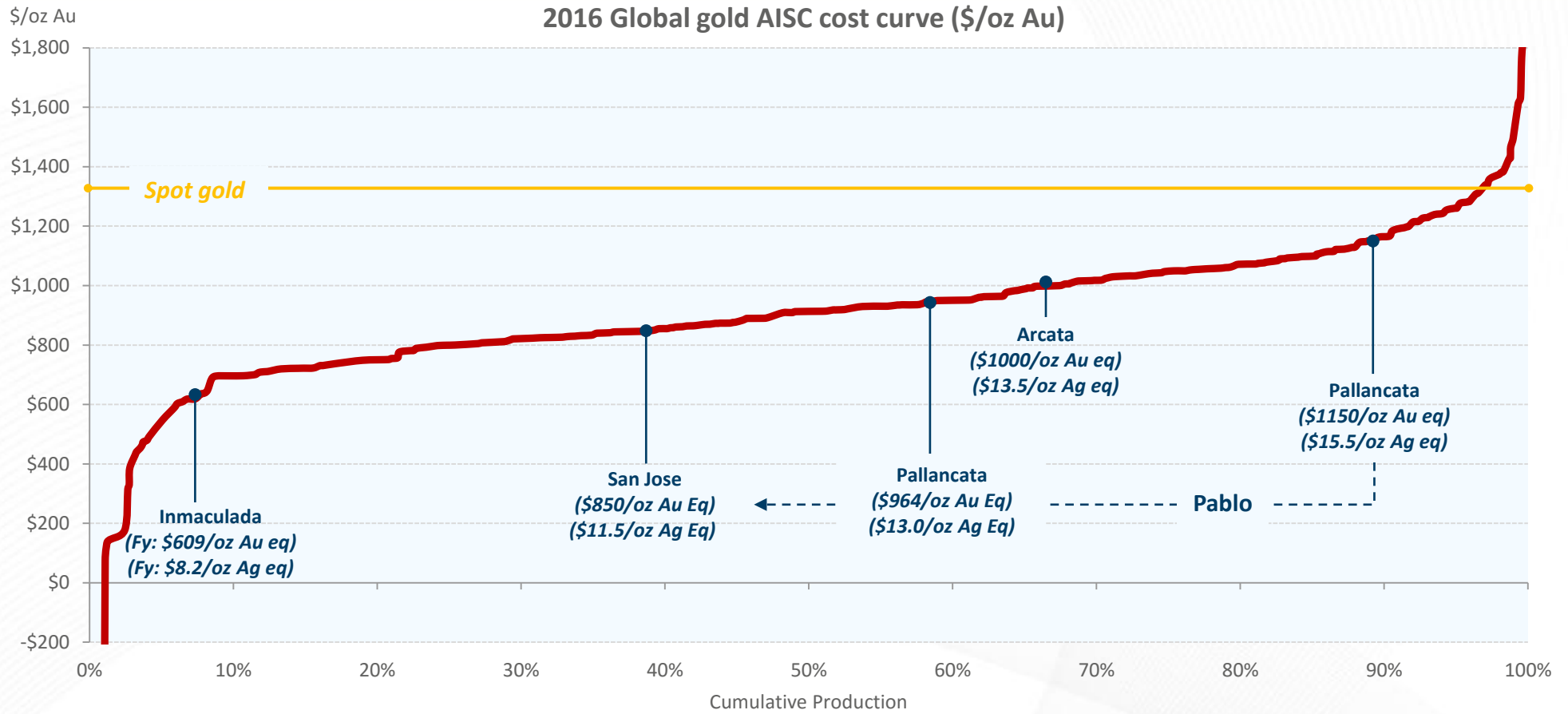
Revised AISC forecast by mine



Production and cost guidance improved



HOCHSCHILD MINES ON THE GOLD COST CURVE



Source: RBC Capital Market estimates, GFMS

Inmaculada cost in bottom decile of gold mines

Investor Day Presentation
Operations: San Jose



SAN JOSE



- 51% owned. McEwen Mining has 49%
- Located in Santa Cruz, Argentina
- 50,491 ha site
- Started in 2007
- Underground operation
- Conventional/mechanised (trackless) cut-and-fill
- Plant capacity: 1,650tpd
- Product: 50% silver/50% gold; 50% concentrate/50% dore



P&P Reserves
(m oz Ag Eq)

55.2

M&I Resources
(m oz Ag Eq)

127.0

Inferred Resources
(m oz Ag Eq)

37.2

Production (2015)
(oz)

6.7m Ag
96,640 Au

Unit cost (2016 H1)
(\$/t)

201.7

AISC (2016 H1)
(\$/oz Ag Eq)

11.7

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Ore production (tonnes treated)	146,829	101,937	154,642	144,851	124,224	108,771
Average grade silver (g/t)	428	470	453	441	466	428
Average grade gold (g/t)	6.09	6.27	6.63	6.09	6.47	6.20
Silver produced (koz)	1,770	1,362	1,994	1,780	1,617	1,315
Gold produced (koz)	25.21	18.28	29.44	24.90	23.01	19.29
Silver equivalent (koz)	3,635	2,715	4,172	3,274	2,998	2,742

2016 cashflows improved due to economic changes and tax reforms



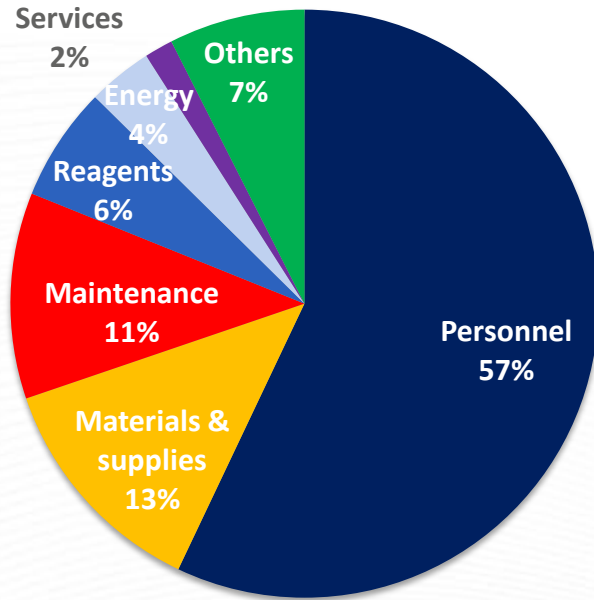
RESERVES & RESOURCES TABLE: DECEMBER 2015

San Jose Reserves ¹	Tonnes	Ag (g/t)	Au (g/t)	Ag (moz)	Au (koz)	Ag_Eq (moz)
Proved	1,229,347	521	7.4	20.6	293.6	38.2
Probable	656,266	414	6.5	8.7	137.5	17.0
Total	1,885,613	484	7.1	29.3	431.0	55.2
San Jose Resources ¹	Tonnes	Ag (g/t)	Au (g/t)	Ag (moz)	Au (koz)	Ag_Eq (moz)
Measured	1,991,527	575	8.3	36.8	533.6	68.8
Indicated	2,453,665	395	5.7	31.2	449.2	58.1
Total	4,445,192	476	6.9	68.0	982.8	127.0
Inferred	1,532,716	390	6.1	19.2	298.7	37.2

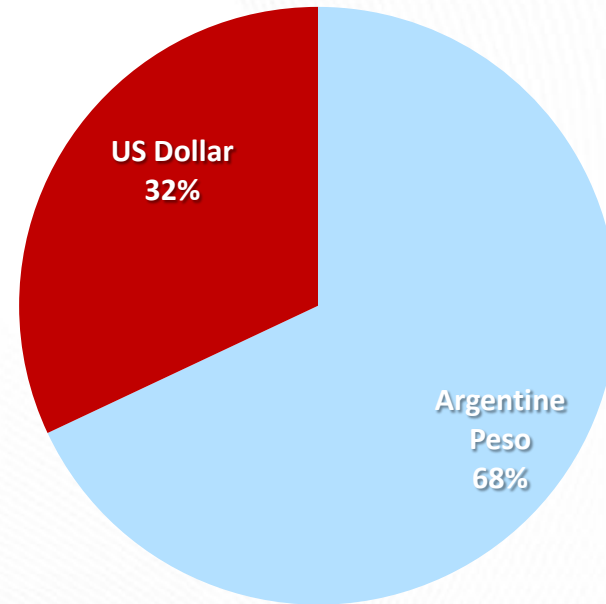
1. 2015 Report audited by the external third party consultant.

SAN JOSE COST AND CURRENCY SPLIT

Operating cost split



Currency split



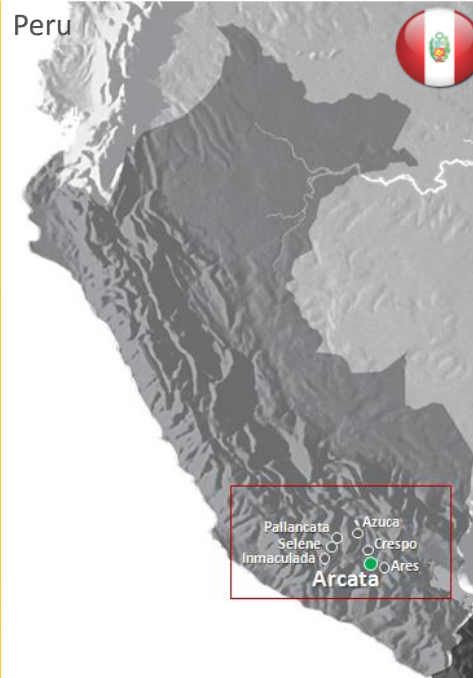
Cost reduction initiatives

- Project under execution to replace rock mine fill with hydraulic fill to accelerate mine cycle.
- Evaluation to increase production of dore up to 70% in order to obtain savings in commercial expenses
- Replacement of drilling bars (Jumbos) with longer ones to increase drilling capacity by 15%

Investor Day Presentation
Operations: Arcata



- 100% owned
- Located in Southern Peru Cluster
- Started in 1964
- 47,000 ha site
- 4,600m ASL
- Underground operation
- Conventional/mechanised cut-and-fill
- Plant capacity: 2,500tpd (2016: 1,750tpd)
- Product: 80% silver/20% gold; concentrate



P&P Reserves
(m oz Ag Eq)

19.3

M&I Resources
(m oz Ag Eq)

60.6

Inferred Resources
(m oz Ag Eq)

57.0

Production (2015)
(oz)

5.6m Ag
15,600 Au

Unit cost (2016 H1)
(\$/t)

106.0

AISC (2016 H1)
(\$/oz Ag Eq)

13.0

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Ore production (tonnes treated)	172,305	161,092	184,994	162,133	155,373	145,551
Average grade silver (g/t)	345	309	288	331	350	330
Average grade gold (g/t)	1.31	1.13	1.03	0.99	0.97	0.97
Silver produced (koz)	1,592	1,377	1,453	1,434	1,439	1,287
Gold produced (koz)	5.68	4.68	4.58	3.92	3.69	3.47
Silver equivalent (koz)	2,013	1,724	1,792	1,670	1,661	1,544

Operating for +50 years and still great potential



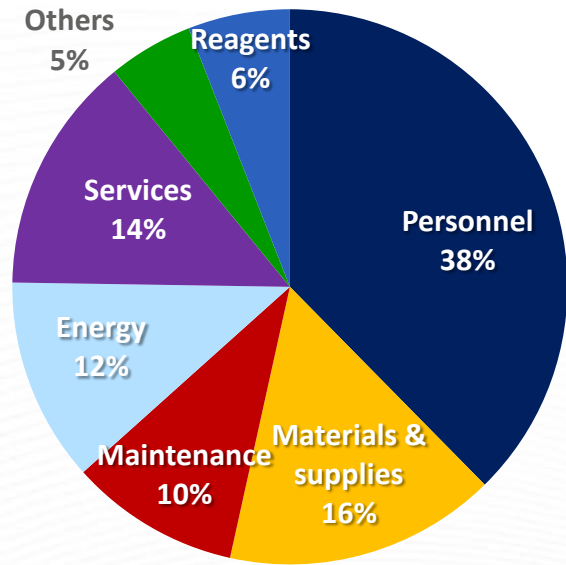
RESERVES & RESOURCES TABLE: DECEMBER 2015

Arcata Reserves ¹	Tonnes	Ag (g/t)	Au (g/t)	Ag (moz)	Au (koz)	Ag_Eq (moz)
Proved	652,377	347	1.1	7.3	22.6	8.6
Probable	881,991	311	1.1	8.8	31.0	10.7
Total	1,534,369	326	1.1	16.1	53.6	19.3
Arcata Resources ¹	Tonnes	Ag (g/t)	Au (g/t)	Ag (moz)	Au (koz)	Ag_Eq (moz)
Measured	1,758,822	457	1.4	25.9	79.5	30.6
Indicated	2,086,114	370	1.3	24.8	85.5	30.0
Total	3,844,936	410	1.3	50.7	165.0	60.6
Inferred	4,348,694	335	1.2	46.8	170.2	57.0

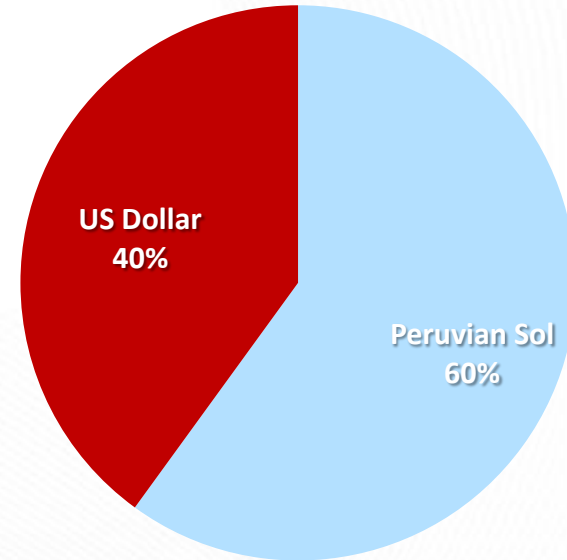
1. 2015 Report audited by the external third party consultant.

