

RNS Number : 5336U
Hochschild Mining PLC
26 June 2009

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Hochschild to increase operational efficiency by converting Arcata's production to doré

- \$25-30 million investment to convert 100% of Arcata's production to doré
- Benefits of doré:
 - Maximises revenue by reducing commercial discounts
 - Lowers working capital requirements and selling expenses
 - Provides more stable commercial terms
- Supports Hochschild's strategy of producing profitable ounces

Hochschild Mining plc ("Hochschild") is pleased to announce a project to convert 100% of Arcata's production to doré. This initiative will improve operational efficiency, maximise revenue, lower working capital requirements and allow the Company to benefit from more stable commercial terms.

Arcata produced approximately 10.4 million silver equivalent ounces in 2008 which was sold in the form of concentrate to third parties for smelting and refining. By converting Arcata's concentrate to doré, Hochschild will maximise net revenue as commercial discounts for doré are significantly lower than the discounts applied to concentrate.

Arcata will also benefit from lower working capital requirements and greater certainty over its cashflow as the sales cycle for doré is shorter (10 days on a weighted average basis compared to 60 days for concentrate) and pricing is less volatile. In addition, selling expenses are expected to decrease as a result of lower transportation costs, handling and shipping expenses.

The facilities and equipment necessary to convert Arcata's concentrate to doré will be installed at Hochschild's Ares operation, which already produces doré and is located approximately 16 miles from Arcata. This will enable the Company to leverage the existing infrastructure at Ares and therefore reduce operational risk. The capital expenditure required to complete the project is expected to be in the region of \$25 - \$30 million with an approximate 2 year pay-back. The conversion is scheduled to be completed in the second half of

2010.

Following the conversion of Arcata, three of Hochschild's operations will produce 100% doré (Ares, Moris and Arcata). San José currently produces both doré and concentrate and Pallancata produces 100% concentrate.

Miguel Aramburú, Chief Executive Officer of Hochschild Mining plc, commented:

"The conversion of Arcata's production to doré is part of our strategy to maximise operational efficiency and produce profitable ounces. With 30% of our revenue currently generated from doré, this is a natural step for the Company and will lower working capital requirements, commercial discounts and selling expenses at Arcata and allow Hochschild to benefit from more stable commercial conditions."

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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 for Reuters / HOC LN for Bloomberg) with a primary focus on the exploration, mining, processing and sale of silver and gold. Hochschild currently operates five underground epithermal vein mines, four located in southern Peru, one in southern Argentina, one open pit mine in northern Mexico and numerous long-term prospects throughout the Americas. Hochschild has over forty years experience in the mining of precious metal epithermal vein deposits. For further information please visit www.hochschildmining.com.

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