



28 June 2024

2023 Report on Payments to Governments

Introduction

This Report provides an overview of the payments to governments made by Hochschild Mining PLC and its subsidiaries (hereinafter referred to as "Hochschild Mining") in 2023 as required under the UK's Report on Payments to Governments Regulations 2014 (as amended) (the "UK Regulations"). The UK Regulations apply to large UK incorporated companies like Hochschild Mining PLC that are involved in the exploration, prospection, discovery, development and extraction of minerals. This Report is also intended to satisfy the requirements of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the United Kingdom.

Basis for preparation

Legislation: This Report is prepared in accordance with the UK Regulations.

Reporting entities: This Report includes payments to governments arising from the activities of Hochschild Mining.

Activities: Payments made by Hochschild Mining to governments arising from activities involving the exploration, prospection, discovery, development and extraction of minerals ("extractive activities") are disclosed in this Report. For a fully integrated project, which does not have an interim contractual cut off point where a value can be attached or ascribed separately to the extractive activities and to other processing activities, payments to governments will not be artificially split but disclosed in full.

Government: Government includes any national, regional or local authority of a country, and includes a department, agency or entity that is a subsidiary of a government.

Project: Payments are reported at project level except that payments that are not attributable to a specific project or are in respect of obligations imposed at entity level are reported by entity. Project is defined as operational activities which are governed by a single contract, licence, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government. If such agreements are substantially interconnected, those agreements are to be treated as a single project. "Substantially interconnected" means forming a set of operationally and geographically integrated contracts, licences, leases or concessions or related agreements with substantially similar terms that are signed with a government giving rise to payment liabilities. Such agreements can be governed by a single contract, joint venture or other overarching legal agreement. Indicators of integration include, but are not limited to, geographic proximity, the use of shared infrastructure and common operational management.

Payment: Of the types of payments required to be reported on under the UK Regulations, the payments made by Hochschild Mining in 2023 fall within the following categories:

- **Taxes:** These are taxes paid by Hochschild Mining on its income, profits or production (which include resource severance tax), including those settled by a government on behalf of Hochschild Mining under a tax-paid concession. Payments are reported net of refunds. Consumption taxes, personal income taxes, sales taxes, property and environmental taxes are excluded.
- **Royalties:** These are payments for the rights to extract mineral resources, typically at set percentage of revenue less any deductions that may be taken.
- **Licence fees, rental fees, entry fees and other considerations for licences and/or concessions ("Fees"):** These are fees and other sums paid as consideration for acquiring a licence for gaining access to an area where extractive activities are performed. Administrative government fees that are not specifically related to the extractive sector, or to access to extractive resources, are excluded. Also excluded are payments made in return for services provided by a government.

OTHER

Operatorship: When Hochschild Mining makes a payment directly to a government arising from a project, regardless of whether Hochschild Mining is the operator, the full amount paid is disclosed even where Hochschild Mining as the operator is proportionally reimbursed by its non-operating venture partners through a partner billing process (cash-call).

Cash and in-kind payments: Payments are reported on a cash basis. There were no in-kind payments made in respect of the reporting year.

Materiality Level: For each payment type, total payments below £86,000 to a government are excluded from this Report.

Exchange Rate: Payments made in currencies other than US Dollars are translated for the purposes of this Report using the

exchange rate on the date of payment.

SUMMARY OF PAYMENTS TO GOVERNMENT (Unaudited) (in USD)

Countries	Taxes	Royalties	Fees	Total
Peru	15,752,687	-	762,877	16,515,564
Argentina	-	6,308,479	1,202,317	7,510,796
Chile	-	-	431,498	431,498
Total	\$15,752,687	\$6,308,479	\$2,396,692	\$24,457,858

1. PAYMENTS BY COUNTRY (Unaudited)

(a) Peru

- By Government Department (in USD)

	Taxes	Royalties	Fees	Total
Superintendencia Nacional de Administración Tributaria	15,752,687	-	-	15,752,687
Instituto Geológico Minero y Metalúrgico	-	-	762,877	762,877
Total	\$15,752,687	-	\$762,877	\$16,515,564

- By Entity/Project (in USD)

	Taxes	Royalties	Fees	Total
Entity				
Compañía Minera Ares S.A.C.	15,752,687	-	332,315	16,085,002
Project				
Inmaculada	-	-	206,344	206,344
Arcata	-	-	116,570	116,570
Pallancata	-	-	107,648	107,648
Total	\$15,752,687	-	\$762,877	\$16,515,564

(b) Argentina (in relation to the San Jose mine)

- By Government Department (in USD)

	Taxes	Royalties	Fees	Total
Consejo Agrario Provincial	-	-	1,202,317	1,202,317
Administración Federal de Ingresos Públicos	-	-	-	-
Rentas Generales de la Provincia de Santa Cruz	-	6,308,479	-	6,308,479
Total	-	\$6,308,479	\$1,202,317	\$7,510,796

- By Entity (in USD)

	Taxes	Royalties	Fees	Total
Minera Santa Cruz S.A.	-	6,308,479	1,202,317	7,510,796
Total	-	\$6,308,479	\$1,202,317	\$7,510,796

(c) Chile

- By Government Department (in USD)

	Taxes	Royalties	Fees	Total
Tesorería General de la República	-	-	431,498	431,498
Total	-	-	\$431,498	\$431,498

- By Entity/Project (in USD)

Entity	Taxes	Royalties	Fees	Total
Andina Minerals Chile Ltd.	-	-	431,498	431,498
Total	-	-	\$431,498	\$431,498
Project	Taxes	Royalties	Fees	Total
Volcan	-	-	431,498	431,498
Total	-	-	\$431,498	\$431,498

Enquiries:

Hochschild Mining PLC
 Raj Bhavin
 Company Secretary +44 (0)7825 533495

Hudson Sandler
 Charlie Jack
 Public Relations +44 (0)20 7796 4133

About Hochschild Mining PLC

Hochschild Mining PLC is a leading precious metals company listed on the London Stock Exchange (HOCML / HOC LN) and cross-trades 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 operates two underground epithermal vein mines: Inmaculada, located in southern Peru; and San Jose in southern Argentina, and an open pit gold mine, Mara Rosa, located in the state of Goiás, Brazil. Hochschild also has numerous long-term projects throughout the Americas.

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