



# Hochschild Mining PLC

Interim Results 2024

28 August 2024



# Disclaimer

*Some statements contained in this presentation or in documents referred to in it are or may be forward-looking statements. Any forward-looking information contained in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. Accordingly, actual results may vary or differ from those expressed in such statements, depending on a variety of factors. Forward-looking statements speak only as of the date on which they are made. Hochschild Mining plc undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

*Past performance of the Company or its shares cannot be relied on as a guide to future performance. Nothing in this presentation is to be construed as a profit forecast.*

*This presentation has been prepared solely for informational purposes and does not constitute, or form part of or contain any invitation or offer to any person to underwrite, subscribe for, otherwise acquire, or dispose of any securities issued by Hochschild Mining plc (or any subsidiary thereof) or advise persons to do so in any jurisdiction, nor shall it, or any part of it, form the basis of or be relied on in any connection with or act as an inducement to enter into any contract or commitment therefore. The information herein is only a summary, does not purport to be complete and has not been independently verified. No representation or warranty, either express or implied, is made as to, and no reliance may be placed for any purpose whatsoever on the information or opinions contained in this document or on its accuracy or completeness and no liability whatsoever is accepted for any loss howsoever arising from any use of this document or its contents otherwise in connection therewith.*

*This presentation has been prepared in compliance with English law and English courts will have exclusive jurisdiction over any disputes arising from or connected with this presentation.*



# HI 2024 Key takeaways:

Focused on the core business, increasing production, lowering costs

## ESG

- Strong ESG performance has continued into 2024

## Rapidly improving financial performance

- Revenue up 25% to \$392m
- Adj. EBITDA up 79% to \$178m
- EPS up 2500% to \$0.10
- AISC of \$1,510/oz: lower end of FY 2024 guidance

## Growth

- Mara Rosa mine (Brazil): ramped up
- Monte Do Carmo project (Brazil) – option secured
- Royropata project (Peru) – progressing permitting

## Capital discipline

- Cash: \$89m
- Net debt: \$271m
- Focused on debt repayment, growth & capital return



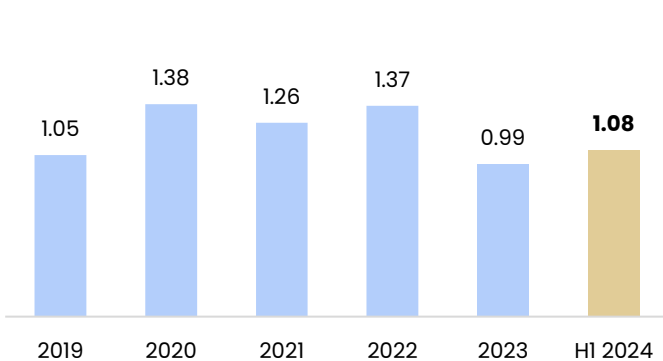


# ESG: Continued strong performance across all key metrics

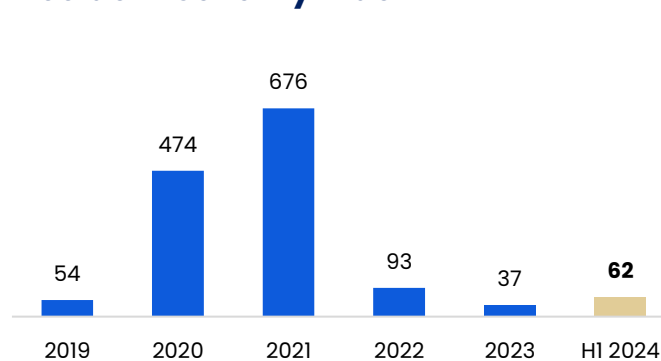
- Safety results
  - Lost Time Injury Frequency Rate : 1.09
  - Accident Severity Index: 62
- Best environmental performance since KPI inception
  - ECO score: 5.85 out of 6
  - Potable water consumption decreased from 163 to 136l/person/day
- Increased total local workforce to 61%
- Local procurement increased from 17% to 23%



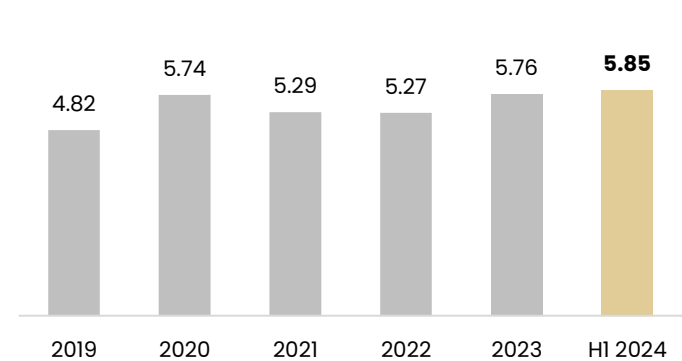
**LTIFR**



**Accident Severity Index**



**ECO score**





# Hochschild Mining PLC

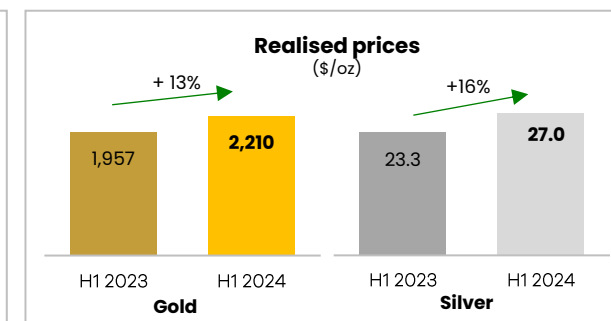
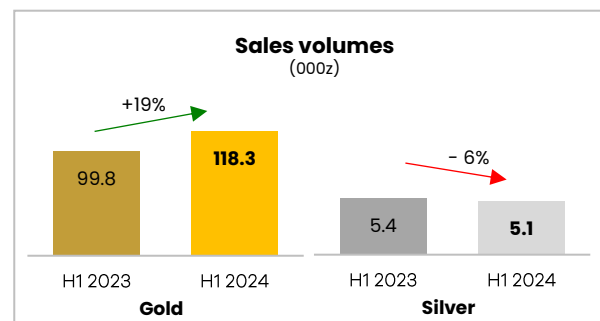
H1 2024 Financials

