



21 August 2008

### Hochschild Mining acquires 50% of Liam Regional Joint Venture

Hochschild Mining plc ("Hochschild") is pleased to announce that it has consolidated its position in southern Peru through the acquisition of a 282,000 hectare land package in southern Peru, in very close proximity to Hochschild's four existing operations; Arcata, Ares, Selene and Pallancata.

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 closed on 20 August 2008 and was funded entirely through existing cash. The Liam JV enables the Group to leverage its existing infrastructure and knowledge of the regional geology. Hochschild will be the operator in a joint venture with Southwestern Resources Corp., a Vancouver based mineral exploration company.

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. The acquisition has significant strategic importance for Hochschild and exemplifies its cluster consolidation strategy. 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.

Under the terms of the Liam JV agreement, Hochschild and Southwestern Resources Corp. will each contribute 50% of the exploration funding. In addition, Hochschild can earn a 70% interest in each designated property within the project by producing a positive feasibility study and financing 100% of the costs to commercial production.

To date, 38 exploration prospects have been identified and evaluated in the 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 and Huacullo projects; details of which are given in Notes to Editors.

The Liam JV adds significant exploration potential to Hochschild's already extensive land package in southern Peru. In 2007, Hochschild acquired an interest, through a joint venture with Southwestern Resources Corp. and International Minerals Corporation, in the Pacapausa property which comprises 7,933 hectares of exploration concessions located between its Selene and Pallancata operations. The Pacapausa project is a complementary asset and potential satellite source of material for Hochschild's Pallancata operation. Five target areas have been defined on the project, each consisting of epithermal silver and gold mineralization within vein, stockwork and breccia zones and surface sampling has defined several areas of high grade silver.

Eduardo Hochschild, Executive Chairman of Hochschild Mining plc, commented;

"Hochschild has operated successfully in southern Peru for over 40 years and the Liam JV will further strengthen our position in this key mining district. The acquisition supports our cluster consolidation strategy, focusing exploration efforts in areas where we already have operations and enables us to leverage our existing infrastructure and knowledge of the regional geology. We look forward to working with Southwestern Resources Corp. to develop the great potential of the Liam property."

**Supporting maps are provided in Notes to Editors.**

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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 one early development project in Mexico and 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](http://www.hochschildmining.com)

**About Southwestern:**

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.

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## **Notes to Editors:**

### **Exploration prospects:**

#### **Cerro Crespo/Queshca**

At Cerro Crespo/Queshca, a drilling programme comprising 88 holes covering a total of 13,735 metres has indicated gold and silver mineralization with silica, cross-cut by hydrothermal and magmatic breccias which commonly carry high-grade silver, greater than 1,000 g/t. Queshca is located approximately one kilometre north of Cerro Crespo and is comprised of six zones of outcropping gold-silver mineralization with high-grade gold associated with late iron oxide fracture fillings. Drilling has shown the six zones to be possible remnants of an eroded larger high-sulphidation system with the potential to discover additional, modest-sized, mineralized bodies.

#### **Aluja**

Aluja is a well developed high-sulphidation alteration system hosted within pervasively alunite-quartz altered volcanic rocks. The alteration area consists of variable silica types, including large areas of upper level, vapour-phase derived, granular silica which suggests preservation of a possible mineralized system at depth. Over 2,300 samples have been collected from outcropping veins and a 24 kilometre access road and project camp were installed in 2007 which allowed field work to take place with significant results.

#### **Huacullo**

Huacullo is a low-sulphidation gold-silver vein system located 18 kilometres northwest of Crespo/Quescha. At Huacullo multiple veins outcrop and are present over at least 800 metres of strike length. Previous drilling resulted in several significant silver and gold intersections which were highlighted by 2.3 metres of 91.5 g/t silver and 11.5 g/t gold. Further field evaluation at Huacullo will continue to test the size potential of the higher grade veins and possible shoots as well as test for additional veins.

**Aerial maps:**

