



Fresnillo plc
28 Grosvenor Street
London W1K 4QR
United Kingdom
www.fresnilloplc.com

16 April 2014

Production Report

for the three months ended 31 March 2014

Overview

- Quarterly attributable silver production of 10.4 million ounces (including the Silverstream) up by 3.5% over 1Q13 due to increased ore volume processed at Saucito and higher ore grade and ore throughput at Sabinas (Silverstream).
- Attributable gold production of 82,653 ounces decreased by 29.7% when compared to 1Q13 mainly due to the stoppage of operations at Soledad-Dipolos and the temporary suspension of explosives permits still affecting the Herradura mine in the first two months of 2014.
- Gold production up by 9.3% on 4Q13 following resumed operations at Herradura in the second week of March, with production expected to ramp-up to normal levels in 2Q14 that will enable Fresnillo to meet its stated production guidance.
- The Dynamic Leaching Plant at Herradura started commercial production successfully in the second week of March.
- Construction of Saucito II remains on track to be completed in 4Q14. Detailed engineering for the processing plants and development of the vein system at San Julián is advancing according to schedule.
- On track to achieve our production targets of 43 million silver ounces, including 3.5 million ounces from the Silverstream, and 450,000 attributable gold ounces in 2014.

Octavio Alvidrez, Chief Executive Officer, said:

“We have started 2014 with conviction in our ability to deliver on our targets for the year. We achieved solid silver production, reflecting the good performance at our Saucito mine and the additional ore processed from the development activities at Saucito II. This compensated for the lower than expected ore grades at Fresnillo.

We were also pleased to resume operations at Herradura and commence commercial production at the new dynamic leaching plant. We are extremely pleased with the initial performance of the plant, which will contribute to the normalisation of operations at Herradura this quarter and will enhance production in coming years.

Meanwhile we will continue to focus on the construction of Saucito II and San Julián. These projects remain on track and are poised to deliver a significant step up in our production profile once commissioned and operating at full capacity. We are confident that

the consistent execution of our strategy will contribute to achieving our 2014 goals and continue to lay the groundwork for further growth.”

Total Production - Attributable

	1Q 14	1Q 13	% change	4Q 13
Silver prod'n (kOz)	9,293	9,176	1.3	9,425
Silverstream prod'n (kOz)	1,115	876	27.3	1,228
Total silver prod'n (kOz)	10,408	10,052	3.5	10,653
Gold prod'n (Oz)	82,653	117,512	-29.7	75,645
Lead prod'n (t)	6,363	5,764	10.4	6,606
Zinc prod'n (t)	7,105	5,472	29.8	6,048

Quarterly attributable silver production increased 3.5% over the first quarter of 2013 mainly due to: i) additional ore processed from the development activities at the Jarillas vein; and ii) increased silverstream production from the Sabinas mine (27.3%) as a result of accessing stopes with higher ore grades (110 g/t 1Q14 vs 99 g/t 1Q13). These factors were mitigated by: i) mechanical failures of some contractors' equipment, which delayed development in some areas and affected ore grades at Fresnillo (-7.0%) [See the Fresnillo mine section for further information]; and ii) lower silver ore grades at Ciénega (-18.2%) as a result of processing higher volumes from the main Ciénega mine, which has relatively lower silver grades than the San Ramón satellite mine.

When compared to the previous quarter, attributable silver production including the Silverstream decreased slightly by 2.3% due to lower ore grades at Fresnillo and Sabinas (Silverstream).

Attributable gold production for the first quarter of 2014 decreased 29.7% when compared to the same period of 2013 as a result of: i) the stoppage of operations at Soledad-Dipolos following the court order regarding the Ejido “El Bajío” litigation process, and ii) the temporary suspension of the explosives permit which continued to disrupt operations at Herradura in the first two months of the year prior to the granting of a new permit by the MOD at the end of February. Nevertheless, these negative factors were partially compensated by: i) the ramp-up to expanded production levels at Noche Buena; ii) the successful start-up of operations at the dynamic leaching plant (March 2014), which contributed with 4,818 ounces of gold produced; and iii) higher volumes of ore processed at Ciénega (+10.8%).