Eduardo Noriega, CFO



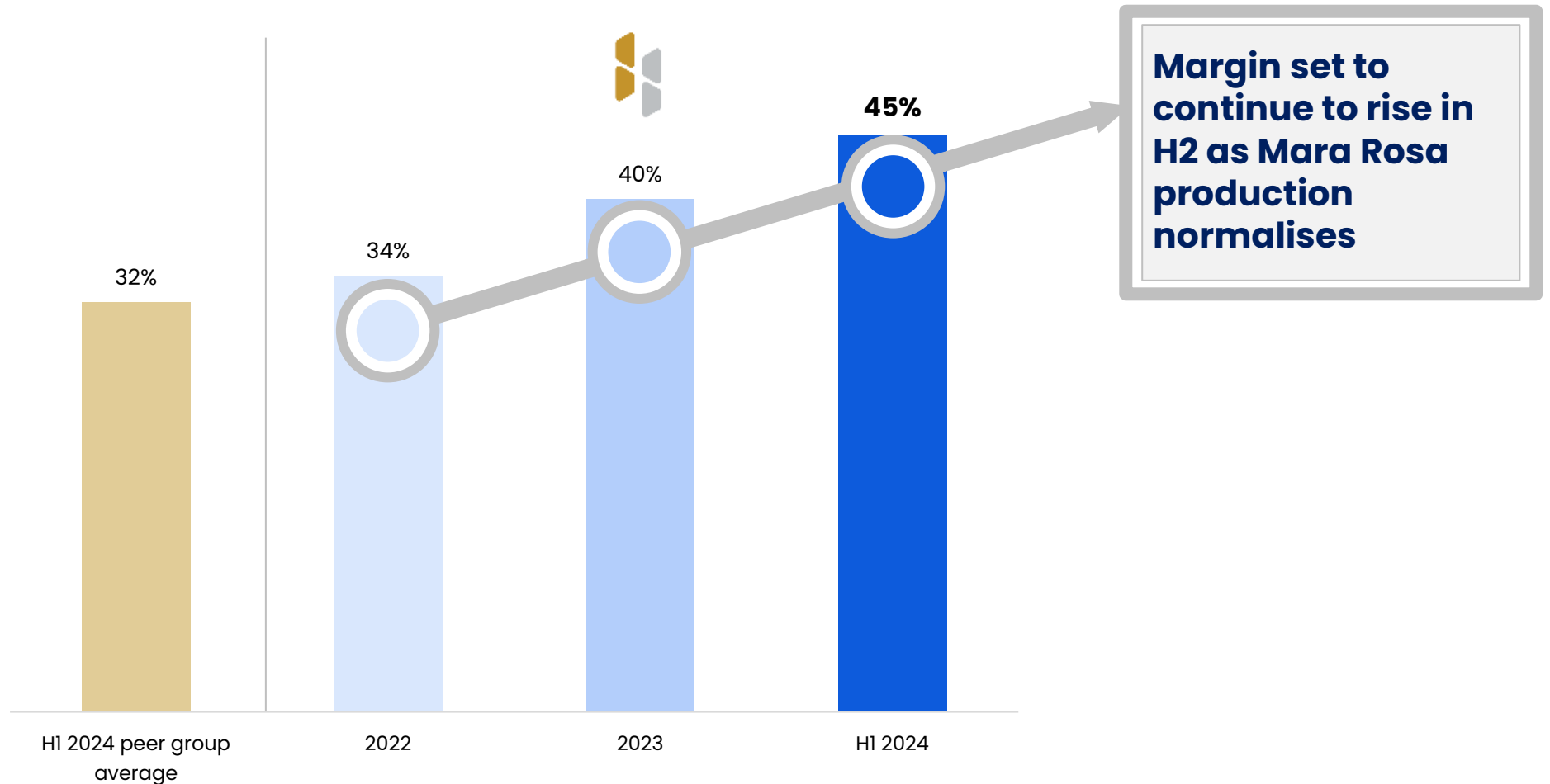
\$m (pre-excep)	H1 2024	H1 2023	variation
<b>Revenue</b>	<b>391.7</b>	<b>314.0</b>	<b>77.7</b>
Cost of sales	(248.1)	(250.9)	2.8
<b>Gross profit</b>	<b>143.6</b>	<b>63.2</b>	<b>80.4</b>
Administrative exp.	(23.6)	(20.9)	(2.7)
Selling exp.	(7.6)	(6.9)	(0.7)
Exploration exp.	(13.5)	(11.5)	(2.0)
Others net	(2.6)	(9.6)	7.0
<b>Operating income</b>	<b>96.3</b>	<b>14.2</b>	<b>82.1</b>
Share in associate	(0.7)	(0.8)	0.1
Net interest	(7.9)	(8.4)	0.5
FX loss	(4.6)	(4.3)	(0.3)
<b>PBT</b>	<b>83.1</b>	<b>0.8</b>	<b>82.3</b>
Tax	(19.1)	(5.1)	(14.0)
<b>Net profit</b>	<b>64.0</b>	<b>(4.4)</b>	<b>68.4</b>
<b>Attrib. net profit</b>	<b>52.1</b>	<b>(1.9)</b>	<b>54.0</b>
<b>EPS</b>	<b>0.10</b>	<b>(0.004)</b>	<b>0.104</b>
<b>Adjusted EBITDA</b>	<b>177.1</b>	<b>99.5</b>	<b>77.6</b>

- Revenue 25% higher than H1 2024:
  - First contribution from Mara Rosa
  - More normal production period at Inmaculada after permit-impacted H1 2023



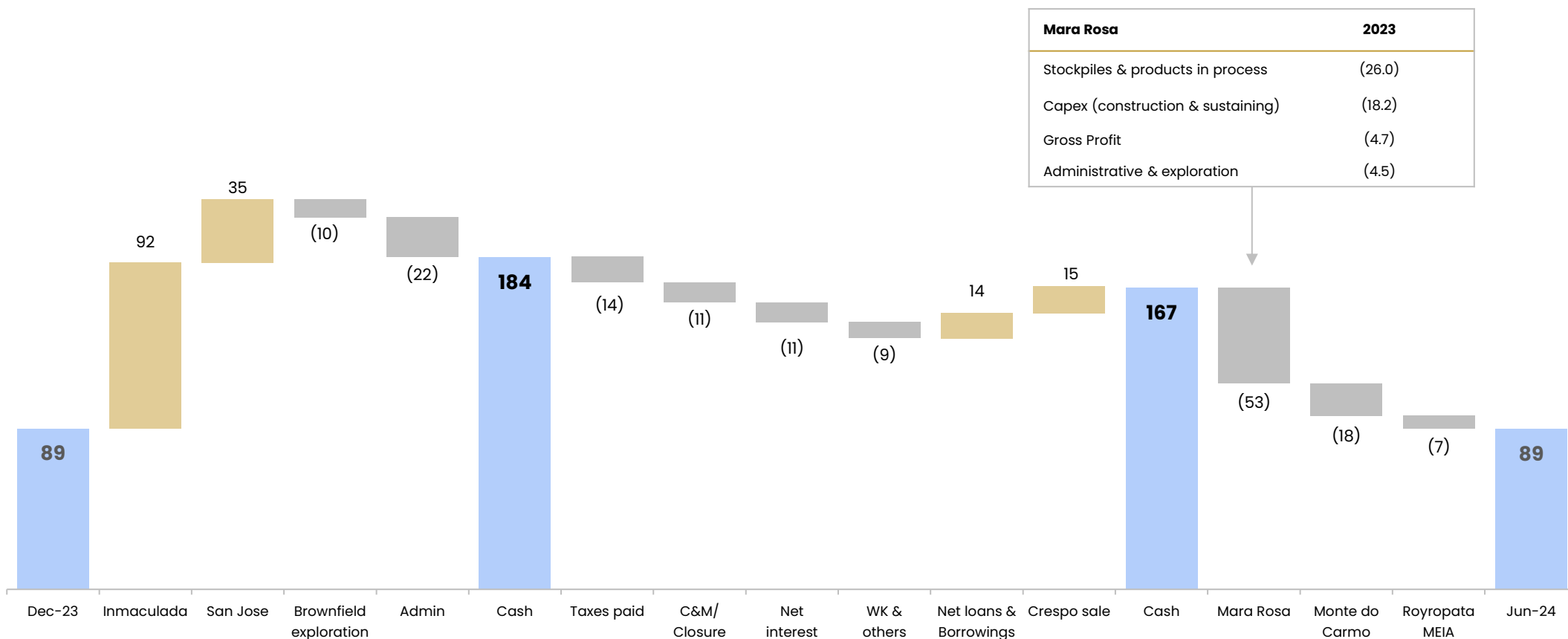
- Cost of sales fell 1%:
  - Lower cost from production mix (Mara Rosa 2024 vs Pallancata 2023)
  - Slightly lower D&A
- Administrative: higher personel bonus provision and Brasil corporate expenses
- Exploration higher: normalised brownfield drilling at Inmaculada vs H1 2023 delays
- Net interest higher:
  - Gain on high interest rates and money market funds in Argentina
  - Partially offset by higher average debt to build Mara Rosa and higher interest rates
- FX Loss: impact of Argentinian & Brazilian currency devaluation on monetary assets
- Effective income tax rate of 23% includes:
  - FX impact on deferred income tax mainly Argentina (+\$8.7m)
  - Other adjustments to the deferred tax in Brasil (+\$3.7m)
  - Special Mining Tax/Royalties in Peru (-\$6.3m)
- Exceptional items: Azuca impairment net of taxes (-\$12.5m)