ARCATA COST AND CURRENCY SPLIT

Operating cost split




Currency split



Cost reduction initiatives

- Evaluation of ore sorting project. New batches of mineral have been sent to Germany for testing
- Implementation of optimized hauling processes
- Time-study project is being carried out to reduce mine cycle

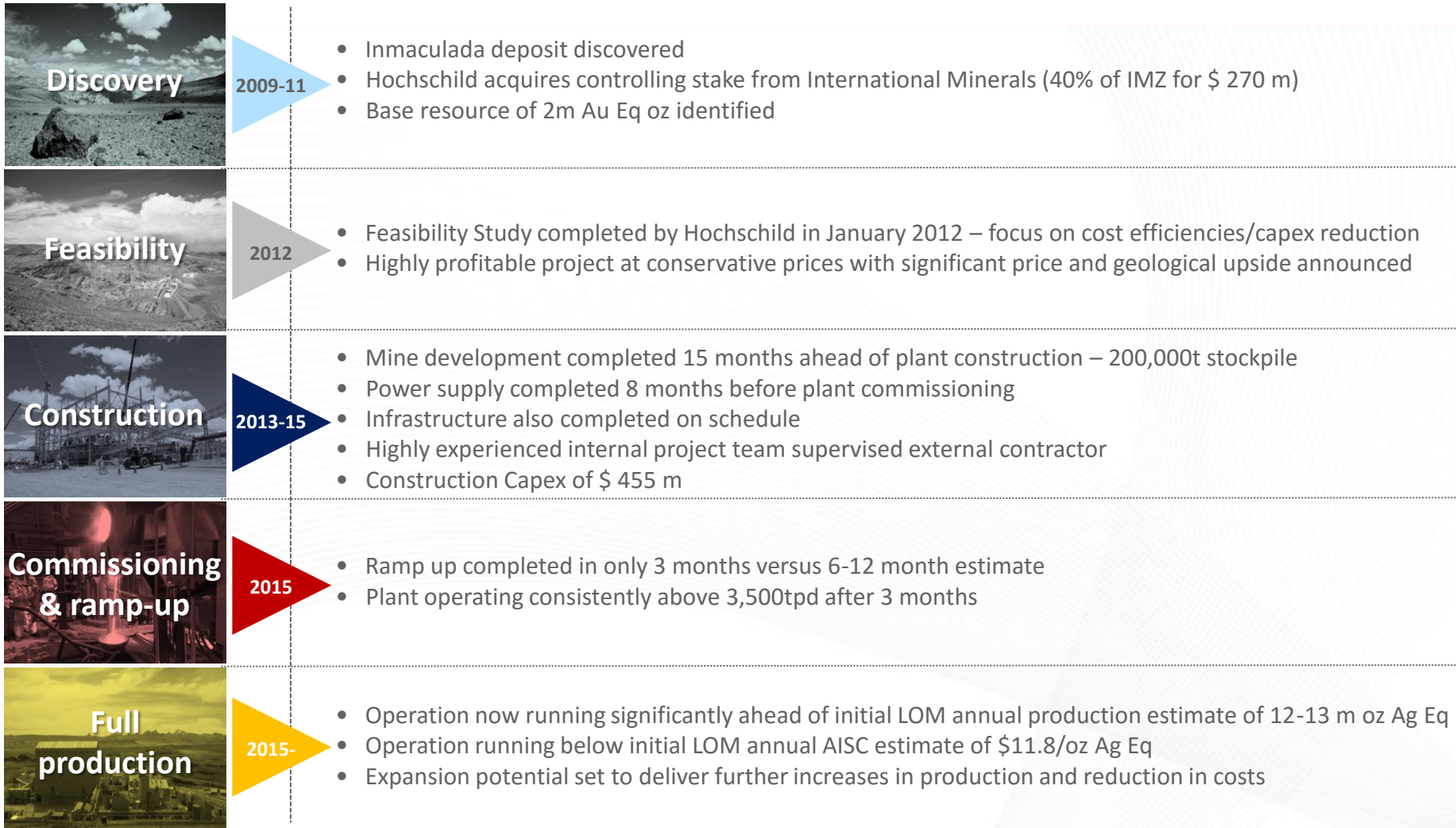
A worker in a yellow safety suit and white helmet is holding a walkie-talkie. The worker is wearing a white hard hat with a headlamp, yellow safety glasses, and a yellow safety suit with reflective stripes. The suit has the text "SEGURIDAD ES CERO ACCIDENTES" on the chest. The worker is standing in an industrial setting with a large structure in the background. The sky is blue with some clouds. The ground is sandy and rocky.

Investor Day Presentation Operations: Inmaculada





INMACULADA: FAST TRACKED TO PRODUCTION



From discovery to production in 6 years

- 100% owned
- Located in Southern Peru Cluster
- Started in 2015
- 47,000 ha site
- 4,600m ASL
- Underground operation
- Conventional/mechanised (trackless) cut-and-fill
- Plant capacity: 3,850tpd
- Product: 70% gold/30% silver; dore



P&P Reserves
(m oz Au Eq)

1.4

M&I Resources
(m oz Au Eq)

1.6

Inferred Resources
(m oz Ag Eq)

0.6

Production (2015)
(oz)

84,640 Au
2.1m Ag

Unit cost (2016 H1)
(\$/t)

64.6

AISC (2016 H1)
(\$/oz Au Eq)

609

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Ore production (tonnes treated)	338,630	280,530	329,925	277,486	53,325	-
Average grade gold (g/t)	4.42	4.05	4.57	4.39	2.92	-
Average grade silver (g/t)	142	121	118	116	89	-
Gold produced (koz)	45.18	34.02	45.11	36.12	3.42	-
Silver produced (koz)	1,396	974	1,084	875	95	-
Gold equivalent (koz)	64.04	45.83	59.76	47.94	4.71	-

Hochschild's new flagship operation



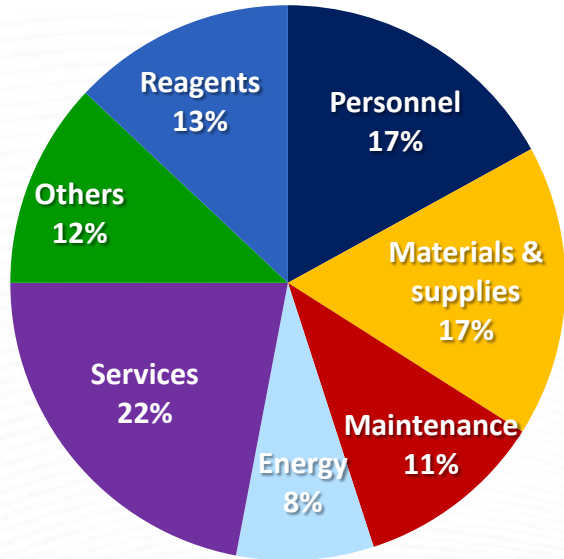
RESERVES & RESOURCES TABLE – DECEMBER 2015

Inmaculada Reserves ¹	Tonnes	Ag (g/t)	Au (g/t)	Ag (moz)	Au (koz)	Ag_Eq (moz)
Proved	2,950,174	126	4.1	12.0	391.2	35.4
Probable	4,025,378	155	4.5	20.1	584.5	55.2
Total	6,975,552	143	4.4	32.0	975.7	90.6
Inmaculada Resources ¹	Tonnes	Ag (g/t)	Au (g/t)	Ag (moz)	Au (koz)	Ag_Eq (moz)
Measured	2,707,568	155	5.1	13.5	439.4	39.8
Indicated	3,793,491	188	5.4	22.9	660.4	62.6
Total	6,501,060	174	5.3	36.4	1099.8	102.4
Inferred	3,733,302	124	3.0	14.9	357.6	36.3

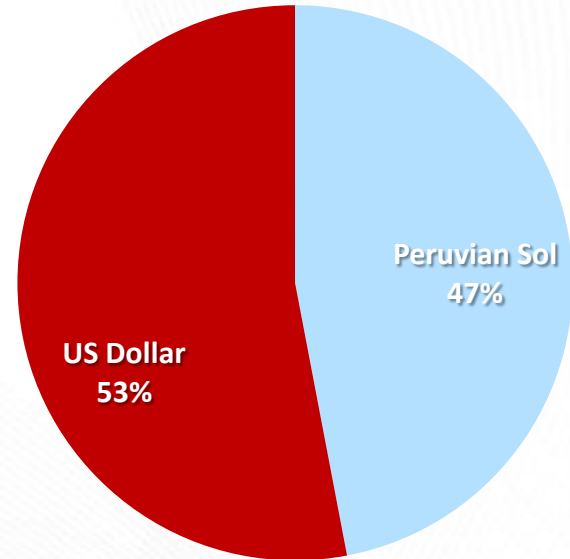
1. 2015 Report audited by the external third party consultant.

INMACULADA COST AND CURRENCY SPLIT

Operating cost split



Currency split



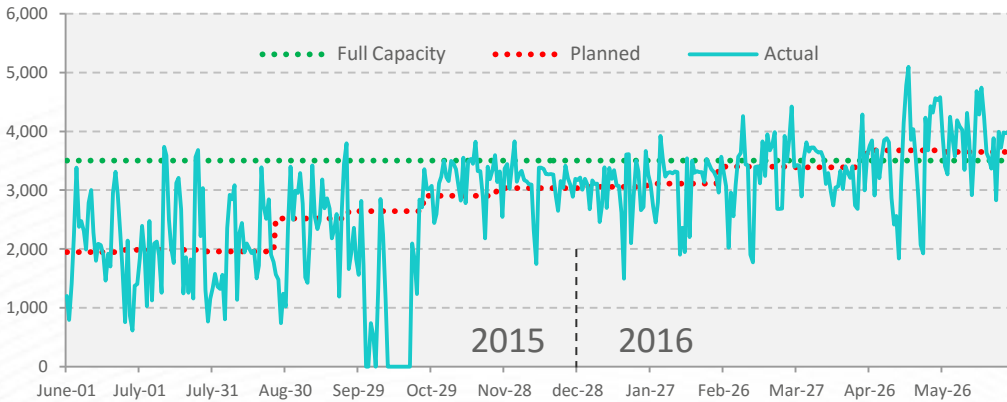
Cost reduction initiatives

- Change of ore transportation contractor to achieve better rates
- Optimisation of cement volume in the mine filling mix, aligned with rock resistance studies
- Negotiation conducted with local authorities to use government budget to improve access roads

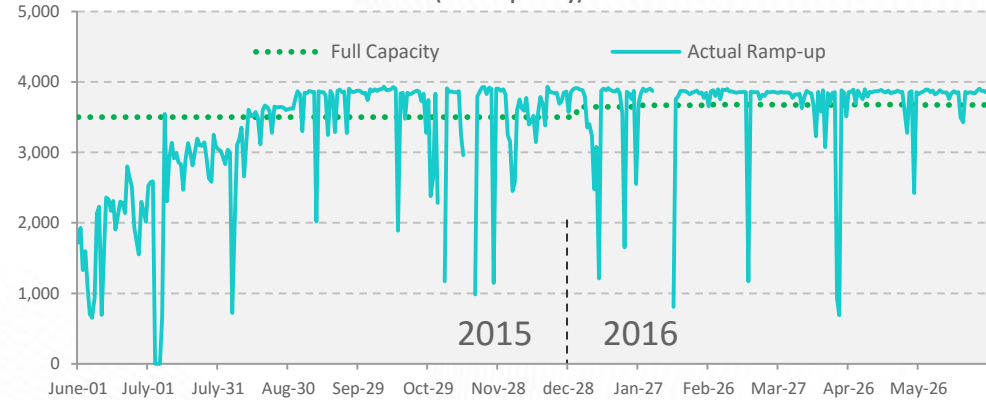


INMACULADA PERFORMANCE SINCE COMMISSIONING

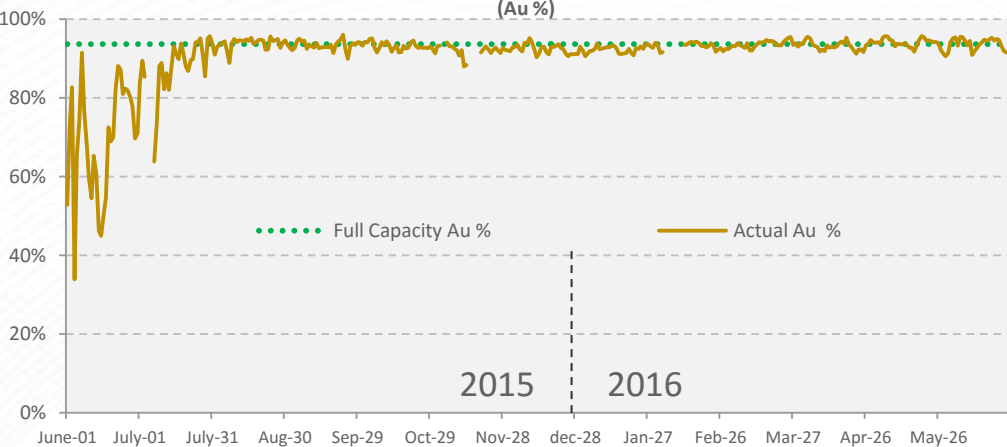
Mine Extraction (tonnes per day)



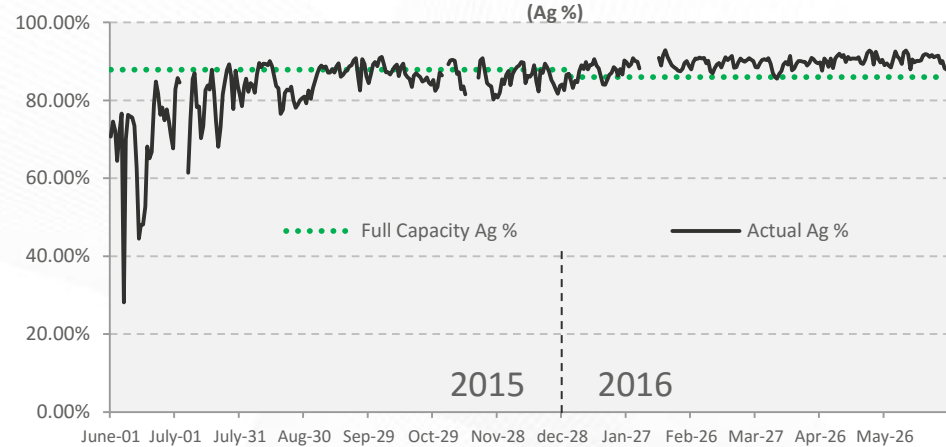
Milling throughput (Tonnes per day)



Plant Treatment: Recoveries (Au %)



Plant Treatment: Recoveries (Ag %)

