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Production Report for the three months ended 31 December 2013

Overview

- Annual attributable silver production (including Silverstream) of 42.7Moz, up 4.3% year on year and ahead of the 41Moz guidance.
- Annual attributable gold production of 425,831 ounces, in line with our revised guidance of 425,900 ounces.
- Results of a district court hearing on the underlying merits of the Ejido El Bajío's request to impede the lifting of the explosives suspension, which took place on January 24, expected in the coming days.
- The construction of the dynamic leaching plant at Herradura was completed on schedule and will start-up as soon as ore from the Herradura mine is available.
- Good exploration results were obtained at Centauro Deep, Noche Buena and in the Ciénega District.
- Annual production target remains 65 million ounces of silver and 500,000 attributable ounces of gold by 2018.

Production outlook for 2014

- Attributable silver production expected to be 43Moz, including 3.5Moz from the Silverstream.
- Attributable gold production expected to return to 450,000 ounces following the anticipated resumption of operations at Herradura in March 2014, continued ramp up of production at Noche Buena and the start of operations at the Dynamic Leaching Plant. However we expect the stoppage at Soledad-Dipolos to continue throughout 2014.
- Exploration budget in 2014 of US\$192m (excluding capitalised exploration expenses), a 7% decrease compared to the US\$208m spent in 2013.
- Cost control initiatives and operating efficiencies will continue across all operations.

Construction of the Saucito II and San Julián projects to continue. Conclude the engineering activities of the pyrites plant at the Fresnillo District and continue the development programme and engineering at Juanicipio as planned.

Octavio Alvidrez, Chief Executive Officer, said:

"The second half of 2013 was challenging, with the Ejido El Bajío conflict impacting annual gold production at the Penmont mines. Nevertheless, we are pleased that we achieved silver production of 42.7 million ounces in 2013, including the Silverstream production volumes ahead of our original 2013 guidance. We will maintain similar levels of silver production in 2014.

"We are disappointed that we don't yet have a confirmation from the district court hearing on Friday regarding the explosives suspension, but we understand that the request to impede the lifting of the suspension should be denied. Once the district court confirms its ruling on this, we will announce immediately to the market. The next stage in the process, if this ruling as expected is favorable to the Company, would then be for the Company to reiterate its request for the Ministry of Defense to formally lift the suspension before resumption of production at Herradura can take place.

"Over the course of 2013 we continued to focus on operational excellence at each of our operations and to develop our growth projects to meet our long-term production targets and increase our resource base. We are confident that 2014 will see us continue on our path of sustainable and profitable growth."

Total Production – Attributable

	4Q 13	4Q 12	% change	3Q 13	FY 13	FY 12	% change
Silver prod'n (kOz)	9,425	9,651	-2.3	10,229	38,798	36,938	5.0
Silverstream prod'n (kOz)	1,228	922	33.2	881	3,945	4,035	-2.2
Total Silver production (kOz)	10,653	10,573	0.8	11,110	42,743	40,973	4.3
Gold prod'n (Oz)	75,645	97,398	-22.3	114,359	425,831	473,034	-10.0
Lead prod'n (t)	6,606	5,698	15.9	6,941	25,968	24,639	5.4
Zinc prod'n (t)	6,048	4,972	21.6	6,876	24,881	24,928	-0.2

Annual attributable silver production of 42.7 Moz including 3.9 Moz from the Silverstream, surpassed our guidance of 41 Moz, primarily as a result of the better than expected production at Saucito due to higher ore grades from the rich Jarillas vein and the additional ore processed from the development activities at the Jarillas and Mezquite veins. Silver production also benefited from the higher silver ore grade from San Ramón, Ciénega's satellite mine, and increased ore throughput of 129,319 tonnes, an 11.6% increase when compared to 2012. These factors more than offset the lower than expected silver ore grade at Fresnillo.

Quarterly attributable silver production excluding the Silverstream slightly decreased 2.3% when compared to the same period of 2012 as a result of the lower ore grade at Fresnillo and Ciénega. This was mitigated by the increased silver production at Saucito. Quarterly silver production from the Sabinas mine related to the Silverstream increased by 33.2% as a result of higher ore grades, improved recovery rates and higher volumes of ore processed.

Similarly, quarterly attributable silver production decreased 7.9% when compared to the previous quarter, excluding the Silverstream, mainly due to the lower silver ore grade at Fresnillo resulting from the natural decline of ore grades at the San Carlos vein and also the unexpected instability experienced in certain zones while developing the rich Santa Cruz and San Mateo areas, which temporarily limited development and production to areas with lower ore grades. Silver production volumes were also affected by the lower ore grades at Ciénega. Nevertheless, higher ore throughput from Saucito partially mitigated the aforementioned effects.