# EBITDA margin improvement





# Balance sheet: evolution of H1 2024 cash balance

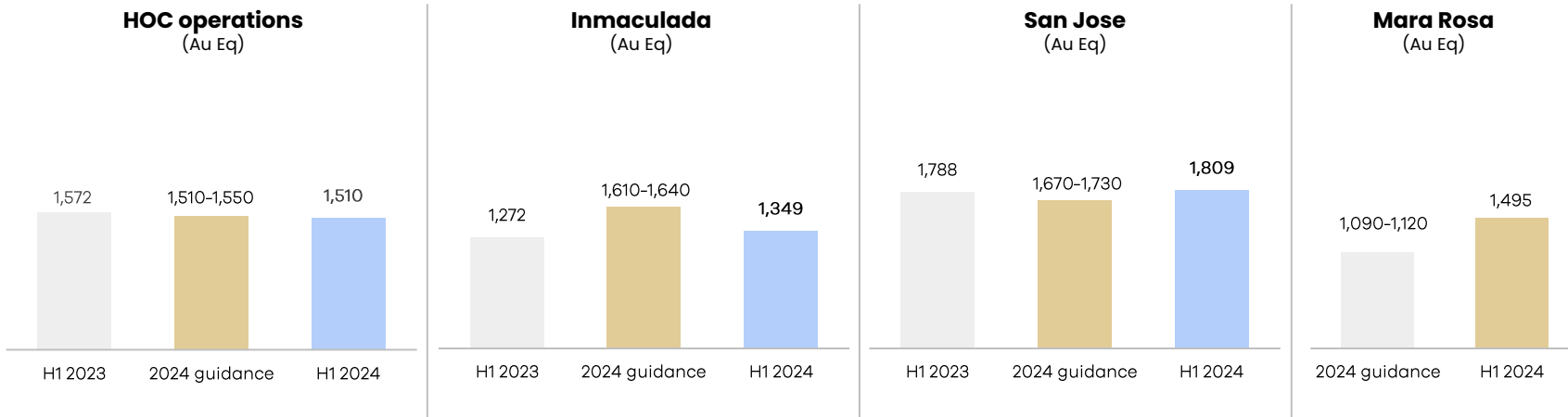




# Costs



## All-in sustaining costs (\$/oz)



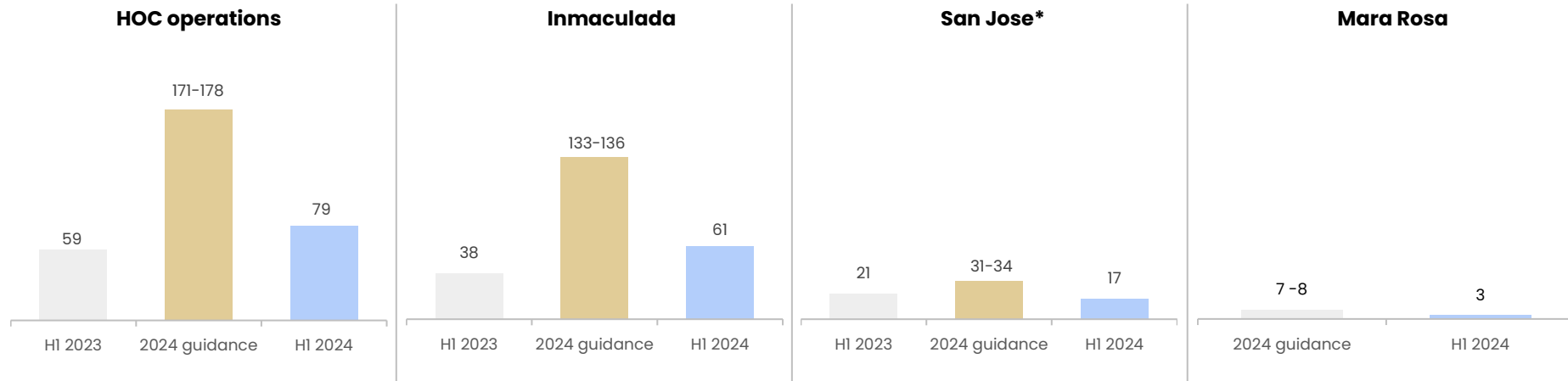
## AISC moderately lower than H1 2023 and in line with 2024 FY guidance:

- Inmaculada:
  - Higher cost vs H1 2023 due to scheduled catch-up in deferred mine development and tailings dam capex resulting from 2023 MEIA delay
  - 2024 includes higher grades, higher recoveries, and cost savings from optimization initiatives
  - Lower costs vs guidance due to higher production and temporary lower capex - to be spent in H2 to complete tailings dam expenses and reverse osmosis plant
- San Jose:
  - Slightly higher cost versus H1 2023, mainly due to local inflation and marginally lower grades
  - AISC is expected to be in line with 2024 guidance
- Mara Rosa:
  - Higher vs guidance reflecting commissioning/ramp-up phase and slight delay in reaching commercial production (mid-May)
  - Costs are expected to fall in H2

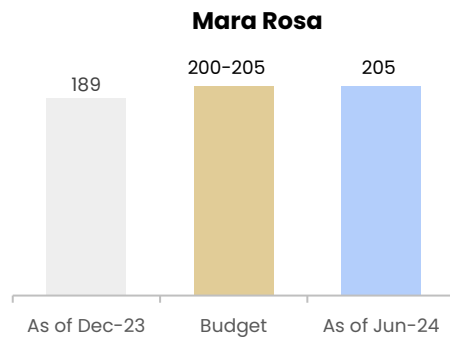


# Capital Expenditure

## Sustaining and development capex (\$m)



## Project capex (\$m)



### On track to meet 2024 guidance:

- Inmaculada:
  - Higher vs H1 2023 due to deferred development capex & higher expenses due to tailings dam capacity increase
  - H1 2024: temporary lower capex to be spent in H2 (tailings dam & reverse osmosis plant)
- San Jose:
  - Lower vs H1 2023 due to lower mine development & lower equipment purchases
  - 2024 does not include project capex of \$9m to increase plant capacity
- Mara Rosa:
  - Sustaining capex figure includes \$1.3m on Mara Rosa & \$0.8m on aggregates project

### Mara Rosa construction capex in line with budget

\* Not included: \$1.2m of capitalized depreciation and \$1.0m of plant capacity increase



# Exploration expenditure

- Higher Inmaculada exploration due to MEIA delays in H1 2023
- Higher Pallancata expense due to Royropata exploration work
- Recent exploration in Monte do Carmo

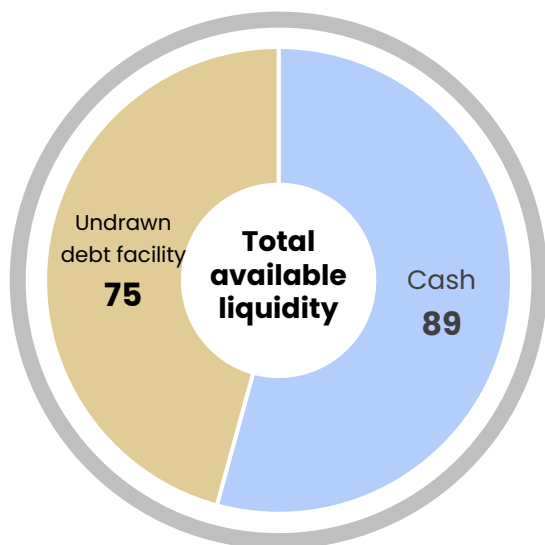


Operation	H1 2024	H1 2023
<b>Mine Site Exploration</b>		
Inmaculada	2.2	0.4
Pallancata	1.3	0.6
San Jose	4.5	4.2
Other	0.3	0.5
<b>Sub-total</b>	<b>8.3</b>	<b>5.7</b>
Prospects & Generative	3.5	3.3
Personnel & other	2.6	2.9
<b>TOTAL</b>	<b>14.4</b>	<b>11.9</b>
Opex	13.5	11.5
Capex	0.9	0.4