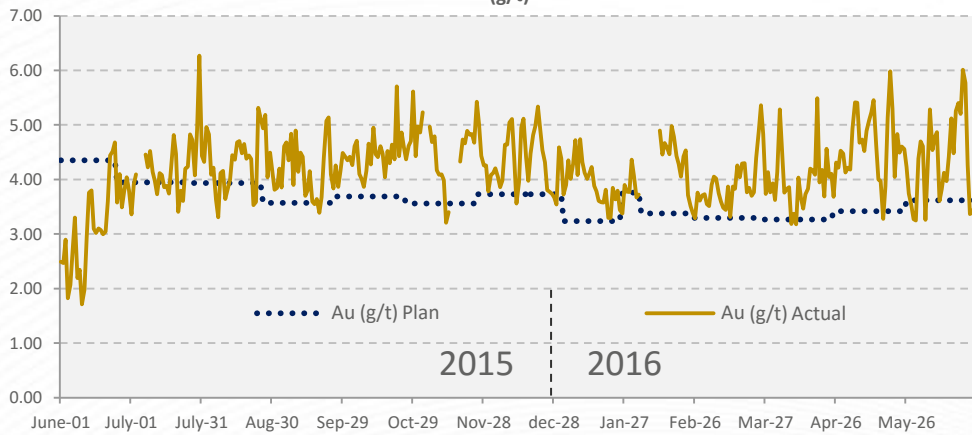


Ramp-up above expectations

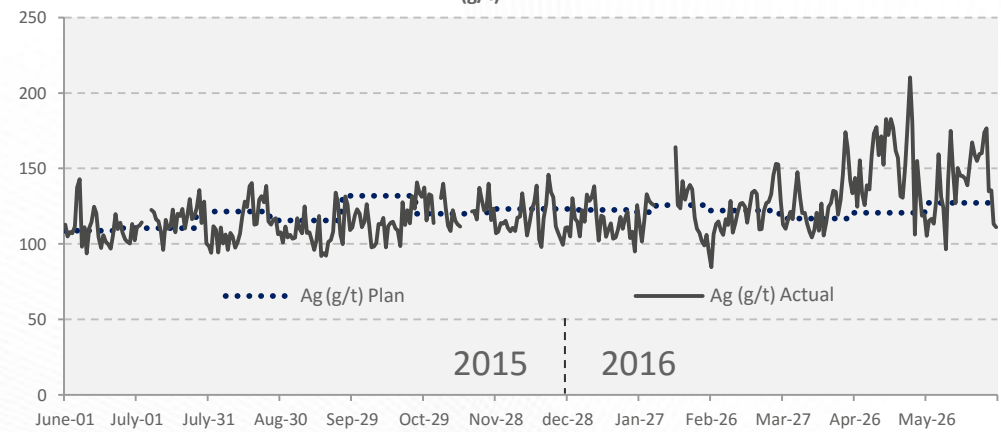
INMACULADA PERFORMANCE SINCE COMMISSIONING



Grades Au (g/t)



Grades Ag (g/t)



Grades better than those anticipated by geological model



Investor Day Presentation
Operations: Pallancata



PALLANCATA



- 100% owned
- Located in Southern Peru Cluster
- 15,915 ha site
- Started in 2007
- 4,600m ASL
- Underground operation
- Conventional/mechanised (trackless) cut-and-fill
- Plant capacity: 3,000tpd (2016: 1,000tpd)
- Product: 75% silver/25% gold concentrate



P&P Reserves
(m oz Ag Eq)

14.1

M&I Resources
(m oz Ag Eq)

48.9

Inferred Resources
(m oz Ag Eq)

48.7

Production (2015)
(oz)

3.7m Ag
16,420 Au

Unit cost (2016 H1)
(\$/t)

141.2

AISC (2016 H1)
(\$/oz Ag Eq)

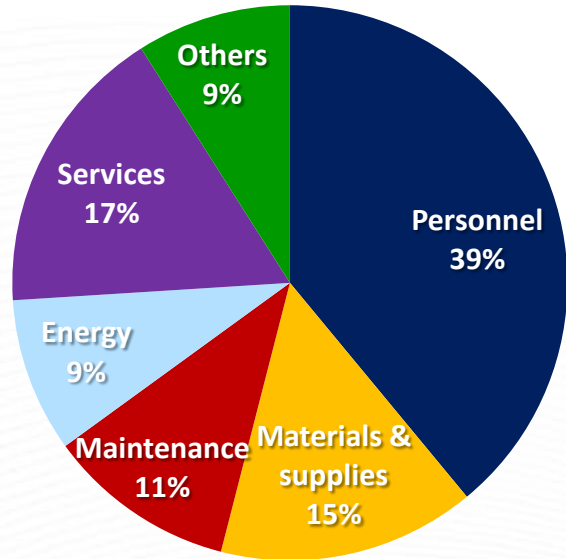
15.9

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Ore production (tonnes treated)	66,313	69,423	107,320	125,560	140,289	148,722
Average grade silver (g/t)	358	324	272	272	268	229
Average grade gold (g/t)	1.85	1.69	1.40	1.36	1.32	1.08
Silver produced (koz)	658	615	791	925	1,026	922
Gold produced (koz)	3.32	3.05	3.74	4.23	4.55	3.89
Silver equivalent (koz)	903	841	1,068	1,179	1,129	1,210

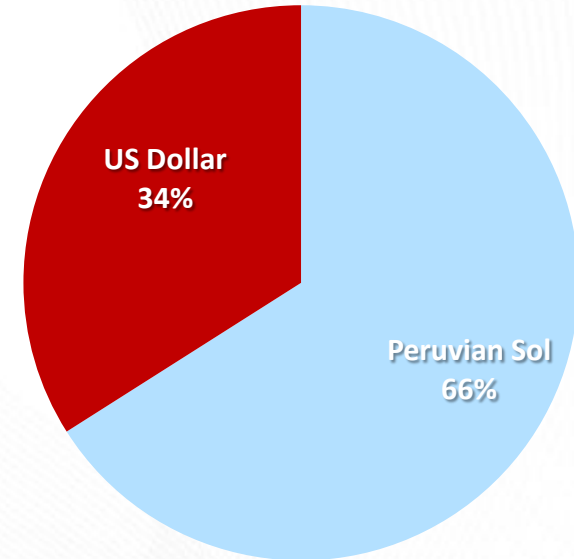
Transitioning to the Pablo vein at the end of 2016

PALLANCATA COST AND CURRENCY SPLIT

Operating cost split



Currency split

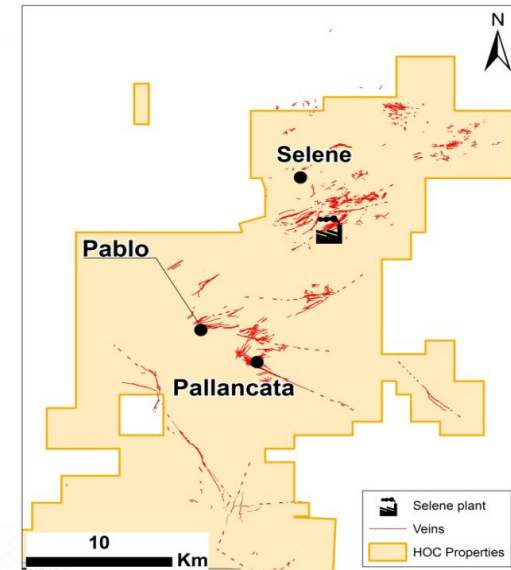


Cost reduction initiatives

- Replacement of mine backfill contractor to achieve rate savings
- Evaluation of underground paste backfill plant to increase Pablo productivity
- Evaluation and replacement of shotcrete contractor to reduce costs

PALLANCATA: TRANSITIONING TO PABLO VEIN

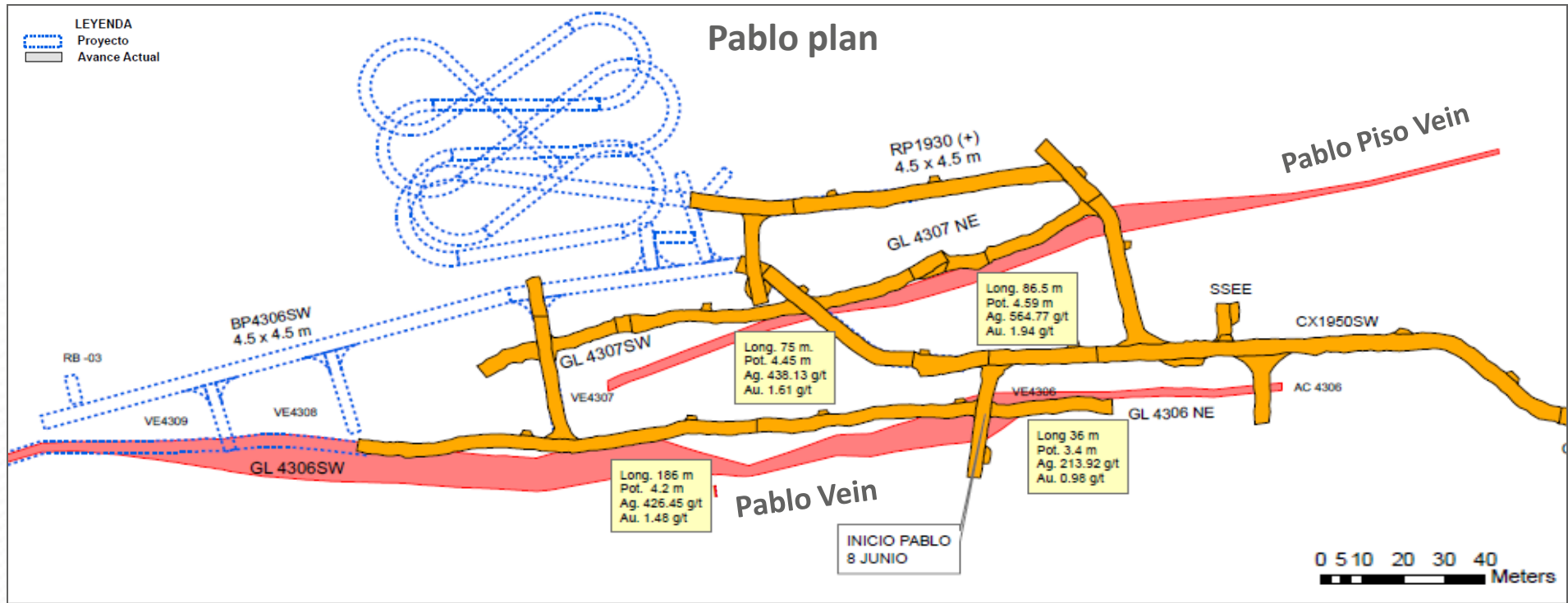
- Wide, high grade vein discovered at 100% owned mine
- Impressive width of 9-10m: low cost production
- Pablo increases throughput to 2,000-2,200tpd from current 1,000tpd
- Adjusted mine plan to transition to Pablo later in 2016
- \$119m NAV at spot prices*
- 2016: 4,000m drilling programme on Pablo/Yurika veins



Pablo mineral sample



Brownfield programme delivering high value additions



- Production from Pablo on track to start at end 2016
- Pending environmental/operational permits - expected Q1 2017
- Underground development to date has included parallel Pablo Piso vein

Initial geological results better than expected

PABLO VEIN RESOURCE AND CASHFLOW UPDATE



Resource table

Pablo	Dec 2015	Jun 2016	Var (%)
Tonnes	1,918,527	2,111,474	10
Ag (g/t)	291	347	19
Au (g/t)	1.0	1.2	20
Ag Eq (g/t)	366	436	19
Ag Eq (m oz)	22.6	29.6	31
Width (m)	10.9	10.4	(5)

Cash Flow Model*

Cash Flow Model	Unit	2016	2017	2018	2019	2020	Total
Net Revenue	\$ m	19.1	83.0	111.8	115.8	47.8	377.6
Costs	\$ m	(1.8)	(42.4)	(57.8)	(57.3)	(36.6)	(195.8)
Unit Cost	\$/t	20.2	80.9	80.7	80.0	102.7	81.5
Selling expenses	\$ m	(0.2)	(1.1)	(1.5)	(1.5)	(0.8)	(5.1)
Capex	\$ m	(13.3)	(15.8)	(3.1)	(2.1)	(1.0)	(35.3)
Admin	\$ m	(0.2)	(1.0)	(1.2)	(1.3)	(0.5)	(4.2)
Royalties	\$ m	(0.5)	(0.8)	(1.1)	(1.2)	(0.5)	(4.1)
Total (pre-tax)	\$ m	3.0	21.9	47.1	52.5	8.5	133.0
Ounces Ag Eq	Moz	1.1	4.6	6.3	6.5	2.7	21.1
AISC Ag Eq	\$/oz	-	14.8	12.0	11.4	16.3	13.0
NAV (5%)	\$ m	119					

New Pablo NAV of \$119m

Investor Day Presentation
Production and Cost Projections

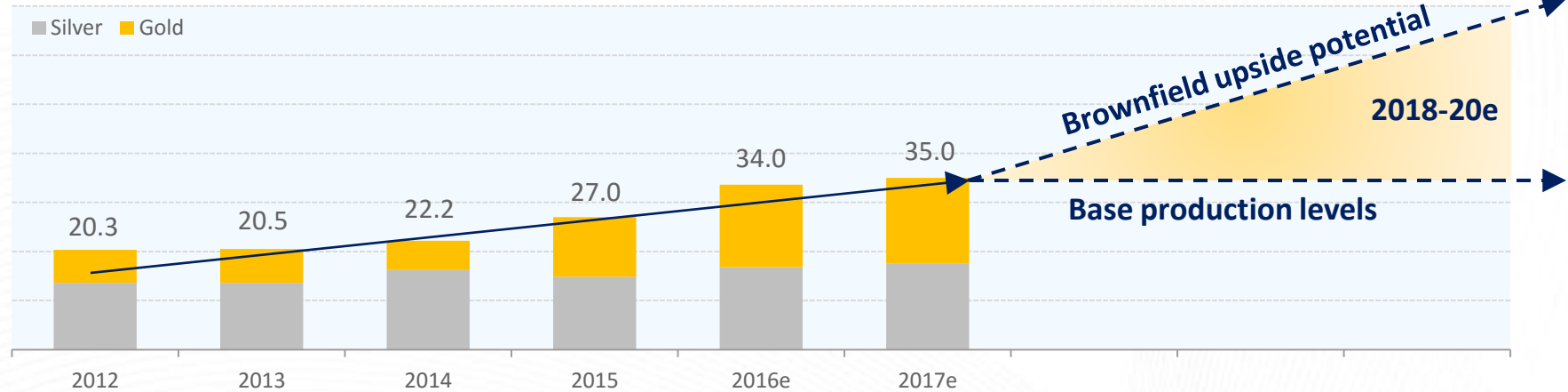




HOC LOM PRODUCTION AND AISC PROJECTIONS

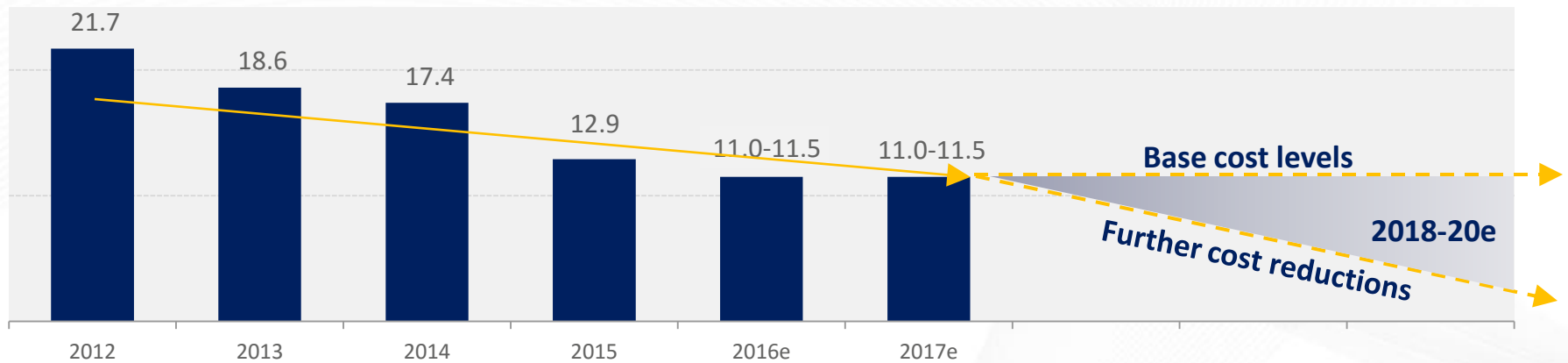
Attributable production

(m oz Ag Eq)



