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Interim Management Statement and Production Report for the three months ended 30 September 2011

Overview

- Year to date attributable silver production, including the Silverstream, decreased 0.3% and quarterly production decreased 5.8% compared to 3Q10 due to backfilling of long-hole stopes at the Fresnillo mine to reinforce safety conditions. We are expecting to return to normal operations by the end of October.
- Silver and gold production at Saucito continued ramping-up, and we are revising our full year target from 4.7 million ounces of silver to 5.5 million ounces.
- Record year to date and quarterly attributable gold production of 326,245 oz and 119,768 oz respectively due to higher volumes from Herradura, Saucito and a new mining zone at Ciénega.
- The expansion of Ciénega's milling capacity is fully operational recording increased volumes during the quarter.
- Accordingly, we are lowering our guidance for 2011 silver production from 44 to 41 million ounces, including Silverstream.
- However, we are revising our total gold production upwards from 400 thousand ounces to 430 thousand ounces for the full year due to ongoing ramp-up at Saucito and Soledad-Dipolos.
- Construction of Noche Buena gold project remains on schedule to start-up in 1H12.

Jaime Lomelín, Chief Executive Officer, said:

"The Group's sustainable growth strategy begins with the wellbeing of our stakeholders and primarily our employees and contractors. That is the reason why, in the third quarter, we sought to reinforce safety conditions at all our operating units and projects. Although these actions have temporarily slowed down our silver production, mainly at the Fresnillo mine, the safety of our workers comes first and is our most important priority. Notwithstanding, our resource fundamentals remain strong. This is reflected in our record gold production and ongoing ramp-up at Saucito and Soledad-Dipolos. Significant progress has also been achieved at the Noche Buena gold project and operations are scheduled to begin there in 2012. Our exploration programme continues to progress according to schedule and our cost reduction initiatives

continue to advance. Following this phase of reinforcing safety conditions, we are confident that Fresnillo plc will continue to deliver operational excellence."

Total Production - Attributable

	3Q11	3Q10	% change	2Q11	YTD 11	YTD 10	% change
Silver prod'n (kOz)	9,147	9,868	- 7.3	10,461	28,692	28,975	- 1.0
Silverstream prod'n (kOz)	919	819	12.2	906	2,835	2,635	7.6
Total Silver production (kOz)	10,067	10,687	- 5.8	11,367	31,527	31,610	- 0.3
Gold prod'n (Oz)	119,768	91,822	30.4	110,070	326,245	268,173	21.7
Lead prod'n (t)	5,340	4,797	11.3	5,357	15,942	13,941	14.4
Zinc prod'n (t)	5,751	5,842	- 1.6	5,565	17,180	16,667	3.1

Year-to-date silver production reached similar levels to those recorded in the same period of 2010.

Quarterly attributable silver production decreased by 7.3% (excluding Silverstream) compared to the third quarter of 2010 and 12.6% compared to the second quarter of 2011. This resulted from a slowdown of production at the Fresnillo mine, due mainly to actions taken to reinforce safety conditions, including backfilling one of our high silver grade, long-hole stopes, which had been left open. These actions temporarily limited access to this part of the mine. Backfilling the long hole will now be done regularly at all the Fresnillo mine stopes. We are confident that we will return to full capacity by the end of October. The decline in production at Fresnillo was partially mitigated by the ramp-up of silver production at the Saucito mine during the third quarter of the year.

Over the quarter, Fresnillo plc accrued 919,321 silver ounces under the Silverstream Agreement with Peñoles, a 12.2% increase compared to the third quarter of 2010. This increase is explained by the higher volumes of ore milled and increased ore grades at the Sabinas mine.

Year-to-date and quarterly attributable gold production rose to a record level of 326,245 and 119,768 ounces, respectively. In the third quarter, attributable gold production continued to benefit from the expanded capacity and improved recovery rates at Soledad-Dipolos and increased volumes of ore processed at Herradura and Saucito. In addition, development ore from San Ramón, a new satellite mining zone at Ciénega, was hauled and processed, further increasing quarterly gold production.