In contrast, quarterly attributable gold production increased 9.3% when compared to the last quarter of 2013 as a result of lifting the ban of the use of explosives at Herradura, which also allowed for the start-up of operations at the dynamic leaching plant.

Quarterly by-product lead production increased 10.4% when compared to the same period of 2013 due to higher ore grades and ore processed at Ciénega and Saucito. Similarly, quarterly by-product zinc production increased 29.8% when compared to the first quarter of 2013 due to higher recovery rates, ore grades and ore processed at Saucito, better ore grades and recovery rates at Fresnillo and higher ore processed at Ciénega.

Quarterly by-product lead production decreased 3.7% when compared to the previous quarter due to lower ore grade at Fresnillo. Quarterly by-product zinc production increased 17.5% over the previous quarter due to improved recovery rates and higher ore grades at Saucito and higher ore grades at Ciénega.

Fresnillo mine production

	1Q 14	1Q 13	% change	4Q 13
Silver prod'n (kOz)	5,145	5,343	-3.7	5,343
Gold prod'n (Oz)	8,082	6,818	18.5	11,205
Lead prod'n (t)	3,526	3,441	2.5	4,154
Zinc prod'n (t)	3,965	3,069	29.2	3,688

Quarterly silver production decreased 3.7% when compared to the same period of 2013 and previous quarter mainly due to the lower silver ore grade (253 g/t 1Q14 vs 272 g/t 1Q13; -7.0%) and (253 g/t 1Q14 vs 262 g/t 4Q13; -3.4%), respectively, which resulted from: i) the expected natural decline in ore grades as mineral from deeper stopes is being mined; and ii) delay in the development of the San Carlos and San Alberto areas as a result of mechanical failures in some of the in-mine contractors' equipment. We are working with our contractors to resolve this and do not anticipate any impact on our 2014 production targets.

In accordance to our latest analysis, which included current mine development and updated mining plans, we have decreased our average silver ore grade expectations for 2014 from 280 g/t to levels around 270 g/t.

The adverse effect of the lower silver ore grade from deeper levels at the San Carlos vein was partially compensated by a slight increase in recovery rates (+2.0%) and higher volumes of ore processed (+1.6%) compared to the first quarter of 2013.

Quarterly by-product gold, lead and zinc production increased by 18.5%, 2.5% and 29.2%, respectively when compared to the same period of 2013 as a result of higher ore grades and recovery rates.

However, gold and lead production for the first three months of 2014 decreased when compared to the previous quarter by 27.9% and 15.1%, respectively as a result of lower ore grades whilst zinc production increased 7.5% due to higher recovery rates and ore grades.

Saucito mine production

	1Q 14	1Q 13	% change	4Q 13
Silver prod'n (kOz)	3,103	2,675	16.0	3,044
Gold prod'n (Oz)	10,911	11,213	-2.7	11,733
Lead prod'n (t)	1,491	1,252	19.1	1,513
Zinc prod'n (t)	1,634	1,056	54.7	1,106

Quarterly silver production increased 16.0% when compared to the same quarter of 2013 mainly as a result of the higher ore throughput which followed the processing of increased volumes of ore from the development activities at the rich Jarillas vein in preparation for Saucito II. Ore extracted from the Saucito mine, including development ore, exceeded the capacity of the beneficiation plant with the excess volume being processed using the available milling capacity at Fresnillo. Silver production for the first three months of 2014 was slightly higher (+1.9%) compared to the previous quarter, which mainly resulted from the slightly higher ore grade and volumes processed.

