

20 January 2021

## Production Report for the 12 months ended 31 December 2020

### Ignacio Bustamante, Chief Executive Officer said:

*"Our mines have delivered a successful fourth quarter despite continuing disruption from the pandemic and therefore I am pleased to announce that we have achieved our revised production targets for the year. Furthermore, our balance sheet is now in a net cash position following another period of substantial free cashflow generation driven by our strong operational performance and ongoing favourable precious metal prices. Finally, our brownfield programme continues to advance with Inmaculada expected to increase reserves significantly and encouraging new drill results achieved at Arcata, San Jose and Corina."*

### Operational highlights

- Full year attributable production at higher end of revised forecasts<sup>1</sup>
  - 175,241 ounces of gold
  - 9.8 million ounces of silver
  - 289,293 gold equivalent ounces (versus revised guidance of 280,000-290,000 gold equivalent ounces)
  - 24.9 million silver equivalent ounces (versus revised guidance of 24.0-25.0 million silver equivalent ounces)
- Strong operational recovery despite ongoing Covid-19 related stoppages
- All-in sustaining costs from operations in 2020 expected to be below revised guidance at between \$1,200 and \$1,250 per gold equivalent ounce or \$14.0 and \$14.5 per silver equivalent ounce

### Exploration highlights

- Inmaculada close to completing successful 2020 drilling campaign
  - Infill drilling expected to increase reserves substantially
- Maiden resource expected to be achieved in next few months at Corina deposit following encouraging intercepts
- Promising results from the Saavedra area at San Jose
- Encouraging early results from new Arcata exploration programme

### Strong financial position

- Total cash of approximately \$231 million as at 31 December 2020 (\$166 million as at 31 December 2019)
- Net cash of approximately \$21 million as at 31 December 2020 (Net debt of \$34 million as at 31 December 2019)
- Current Net cash/LTM EBITDA of 0.08x as at 31 December 2020

### 2020 ESG highlights

- Lost Time Injury Frequency Rate of 1.38 (2019: 1.05)<sup>2</sup>
- Accident Severity Index of 474 (2019: 54)<sup>3</sup>
- Water Consumption of 231lt/person/day (2019: 206lt/person/day)
- Domestic waste generation of 1.18 kg/person/day (2019: 1.04kg/person/day)
- ECO score of 5.74 out of 6 (2019: 4.82)<sup>4</sup>

### 2021 guidance

- Production target of 360,000-372,000 gold equivalent ounces (31.0-32.0 million silver equivalent ounces)
- All-in sustaining costs expected to be \$1,210-\$1,250 per gold equivalent ounce (\$14.1-14.5 per silver equivalent ounce)
- Total sustaining and development capital expenditure expected to be approximately \$120-130 million
- Brownfield exploration budget expected to be approximately \$34 million
- Greenfield and advanced project budget set at approximately \$11 million
- \$14 million budget for BioLantánidos rare earth deposit in Chile

<sup>1</sup>All equivalent figures assume a gold/silver ratio of 86x

<sup>2</sup>Calculated as total number of accidents per million labour hours

<sup>3</sup>Calculated as total number of days lost per million labour hours

<sup>4</sup>The ECO Score is an internally designed Key Performance Indicator measuring environmental performance in one number and encompassing numerous fronts including management of waste water, outcome of regulatory inspections and sound environmental practices relating to water consumption and the recycling of materials.

A conference call will be held at 2.00pm (London time) on Wednesday 20 January 2021 for analysts and investors.

Dial in details as follows:

UK Toll-Free Number: 0800 279 7204

International Dial in: +44 (0)330 336 9411

US/Canada Toll-Free Number: 888-254-3590

Pin: 7673348#

A recording of the conference call will be available on demand on the Company's website: [www.hochschildmining.com](http://www.hochschildmining.com)

*Note: All equivalent figures calculated using the Company gold/silver ratio of 86x.*

## Overview

In Q4 2020, Hochschild Mining PLC (HOC.LN) (OTCMKTS: \$HCHDF) ("Hochschild" or "the Company") delivered attributable production of 94,035 gold equivalent ounces or 8.1 million silver equivalent ounces, representing a strong ongoing recovery versus the previous two quarters with the Inmaculada and Pallancata mines in full production throughout the period. Overall 2020 attributable production was 289,293 gold equivalent ounces or 24.9 million silver equivalent ounces, at the high end of the Company's revised forecasts but reflecting the impact from Covid-related disruptions throughout the year.

