



1 March 2022

Significant increase in mineral resources at Snip

Hochschild Mining PLC ("Hochschild" or "the Company") is pleased to announce an updated Mineral Resource Estimate ("MRE") for the Snip Gold Project ("Snip" or the "Project"), located in the Golden Triangle and in Tahltan Territory, of northwest British Columbia, Canada. Under the terms of its agreement with Skeena Resources Limited ("Skeena"), Hochschild is in the process of earning-in 60% of Skeena's interest in the Project and is the manager of operations. This represents the first MRE released by Hochschild with respect to the Project and follows the MRE prepared by Skeena in July 2020.

Ignacio Bustamante, Chief Executive Officer said:

"We are excited to be issuing an updated mineral resource estimate which reflects not only the 28,000 metres of drilling but also the application of Hochschild's standard approach to resource evaluation. Estimated indicated mineral resources have more than tripled while inferred resources have almost doubled compared to the 2020 estimate with grades at more than 10 grams per tonne. These results validate our decision to exercise the option to start earning-into the project and provide encouragement for the 2022 drill programme, which began earlier this month.

A Pre-Feasibility Study is expected to be completed by the end of the year. We would like to express our gratitude for the support we have received from the Tahltan Nation, the British Columbia Government, employees, contractors and suppliers during this initial period of transition."

Mineral Resource Estimate

The mineral resource estimate for the Snip Gold Project is reported at a 3.0 g/t Au cut-off in Table 1 and is effective as of 28 February 2022.

Table 1. Mineral Resource Estimate of the Snip Gold Project (see notes at the end of the release)

	Domain	Tonnes (000)	Contained Grade Au (g/t)	Contained Metal Au (000 oz)
Indicated Mineral Resources				
	Twin Main	2,383	10.6	810
	Twin West	117	7.8	30
Total Indicated		2,500	10.4	840
Inferred Mineral Resources				
	Twin Main	1,852	10.5	623
	Twin West	332	9.4	100
Total Inferred		2,184	10.3	723

The mineral resource update follows a drilling programme of 210 surface and underground diamond drill holes totaling 28,039m (see Table 2 and Figure 1). The MRE was completed by Hochschild and was reviewed and validated by Ginto Consulting Inc. ("Ginto").

Table 2. Summary of drilling campaigns

Programme	Year	No. of Holes	Length (m)
Historical	pre-1999	3,542	279,970
Skeena	2016	28	7,422
	2017	62	8,703
	2018	54	11,298
	2019	9	1,902
	2020	9	4,542
	2021	201	23,497

Note: The table shows only drillholes with complete laboratory results as of 15 January 2022

The geology model consisted of a model of gold mineralisation of the Twin and Twin West zones, as well as a model of the Biotite Spotted Unit ("BSU") that intrudes the mineralisation of the Twin Zone. The BSU was modeled as a barren dyke, which overprints the mineralized Twin Zone. Mineralized shear zones and mineralized vein intercepts were modeled in Leapfrog Geo® using the vein modeling tool at a 1.0 g/t Au threshold. The resulting model is composed of three main domains divided in 92 sub-domains.

Original gold assays were capped for high-grade outliers and then composited to 1.5m intervals. Basic statistics were performed on the main domains and it was observed that the gold grade populations of the high-grade domains were well behaved with coefficients of variation below 3.0. A variographic analysis was then carried out for each of the main domains in order to assess the continuity of the gold mineralisation. Greater gold grade continuity was noted to be along strike and down plunge.

Two block models were used to define the MRE of the Twin and Twin West zones. The block models are both orthogonal and defined on a 4m (X) x 4m (Y) x 6m (Z) parent block size, sub-blocked to 0.5m (X) x 0.5m (Y) x 0.5m (Z). Ordinary kriging was the grade interpolation method utilized to estimate gold grades with a search ellipsoid based on the variogram models. A set of 3 passes with increasing search sizes, and restrictions on the maximum number of composites per hole and the maximum number of composites per quadrant were part of the grade estimation strategy. The gold grade estimates were then assessed with various validation tests to ascertain the quality of the resulting estimates.

The mineral resource was first classified into indicated and inferred categories, based on the distance of the composites and the number of holes. A 40m buffer was drawn around the more recent holes, drilled from 2016 to 2021, where a minimum of 2 recent holes within the buffer were needed for the classification to remain as indicated. If this condition was not met, any originally defined indicated resources were downgraded to inferred. A final process consisted of smoothing the shapes of the indicated and inferred categories in order to provide a more continuous definition of the classification categories. The MRE was then depleted of the mined-out underground voids increased by a 1m surrounding buffer.

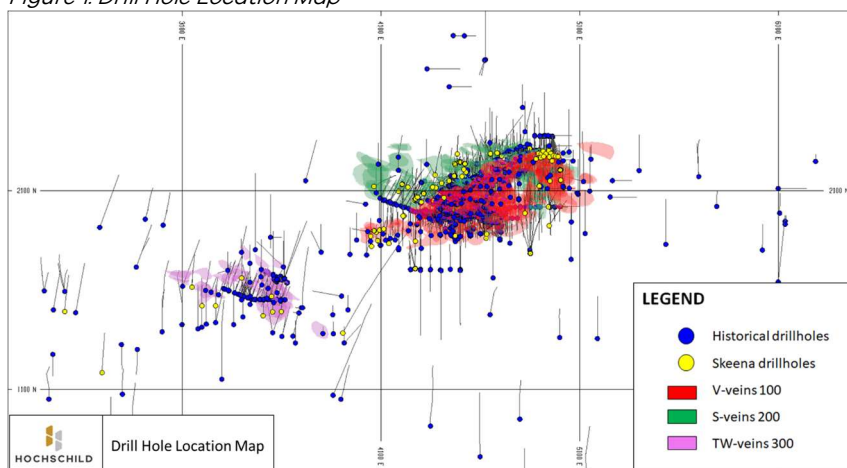
In order to conform to the "reasonable prospects of economic extraction" requirement of NI 43-101, all underground mineral resources not contiguous to the main deposit ("isolated blocks") were removed, and the remaining mineral resources were reported within the constraining shapes of the mineralized lodes at the economic cut-off grade of 3.0 g/t Au. Mineral resources in Skeena's 21 July 2020 MRE were reported at an economic cut-off grade of 2.5 g/t Au, contained within stope shapes.