Quarterly by-product lead and zinc production increased by 19.1% and 54.7%, respectively over the same period of 2013 as a result of higher ore grades (+4.5% and +15.9%

respectively) and volumes (+4.5%). A higher zinc recovery rate (+17.4%) also contributed to the increased production. Quarterly by-product gold production slightly decreased (-2.7%) when compared to the same period of 2013 as a result of lower ore grades and recovery rates.

By-product gold production decreased 7.0% when compared to the previous quarter due to lower ore grades. However, by-product zinc production increased 47.8% when compared to the fourth quarter of 2013 as a result of improved recovery rates and higher ore grades. By-product lead production remained at similar levels when compared to the previous quarter.

Ciénega mine production

	1Q 14	1Q 13	% change	4Q 13
Gold prod'n (Oz)	29,087	28,012	3.8	24,513
Silver prod'n (kOz)	996	1,104	-9.8	1,011
Lead prod'n (t)	1,345	1,071	25.6	939
Zinc prod'n (t)	1,505	1,346	11.8	1,254

Quarterly gold production increased by 3.8% when compared to the same period of 2013 due to higher volumes of ore processed (+10.8%) which resulted from the optimisation of the milling process. However, this was mitigated by the expected decline in the gold ore grade (-6%; 2.8 g/t 1Q14 vs. 3.0 g/t 1Q13) due to the depletion of stopes with higher ore grades. Quarterly gold production increased 18.7% over the previous quarter as a result of processing ore from the Altamira, Fortuna and San Ignacio areas with higher ore grades (+15%; 2.8 g/t 1Q14 vs. 2.5 g/t 4Q13) and increased ore throughput (+3.4%).

Silver production for the period decreased by 9.8% over the same period of 2013 mainly due to the lower average ore grade (-18%; 108.5 g/t 1Q14 vs. 132.5 g/t 1Q13) which resulted from increased volumes processed from the main Ciénega mine, which has lower silver ore grade. Quarterly silver production remained at similar levels when compared to the last quarter of 2013.

Quarterly by-product lead production increased 25.6% over the same period of 2013 mainly as a result of higher ore grades. Similarly, quarterly by-product zinc production increased 11.8% when compared to the first quarter of 2013 as a result of higher ore processed and recovery rates.

Quarterly by-product lead and zinc production increased by 43.2% and 20.0%, respectively when compared to the previous quarter due to higher ore grades and recovery rates.

Herradura mine production - Attributable

	1Q 14*	1Q 13	% change	4Q 13
Gold prod'n (Oz)	15,853	45,645	-65.3	11,572
Silver prod'n (kOz)	37	44	-15.9	12

* Total production: considering gold and silver production from Herradura mine and the new "DLP" Dynamic Leaching plant (March 2014; Au 28,309 ounces and Ag 65 thousand ounces)

Quarterly attributable gold production, including output from the dynamic leaching plant, decreased by 65.3% when compared to the same period of 2013 due to lower volumes of ore deposited at the Herradura mine (-69.0%; 1,848,473 tonnes 1Q14 vs 5,970,704 tonnes 1Q13) as a result of the disrupted operations during the first two months of the year prior to the granting of a new explosives permit at the end of February by the MOD. Recovery

rates were also affected, which is natural in heap leaching processes when operations are restarted after a long stoppage. However, these adverse effects were partially compensated by the start-up of the new dynamic leaching plant which was fed with high ore grade from the Valles pit. This resulted in a higher average ore grade at Herradura compared to the first quarter of 2013 (+18.2%; 0.71 g/t 1Q14 vs 0.60 g/t 1Q13).

Production at this mine is expected to reach normal levels in the second quarter of 2014. The normalised production at Herradura for the remainder of the year, together with the additional ounces produced at the new dynamic leaching plant, will enable us to reach our 2014 production target.

Attributable production at Herradura, together with the start-up of the new dynamic leaching plant resulted in a 37.0% increase over the previous quarter.

Exploration at Centauro Deep was resumed in March.