The Company expects that its all-in sustaining costs for 2020 will be at \$1,200-\$1,250 per gold equivalent ounce (\$14.0-14.5 per silver equivalent ounce), lower than revised guidance.

## TOTAL GROUP PRODUCTION<sup>5</sup>

	Q4 2020	Q3 2020	Q4 2019	12 mths 2020	12 mths 2019
Silver production (koz)	3,719	3,085	4,641	11,821	20,163
Gold production (koz)	65.67	47.83	78.05	207.08	321.58
Total silver equivalent (koz)	9,366	7,198	11,354	29,631	47,818
Total gold equivalent (koz)	108.91	83.69	132.02	344.54	556.03
Silver sold (koz)	3,803	3,146	4,662	11,846	20,062
Gold sold (koz)	66.57	47.62	77.48	207.77	317.52

*Total production includes 100% of all production, including production attributable to Hochschild's joint venture partner at San Jose.*

## ATTRIBUTABLE GROUP PRODUCTION

	Q4 2020	Q3 2020	Q4 2019	12 mths 2020	12 mths 2019
Silver production (koz)	3,187	2,514	3,780	9,808	16,808
Gold production (koz)	56.97	39.20	64.02	175.24	269.89
Silver equivalent (koz)	8,087	5,884	9,285	24,879	40,019
Gold equivalent (koz)	94.03	68.42	107.97	289.29	465.34

*Attributable production includes 100% of all production from Inmaculada, Pallancata and 51% from San Jose.*

## Production

### Inmaculada

Product	Q4 2020	Q3 2020	Q4 2019	12 mths 2020	12 mths 2019
Ore production (tonnes treated)	340,854	205,712	327,906	948,937	1,338,569
Average grade silver (g/t)	152	156	179	154	163
Average grade gold (g/t)	4.23	4.29	5.09	4.33	4.71
Silver produced (koz)	1,393	873	1,359	4,034	5,747
Gold produced (koz)	43.55	26.58	43.82	129.17	189.18
Silver equivalent (koz)	5,138	3,159	5,127	15,143	22,016
Gold equivalent (koz)	59.75	36.73	59.62	176.09	256.00
Silver sold (koz)	1,404	858	1,356	4,020	5,732
Gold sold (koz)	44.05	26.17	44.16	129.70	188.59

<sup>5</sup>Group production figures for 2019 include 394,000 silver equivalent ounces from the Arcata operation which was placed on care and maintenance in February 2019.

Inmaculada's fourth quarter production was 43,550 ounces of gold and 1.4 million ounces of silver, which amounts to gold equivalent production of 59,749 ounces. The operation has recovered well since early September 2020 and fourth quarter output was in line with the same period of 2019. Overall in 2020, Inmaculada has delivered gold equivalent production of 176,086 ounces (2019: 256,001 ounces), with the reduction versus 2019 due to the impact of two Covid-19 related stoppages during the year. Grades have proved to be slightly lower than originally budgeted due to delays in mine sequencing resulting from the stoppages.

#### *Pallancata*

Product	Q4 2020	Q3 2020	Q4 2019	12 mths 2020	12 mths 2019
Ore production (tonnes treated)	186,454	144,417	206,109	519,611	915,877
Average grade silver (g/t)	231	254	258	247	278
Average grade gold (g/t)	0.81	0.88	0.98	0.87	1.01
Silver produced (koz)	1,241	1,046	1,524	3,679	7,259
Gold produced (koz)	4.37	3.63	5.60	12.93	25.95
Silver equivalent (koz)	1,617	1,358	2,005	4,790	9,491
Gold equivalent (koz)	18.80	15.80	23.31	55.70	110.36
Silver sold (koz)	1,287	1,096	1,502	3,654	7,161
Gold sold (koz)	4.56	3.83	5.47	12.80	25.45

In Q4, Pallancata produced 1.2 million ounces of silver and 4,372 ounces of gold, bringing the silver equivalent total to 1.6 million. Tonnage was higher in the fourth quarter and grades decreased in line with the revised mine plan. Overall in 2020, Pallancata produced 4.8 million silver equivalent ounces (2019: 9.5 million ounces) with the reduction versus the original forecast (7.2 million ounces) due to the effects of the Covid-19 related stoppage and the resulting impact on the mine plan.

