



10 March 2009

Hochschild signs letter of agreement to acquire Southwestern Resources and announces additional short term forward sales contract

Hochschild Mining plc ("Hochschild") is pleased to announce that it has signed a binding letter of agreement to acquire all the outstanding shares of Southwestern Resources Corp ("Southwestern") for a total cash consideration of US\$17.5 million or US\$0.39 per share. As at 30 September 2008, Southwestern had US\$15.9 million* in cash and cash equivalents and no long-term debt.

This is a strategic acquisition for Hochschild:

- Consolidation of Hochschild's position in one of its key operational clusters - Southwestern is a Canadian listed mineral exploration company with a number of gold, silver and base metals projects in southern Peru
- Enables the Group to leverage its existing infrastructure and knowledge of the regional geology (see map and description of projects in notes to editors)
- Acquisition includes remaining 50% of the Liam JV property, in which Hochschild acquired a 50% interest in August 2008 for US\$33.3 million. The 282,000 hectare land package is in close proximity to Hochschild's four existing operations; Arcata, Ares, Selene and Pallancata
- To date, 38 exploration projects have been identified at Liam. Under the existing Liam JV, Hochschild can earn an additional 20% of any individual precious metal project by producing a positive feasibility study and financing the costs to production. With 100% of Liam, Hochschild achieves full upside potential at the property
- Acquisition increases Hochschild's stake in the Pacapausa property to 80% (previously 30%). Pacapausa comprises 7,933 hectares of exploration concessions and is a potential satellite source of material for Hochschild's Pallancata operation
- The transaction also includes the Millo property (a 30% joint venture with Yamana) which is adjacent to Azuca, Hochschild's wholly owned project in southern Peru, located 80km from Arcata and Selene
- Southwestern also has three other early stage exploration projects: Cristo de los Andes, Antay and Alpacochoa, all located in southern Peru.

The transaction is subject to customary conditions, including the completion of due diligence by Hochschild and approval by Southwestern's shareholders. The parties have agreed to negotiate and use their best efforts to enter into a definite agreement by 23 March 2009. If completed, the transaction would represent a premium of 117% over the price on 6 March 2009. Hochschild believes that the transaction offers significant potential upside and further consolidates its strategic position in Peru.

Forward sales contract

Further to its statement of 21 January 2009, Hochschild has now sold forward a total of 10.7 million ounces of its 2009 silver equivalent production, comprised of 8.9 million ounces of silver at an average price of \$12.09 and 30 thousand ounces of gold at an average price of \$972. None of 2010's production has been sold forward and management does not plan to undertake any further forward sales contracts in 2009.

The decision to sell forward a portion of 2009 production was driven by the desire to have more stable cash flows which will fund operating capex and future M&A, similar to the acquisition announced today. Hochschild remains positive about the long term prospects for silver and gold but in light of current market conditions, believes that it is prudent to focus on cash preservation in the current financial year.

** using C\$/US\$ exchange rate at 30 September 2008*

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

"Hochschild has operated successfully in southern Peru for over 40 years and the acquisition of Southwestern will further strengthen our position in this key mining district. The acquisition supports our cluster consolidation strategy and will enable us to leverage our existing infrastructure and knowledge of the regional geology."

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Notes to editors:

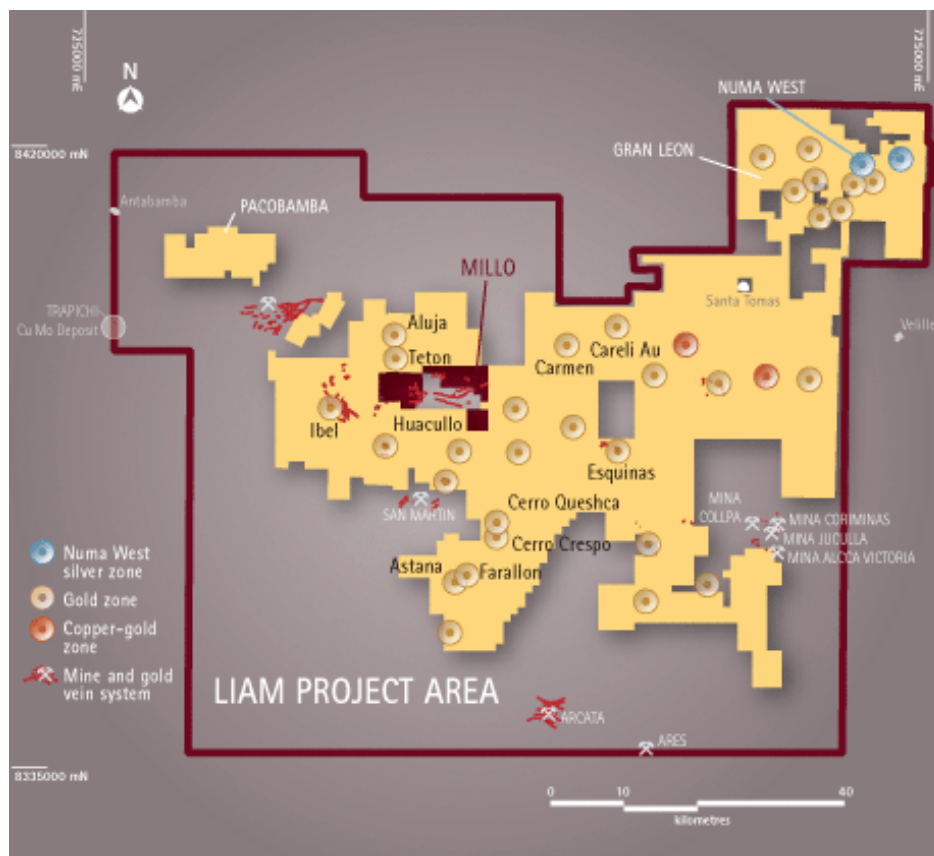
Southwestern is a Vancouver-based mineral exploration company engaged in the identification, acquisition, evaluation and exploration of gold, silver and base metals mineral properties. The Company has a number of significant projects, including the Liam gold-silver project in Peru. Southwestern is a reporting issuer in British Columbia, Alberta, Manitoba, and Ontario and trades on the Toronto Stock Exchange under the symbol SWG.

Liam JV

In August 2008, Hochschild acquired a 50% interest in the Liam Regional Joint Venture ("Liam JV") from Newmont Peru SRL and Newmont Mining Peru Limited, both subsidiaries of Newmont Mining Corporation, for a total cash consideration of \$33.3 million. The transaction was funded entirely through existing cash.

The Liam JV consists of over 282,000 hectares in the Tertiary Volcanic Belt of southern Peru, a region with significant mineral potential approximately 170 kilometres northwest of Arequipa. It is currently one of the largest single claim blocks in Peru and is in close proximity to Hochschild's four existing operations; Arcata, Ares, Selene and Pallancata.

To date, 38 exploration prospects have been identified and evaluated in the Liam project area, nine of which have been drilled and include both high and low sulphidation veins. Generative exploration was carried out in several areas of the property in 2007 and resulted in a number of new, encouraging prospects. Of particular importance are the Cerro Crespo/Queshca, Aluja, Huacullo, Farallon and Astana projects, details below.



Cerro Crespo/Cerro Queshca

Cerro Crespo/Cerro Queshca is composed of multiple zones of high sulphidation gold and silver mineralization hosted in the tertiary volcanic rocks and associated with volcanic and hydrothermal breccias. Eighty eight holes have been drilled for a total of 13,735 metres. Both silver dominant and gold dominant disseminated zones were discovered with higher-grade mineralization associated with late, cross-cutting limonite and barite rich hydrothermal breccias.

Cerro Crespo is a prominent mountain composed of massive and vuggy silica and silica-alunite alteration. The mineralization is oxidized to a depth of over 200 metres. The cross-cutting breccias commonly carry high-grade silver with grades greater than 1,000 grams per tonne. Block modeling and metallurgical testing at Cerro Crespo has demonstrated that the deposit could be mined by open-pit methods at a very low strip-ratio and is amenable to low-cost heap-leach processing. Economic studies to advance the project to production are underway. Additional development drilling and metallurgical testing to optimize recoveries is planned.

Aluja

Aluja is a strongly developed high-sulphidation system that covers 2.0 x 1.5 kilometres. Aluja consists of both mineralized and oxidized silica alteration zones exposed on the surface and also large areas of upper level, vapour-phase derived, granular silica which suggests preservation of possible mineralized zones at depth. Rock chip samples collected on the project total 2,312. Thirty-five samples were collected from silicified structures and cross-cutting breccias and contain from 404 to 54,600 parts per billion gold, with 10 of those samples containing greater than 1000 parts per billion.