Annual attributable gold production of 425,831 ounces was in line with our last production guidance for 2013, however it decreased 10.0% when compared to 2012 due to the lower

production volumes at Soledad-Dipolos resulting from the stoppage of operations following the court order regarding the “El Ejido” litigation process. Additionally, the temporary suspension of explosives permits at Herradura decreased the volumes of ore deposited on the leaching pads, further impacting annual attributable gold production. Finally, the anticipated decline of gold ore grade at Ciénega also contributed to the decrease in gold production volumes. These adverse factors were in part mitigated by the ramp-up of Noche Buena.

Quarterly attributable gold production decreased by 22.3% and 33.9% when compared to the same period of 2012 and the previous quarter of 2013 respectively as a result of the factors mentioned above.

Annual and quarterly by-product lead production increased by 5.4% and 15.9% respectively, when compared to the same periods of 2012 as a result of higher ore grades and increased ore volumes processed at Saucito. However, quarterly by-product lead production decreased 4.8% over the previous quarter due to lower ore grade at Ciénega.

Annual by-product zinc production remained steady when compared to 2012. Quarterly zinc production increased by 21.6% when compared to the last quarter of 2012 as a result of the ramp-up of production at Saucito and higher ore grades and recovery rates at Fresnillo. However, quarterly zinc production decreased by 12.0% when compared to the previous quarter of 2013 due to lower ore grades and recovery at Fresnillo and Saucito.

Fresnillo mine production

	4Q 13	4Q 12	% change	3Q 13	FY 13	FY 12	% change
Silver prod'n (kOz)	5,343	6,485	-17.6	6,224	22,764	26,383	-13.7
Gold prod'n (Oz)	11,205	6,716	66.8	8,234	33,079	29,573	11.9
Lead prod'n (t)	4,154	3,496	18.8	4,233	15,552	16,190	-3.9
Zinc prod'n (t)	3,688	2,716	35.8	4,339	14,914	14,966	-0.3

Full year silver production decreased by 13.7% when compared to 2012 mainly as a result of lower silver ore grades (285g/t 2013 vs. 328g/t 2012), which were below the previously given guidance of 300-310g/t. The decrease year on year was explained by the anticipated natural decline in silver ore grade from deeper areas at the San Carlos vein. Additionally, the main reason for being below the expected ore grade was the delay in the development works in the first and fourth quarters of the year, which temporarily limited access to the high ore grade areas. This delay was caused by the need to carry out backfilling activities for safety reasons (in 1Q) and by unexpected temporary ground instability in certain zones which slowed the process (in 4Q).

Similarly, quarterly silver production decreased by 17.6% and 14.1% when compared to the same period of 2012 and the previous quarter of 2013 respectively as a result of the lower ore grade (261.6g/t 4Q13 vs. 323.7g/t 4Q12) and (261.6g/t 4Q13 vs. 305.3g/t 3Q13). However, these adverse factors were partially mitigated by a slight increase in ore throughput.

Silver ore grade has reached the average ore grade in reserves and is expected to remain around 280g/t in 2014. To compensate for this natural decline in silver ore grade, the company continues to work in advancing the mine development and deepening the San Carlos shaft to have direct access to deeper ore reserves. We also continue to evaluate the potential to expand milling capacity to 10,000 tonnes per day.

Annual and quarterly gold by-product production increased when compared to all periods as a result of higher ore grades and recovery rates.

Annual by-product lead production decreased when compared to 2012 mainly due to the lower ore grade and, to a lesser extent reduced ore processed, which was partially mitigated by higher recovery rates. By-product zinc production for the full year remained at similar levels when compared to 2012. Quarterly by product lead and zinc production increased when compared to the same period of 2012 mainly as a result of higher ore grades and recovery rates.

Saucito mine production

	4Q 13	4Q 12	% change	3Q 13	FY 13	FY 12	% change
Silver prod'n (kOz)	3,044	2,006	51.7	2,909	11,581	7,054	64.2
Gold prod'n (Oz)	11,733	11,142	5.3	11,402	45,177	45,246	-0.2
Lead prod'n (t)	1,513	916	65.2	1,511	5,605	2,773	102.1
Zinc prod'n (t)	1,106	610	81.3	1,252	4,509	1,791	151.8

Annual silver production increased by 64.2% when compared to 2012 as a result of: i) the expected ramp-up of production at this mine and the direct access provided by the commissioning of the Jarillas shaft, ii) the increased silver ore grade (329.6g/t 2013 vs. 264.9g/t 2012) from the rich Jarillas vein, iii) additional ore processed from the development activities at the Jarillas and Mezquite veins, and iv) slightly improved recovery rates. Similarly, quarterly silver production increased by 51.7% and 4.6% over the same period of 2012 and previous quarter of 2013 as a result of higher ore grades, ore throughput and recovery rates.