#### *San Jose (the Company has a 51% interest in San Jose)*

Product	Q4 2020	Q3 2020	Q4 2019	12 mths 2020	12 mths 2019
Ore production (tonnes treated)	110,019	128,789	145,490	401,202	544,165
Average grade silver (g/t)	345	313	426	357	443
Average grade gold (g/t)	5.62	4.72	6.89	5.63	6.81
Silver produced (koz)	1,085	1,165	1,759	4,108	6,846
Gold produced (koz)	17.75	17.62	28.64	64.99	105.48
Silver equivalent (koz)	2,611	2,680	4,222	9,697	15,917
Gold equivalent (koz)	30.36	31.17	49.09	112.76	185.08
Silver sold (koz)	1,112	1,192	1,804	4,172	6,846
Gold sold (koz)	17.97	17.62	27.85	65.28	102.82

The San Jose operation experienced another stoppage in the fourth quarter due to an increase in Covid-19 infections in the region causing a halt to operations for 20 days from 15 November to 5 December 2020. A reduced level of staff remained on-site to oversee the final production of the unit's revised 2020 output target following permission from the Santa Cruz provincial authorities to restart operations.

Production in the period was 1.1 million ounces of silver and 17,748 ounces of gold which makes 2.6 million silver equivalent ounces. This amounts to a 2020 total of 9.7 million silver equivalent ounces (2019: 15.9 million ounces). Whilst the mine restarted operations in late April 2020, following the first Covid-19 stoppage, continuing restrictions on the movement of people in Argentina throughout the remainder of the year resulted in a revised mine plan and lower grades.

#### **Average realisable prices and sales**

Average realisable precious metal prices in Q4 2020 (which are reported before the deduction of commercial discounts) were \$1,869/ounce for gold and \$26.2/ounce for silver (Q4 2019: \$1,510/ounce for gold and \$18.4/ounce for silver).

For 2020 as a whole, average realisable precious metal prices were \$1,814/ounce for gold and \$22.3/ounce for silver (2019: \$1,414/ounce for gold and \$16.5/ounce for silver).

#### **Brownfield exploration**

##### *Inmaculada*

In Q4 2020, 1,374m of drilling for potential resources and 8,459m of resource drilling was carried out. Selected results are below:

Vein	Results (potential/resource drilling)
Shakira	IMS-20-019: 1.3m @ 1.3g/t Au & 70g/t Ag IMS-20-020: 2.9m @ 2.2g/t Au & 159g/t Ag IMM-20-022: 1.2m @ 22.1g/t Au & 21g/t Ag IMM-20-023: 5.6m @ 9.0g/t Au & 397g/t Ag IMS-20-025: 3.0m @ 5.2g/t Au & 241g/t Ag IMS-20-032: 7.6m @ 2.5g/t Au & 287g/t Ag IMS-20-032: 0.8m @ 1.0g/t Au & 94g/t Ag IMS-20-036: 2.5m @ 4.7g/t Au & 337g/t Ag IMS-20-037: 1.5m @ 0.8g/t Au & 103g/t Ag IMS-20-038: 1.0m @ 2.1g/t Au & 30g/t Ag IMS-20-039: 0.8m @ 1.1g/t Au & 60g/t Ag IMS-20-048: 1.8m @ 2.0g/t Au & 119g/t Ag IMS-20-049: 4.6m @ 14.0g/t Au & 303g/t Ag
Millet	IMS-20-041: 1.2m @ 2.7g/t Au & 150g/t Ag IMS-20-042: 7.2m @ 2.2g/t Au & 153g/t Ag
Angela extension	IMS-19-006: 1.2m @ 8.1g/t Au & 60g/t Ag IMS-20-035: 3.5m @ 3.1g/t Au & 76g/t Ag
Tula	TLO-20-014: 1.1m @ 7.7g/t Au & 236g/t Ag TLO-20-016: 1.8m @ 1.5g/t Au & 82g/t Ag TLO-20-018: 1.2m @ 2.5g/t Au & 95g/t Ag TLO-20-020: 1.8m @ 6.4g/t Au & 158g/t Ag
Diana	DIV-20-049: 2.0m @ 1.5g/t Au & 86g/t Ag DIV-20-050: 0.9m @ 1.9g/t Au & 98g/t Ag DIV-20-055: 0.9m @ 1.5g/t Au & 79g/t Ag DIV-20-060: 1.0m @ 2.1g/t Au & 73g/t Ag DIV-20-061: 1.0m @ 1.7g/t Au & 99g/t Ag DIV-20-063: 1.2m @ 0.9g/t Au & 54g/t Ag DIV-20-064: 1.0m @ 0.9g/t Au & 212g/t Ag DIV-20-066: 1.7m @ 1.8g/t Au & 49g/t Ag DIV-20-067: 1.0m @ 1.4g/t Au & 104g/t Ag DIV-20-069: 1.1m @ 2.3g/t Au & 72g/t Ag DIV-20-070: 1.1m @ 1.6g/t Au & 30g/t Ag DIV-20-072: 1.0m @ 2.7g/t Au & 93g/t Ag DIV-20-073: 0.8m @ 2.0g/t Au & 43g/t Ag DIV-20-075: 0.9m @ 1.5g/t Au & 53g/t Ag
Perla	SBE-20-055: 1.1m @ 1.8g/t Au & 9g/t Ag SBE-20-060: 0.8m @ 4.1g/t Au & 60g/t Ag SBE-20-061: 1.1m @ 3.2g/t Au & 166g/t Ag SBE-20-066: 0.8m @ 1.8g/t Au & 75g/t Ag
Lucrecia	SBE-20-039: 1.0m @ 2.0g/t Au & 131g/t Ag SBE-20-042: 0.9m @ 3.7g/t Au & 81g/t Ag SBE-20-050: 1.1m @ 1.3g/t Au & 44g/t Ag SBE-20-060: 1.0m @ 0.6g/t Au & 87g/t Ag SBE-20-066: 0.9m @ 0.9g/t Au & 117g/t Ag
Noelia	SBE-20-046: 0.8m @ 3.2g/t Au & 90g/t Ag SBE-20-065: 6.1m @ 8.8g/t Au & 1,086g/t Ag SBE-20-067: 0.9m @ 1.4g/t Au & 26g/t Ag
Peta	DIV-20-050: 1.3m @ 3.7g/t Au & 50g/t Ag DIV-20-063: 0.8m @ 2.6g/t Au & 42g/t Ag DIV-20-066: 1.4m @ 1.1g/t Au & 66g/t Ag

During the first quarter of 2021, the goal is to carry out 2,500m of potential drilling in the extension of the Angela vein as well as the Eduardo vein structure.

The current infill drilling programme at Inmaculada is expected to be completed by the end of January 2021. A substantial increase in the deposit's reserve base is expected to be confirmed at the Full Year results in February 2021, although January drill work will not be included in the audited 2020 mineral resources and reserve estimates, published at the same time.

#### *Pallancata*

In the fourth quarter at Pallancata, 4,657m of potential drilling was carried out in the continuation of the Pallancata vein, at Farallon and Royropata and using long drill holes from inside the mine. A new structure has been located 150m to the south of the Pablo Vein.

In the first quarter, the plan is to execute 3,000m of potential drilling to continue to test the continuity of the Pallancata vein and 1,500m of drilling at Cochaloma.