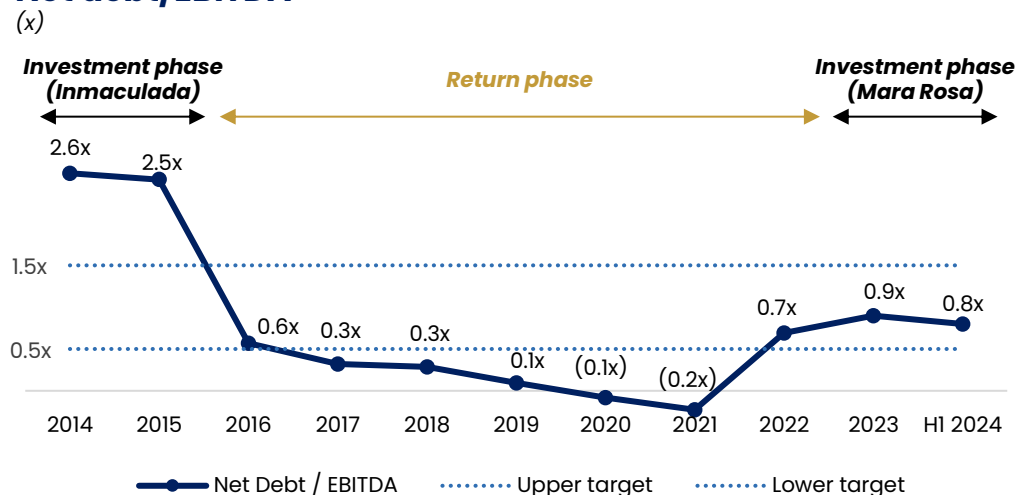


# Financial flexibility to fund investment and capital returns

- Cash: \$89m
- Total debt: \$360m
  - \$300m facility: SOFR 3m + 1.9%, \$225m balance, \$25m quarterly amortizations from Dec 2023
  - \$200m facility: SOFR 3m + 2.1%, \$125m balance, quarterly amortizations from Feb 2025
- Net debt: \$271m
- Net debt/EBITDA: 0.8x
  - Targeting 0.5-1.5x through the cycle
- Hedges in place to protect cashflows
- Capital return to be reevaluated at FY 2024 Results



## Net debt/EBITDA



## Hedges

(\$m)

Koz Au/yr	Price (\$/oz)	Yr	Country
100	2,000-2,252*	2024	Peru
60	2,000-2,417*	2025	Peru
27.6	2,100	2024	Brazil
50	2,117	2025	Brazil
50	2,167	2026	Brazil
50	2,206	2027	Brazil



# Hochschild Mining PLC

## Strategy

Eduardo Landin, CEO

# Hochschild strategy for delivery and growth

## **Brownfield**

Generating long-term value  
Extending LOM  
Focused on mineable resources

## **Operational efficiency**

Lean philosophy  
Process optimisation  
Proven development record  
On Time On Budget

## **ESG**

Driving responsibility & respect  
World class safety performance  
2030 ESG KPI's in place  
Net zero by 2050

## **Disciplined capital allocation**

Funding organic growth  
Debt repayment  
Capital return  
Value accretive M&A

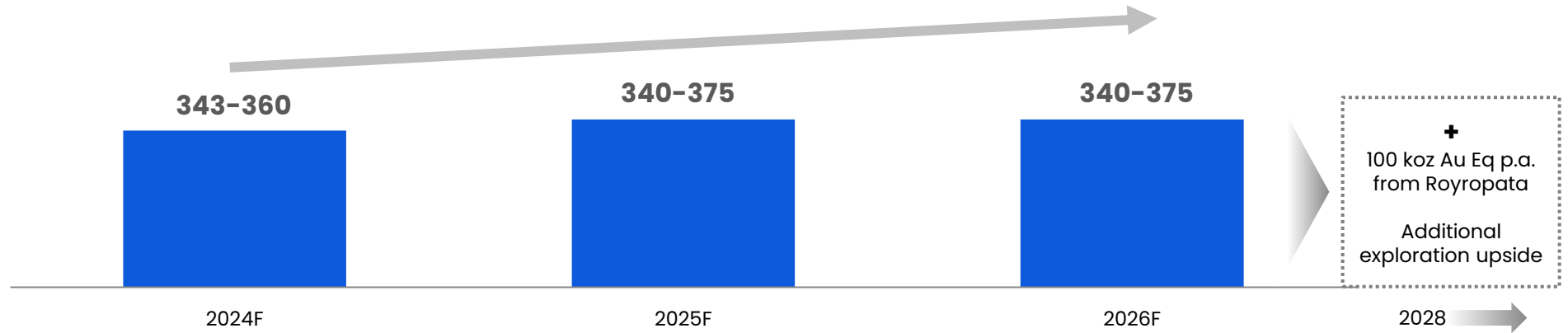




# Production set to rise and costs set to fall

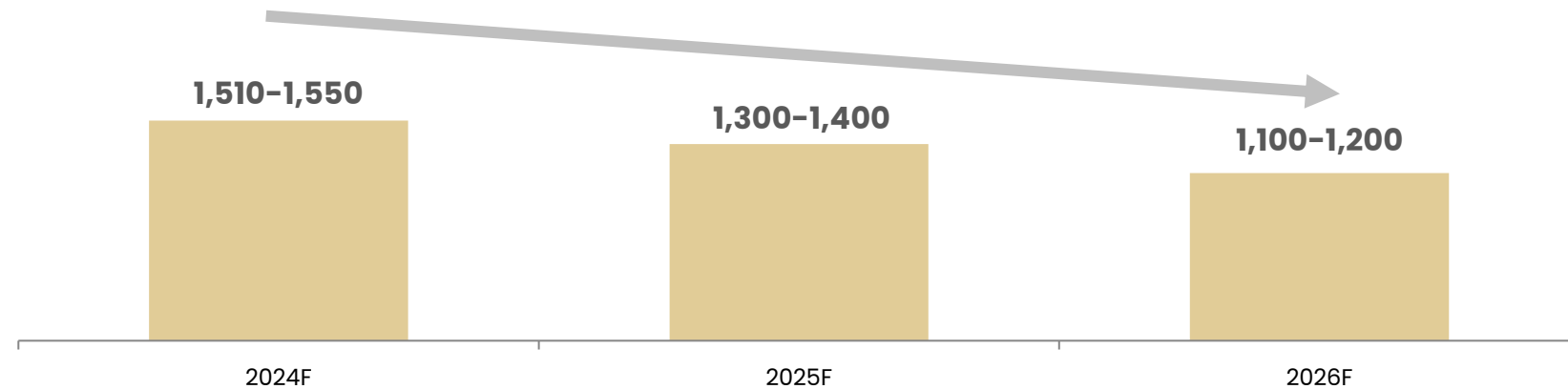
## Attributable production

(koz Au Eq\*)



## All-in sustaining costs\*\*

(\$/oz Au Eq\*)



\*Using gold/silver ratio of 83:1 to convert silver to gold equivalent  
\*\*2025 and 2026 AISC do not include exploration expenses  
\*\*\*Temporary capex impact from MEIA delay of \$45m in Inmaculada



# Inmaculada: beating expectations in 2024

- Project ongoing to increase extracted tonnage
- Initiatives:
  - Ventilation
  - Mine support
  - Incorporating marginal cut-off grades
  - Shift change optimisation
  - Ore-control
  - Blasting length
- Production expected to be above 2024 guidance
- \$45m capex deferrals from 2022/2023 delays:
  - TSF expansion
  - Waste rock facilities
  - Reverse osmosis plant
  - Mine development