Similarly to the second quarter, third quarter lead production increased by 11.3% over the same period of 2010 due to the contribution of Saucito and, to a lesser extent, higher lead ore grades at the Fresnillo mine. Quarterly by-product zinc production slightly decreased when compared to the third quarter of last year due to lower ore grades at Ciénega. Notwithstanding, the ramp-up of Saucito and higher volumes of ore throughput at Ciénega increased total quarterly zinc production by 3.3% over the previous quarter. As circumstances changed in the third quarter at the Fresnillo mine, the Group has reviewed its forecasts and modified its silver full year 2011 production target from 44 to 41 million ounces, including the Silverstream, which would be comparable to the 2010 figure.

Regarding attributable gold production, we are increasing our target from 400 to 430 thousand ounces following continued ramp-up at Soledad-Dipolos and Saucito.

Fresnillo mine production

	3Q11	3Q10	% change	2Q11	YTD 11	YTD 10	% change
Silver prod'n (kOz)	6,416	9,048	- 29.1	8,334	23,281	26,868	- 13.4
Gold prod'n (Oz)	6,075	6,090	- 0.2	6,350	18,559	17,578	5.6
Lead prod'n (t)	3,171	3,052	3.9	3,374	9,910	8,888	11.5
Zinc prod'n (t)	2,968	3,102	- 4.3	3,358	9,547	9,116	4.7

In the third quarter, the backfilling activities to reinforce safety conditions limited the production of high grade ore from the long-hole stopes. These activities are expected to be concluded in October and production should increase to normal levels once ore throughput from the high-grade long-hole stopes is processed. We will continue to backfill the long hole regularly at all the Fresnillo mine stopes.

Accordingly, we have reduced our 2011 silver production estimate at this mine to 30 million ounces.

Quarterly by-product gold, lead and zinc production also decreased compared to the previous quarter due to lower volumes of ore milled during the last three months of this year for the reasons set out above. However, year-to-date production of these metals rose over the first nine months of 2010 as a result of higher ore grades.

The construction of the San Carlos shaft remained on schedule to be concluded in the fourth quarter of this year. This US\$19.1 million project will reduce haulage and hoisting costs by providing direct access to the western zone of the San Carlos vein.

Saucito mine production*

	3Q11	3Q10	% change	2Q11	YTD 11	YTD 10	% change
Silver prod'n (kOz)	2,321	537	N.M.	1,745	4,253	1,014	N.M.
Gold prod'n (Oz)	12,701	2,990	N.M.	8,299	21,831	4,988	N.M.
Lead prod'n (t)	666	134	N.M.	501	1,225	214	N.M.
Zinc prod'n (t)	533	107	N.M.	245	823	107	N.M.

* 2010 figures: development ore from Saucito that was processed at the Fresnillo mill.

As anticipated, production at Saucito continued ramping-up in the third quarter with 12,701 gold ounces and 2.3 million silver ounces produced. As in the second quarter, the increased volumes of ore processed at Saucito mill were explained by i) the steady depletion of stock pile from development during the pre-operative phase and recent development and preparation activities and ii) ore from the production stopes at the Saucito and Mezquite veins. Management is confident of achieving its new production target of 5.5 million ounces of silver at Saucito this year.

The sinking of the Jarillas shaft reached a depth of 554 metres, out of the total 645 metres planned. This new shaft is expected to be concluded in late 2012 and will reduce haulage and hoisting costs at the Saucito mine.

We have ramped-up production at Saucito and are revising our full year target from 4.7 million ounces of silver to 5.5 million ounces.