All-in sustaining costs

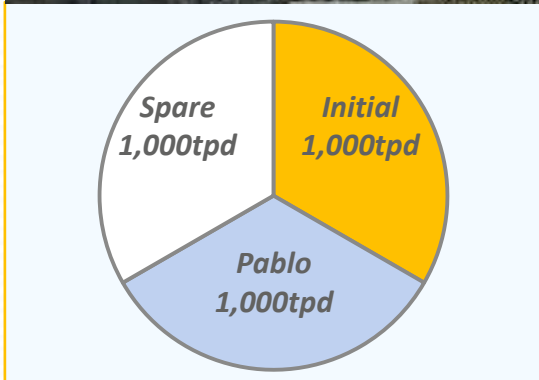
(\$/oz Ag Eq)



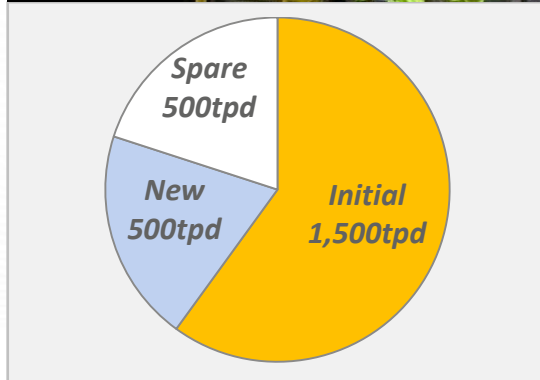
Already delivering 70% production growth and 50% cost reduction

SPARE PLANT CAPACITY AVAILABLE

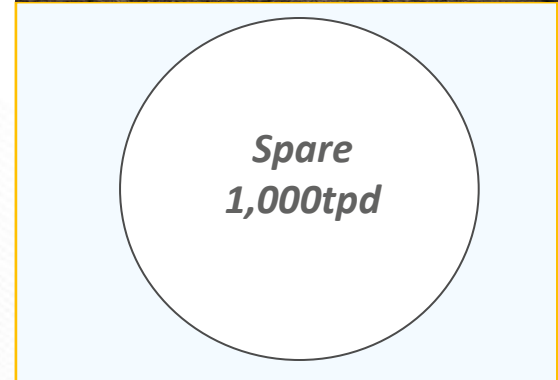
Selene (3,000 tpd)



Arcata (2,500 tpd)



Ares (1000 tpd)

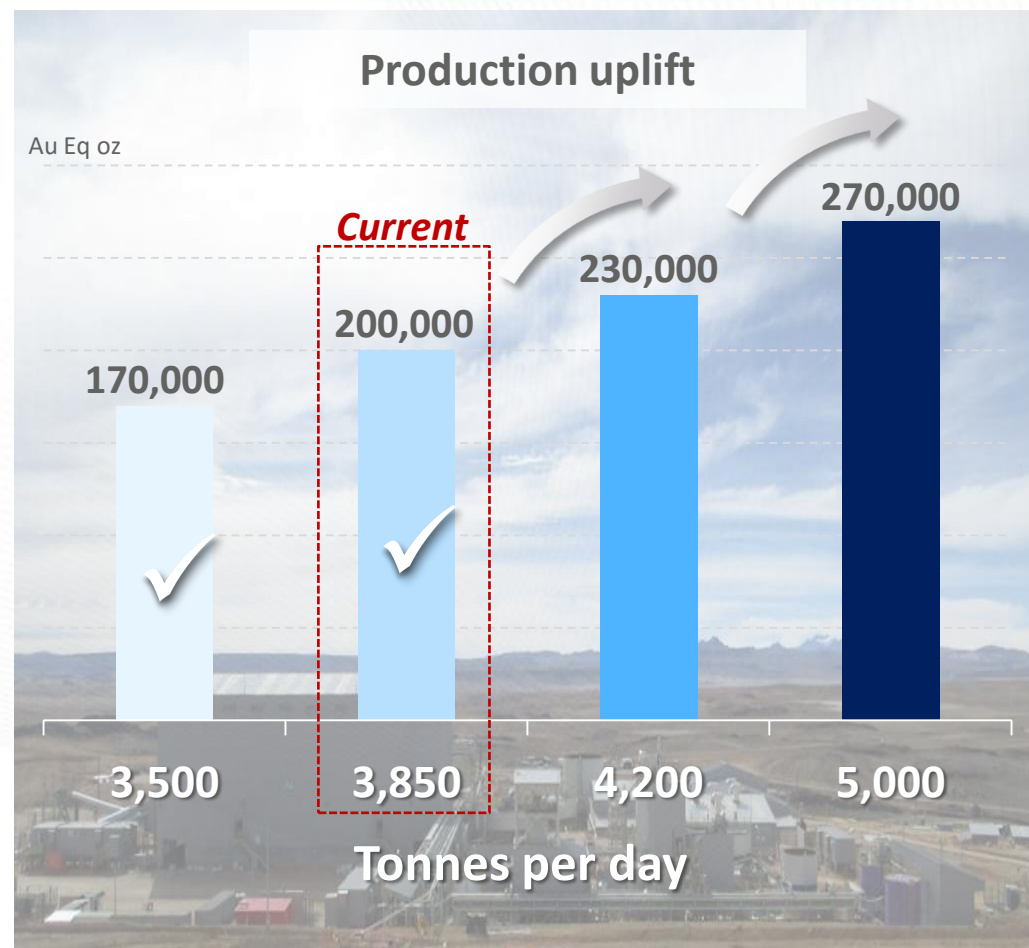


- Currently Hochschild is at 70% capacity
- Increasing resources to fill up the plants would
 - Increase production by approximately 30%
 - Materially reduce costs

Short-term high value opportunity

INMACULADA: PLANT EXPANSION POTENTIAL

- Significant production upside
- Lower AISC
- Low capex estimates for expansion
 - 4,200tpd ≈ \$10m
 - 5,000tpd ≈ \$50m
- Initial modular construction allows relatively simple capacity increases
- Additional resources will be required to avoid LOM reduction



Small investment required to materially increase capacity

Brownfield Exploration Plan

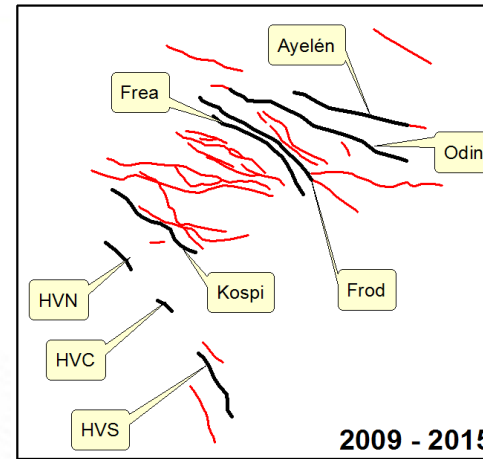
Oscar García



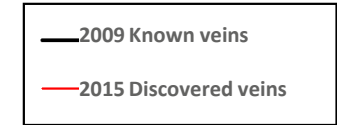
PROVEN TRACK RECORD OF FINDING MINERALISATION

Resources: Ounces found since 2007

Main Operations	Ag Eq (Moz)	Au Eq (Moz)
Arcata	136	2.3
Pallancata	137	2.3
San Jose	158	2.6
Total	431	7.2



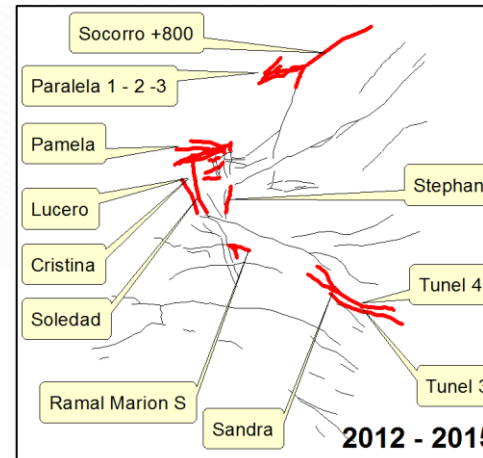
San Jose Mine Veins 2009 - 2015



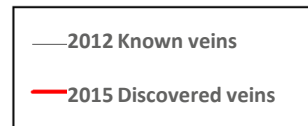
3

Km

- Highly successful brownfield exploration programmes at all operations
- Value of ounces discovered in less than 10 years exceeds \$5 billion in revenue from Arcata, Pallancata and San Jose