Mineralisation

Most of the Snip deposit is hosted within a complex interbedded sequence of siltstone and greywacke units. The gold mineralisation is associated with several periods of deformation and syn-tectonic quartz and sulphide veining. Four types of gold mineralisation are recognized on the property: carbonate type, chlorite-biotite type, sulphide type, and quartz type.

A large portion of the gold mineralisation at Snip is found within the Twin Zone, an extensional shear vein system approximately trending east-west and dipping to the south at an average dip varying between 40° and 50°. The shear is intruded by a barren, post mineralisation mafic dyke, the Biotite Spotted Unit ("BSU") which divides the Twin Zone into two parts for most of its length. Veins in the hanging wall are termed V-veins while those in the footwall are S-veins. The other drill defined mineralized zone on the property is the Twin West Zone, located approximately 500m southwest of the Twin Zone. It is believed to be the continuation of the Twin Zone dextrally displaced by the northeasterly Monsoon Valley fault.

Figure 1. Drill Hole Location Map



2022 plans

In 2022, Hochschild plans on drilling approximately 10,000 metres from underground with approximately 70% of planned metres for infill and twin holes, and 30% for exploration.

A Pre-Feasibility Study will be undertaken during the year, using existing resources and results from the 2022 programme, to trade-off a series of mining and mineral processing opportunities identified at the project, and assess a potential project development route to move to a Feasibility Study.

Qualified Persons

The Independent and Qualified Person for the Snip MRE is Mr. Marc Jutras P.Eng., M.A.Sc., Principal, Mineral Resources, Ginto Consulting Inc. of Vancouver, Canada, who has reviewed, validated and approved the Snip MRE as well as the technical disclosure in this release. In accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects.

Terms of the option

In September 2018, Skeena granted Hochschild an option (the "HOC Option") to earn a 60% interest in Snip over three years by spending twice the amount Skeena had spent since it originally optioned the property from Barrick in March 2016. Up until the exercise of the option, Skeena estimated that it had incurred approximately C\$50 million of expenditure on the project. The exercise of the HOC Option was also subject to the following terms:

- Hochschild must incur no less than C\$7.5 million in exploration or development expenditures on Snip in each year of the Option Period (which, provided that Hochschild has incurred at least C\$22.5 million on the project, can be extended by a further year on payment of US\$1 million to Skeena);
- On complying with the above, Hochschild must provide 60% of the financial assurance required by governmental authorities for the Snip mining properties; and
- Hochschild can terminate the HOC Option at any time (with no liability to complete the aggregate spending requirement), but must make a cash payment for any shortfall in the minimum annual spend (or pro-rated minimum annual spend if terminated after the first anniversary of the notice exercising the HOC Option)
- The initial expenditure requirements of Skeena's agreement with Barrick Gold Inc. ("Barrick") were satisfied by Skeena in July 2017, at which time Skeena exercised its right to acquire all of Barrick's "right, title and interest in and to the Property and the Permits", subject to the retention by Barrick of a 51% Back-In Right exercisable upon definition of a Mineral Resource, or extraction from the property, of 2 million ounces of contained gold or gold equivalent and a 1% NSR Royalty. The Back-In Right is exercisable by Barrick on payment, to Skeena, of an amount equivalent to three times of the cumulative expenditure on the Project.

Notes to Table 1

1. *These mineral resources are not mineral reserves as they do not have demonstrated economic viability.*
2. *The mineral resources were carried out in accordance with the standards of the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy ("JORC" code 2012), the National Instrument 43-101 ("NI 43-101" code 2014) and the Canadian Institute of Mining and Metallurgy ("CIM") Best Practices Guidelines (2019).*
3. *A site visit was carried out by Mr. Marc Jutras, P.Eng., M.A.Sc., Principal, Mineral Resources, at Ginto Consulting Inc. between September 8 and September 11, 2021*
4. *Results are presented in situ and undiluted and considered to have reasonable prospects for economic extraction.*
5. *The mineral resource estimate is reported for an underground scenario at a cut-off grade of 3.0 g/t. The cut-off grade was calculated using a gold price of US\$ 1,800/oz, mining cost of US\$97.20/t, processing cost of US\$25.00/t; G&A cost of US\$ 24.70/t, metal recovery of 90%, selling cost of US\$ 90.00/oz, and a royalty cost of US\$18.00/oz*
6. *The number of tonnes and ounces were rounded to the nearest thousand.*
7. *Neither the Company, nor Ginto, is aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issues not reported that could materially affect the mineral resource estimate.*
8. *The mineral resource estimates are in total for the property and have not been adjusted to reflect the proportion attributable to Hochschild on the basis of their joint venture participation.*

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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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