



15 October 2021

### Hochschild Exercises Option Over Skeena Resources' Snip Gold Project

Hochschild Mining PLC ("Hochschild" or "the Company") (LSE: HOC) (OTCQX: HCHDF) is pleased to announce that it has exercised its option to start earning in to a 60% interest in the Snip gold project ("Snip", the "project" or "property") located in the Golden Triangle and in Tahltan Territory, British Columbia, Canada, and held by Skeena Resources Limited ("Skeena") (TSX: SKE, OTCQX: SKREF).

**Ignacio Bustamante, Chief Executive Officer said:**

*"We are pleased to exercise our option on the Snip project in Tahltan Territory, Canada. This represents a first step in our strategy to add another high-grade project with strong upside potential into our pipeline. We look forward to working with Skeena and building on their strong relationship with the Tahltan Nation."*

*Project description*

Snip, which was acquired by Skeena from Barrick Gold Corp. ("Barrick") in July 2017, consists of one mining lease and eight mineral claims totalling approximately 4,546 hectares in the Liard Mining Division and is situated in Tahltan Territory. The former Snip mine produced approximately one million ounces of gold from 1991 until 1999 at an average gold grade of 27.5 g/t. Since then, the project has been improved with the recent construction of nearby infrastructure (paved highway, hydro-electric facilities and ocean port facilities) and substantially higher gold prices.

Underground drilling recommenced in late 2017 to explore for additional mineralised shoots in a large shear structure. A maiden mineral resource was announced in July 2020 including 244,000 ounces of gold in the indicated category at an average grade of 14.0 g/t and 402,000 ounces of gold in the inferred category at an average grade of 13.3 g/t. A Technical Report was issued in September 2020.

Subsequent drill campaigns, totalling approximately 32,000 metres, successfully:

- upgraded areas of existing Inferred resources from the Mineral Resource Estimate to the Measured and Indicated categories;
- expanded the resource; and
- delineated additional mineralisation in previously unexplored areas of the near-mine environment.

Results from these drill campaigns are reported on Skeena's website in four news releases dated 27 April, 20 May, 7 July, and 4 August 2021.

Going forward, Hochschild plans on continuing these drill campaigns and initiating selected studies and testwork.

*Terms of the option*

In September 2018, Skeena granted Hochschild an option (the "HOC Option") to earn-in a 60% interest in Snip over three years (the "Option Period") by spending twice the amount Skeena had spent since it originally optioned the property from Barrick in March 2016 (the "Aggregate Spending Requirement").

To date, Skeena estimates that it has incurred approximately C\$50 million of expenditure on the project.<sup>1</sup>

The exercise of the HOC Option is 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).

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<sup>1</sup>Subject to confirmation

Project location



Additional information on the project can be found on Skeena's website at <https://skeenaresources.com/>

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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) and crosstrades on the OTCQX Best Market in the U.S. (HCHDF), 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.*

#### **Note**

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (Regulation (EU) No.596/2014). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

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