Arcata Mine Veins 2012 - 2015

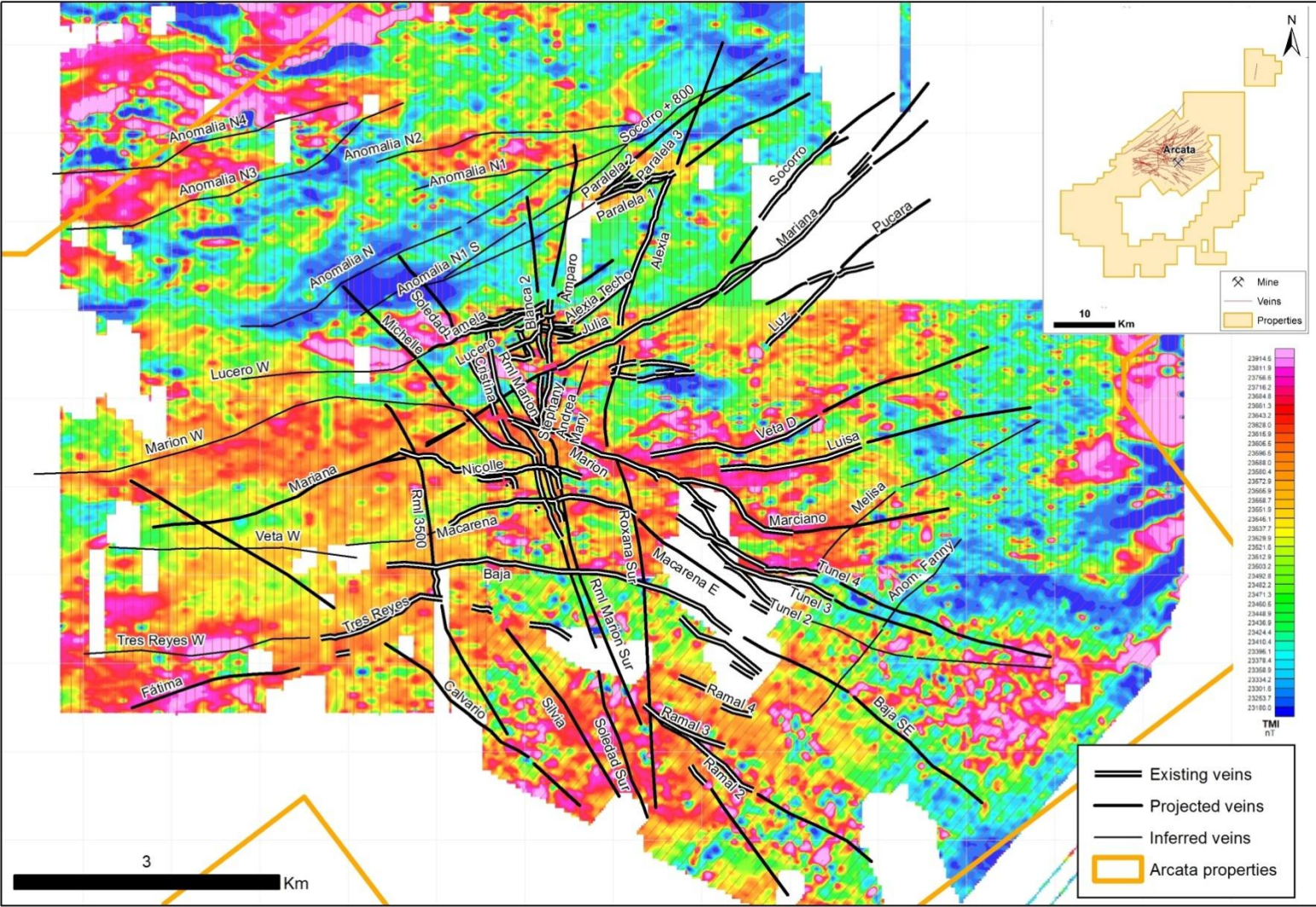


5

Km

Sustained brownfield exploration yields success and an enhanced LOM

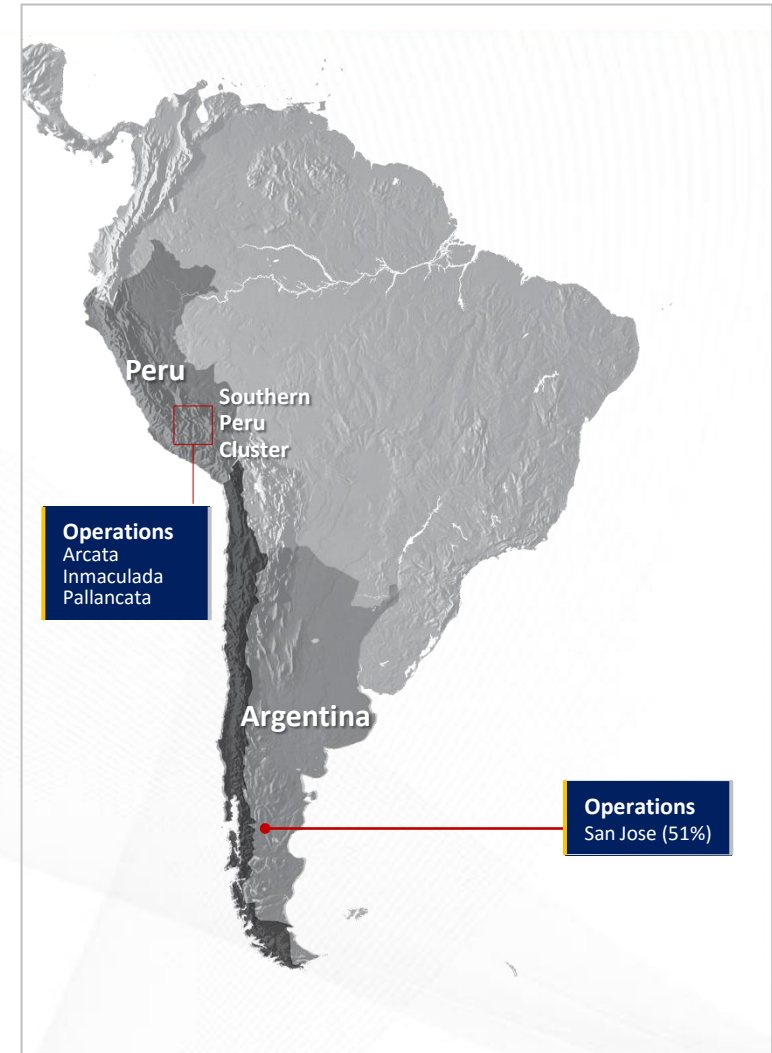
USE OF GEOPHYSICS TO FIND STRUCTURES UNDER 400M COVER AT ARCATA



BROWNFIELD EXPLORATION PLAN

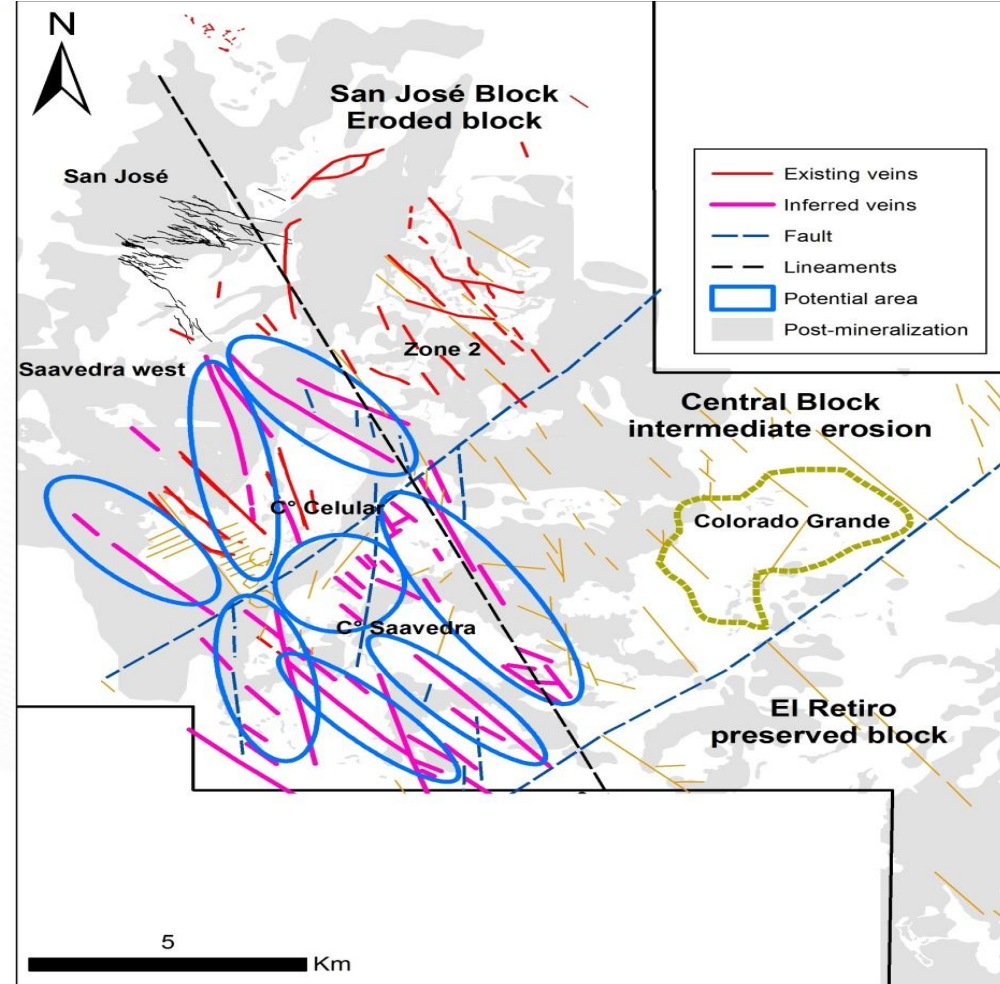
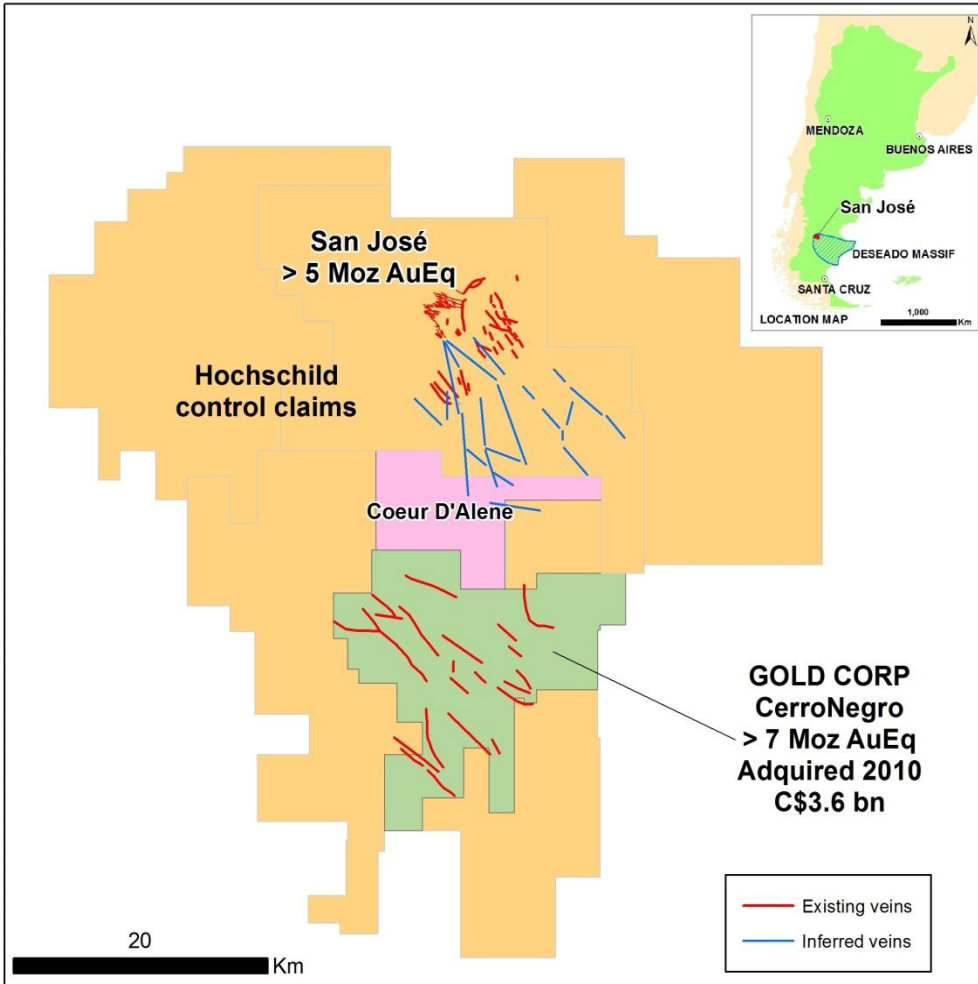
- 2013-2016: Potential Resource targets identified

Targets Ag Eq (moz)	Conservative	Base case	Optimistic
Arcata	122	195	279
Pallancata	94	164	234
Inmaculada	90	157	224
San Jose	187	328	468
Ares	41	72	103
Total	523	916	1,309



Significant prospection completed, targets ready for drilling

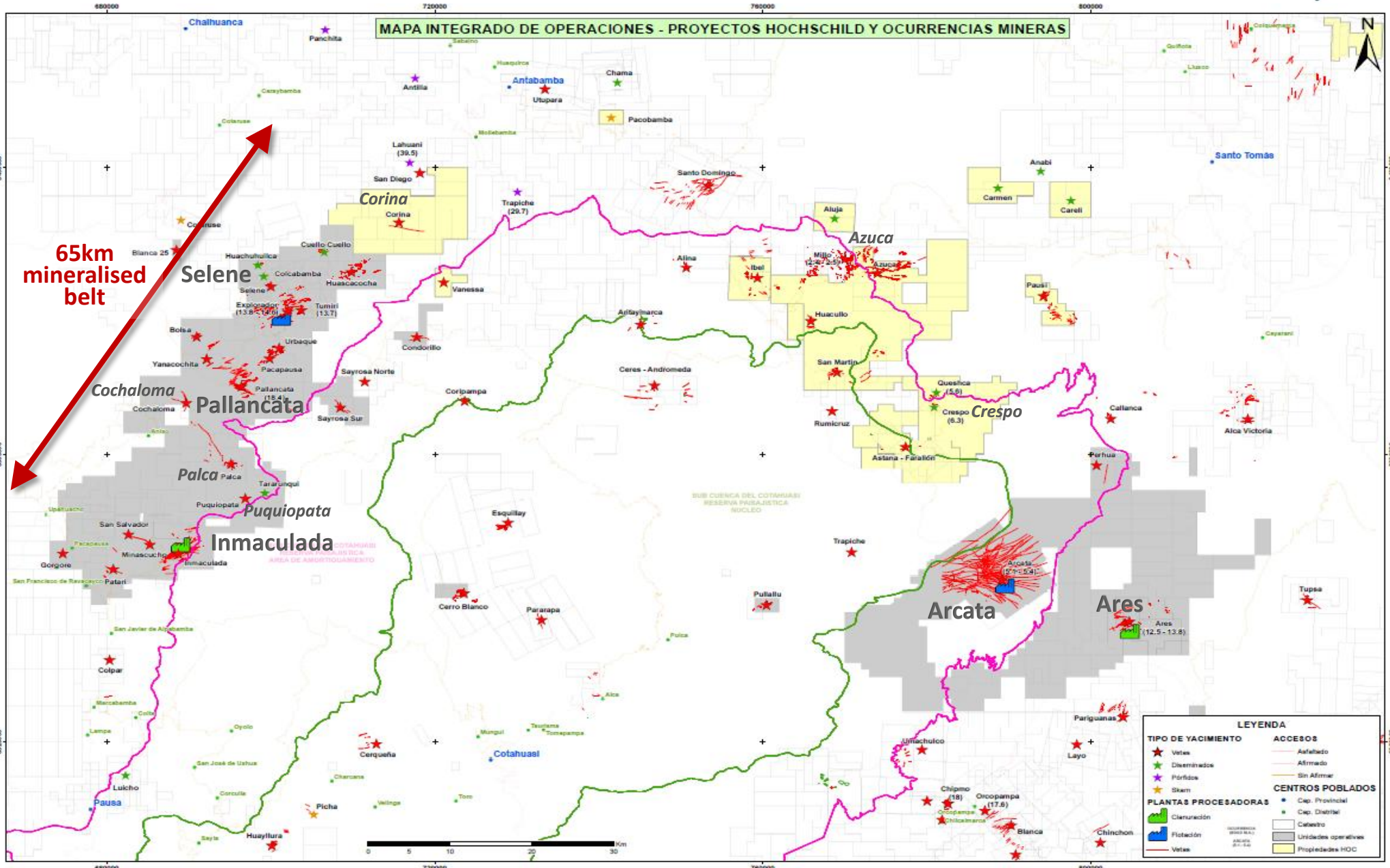
SAN JOSE PROPERTIES: PART OF A LARGE DISTRICT