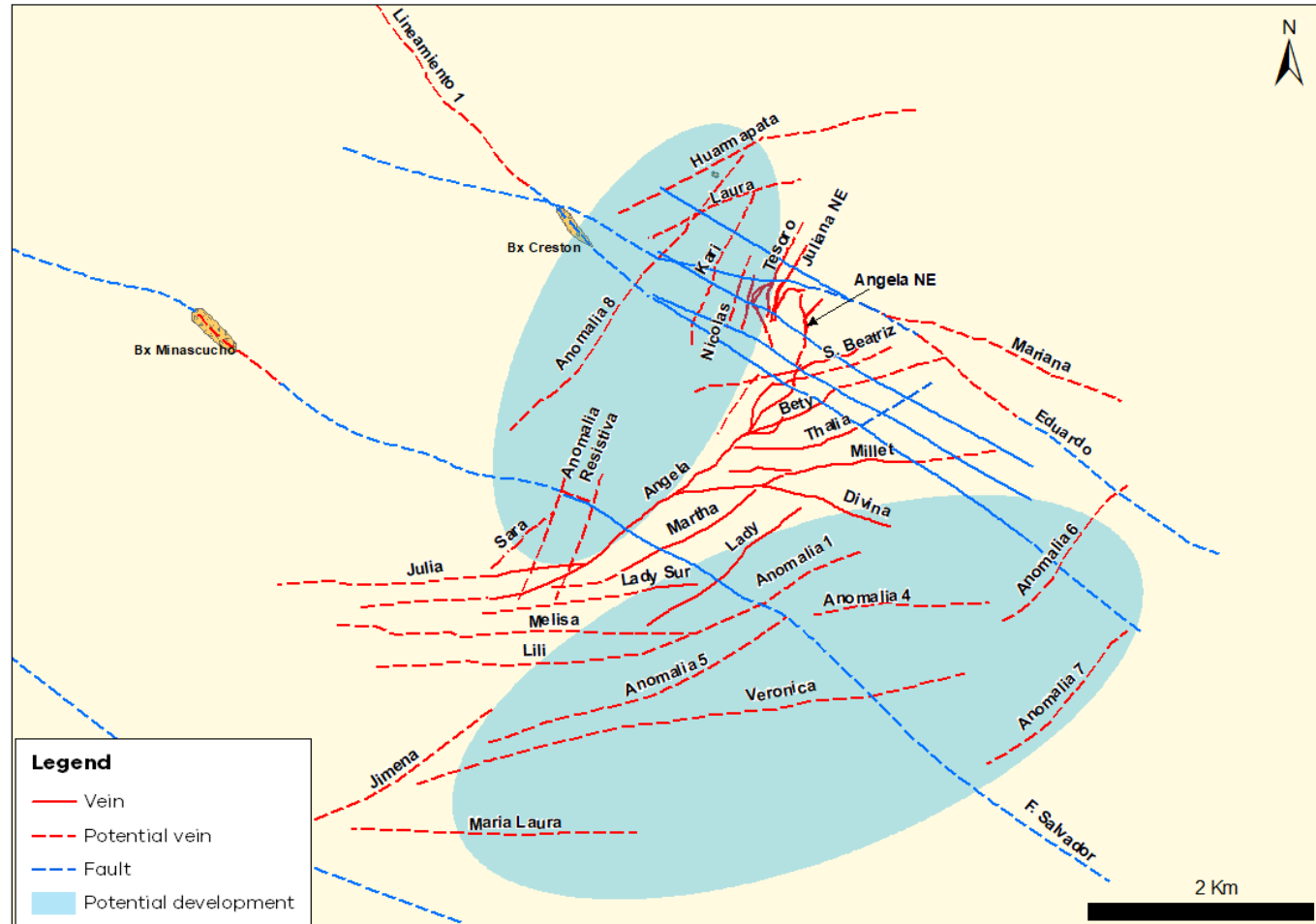
# Inmaculada: brownfield programme progressing well

## 2024 drilling

- Drilling in Tesoro, Nicolas & Kari veins
- Aiming to add 0.7-0.85moz Au Eq
- Drilling for potential in Laura, Angela NE, S. Beatriz

## Brownfield exploration:

- Short-term priority to maximize LOM
- 4yr plan to add 0.5-0.6moz Au Eq@ +500g/t p.a



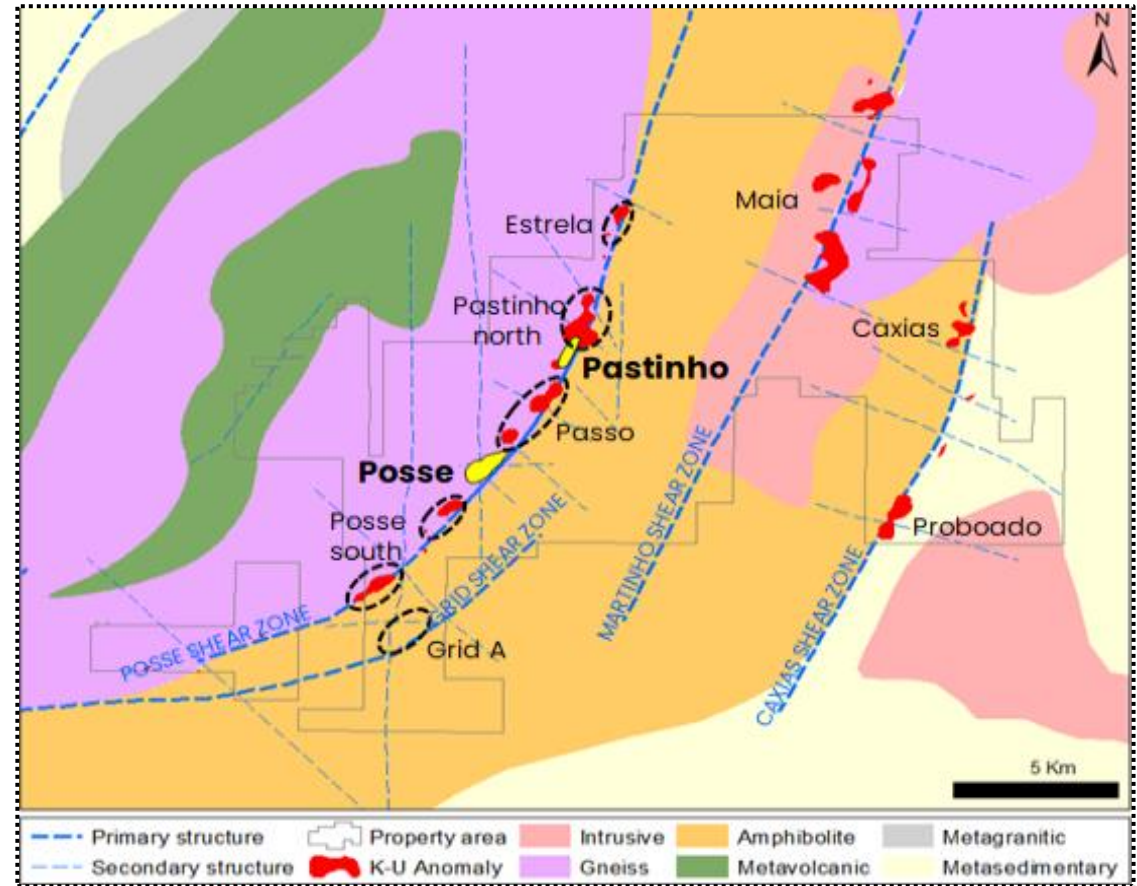
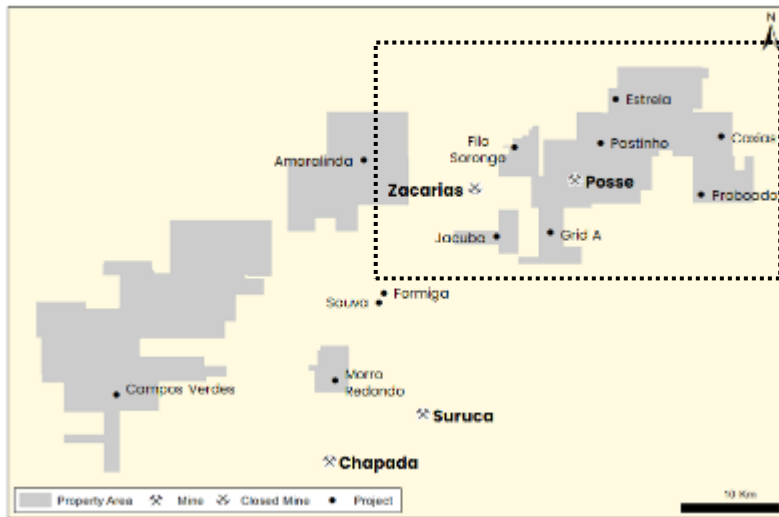


# Mara Rosa: in commercial production

- Project completed on time and on budget
- Production currently running behind 2024 guidance:
  - Mechanical availability in plant
  - Mine extraction delays
- Ongoing solutions being implemented
- 2024 guidance expected to be updated at Q3 production results
- Optimisation/exploration opportunities identified to extend LOM & improve economics
- Potential to increase plant capacity



# Mara Rosa: Near-mine programmes in place to discover another +1m Au oz resources by 2030



## Key areas of drilling:

- 2024: Drilling at Posse belt to add new resources below open pit
- Posse Shear Zone
  - Posse South–Passo–Pastinho North
- Martinho Shear Zone
  - Maia
- Caxias Shear Zone
  - Caxias–Proboado