Ciénega mine production

	3Q11	3Q10	% change	2Q11	YTD 11	YTD 10	% change
Gold prod'n (Oz)	32,307	28,424	13.7	26,420	85,684	84,196	1.8
Silver prod'n (kOz)	366	247	48.2	301	942	923	2.1
Lead prod'n (t)	1,502	1,611	- 6.8	1,482	4,807	4,839	- 0.7
Zinc prod'n (t)	2,250	2,634	- 14.6	1,962	6,810	7,445	- 8.5

Quarterly gold production increased by 13.7% compared to the third quarter of last year and 22.3% compared to the previous quarter due to the expansion of milling capacity, which became fully operational in June. This expansion enabled the group to process increased volumes of ore from the production stopes at Ciénega and an additional 38,794 tonnes from the development and preparation of stopes at the new San Ramón satellite mining zone.

Quarterly by-product silver production increased when compared with the corresponding period of 2010 and the previous quarter as a result of the higher ore grades and increased ore throughput. However, quarterly by-product lead and zinc production was affected by lower ore grades when compared to the third quarter of 2010.

The project to sink the shaft a further 300 metres to gain access to deeper ore reserves remains on track to be concluded in the fourth quarter of this year.

Herradura mine production - Attributable

	3Q11	3Q10	% change	2Q11	YTD 11	YTD 10	% change
Gold prod'n (Oz)	46,498	38,953	19.4	46,252	134,724	118,522	13.7
Silver prod'n (kOz)	35	29	20.7	66	177	151	17.2

Quarterly and year-to-date attributable gold production reached record levels due to the increased ore volumes deposited. This increase was achieved through maintenance improvements which resulted in more trucks and loaders being available and their assignment and logistics being fully optimised.

Soledad-Dipolos mine production - Attributable

	3Q11	3Q10	% change	2Q11	YTD 11	YTD 10	% change
Gold prod'n (Oz)	22,187	15,365	44.4	22,749	65,446	42,889	52.6
Silver prod'n (kOz)	10	7	42.9	15	38	18	111.1

Quarterly attributable gold production increased by 44.4% compared to the third quarter of 2010 due to higher ore grade and the increased ore volumes deposited. This is in contrast to the

same period last year when stripping activities for the expansion took place and gold production reduced accordingly. However, quarterly gold production slightly decreased compared to the previous quarter as a result of lower recovery rates.

Now that the Soledad-Dipolos' expansion plan has been concluded, attributable gold production is set to increase to a targeted capacity of 130,000 ounces per year.

Update on development projects

- ***Noche Buena***

Construction of the Noche Buena gold mine remains on schedule for completion in the first half of 2012. Significant progress has been made in the construction of the Merrill Crowe plant, and services buildings such as warehouses and workshops. We have also started to deposit mineral on the leaching pads. Personnel for this new mine are currently being trained at the Herradura mine. The estimated pre-operative capital expenditure is US\$63.0 million and the mine is expected to produce on average 75,000 gold ounces per year over the initial five year mine life.

- ***Dynamic Cyanidation Plant at Herradura***

In the third quarter, additional analysis was carried out to begin the construction of the dynamic cyanidation plant. The total capital expenditure, including sustaining capital, is estimated at US\$106.8 million and is expected to be concluded in 2013. As anticipated, this facility will process high grade ore from Herradura and Soledad-Dipolos pits, increasing the gold recovery rate from 70% using the current heap leaching process to 95%. As a result, an additional total gold production of 412,000 ounces is expected to be produced by 2020, increasing by an average of 51,000 ounces per year over the 2013-2020 period.

Management has already taken actions to mitigate the most important risks associated with completion of this project. Actions include placing orders for key equipment (project delivery risk), hiring personnel for key positions (lack of skilled personnel risk) and confirming the metallurgical recovery rates (metallurgical risk).

Update on exploration

Drilling continued in the third quarter of 2011 at Centauro Deep and Noche Buena (Sonora), Orisyvo, San Julián and Candameña (Chihuahua), San Ramón, Manzanillas, and San Juan (Durango), the Fresnillo corridor, Minera Juanicipio and Tocayos (Zacatecas), Guanajuato (Guanajuato), Cebadillas (Nayarit) and Amata (Peru), employing 45 surface rigs and a staff including 75 geologists. Resources have been increased at Centauro Deep, Noche Buena, San Julián, San Ramón, Manzanillas and Guanajuato; fully audited figures will be published in February 2012.