#### *Corina*

At Corina, to the north of Selene, 2,318m of resource drilling was executed in the fourth quarter in the Corina structure with the key results below:

Vein	Results (potential drilling)
Corina	DHCOR-20015: 25.7m @ 2.5g/t Au & 23g/t Ag including 2.5m @ 10.1g/t Au & 62g/t Ag DHCOR-20018: 1.3m @ 1.2g/t Au & 14g/t Ag DHCOR-20019: 4.8m @ 1.4g/t Au & 23g/t Ag DHCOR-20020: 23.3m @ 4.9g/t Au & 43g/t Ag DHCOR-20021: 9.3m @ 3.9g/t Au & 47g/t Ag including 2.3m @ 8.4g/t Au & 88g/t Ag DHCOR-20022: 1.2m @ 1.4g/t Au & 3g/t Ag DHCOR-20025: 4.8m @ 3.6g/t Au & 19g/t Ag

Drilling continues with resource and potential drilling in the Corina vein and associated structures to the north east of the system.

#### San Jose

In the fourth quarter at San Jose, 9,433m of potential drilling was carried out in the Saavedra and Target Titan area and 2,361m of resource drilling was executed in the Betania and Isabel structures close to San Jose with early results below:

Vein	Results (potential/resource drilling)
Alina	SJD-2176: 1.2m @ 1.1g/t Au & 319g/t Ag
Ramal HVNX	SJD-2184: 1.2m @ 4.0g/t Au & 557g/t Ag SJD-2188: 1.3m @ 13.8g/t Au & 3,149g/t Ag
Betania (Saavedra)	SJD-2207: 4.0m @ 1.4g/t Au & 760g/t Ag
Isabel	SJD-2210: 1.6m @ 5.6g/t Au & 648g/t Ag SJD-2211: 1.6m @ 3.7g/t Au & 376g/t Ag
Luisa	SJD-2210: 0.9m @ 2.2/t Au & 722g/t Ag

During Q1 2021, 2,000m of resource drilling is planned at the Betania and Isabel veins with campaigns also continuing at the Telken zone close to Cerro Negro and at Aguas Vivas to the north west of San Jose.

#### Arcata

Following the early receipt of the exploration permit at Arcata, 5,022m was drilled in the Fatima, Tres Reyes and the West veins with selected results below:

Vein	Results (potential drilling)
Fatima	DDH-609-S20: 3.0m @ 1.4g/t Au & 760g/t Ag
Tres Reyes	DDH-611-S20: 1.3m @ 1.5g/t Au & 313g/t Ag
Jenny	DDH-611-S20: 0.9m @ 0.7g/t Au & 204g/t Ag

A further 3,000m of drilling is planned for the first quarter of 2021 at the Baja, Fatima and Tres Reyes veins.

#### Crespo

At the Crespo open pit project close to Arcata, 1,973m of potential drilling was carried out in the fourth quarter to confirm the lateral continuity of the orebody as well as a potential deepening of the breccia and testing of the surrounding colluvial deposits.

Target	Results (potential/resource drilling)
Lateral extension	DDH-CRE-2001: 26.2m @ 1.2g/t Au & 82g/t Ag
Extension at depth	DDH-CRE-2002: 16.5m @ 0.3g/t Au & 14g/t Ag DDH-CRE-2002: 12.8m @ 0.3g/t Au & 1g/t Ag

When the team returns in the second quarter after the rainy season, the programme will continue with 2,000m of drilling aimed at the extension and deepening of hydrothermal breccias and the colluvial deposits.

#### Financial position

Total cash was approximately \$231 million as at 31 December 2020 resulting in a net cash position of approximately \$21 million.

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*About Hochschild Mining PLC*

Hochschild Mining PLC is a leading precious metals company listed on the London Stock Exchange (HOCM.L / HOC LN) with a primary focus on the exploration, mining, processing and sale of silver and gold. Hochschild has over fifty years' experience in the mining of precious metal epithermal vein deposits and currently operates three underground epithermal vein mines, two located in southern Peru and one in southern Argentina. Hochschild also has numerous long-term projects throughout the Americas.

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*Forward looking statements*

*This announcement may contain forward looking statements. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results, performance or achievements of Hochschild Mining PLC may, for various reasons, be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.*

*The forward looking statements reflect knowledge and information available at the date of preparation of this announcement. Except as required by the Listing Rules and applicable law, the Board of Hochschild Mining PLC does not undertake any obligation to update or change any forward looking statements to reflect events occurring after the date of this announcement. Nothing in this announcement should be construed as a profit forecast.*

*This announcement contains information which prior to its release could be considered inside information.*

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