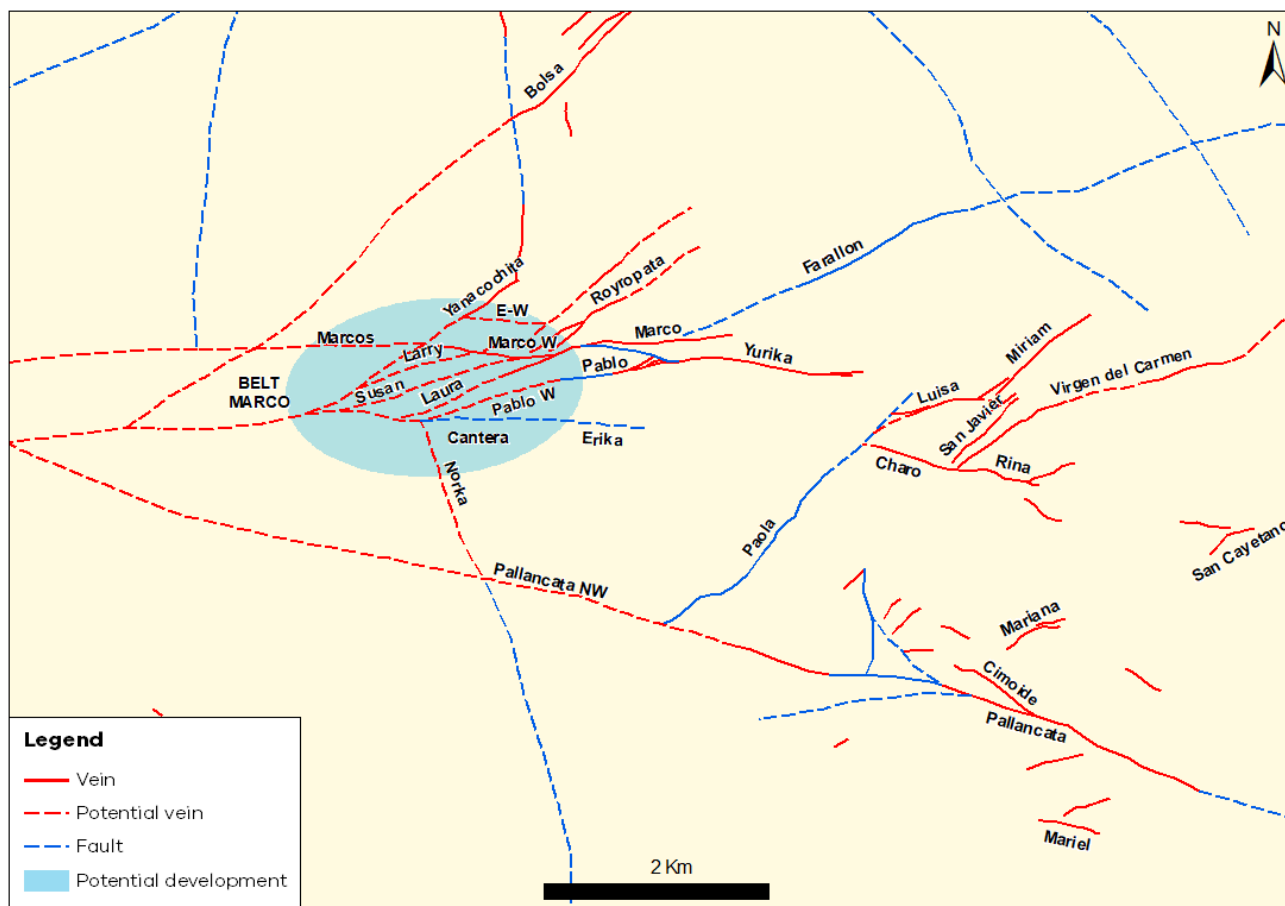
# Drilling to add further ounces in wider Pallancata area

## Near-mine exploration:

- Infill drilling Marco vein extension to add 30-35moz AgEq
- Also drilling for potential at Pablo, Cantera & Erika vein extensions

## Key areas of drilling (2024-2027)

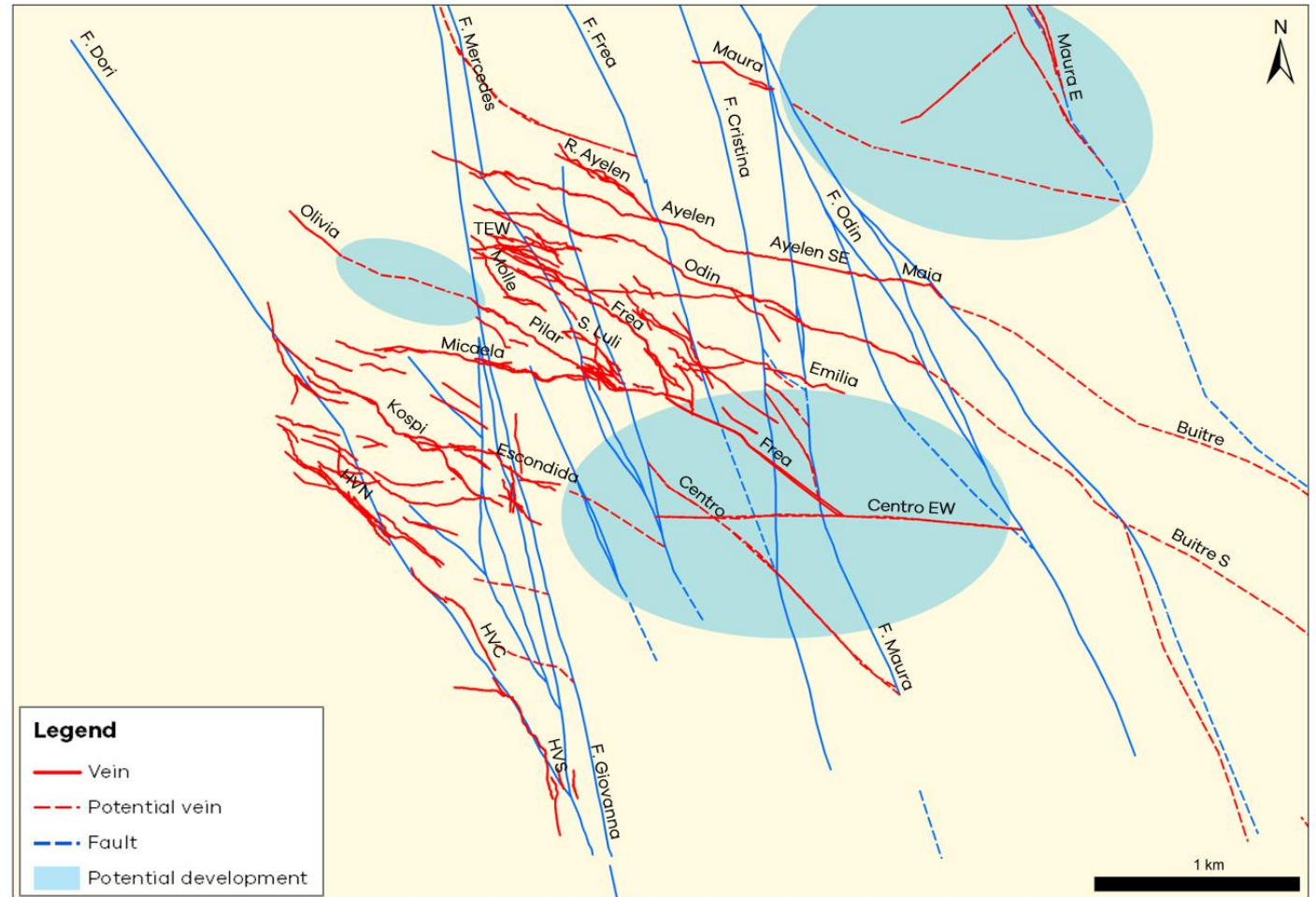
- Royropata Belt
  - Marco extension
- Pacapausa system
  - Pacapausa-Alizze
- Pallancata
  - Pallancata NW
- Bolsa system
  - Yanacochita/Bolsa