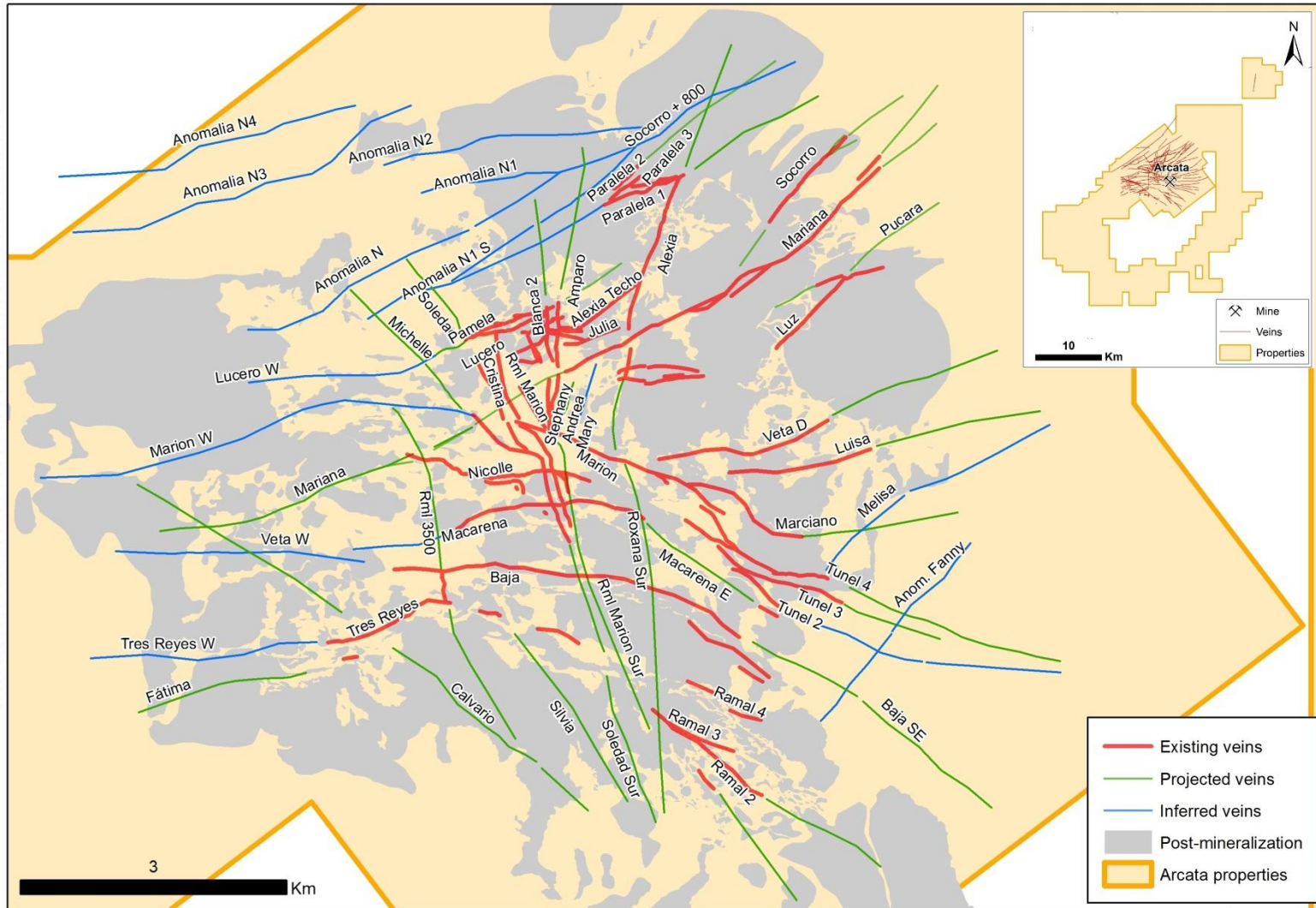
SOUTHERN PERU CLUSTER



MAPA INTEGRADO DE OPERACIONES - PROYECTOS HOCHSCHILD Y OCURRENCIAS MINERAS

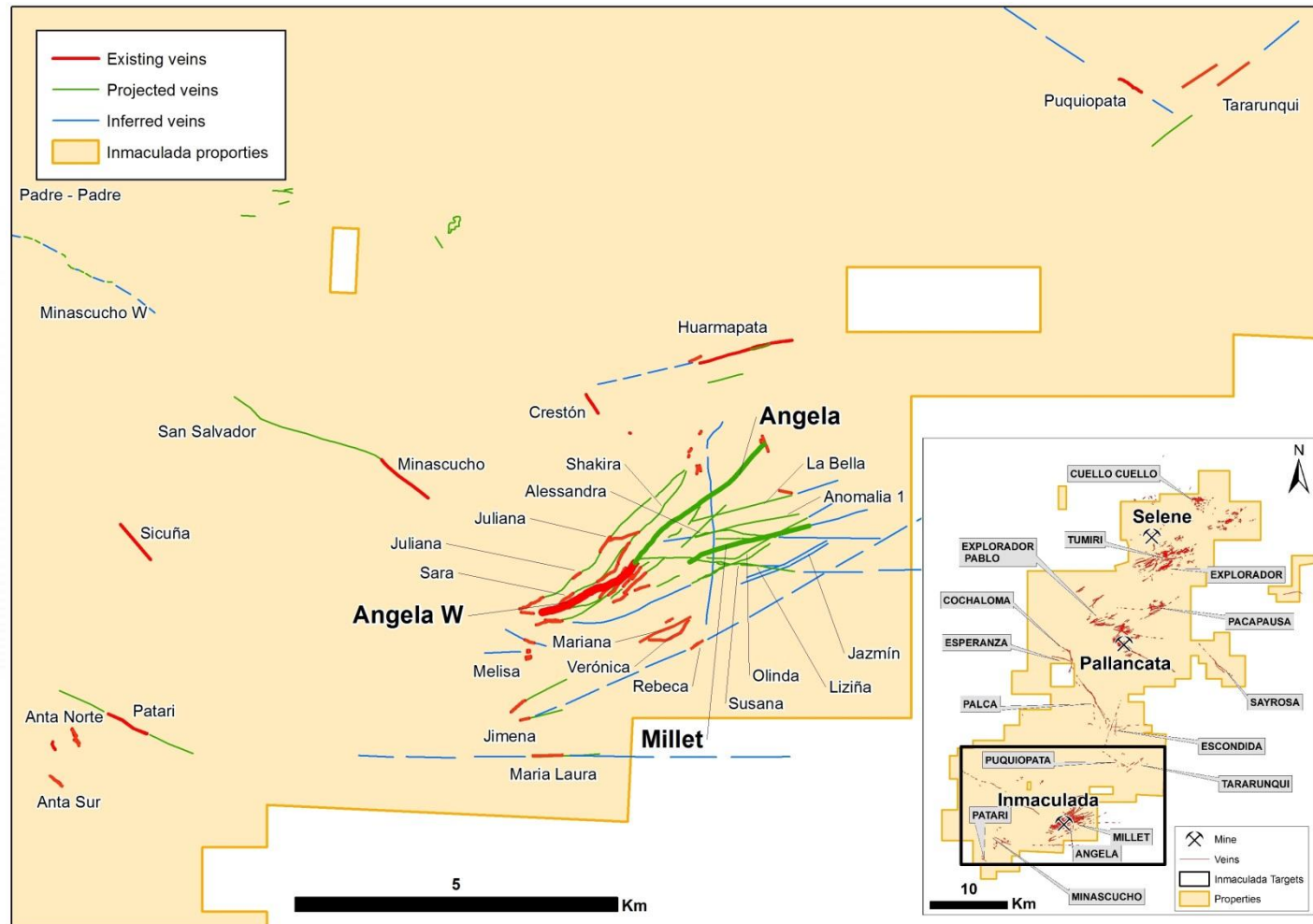


ARCATA: A LARGE, HIGH DENSITY VEIN CAMP



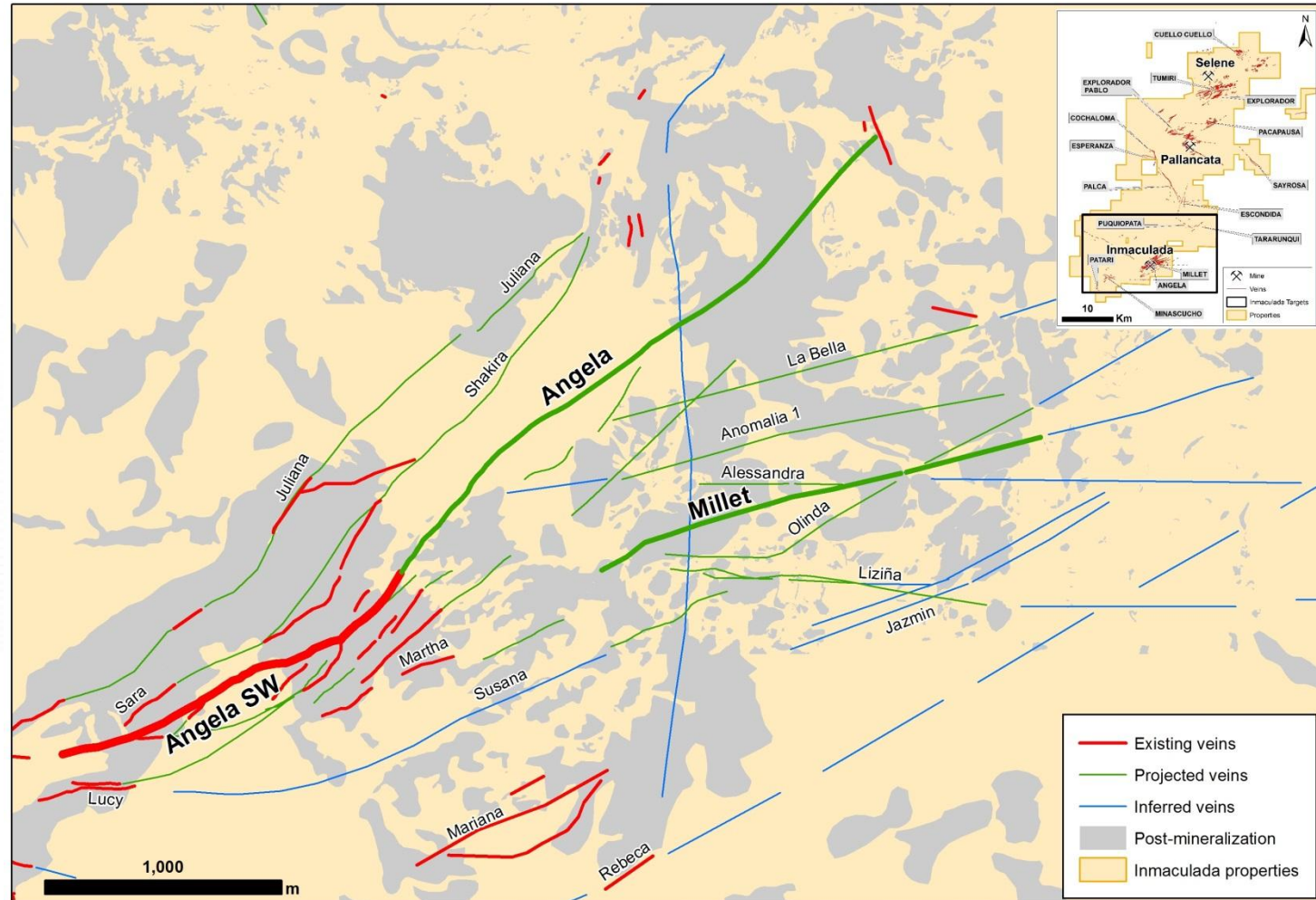
INMACULADA: REGIONAL UPSIDE

- Several satellite veins to main Angela oreshoot
- Large exploration upside
- Very little exploration outside the main operation's area



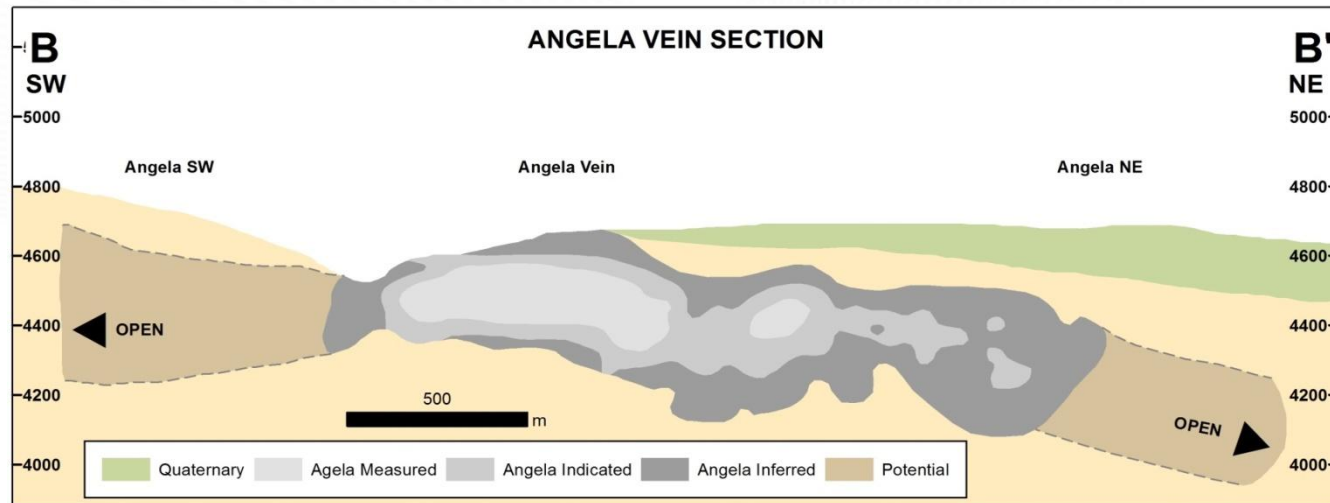
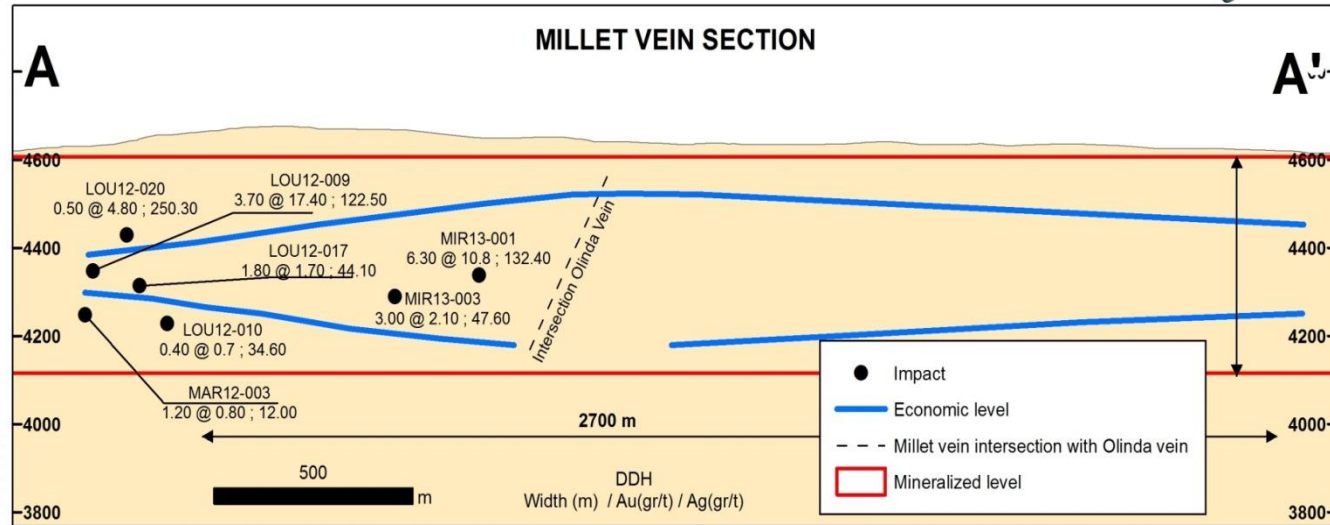
INMACULADA: SIGNIFICANT UPSIDE IN OPERATIONAL AREA