Annual by-product gold production remained at similar levels compared to 2012. However, quarterly gold production increased by 5.3% when compared to the same period of 2012 as a result of higher ore throughput. Quarterly gold production increased by 2.9% over the previous quarter due to higher volumes of ore processed and better ore grades.

Annual and quarterly by-product lead and zinc production increased when compared to the corresponding periods of 2012 as a result of higher ore grade, ore throughput and to a lesser extent, improved recovery rates.

Ciénega mine production

	4Q 13	4Q 12	% change	3Q 13	FY 13	FY 12	% change
Gold prod'n (Oz)	24,513	28,816	-14.9	27,896	112,053	125,275	-10.6
Silver prod'n (kOz)	1,011	1,136	-11.0	1,041	4,240	3,329	27.4
Lead prod'n (t)	939	1,286	-27.0	1,196	4,811	5,676	-15.2
Zinc prod'n (t)	1,254	1,646	-23.8	1,285	5,459	8,171	-33.2

Annual and quarterly gold production decreased by 10.6% and 14.9%, respectively when compared to the same periods of 2012 due to the lower ore grades resulting from the anticipated depletion of high ore grade bodies at Ciénega. The increased ore throughput from San Ramón (Ciénega's satellite mine), which has lower gold grades but higher silver mineralisation, also impacted gold production. These effects were partially compensated by the increased volumes of ore throughput resulting from the optimisation of the milling process and slightly better recovery rates. Similarly, quarterly gold production decreased by 12.1% when compared to the previous quarter of 2013 due to lower ore grades.

Gold ore grade for 2014 is expected to be between 2.2-2.7g/t and will continue declining in the upcoming years until the level in reserves is reached, while average silver ore grade is expected to remain around 120g/t in 2014 and above 100g/t beyond 2014.

Annual co-product silver production increased by 27.4% compared to 2012 due to higher ore grade (121.6g/t 2013 vs. 105.2g/t 2012) coming mainly from the additional ore throughput from San Ramón (426,193 tons 2013 vs 263,209 tons 2012). However quarterly silver production decreased by 11.0% when compared to 2012 as a result of lower ore grades (114.1g/t 4Q13 vs. 135.9g/t 4Q12) and recovery rates. Similarly, quarterly silver production decreased by 2.9% when compared to the previous quarter as a result of lower ore grades.

Annual and quarterly by product zinc and lead production decreased when compared to the same periods of 2012 as a result of lower ore grades and recovery rates. Similarly, quarterly by product zinc and lead production decreased when compared to the previous quarter of 2013 due to lower ore grades.

We will continue optimising the beneficiation plant to expand milling capacity to 5,000 tonnes per day and will begin to increase capacity at the tailings dam. This US\$45 million project is expected to produce 20,000 ounces of gold and 1.3 million ounces of silver.

Herradura mine production – Attributable

	4Q 13	4Q 12	% change*	3Q 13	FY 13	FY 12	% change
Gold prod'n (Oz)	11,572	34,168	-66.1	45,350	148,155	176,146	-15.9
Silver prod'n (kOz)	12	19	-36.8	44	167	136	22.8

* When including the previously reported 2012 year-end assays adjustments with Met-Mex to 2012 figures, quarterly attributable gold production decreased 72.7% compared to the fourth quarter of 2012.

Full year and quarterly attributable gold production decreased when compared to all periods due to the lower ore deposited resulting from the previously reported temporary suspension of the explosives permits, which impacted gold production at Minera Penmont mines in the second half of the year.

Average gold ore grade is expected to increase to a range between 0.65 g/t and 0.80 g/t in 2014 as the pit continues to deepen and the dynamic leaching plant starts operations. Total expected production at Herradura is expected to be 200,000 attributable gold ounces, reflecting the gradual increase of production to normal levels at the Herradura pit and the contribution from the new dynamic leaching plant.

Exploration activities continued at the Centauro Deep project with 57,383 metres of diamond drilling in 2013.

Update on the suspension of explosives permit

Further to the updates provided to the market in recent months, on 24 January 2014 a hearing took place by the district court in Sonora to review the underlying merits of the Ejido El Bajío's request to impede the lifting of the explosives permit covering Herradura and Soledad. The Company understands that this request by the Ejido should be denied which is consistent with the denial by this court of the stay order on 6 November 2013 as the operations are clearly located outside the Ejido land which the Company has returned and has no intention to re-activate any explosives within such lands.

The Company is currently awaiting publication by the district court of this decision, which should be forthcoming within days and will advise the market accordingly.

The Company believes that favorable resolution of these proceedings is an important milestone to support the Ministry of Defense in its eventual decision to lift the explosives suspension.