# Replacing resources at San Jose

## Near-mine exploration:

- Near-mine drilling at Frea, Odin & Maura veins to replace resources
- Testing continuity of Pilar vein
- Expecting to drill in the wider district at El Retiro & Telken Norte (close to Cerro Negro)





# Monte do Carmo option secured

## Asset highlights

- Option acquired for \$15m for 100% of Cerrado Gold's Monte Do Carmo Project
- Located in mining-friendly Tocantins state next to Goiás – potential synergies with Mara Rosa
- Feasibility stage open pit/underground gold project with strong exploration upside
- Permitting substantially advanced
- Excellent infrastructure – paved highway & hydropower plant
- Current work: resource drilling, reviews of basic engineering/capex, metallurgy, water balance work



### Reserves & Resources

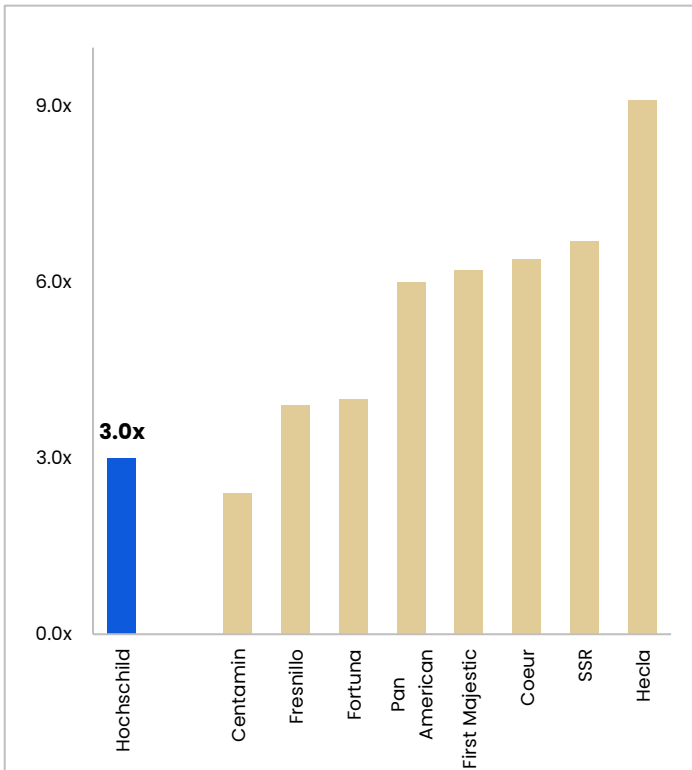
Reserves & Resources	Tonnes (Mt)	Au (g/t)	Au (koz)
<i>Open Pit</i>			
P&P Reserves	14.3	1.62	746
M&I Resources	1.0	2.14	1,200
Inferred Resources	0.1	0.52	1.7
<b>Total</b>	<b>15.6</b>	<b>1.64</b>	<b>827</b>
<i>Underground</i>			
P&P Reserves	2.5	1.90	150
M&I Resources	0.6	2.53	49
Inferred Resources	0.7	2.24	51
<b>Total</b>	<b>3.8</b>	<b>2.07</b>	<b>250</b>



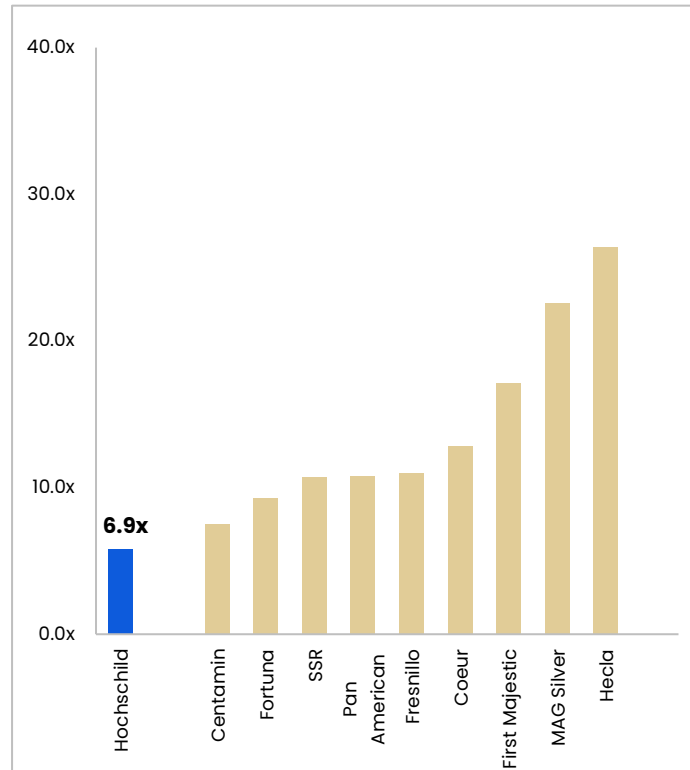
# Still on a discount despite share price outperformance

- Inmaculada performance & brownfield upside
- Mara Rosa commercial production
- Monte do Carmo & Royropata additional growth opportunities

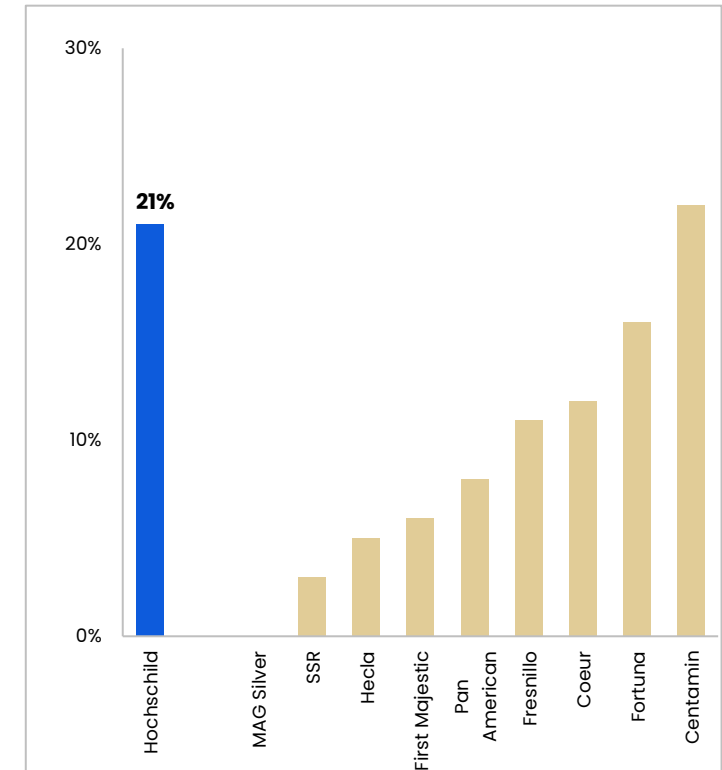
### EV/EBITDA 2025e



### PE 2025e



### Free cashflow yield 2025e





# Conclusion

## Focused on the core business, increasing production, lowering costs

- ✔ World class ESG performance
- ✔ New low-cost Brazil mine now in production
- ✔ Inmaculada outperforming
- ✔ Option secured to add new Brazil project to pipeline
- ✔ Strong H1 brownfield progress
- ✔ Royropata to deliver 100,000oz+ per year from 2028
- ✔ Disciplined capital allocation strategy







# Hochschild Mining PLC

Appendix



# Attributable metal reserves as at 31 December 2023

## Ore reserves and mineral resources estimates

Hochschild Mining PLC reports its mineral resources and reserves estimates in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition ("the JORC Code"). This establishes minimum standards, recommendations and guidelines for the public reporting of exploration results and mineral resources and reserves estimates. In doing so it emphasises the importance of principles of transparency, materiality and confidence. The information on ore reserves and mineral resources on pages 89 to 91 were prepared by or under the supervision of Competent Persons (as defined in the JORC Code). Competent Persons are required to have sufficient relevant experience and understanding of the style of mineralisation, types of deposits and mining methods in the area of activity for which they are qualified as a Competent Person under the JORC Code. The Competent Person must sign off their respective estimates of the original mineral resource and ore reserve statements for the various operations and consent to the inclusion of that information in this report, as well as the form and context in which it appears.