- Angela Vein still open along strike
- Newly discovered Millet Vein



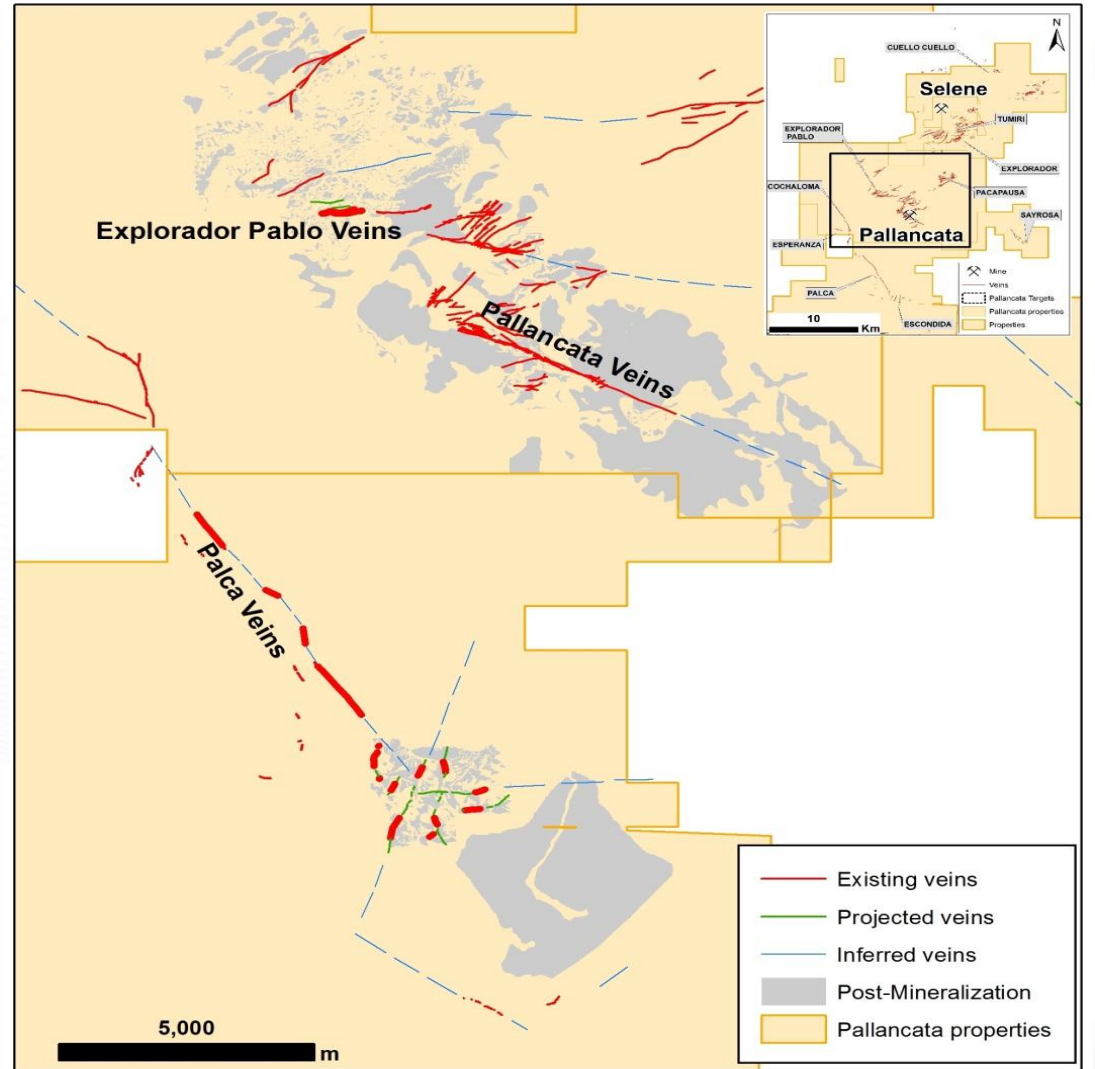
INMACULADA: SIGNIFICANT UPSIDE IN OPERATIONAL AREA

- Millet vein known along 700m - may extend 2,000m
- Angela vein oreshoot still open along strike to the east

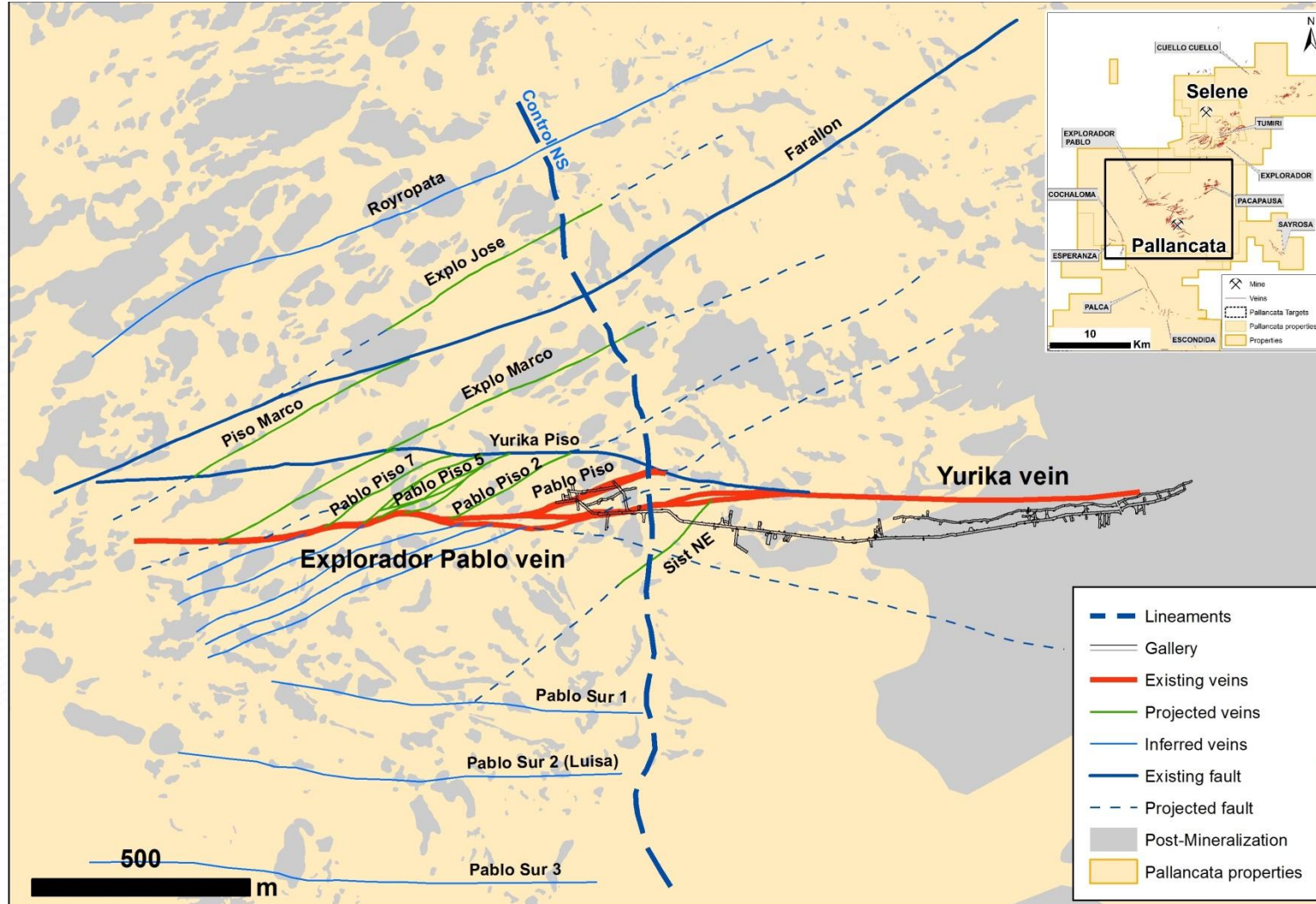


PALLANCATA: EXPLORATION CHANGING THE PICTURE

- Until a year ago a one vein system
- Newly discovered Pablo vein: an extension of the previously known Yurika vein
- Palca structure may extend > 5 km and will be tested in the near future



PABLO: A DISCOVERY OF AN EXTENSIVE VEIN SYSTEM



BROWNFIELD EXPLORATION INVESTMENT

Targets Ag Eq (moz)	Conservative	Base Case	Optimistic
Arcata	122	195	279
Pallancata	94	164	234
Inmaculada	90	157	224
San Jose	187	328	468
Ares	41	72	103
Total	523	916	1,309
\$ m	36	36	36
\$/Ag eq oz	0.07	0.04	0.03

Illustrative conversion to Inferred Resources

Targets Ag Eq (moz)	Conservative	Base Case	Optimistic
Arcata	65	114	163
Pallancata	56	98	141
Inmaculada	67	118	168
San Jose	100	175	250
Ares	21	36	51
Total	309	541	773
\$ m	74	129	184
\$/Ag eq oz	0.24	0.24	0.24

- Only committed budget is \$36m, additional investment contingent on finding ounces
- Investment required to convert Potential Resources into Inferred Resources could be an additional \$74-184m depending on success of Potential resources programme

Very low cost for additional ounces

EXECUTION PLAN AND CONTROL



OBTAIN 5 YEARS OF LOM IN RESERVES AND 5 ADDITIONAL YEARS OF LOM IN RESOURCES BY 2020



█ Underground drilling █ Surface drilling

Early Stage Projects & Greenfield

Isac Burstein/Eduardo Landin

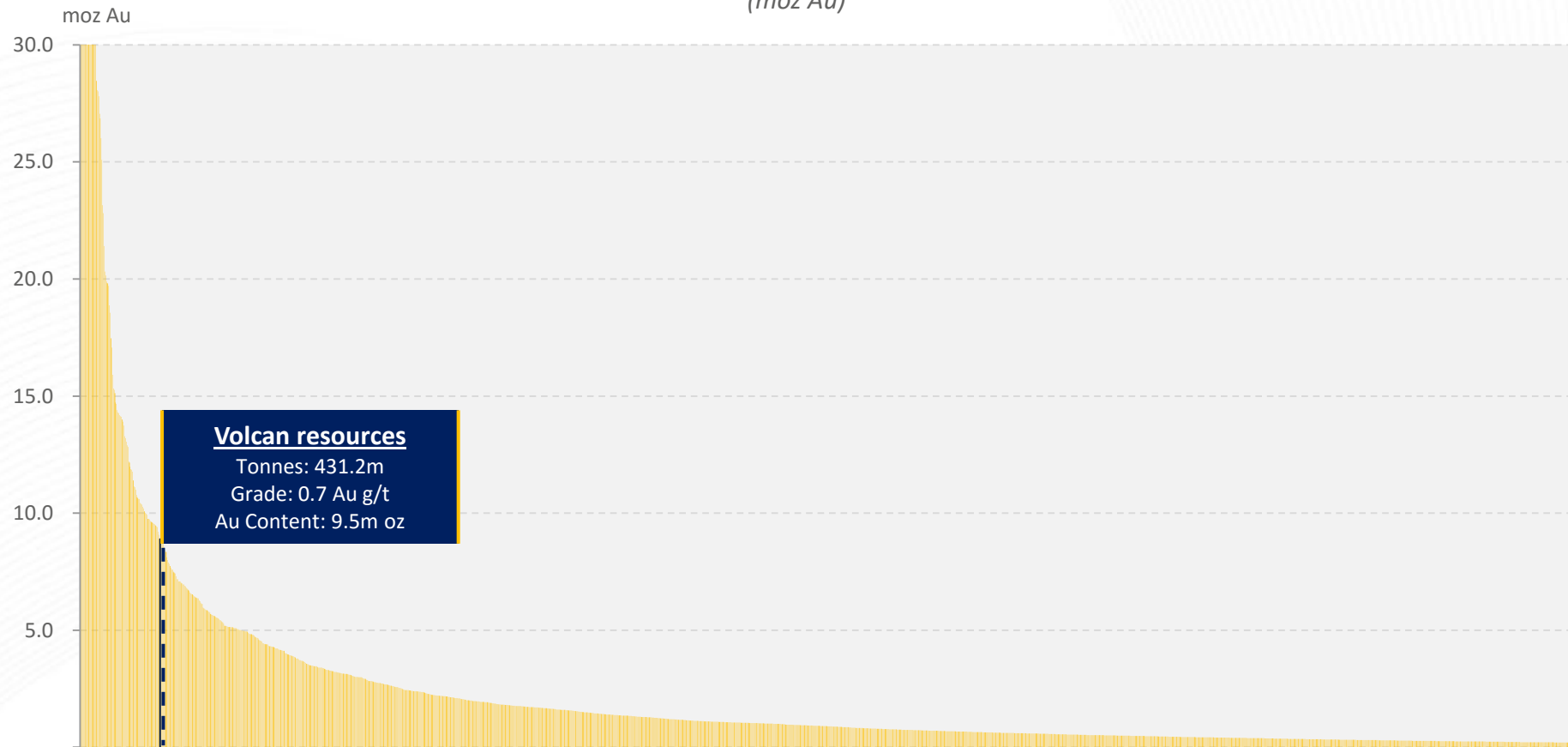


VOLCAN: AN ENORMOUS GOLD RESOURCE



Global gold deposits size curve: Resources

(moz Au)



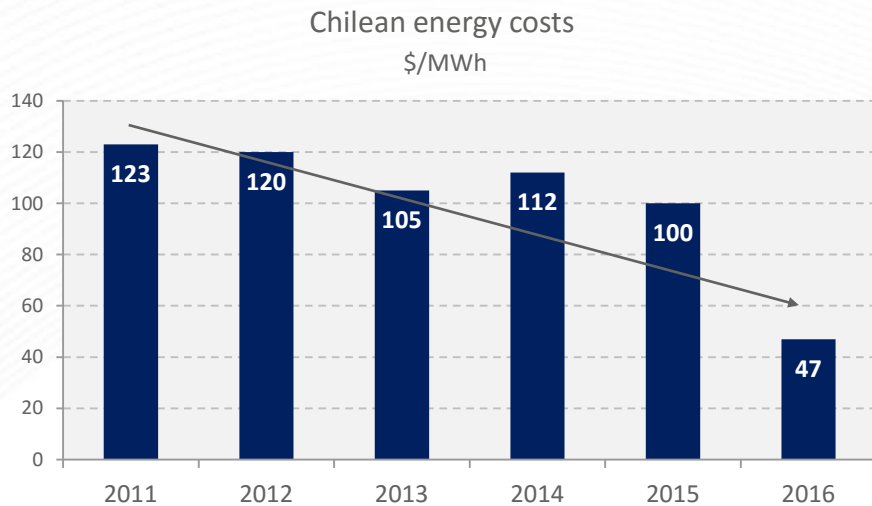
2,000 gold deposits with resources higher than 0.2m oz Au