Soledad-Dipolos mine production - Attributable

	1Q 14	1Q 13	% change	4Q 13
Gold prod'n (Oz)	-	11,751	-100.0	-
Silver prod'n (kOz)	-	6	-100.0	-

Operations at this mine continued to be suspended as a result of the court ruling to vacate the area at the site of the Soledad-Dipolos mine as part of the legal proceedings surrounding the "El Bajío" litigation. We continue to analyse the alternatives with regard to the future of the Soledad-Dipolos mine and the gold inventory deposited at the pads. We expect to reach a final decision by the end of the year.

Noche Buena mine production - Attributable

	1Q 14	1Q 13	% change	4Q 13
Gold prod'n (Oz)	18,719	14,072	33.0	16,622
Silver prod'n (kOz)	12	3	300.0	15

Quarterly attributable gold production increased by 33.0% when compared to the same period of 2013 as a result of: i) the ramp-up of production which resulted in higher volumes of ore deposited and improved recovery rates; and ii) higher ore grades (+8.0%; 0.54 g/t 1Q14 vs 0.50 g/t 1Q13).

Attributable gold production for the period increased by 12.6% when compared to the previous quarter mainly as a result of higher recovery rates reflecting the normalised leaching cycle after overcoming the effects of the suspension of explosives permits. However, this positive effect was mitigated by the lower ore grade (-3.6%; 0.54 g/t 1Q14 vs 0.56 g/t 4Q13).

Update on development projects

- ***Saucito II***

Construction of this project remains on track to be concluded in the fourth quarter of 2014. Additional works continued at the main area of the beneficiation plant and the structure for the milling–flotation control room was finished.

This US\$235 million project is anticipated to produce 8.4 million ounces of silver and 35,000 ounces of gold per year once at full capacity.

- **San Julián**

In the first quarter of the year, development of the vein system continued and detailed designs for the foundations and structures of the leaching plant were concluded. Additionally, further progress was made in acquiring surface land, placing orders for equipment and obtaining permits for the construction of the water reservoir.

This silver-gold project is expected to start production in the second half of 2015 and will produce an average of 10.3 million ounces of silver and 44,000 ounces of gold per year once at full capacity.

Update on Exploration

In the first quarter of 2014, exploration was focused on the Fresnillo, Herradura, Ciénega and Guanajuato Districts. Good results were obtained at Herradura and further potential discovered in the other three districts. We prepared further exploration programmes for the remainder of 2014 and additional environmental permits were obtained to continue exploration at San Julián and the Pilarica (Peru) districts.

Safety Performance

We are pleased to announce that no fatal accidents occurred during the period. This follows our ongoing commitment to reinforce our safety culture and to ensure our workers and employees adhere to our safety measures and policies. We will continue with our training programmes to drive behavioral change across the Company as we target zero fatal accidents.

There will be a conference call for analysts and investors on Wednesday 16 April at 8:30am (London time). The dial in details are as follows:

Participants' dial in number: **+44 (0) 1452 555566**
Conference ID: **28508284#**

For further information, please visit our website www.fresnilloplc.com or contact:

Fresnillo plc

Tel: +44 (0)20 7399 2470

London Office

Gabriela Mayor, Head of Investor Relations

Mexico City Office

Tel: +52 55 52 79 3206

Ana Belem Zárate

Brunswick Group

Tel: +44 (0)20 7404 5959

Carole Cable

David Litterick

About Fresnillo plc

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

Fresnillo plc has six operating mines, all of them in Mexico - Fresnillo, Saucito, Ciénega (including the San Ramón satellite mine), Herradura, Soledad and Noche Buena; two development projects - Saucito II and San Julián; and four advanced exploration prospects - Centauro Deep, Juanicipio, Orisyvo and Las Casas Rosario as well as a number of other long term exploration prospects. In total, Fresnillo plc 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 500,000 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 exchange 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.