Hochschild Mining PLC employs its own Competent Person who has audited all the estimates set out in this report. Hochschild Mining Group companies are subject to a comprehensive programme of audits which aim to provide assurance in respect of ore reserve and mineral resource estimates. These audits are conducted by Competent Persons provided by independent consultants. The frequency and depth of an audit depends on the risks and/or uncertainties associated with that particular ore reserve and mineral resource, the overall value thereof and the time that has lapsed since the previous independent third-party audit.

The JORC Code requires the use of reasonable economic assumptions. These include long-term commodity price forecasts (which, in the Group's case, are prepared by ex-house specialists largely using estimates of future supply and demand and long-term economic outlooks).

Ore reserve estimates are dynamic and are influenced by changing economic conditions, technical issues, environmental regulations and any other relevant new information and therefore these can vary from year-to-year. Mineral resource estimates can also change and tend to be influenced mostly by new information pertaining to the understanding of the deposit and secondly the conversion to ore reserves.

The estimates of ore reserves and mineral resources are shown as at 31 December 2023, unless otherwise stated. Mineral resources that are reported include those mineral resources that have been modified to produce ore reserves. All tonnage and grade information has been rounded to reflect the relative uncertainty in the estimates; there may therefore be small differences. The prices used for the reserves calculation were: Au Price: US\$1,650 per ounce and Ag Price: US\$22.0 per ounce.

Reserve category <sup>1</sup>	Proved and Probable (t)	Ag (g/t)	Au (g/t)	Ag (moz)	Au (koz)	Ag Eq (moz)
<b>Inmaculada</b>						
Proved	1,425,933	177	4.1	8.1	188.0	22.2
Probable	3,304,970	116	2.9	12.4	306.4	35.3
<b>Total</b>	<b>4,730,903</b>	<b>135</b>	<b>3.3</b>	<b>20.5</b>	<b>494.4</b>	<b>57.6</b>
<b>San Jose</b>						
Proved	300,006	283	5.1	2.7	49.0	6.4
Probable	237,883	312	5.7	2.4	43.7	5.7
<b>Total</b>	<b>537,889</b>	<b>296</b>	<b>5.4</b>	<b>5.1</b>	<b>92.7</b>	<b>12.1</b>
<b>Mara Rosa</b>						
Proved	11,791,000	-	1.2	-	455.8	34.2
Probable	12,014,000	-	1.2	-	446.2	33.4
<b>Total</b>	<b>23,805,000</b>	<b>-</b>	<b>1.2</b>	<b>-</b>	<b>902.0</b>	<b>67.6</b>
<b>GRAND TOTAL</b>						
<b>Proved</b>	<b>13,516,939</b>	<b>25</b>	<b>1.6</b>	<b>10.9</b>	<b>692.9</b>	<b>62.8</b>
<b>Probable</b>	<b>15,556,854</b>	<b>29</b>	<b>1.6</b>	<b>14.7</b>	<b>796.1</b>	<b>74.4</b>
<b>TOTAL</b>	<b>29,073,792</b>	<b>27</b>	<b>1.6</b>	<b>25.6</b>	<b>1,489.0</b>	<b>137.3</b>

<sup>1</sup> Prices used for resources calculation: Au: \$1,800/oz and Ag: \$24.0/oz and Ag/Au ratio of 75x.



# Attributable metal resources as at 31 December 2023<sup>1 2</sup>

Resource category	Tonnes (t)	Ag (g/t)	Au (g/t)	Ag Eq (g/t)	Ag (moz)	Au (koz)	Ag Eq (moz)
<b>Inmaculada</b>							
Measured	2,455,000	187	4.45	520	14.7	351.3	41.1
Indicated	5,236,000	132	3.22	374	22.2	542.4	62.9
<b>Total</b>	<b>7,691,000</b>	<b>149</b>	<b>3.61</b>	<b>421</b>	<b>37.0</b>	<b>893.7</b>	<b>104.0</b>
Inferred	8,533,000	107	2.78	316	29.3	763.8	86.6
<b>Pallancata</b>							
Measured	1,196,000	306	1.39	410	11.8	53.5	15.8
Indicated	592,000	236	1.10	318	4.5	20.9	6.1
<b>Total</b>	<b>1,788,000</b>	<b>283</b>	<b>1.29</b>	<b>380</b>	<b>16.3</b>	<b>74.4</b>	<b>21.8</b>
Inferred	3,372,000	481	1.81	617	52.1	196.7	66.8
<b>San Jose</b>							
Measured	818,040	450	7.52	1,014	11.8	197.7	26.7
Indicated	497,250	360	6.16	822	5.8	98.4	13.1
<b>Total</b>	<b>1,315,290</b>	<b>416</b>	<b>7.00</b>	<b>941</b>	<b>17.6</b>	<b>296.1</b>	<b>39.8</b>
Inferred	899,640	329	5.04	707	9.5	145.7	20.5
<b>Mara Rosa</b>							
Measured	13,600,000	-	1.20	90	-	510.0	38.3
Indicated	18,700,000	-	1.10	83	-	640.0	48.0
<b>Total</b>	<b>32,300,000</b>	<b>-</b>	<b>1.10</b>	<b>83</b>	<b>-</b>	<b>1,150.0</b>	<b>86.3</b>
Inferred	100,000	-	0.52	39	-	1.7	0.1
<b>Crespo</b>							
Measured	5,211,000	47	0.47	82	7.9	78.6	13.8
Indicated	17,298,000	38	0.40	68	20.9	222.5	37.6
<b>Total</b>	<b>22,509,000</b>	<b>40</b>	<b>0.42</b>	<b>71</b>	<b>28.8</b>	<b>301.0</b>	<b>51.4</b>
Inferred	775,000	46	0.57	88	1.1	14.2	2.2
<b>Azuca</b>							
Measured	191,000	244	0.77	302	1.5	4.7	1.9
Indicated	6,859,000	187	0.77	244	41.2	168.8	53.8
<b>Total</b>	<b>7,050,000</b>	<b>188</b>	<b>0.77</b>	<b>246</b>	<b>42.7</b>	<b>173.5</b>	<b>55.7</b>
Inferred	6,946,000	170	0.89	237	37.9	199.5	52.9
<b>Volcan</b>							
Measured	123,979,000	-	0.700	53	-	2,792.0	209.4
Indicated	339,274,000	-	0.643	48	-	7,013.0	526.0
<b>Total</b>	<b>463,253,000</b>	<b>-</b>	<b>0.658</b>	<b>49</b>	<b>-</b>	<b>9,804.0</b>	<b>735.3</b>
Inferred	75,018,000	-	0.516	39	-	1,246.0	93.5
<b>Arcata</b>							
Measured	834,000	438	1.35	539	11.7	36.1	14.4
Indicated	1,304,000	411	1.36	512	17.2	56.9	21.5
<b>Total</b>	<b>2,138,000</b>	<b>421</b>	<b>1.35</b>	<b>523</b>	<b>29.0</b>	<b>93.0</b>	<b>35.9</b>
Inferred	3,533,000	371	1.26	465	42.1	142.6	52.8
<b>GRAND TOTAL</b>							
<b>Measured</b>	<b>148,284,040</b>	<b>12</b>	<b>0.85</b>	<b>76</b>	<b>59.5</b>	<b>4,023.9</b>	<b>361.3</b>
<b>Indicated</b>	<b>389,760,250</b>	<b>9</b>	<b>0.70</b>	<b>62</b>	<b>111.8</b>	<b>8,762.9</b>	<b>769.0</b>
<b>Total</b>	<b>538,044,290</b>	<b>10</b>	<b>0.74</b>	<b>65</b>	<b>171.3</b>	<b>12,785.7</b>	<b>1,130.2</b>
<b>Inferred</b>	<b>99,176,640</b>	<b>54</b>	<b>0.85</b>	<b>118</b>	<b>172.1</b>	<b>2,710.1</b>	<b>375.4</b>

1 Prices used for resources calculation: Au: \$1,800/oz and Ag: \$24.0/oz and Ag/Au ratio of 75x.

2 Tables represents 100 % of the Mineral Resource. Resources are inclusive of Reserves.



# Our Purpose

Responsible and Innovative mining  
committed to a better world