Source: SNL

Top 5% in the gold deposits size curve

VOLCAN LOCATION

- Located in the Maricunga gold belt district: a region with great geological potential
- Close to other significant mining projects:
 - Salares Norte (Goldfields)
 - Lobo Marte (Kinross)
 - Cerro Casale (Barrick/Kinross)
- Energy costs falling significantly in Chile



Source: Annual report of the Ministry of Energy in Chile
<http://www.energia.gob.cl/tema-de-interes/nuevo-anuario-del-sector-energia>

Chile: Maricunga region



Currently working with Ausenco to:

- Review the current geological block model
- Improve mine design and pit optimisation
- Review metallurgical information and the plant design
- Review mining CAPEX and OPEX



Next step is to prepare a Scoping Study

- Profitable project: updated feasibility using spot prices
- Fully permitted
- Within our Southern Peru cluster
- Geological potential



Operational Metrics	Unit	Crespo
LOM	yrs	9
Ore Production	Mt	20.5
Au grade	g/t	0.5
Ag grade	g/t	39
Au recovery	%	80%
Ag recovery	%	35%
Au Eq	Koz	356.0

Financial Metrics	Unit	Crespo
Project Capex	\$m	90.0
Production Costs	\$/t	10.8
Sustaining Capex	\$m	20.5
AISC	\$/oz Au Eq	716
Cash Flow ¹	\$m	104.2
NAV (5%), Ag-20 Au 1,300	\$m	59.2 (22% IRR)
NAV (5%), Ag-15 Au 1,100	\$m	16.5 (10% IRR)

A profitable project

1. Cash flow calculated with spot prices of Au: 1,300 \$/oz and Ag: \$20/oz

AZUCA

- Large resource: similar ounces to Arcata, Pallancata & Inmaculada
- But lower grade vs Arcata, Pallancata & Inmaculada
- Same district as San Martin and Huacullo: potential synergies
- Option value: ounces in the ground
- New geological hypotheses to be tested (2016-2017)



Resources	Azuca	Arcata	Pallancata	San Jose	Inmaculada
Moz Ag Eq	103	118	98	164	139
Grade Ag Eq (g/t)	229	446	390	854	422

Looking for a high grade core vein

GREENFIELD EXPLORATION PLAN



Organic opportunities

- Main focus in Peru
- Leveraging on historic data/work: +30,000 private/public reports
- Small/efficient field team
- Prioritise projects with the lowest risk/highest potential
- Two drill ready opportunities being advanced:
 - ✓ Corina: 2km vein, 20km north of Pallancata
 - ✓ Fresia: 2 veins, +3km long each in area with historic high grade Ag production

Third party opportunities

- Constantly monitoring divestitures in attractive jurisdictions
- Evaluating opportunities with junior companies with attractive discoveries
- Three porphyry projects (Antay, Alpacocho and Josnitoro) in Peru and one in Chile (Victoria) optioned to third parties



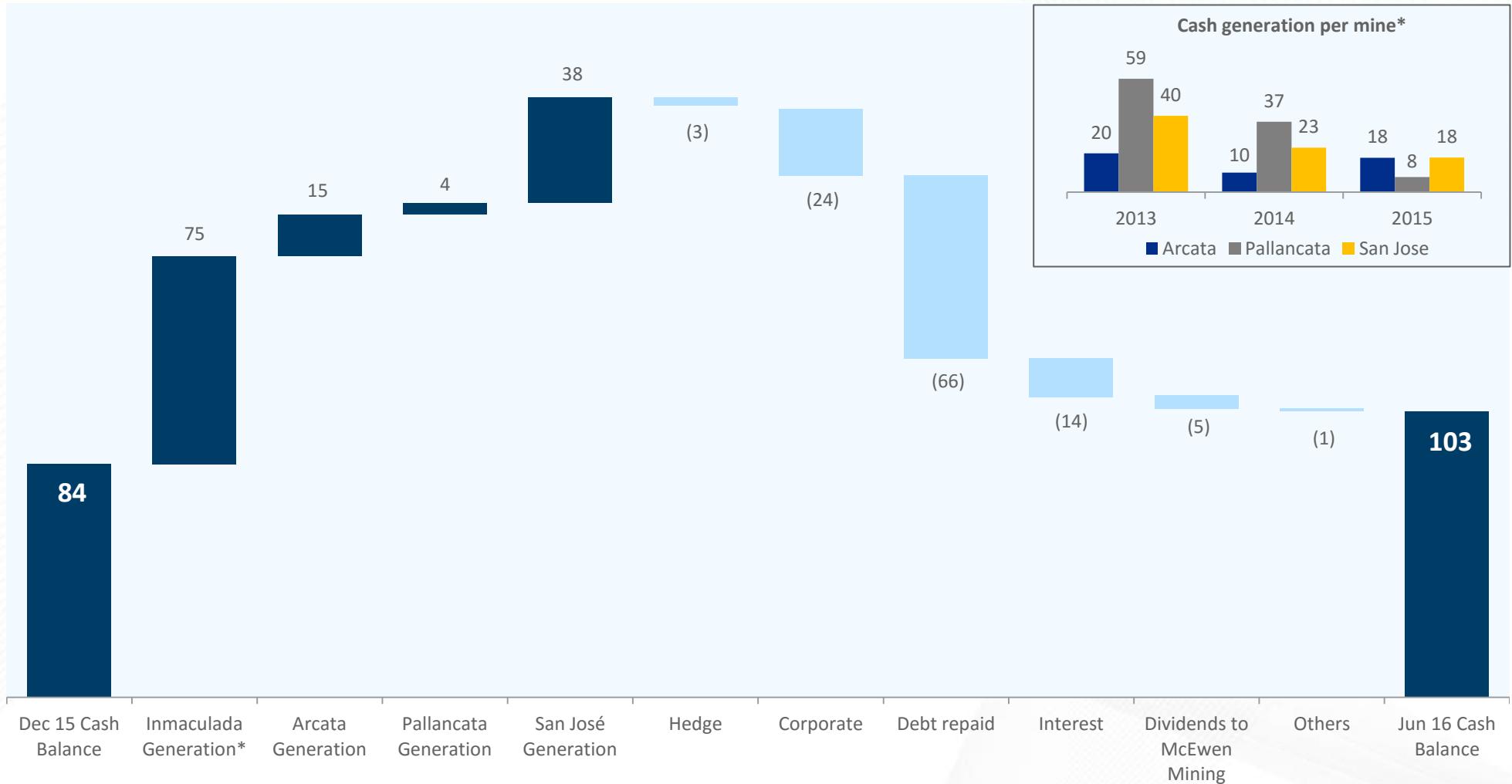
Financial Strategy

Ramon Barua





EVOLUTION OF H1 2016 CASH BALANCE



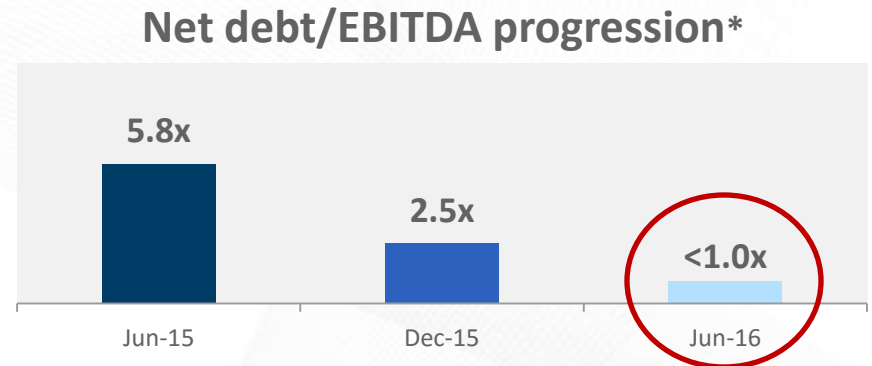
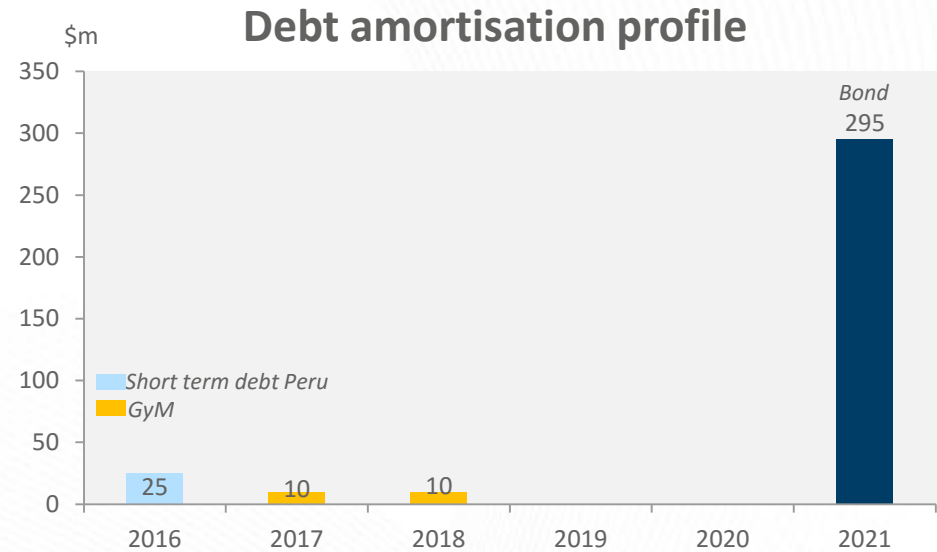
Measure and control financial performance of operational assets

*Cash generation is calculated as EBITDA less operational capex & exploration capex



FURTHER PROGRESS ACHIEVED IN DEBT REDUCTION

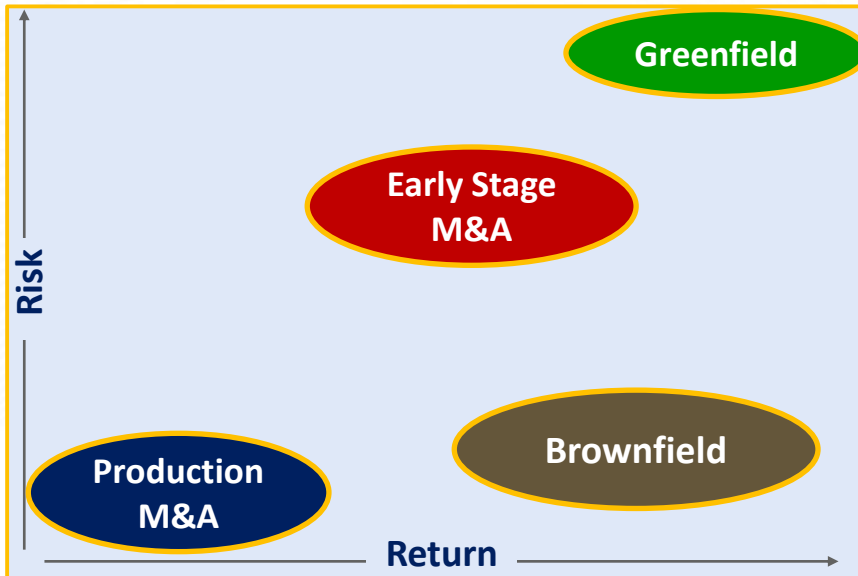
- \$105m debt repaid in 2015
- Additional \$100m debt reduction YTD
 - Prepaid \$50m medium term loan
 - Cancellation of \$50m short term loans including further \$30m announced 6 Sept 2016
- Net debt improved from \$351m in Dec 2015 to \$267m in Jun 2016
- Net Debt/EBITDA improved from 2.5x to <1.0x
- 2021 Bonds callable starting Jan 2018



Leverage ratios at investment grade level

INVESTING IN THE FUTURE

Investment Policy
Returns greater than 12-15% per annum
Typically early stage projects
Bottom half of the AISC cost curve
Properties in the Americas
Strong geological potential



Capital allocation priorities
1. Brownfield exploration — Increase LOM quantity and quality — Fill up plant spare capacity — Plant expansions
2. Dividends
3. Greenfield
4. Early stage projects
5. M&A

Positioned to deliver sustainable and significant growth in total shareholder returns



SHAREHOLDER RETURNS

- How can we enhance shareholder return?
 - ✓ Sustain/improve margin and cashflow of existing assets
 - ✓ LOM extension and capacity increase
 - ✓ Greenfield exploration
 - ✓ Disciplined investment in quality projects
- Dividends:
 - ✓ We have resumed dividends given return to profitability
 - ✓ Have not defined a policy to retain flexibility while we continue to repay debt and commodity prices remain volatile

	2010	2011	2012	2013	2014	2015	H1 2016
Dividend declared (\$)	16.9m	20.3m	20.3m	-	-	-	7.0m

Clear goal to provide returns to shareholders



Achieving Transformational Growth

Ignacio Bustamante





- Significant brownfield potential identified - expected to deliver additional low cost growth
- Target to deliver 5 years of LOM in reserves and 5 additional years of LOM in resources by 2020
- Pablo already a reality, but untapped geological potential could be material
- Projects in portfolio offer optionality and long term resources
- Management focused on productivity and cost controls
- Commitment to CSR is a responsibility but also a competitive advantage

STRONG UPSIDE EXPECTED FROM ENHANCED BROWNFIELD PLAN



3210-TK-007
LIQUIDO: PULPA CANSURADA
ALTURA: 48.0 m
DIAMETRO: 15.90 m
CAP: 3000 m³

 Investor Day Presentation
Appendix



ESPEADOR
CCD 4



ARGENTINA: ECONOMIC AND TAX TRANSFORMATION

- **Export Tax Elimination**

- ✓ 10% export taxes on concentrate sales eliminated: \$12m p.a.
- ✓ 5% export taxes on dore sales eliminated: \$6m p.a.

- **Dividends**

- ✓ Elimination of 10% tax on dividends
- ✓ Dividends plan for 2016: \$35m (\$21m YTD)

- **Port rebate**

- ✓ Rebate for exports through Patagonian ports restored in Nov 2015
- ✓ ≈ 9% FOB value of exports: \$20 million p.a.

- **Peso devaluation**

- ✓ 70% of operating costs incurred in pesos
- ✓ Material devaluation has so far been offset by salary inflation
- ✓ Government has clear goals to control inflation

Significantly improved business environment