In addition, indicated resources increased at Orisyvo and Minera Juanicipio, and interesting values intersected in new areas at the Lucerito (Durango), Candameña (Chihuahua), and Amata (Peru) projects.

Mapping and geophysical surveys conducted over our large claim blocks in the Herradura corridor and the Mesa Central identified a number of new targets that are currently being analysed.

Safety Performance

It is with deep regret that Fresnillo reports that it suffered two fatalities of contractors this July, one at the Fresnillo mine and the other one at the Centauro Deep project. Both fatal accidents were caused by falling rocks which resulted from breaches of Fresnillo plc's safety policies and the failure to follow correct rock bolting and shotcreting procedures.

In the third quarter, the Group continued to implement its Safety Action plan comprising: i) a thorough audit performed by Peñoles; ii) recruitment of external consultants including a safety expert and rock mechanic specialists to identify areas of safety to improve and develop; iii) special inspections conducted in collaboration with the Mexican Secretariat of Labour at our five operating mines and six of our most important contractors; and iv) a working session with the Group's contractors to reinforce safety procedures. Fresnillo's actions at its Fresnillo mine to backfill and reinforce our long hole stopes are also part of these efforts to reinforce safety conditions at all our operating units and projects. The safety of our workers comes first and is our priority.

Following the external consultation process, additional corrective actions were immediately taken. Fresnillo is pleased to report that there have been no further fatalities, or accidents, at any Fresnillo mines since our Safety Action plan and other corrective measures were put in place. The Health, Safety, Environment and Community Relations Committee is committed to achieving zero fatalities and to ensuring that the Safety Action plan is fully implemented. It has also established more frequent corporate reviews for safety performance indicators.

We are convinced that Fresnillo plc is on the correct path to achieve its zero fatalities target. The Company extends its sincere condolences to the families of our contractor colleagues.

Arturo Espínola, Head of Investor Relations, will host a conference call for analysts and investors on Wednesday 12 October at 8.30am BST (London time). The dial in details are as follows:

Participants' dial in number: +44 (0)1452 541 076

Conference ID: 14210663

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About Fresnillo plc

Fresnillo Plc is the world's largest primary silver producer and Mexico's second largest gold producer, listed on the London Stock Exchange under the symbol FRES.

Fresnillo has five producing mines, all of them in Mexico - Fresnillo, Ciénega, Herradura, Soledad-Dipolos and Saucito; two development projects -Noche Buena (new gold mine) and San Ramón (a satellite for the Ciénega gold mine); and five advanced exploration prospects - San Julián, Centauro Deep, Juanicipio, Orsivo and Las Casas as well as a number of other long term exploration prospects and, in total, has mining concessions covering approximately 2.1 million hectares in Mexico.

Fresnillo has a strong and long tradition of mining, a proven track record of mine development, reserve replacement, and production costs in the lowest quartile of the cost curve for both silver and gold.

Fresnillo's goal is to maintain the Group's position as the world's largest primary silver company, producing 65 million ounces of silver and over 400,000 ounces of gold by 2018.

Forward Looking Statements

Information contained in this announcement may include 'forward-looking statements'. All statements other than statements of historical facts included herein, including, without limitation, those regarding the Fresnillo Group's intentions, beliefs or current expectations concerning, amongst other things, the Fresnillo Group's results of operations, financial position, liquidity, prospects, growth, strategies and the silver and gold industries are forward-looking statements. Such forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Fresnillo Group's operations, financial position and liquidity, and the development of the markets and the industry in which the Fresnillo Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the results of operations, financial position and liquidity, and the development of the markets and the industry in which the Fresnillo Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations (including the US dollar and Mexican Peso exchanges rates), the Fresnillo Group's ability to recover its reserves or develop new reserves, including its ability to convert its resources into reserves and its mineral potential into resources or reserves, changes in its business strategy and political and economic uncertainty.