One hundred and forty-nine samples were collected from upper level alteration phases and contain from 50 to 394 parts per billion gold. Nine holes were drilled in 2007 and modest widths or grades of mineralization were intersected, such as 21.0 metres grading 1.37 grams per tonne gold and 1.5 metres grading 2.79 grams per tonne gold. Much of the alteration at Aluja remains un-drill tested and a new evaluation of the data is planned to remodel the targets and generate new targets for possible future drilling.

Huacullo

The Huacullo area is comprised of multiple, epithermal, low sulphidation veins and vein/breccia zones trending in a northwest-southeast direction. The largest of these zones extends for two kilometres and varies from one to 20 metres in width. Vein textures and trace element signatures are similar to veins being mined in the nearby Aracata district. Thirteen holes have been drilled in two phases on this project to test five different vein systems. Several significant vein intersections have been made, including: 1.05 metres grading 22.4 grams per tonne gold and 70.60 grams per tonne silver; 1.65 metres grading 133.5 grams per tonne silver and 1.35 grams per tonne gold and 0.45 metres grading 144 grams per tonne silver and 3.18 grams per tonne gold. Results of drilling have shown that some of the grades of the vein systems are increasing dramatically at depth.

Farallon and Astana

Both of these closely located projects contain significant potential for economic mineralization. Both disseminated low-sulphidation (Round Mountain-style) gold – silver and high sulphidation gold systems are present. Twenty-six holes have been completed on three different target areas. Drill results that indicate potentially significant gold mineralization include: 102.0 metres grading 0.84 grams per tonne, 68.5 metres grading 0.47 grams per tonne and 44.6 metres grading 0.43 grams per tonne. The mineralization at Astana remains open to the south and east. Detailed data modeling and evaluation is underway to determine if additional drilling is warranted in 2009 to advance these prospects to production decision points.

Pacapausa

Pacapausa is a gold and silver exploration property covering 7,933 hectares in southern Peru. Pacapausa is located between Hochschild's Explorador and Selene silver mines to the north and the Pallancata silver property (jointly owned by International Minerals and Hochschild) being advanced to production to the south. This project is owned by Minas Pacapausa (S.A.C). Southwestern and a company jointly owned by International Minerals Corp. and Hochschild Mining each own 50% of Minas Pacapausa.

Targets at Pacapausa include low-sulphidation epithermal silver and gold vein systems and possibly high sulphidation gold mineralization. In excess of 2,000 rock chip samples have been collected on the property. Of 261 vein samples on the project, silver values range from 33 to 2,309 grams per tonne, with 147 samples containing over 100 grams per tonne silver. Gold results from 191 samples from various veins and alteration zones on the property range from 301 to 23,400 parts per billion, with 47 samples containing over 1,000 parts per billion gold. A 4.3 metre channel sample from a stockwork zone adjacent to a vein zone returned 148 grams per tonne silver and 2.3 grams per tonne gold. A 2,000-metre drill program completed in 2007 was followed in 2008 by additional fieldwork to evaluate the entire property for additional targets.



Millo

Millo is located 130 kilometres southwest of Cusco, Peru. The project is 100% owned by Southwestern; and Yamana Gold Inc. is earning a 70% interest by funding all exploration costs through the completion of a pre-feasibility study. Yamana operates the project.

A first phase drilling program was completed in 2006 on three low-sulphidation epithermal vein systems at La Española. Several exceptional intersections include 20.3 metres grading 317 grams per tonne silver and 2.65 grams per tonne gold, and 17.1 metres grading 162 grams per tonne silver and 1.8 grams per tonne gold. A second phase drill program was completed in 2007, and nine of the 15 holes were drilled to follow up on two of the three vein systems tested in 2006. The remaining six holes tested a high sulphidation system, other vein systems and follow-up drilling at La Española. A total of 20 drill holes (totalling 5,123 metres) has now outlined several low-sulphidation epithermal vein systems at La Española, some up to 3.5 kilometres long, which contain variable widths of significant gold and silver.

A third phase drilling program of 2798.90 metres was completed in 2008 to test for extensions and vein continuity of the known mineralization at La Española and to conduct first pass drilling at the Azucar epithermal vein area.

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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 and one in southern Argentina and one open pit mine in northern Mexico. Hochschild also has over sixteen 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

Certain statements in this announcement are or may be forward looking statements regarding Hochschild Mining plc's financial position and results, business strategy, production, plans and objectives. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the Group's control. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. Except as required by applicable law or regulation, the Group does not undertake any obligation to update or change any forward-looking statements contained in this announcement or any other forward-looking statement it may make.

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