Soledad-Dipolos mine production - Attributable

	4Q 13	4Q 12	% change	3Q 13	FY 13	FY 12	% change
Gold prod'n (Oz)	-	6,313	-100.0	4,254	26,480	60,104	-55.9
Silver prod'n (kOz)	-	3	-100.0	3	17	29	-41.4

Annual attributable gold production decreased by 55.9% when compared to 2012 due to the court order decision to evacuate the site as part of the legal proceedings regarding the "El Bajío" litigation which took place in the second half of 2013. We continue to analyse our options with regard to the future of the Soledad pit and the stockpile on the leaching pads.

Noche Buena mine production – Attributable

	4Q 13	4Q 12	% change*	3Q 13	FY 13	FY 12	% change
Gold prod'n (Oz)	16,622	10,245	62.2	17,222	60,888	36,690	66.0
Silver prod'n (kOz)	15	1	NA	8	28	8	250.0

*If the previously reported 2012 year-end assays adjustments with Met-Mex are applied to the fourth quarter figures, quarterly attributable gold production increased by 23.1% when compared to the same period 2012.

Annual attributable gold production increased by 66.0% over 2012 as a result of: i) the continued ramp-up of production to an average of 75,000 attributable gold ounces per year despite the temporary suspension of the explosives permits in August and September, ii) better recovery rates and iii) higher ore grade (0.54g/t 2013 vs. 0.51g/t 2012).

Attributable quarterly gold production increased by 62.2% when compared to the same period of 2012 due to higher ore deposited once the temporary explosives suspension was lifted and operations were resumed and higher ore grades (0.56g/t 4Q13 vs. 0.50g/t 4Q12). Fourth quarter attributable gold production decreased by 3.5% when compared to the previous quarter of 2013 reflecting the production lag which results from the natural leaching cycle process as no mineral was deposited on the pads while the suspension of explosives was in place.

Update on development projects

- ***Dynamic leaching plant at Herradura***

During the first two weeks of December 2013 several tests with waste material were made in the milling area to calibrate the proper functioning of the plant. Commercial production is expected to commence once ore from Herradura is available following the lifting of the explosives suspension.

This project is expected to increase gold production by 50,000 ounces per year to yield a total of 412,000 ounces over the 2014-2020 period.

- ***Saucito II***

Further progress was made in the construction of Saucito II. Details for the installation of the pumping system, thickeners and warehouse for concentrates were defined. Civil works at the stockpile tunnel and mills, and the construction of the foundations for the thickeners

continued. Additionally, the assembly of the main area as well as the operative platforms and equipment support areas continued.

This US\$235 million project is anticipated to produce 10 million ounces of silver and 35,000 ounces of gold per year once at full capacity.

- ***San Julián***

In the fourth quarter, significant progress was made in the detailed engineering of the Merrill-Crowe plant and orders for all long lead items have been placed.

This silver-gold project is expected to realise production of 9.6 Moz of silver and 40,000 ounces of gold per year once operating at full capacity.

- ***Fresnillo pyrites treatment plant***

Engineering works continued at the pyrites treatment plant. This project is expected to increase silver and gold recovery rates by processing the tailings from the Fresnillo and Saucito mines.

This project is anticipated to produce 4 million ounces of silver and 18,000 ounces of gold.

Update on exploration

In the fourth quarter of 2013, drilling continued to be focused on district exploration around our operating mines. Good results were obtained at Centauro Deep and Noche Buena, Herradura, Ciénega (namely at the Porvenir and San Gregorio veins), and the south vein in Fresnillo.

62,050 metres of core and 18,800 metres of reverse circulation drilling were carried out with 32 rigs, aiming to extend known gold and gold-silver mineralisation and to explore new targets at these locations.

Additional intersections with grades were obtained at the Fraile, Gigante and Chorro veins in the Guanajuato District, and on the Rodeo property in Durango. Drilling was initiated at the Guazapares prospect in Chihuahua.

Updated resource and reserve figures will be released at the time of Fresnillo plc's preliminary results once the external technical audit is completed. Safety remains a priority at all of our operations and no lost time accidents were reported in the period.

Safety Performance

In the fourth quarter, no fatal accidents occurred due to the reinforcement of safety measures and policies. We continue to work towards achieving our zero fatal accident target by focusing on safety training and implementing a behavioural change programme across the company.

There will be a conference call for analysts and investors on Tuesday 28 January 2013 at 8.30 am GMT (London time). The dial in details are as follows:

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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 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; three development projects - a dynamic leaching plant to treat high grade gold ore from the Herradura and Soledad mines; San Julián and Saucito II 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 plc 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 plc'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 Fresnillo plc's intentions, beliefs or current expectations concerning, amongst other things, Fresnillo plc'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 Fresnillo plc's operations, financial position and liquidity, and the development of the markets and the industry in which Fresnillo plc 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 Fresnillo plc 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), Fresnillo plc'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.