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28 January 2015

Fresnillo plc (“Fresnillo” or the “Company”)

Production Report for the three months ended 31 December 2014

Overview

- Full year silver production (including Silverstream) of 45.0 Moz, up 4.9% vs. 2013 and ahead of 43.0 Moz guidance; 4Q14 production of 12.3 Moz up 15.5% vs. 4Q13
- Increased silver production resulting mainly from higher ore throughput at Saucito and increased production from the Silverstream, which offset lower silver ore grade at Fresnillo and Ciénega
- Full year attributable gold production of 596koz, in line with revised guidance of 590 koz post Penmont acquisition - 2.4% decrease in production vs. 2013 reflects stoppage of operations at Soledad-Dipolos
- 4Q14 gold production of 173koz up 77.4% vs. 4Q13 due to Herradura being fully operational, following the explosives permit suspension that affected the comparator quarter, and the start-up of the dynamic leaching plant
- Quarterly gold production increased 10.6% vs. 3Q14 due to a higher speed of recovery at Herradura (ramp-up) and a higher contribution from Saucito
- Good progress at development projects - operations commenced at Saucito II on time and on budget and construction of leaching plant at San Julián continued and is on track to start production in 4Q15
- Positive drilling results at the Orisyvo, Rodeo and Guanajuato projects
- On track to reach 2018 production target of 65 Moz silver and 750 koz gold

2015 Production Outlook

- Silver production expected to be in the range of 45-47 Moz including 3.5 Moz from the Silverstream
- Gold production expected to be in the range of 670-685 koz
- 2015 exploration budget of approximately US\$170 million (including capitalised exploration expenses), an 8% decrease compared to the US\$185m spent in 2014
- Construction of the beneficiation plant at San Julián to continue and infrastructure works to be carried out. On track to start production in 4Q15

Octavio Alvidrez, Chief Executive Officer, commented:

“I am pleased to report an increase of nearly five percent in silver production in 2014, to 45 million ounces, ahead of our guidance of 43 million ounces, reflecting higher ore throughput at Saucito and an increased contribution from the Silverstream. In gold, we comfortably met our revised production target following the acquisition of the Penmont minority from Newmont, producing 596 thousand ounces over the year.

Within our growth project pipeline, I am very pleased to report that operations at Saucito II successfully commenced both on time and on budget in the fourth quarter, and we also saw the start-up of the dynamic leaching plant at Herradura. Looking to 2015, the construction of the leaching plant at San Julián continues, and we are on track to commence production in the fourth quarter.

2014 was of course not without its challenges, in particular at our Fresnillo and Herradura mines, but we begin 2015 confident that we are taking the necessary actions to allow for increased production at the Herradura mine, and at Fresnillo we are expecting to see the benefits of the measures we have implemented in order to control dilution and improve contractor efficiency to deliver more stable production.”

Total Production*

	4Q 14	4Q 13	% change	3Q 14	FY 14	FY 13	% change
Silver prod'n (kOz)	11,107	9,446	17.6	9,957	40,352	38,965	3.6
Silverstream prod'n (kOz)	1,224	1,228	-0.3	1,223	4,648	3,945	17.8
Total Silver prod'n (kOz)	12,331	10,674	15.5	11,179	45,000	42,910	4.9
Gold prod'n (Oz)	173,471	97,798	77.4	156,780	595,920	610,884	-2.4
Lead prod'n (t)	9,333	6,606	41.3	7,114	28,591	25,968	10.1
Zinc prod'n (t)	10,053	6,048	66.2	7,852	31,700	24,881	27.4

*All figures include 100% of production from the Penmont mines (Herradura, Soledad-Dipolos and Noche Buena).

Full year silver production (including the Silverstream) was 45.0 Moz, ahead of our 43.0 Moz guidance. The 4.9% increase on 2013 was mainly a result of higher ore throughput at Saucito due to the additional material processed from the development activities at Saucito II, maintenance efficiencies at the original Saucito beneficiation plant, and an increase in the volume of ore processed at Ciénega. A higher contribution from the Silverstream of 4.6 Moz, resulting from increased production at Sabinas (+17.8% vs. 2013) due to a higher recovery rate and a higher ore grade, also helped boost silver production.

These factors more than compensated for the expected lower ore grade at Fresnillo resulting from the natural decline in ore grades which was further affected by the higher dilution in some of the San Mateo and San Carlos stopes and delays in the preparation of certain stopes, as well as the lower than expected silver ore grade at Ciénega.

Quarterly silver production excluding the Silverstream increased 17.6% vs. 4Q13 as a result of increased ore processed and a higher ore grade at Saucito. However, this was partially offset by less ore being processed at Fresnillo and a lower ore grade at Ciénega resulting from the increased dilution at San Ramón. Similarly, quarterly silver production increased

11.6% when compared to the previous quarter as a result of higher ore processed and ore grade at Saucito.

Full year gold production comfortably met our revised guidance of 590 koz, but decreased 2.4% on 2013, mainly as a result of the stoppage of operations at Soledad-Dipolos due to the court order regarding the Ejido “El Bajío” litigation process. The expected lower ore grade at Ciénega due to the depletion of both higher gold ore grades and wider stopes also contributed to this decrease in gold production. In addition, production was impacted by the heap leaching process remaining in ramp-up at Herradura. This affected the speed of recovery, the excess of suspended solids in solution resulting from the start-up of the new dynamic leaching plant (DLP), and the need to increase processing capacity at Herradura. However, an increase in ore deposited at Noche Buena and a higher contribution from Saucito supported gold production levels.

Quarterly total gold production increased 77.4% vs. 4Q13 due to Herradura being fully operational, following the explosives permit suspension that affected the comparator quarter, and the start-up of the DLP in March 2014.

Quarterly total gold production increased 10.6% when compared to 3Q14 as a result of a higher speed of recovery (ramp-up) at Herradura and a higher ore grade and an increase in ore processed at Saucito, which fully compensated for the lower ore grade and decrease in ore processed at Noche Buena.

Full year by-product lead production increased 10.1% on 2013 as a result of a higher ore grade and an increase in ore processed at Saucito. Quarterly by-product lead production increased 41.3% on 4Q13 due to a higher ore grade and an increase in ore processed at Saucito and Ciénega. Similarly, quarterly by-product lead production increased 31.2% when compared to the previous quarter as a result of an increase in the ore grade and ore processed at Saucito and a higher ore grade at Fresnillo and Ciénega.

Full year by-product zinc production increased 27.4% on 2013 as a result of an increase in the ore grade, ore processed and recovery rate at Saucito, as well as an increase in the ore processed and recovery rate at Ciénega. Quarterly by-product zinc production increased 66.2% vs. 4Q13 due to higher ore grades and recovery rates at Ciénega, Fresnillo and Saucito, and an increase in ore processed at Ciénega and Saucito. Quarterly by-product zinc production increased 28.0% when compared to 3Q14 as a result of higher ore grades at Ciénega, Fresnillo and Saucito, an increase in ore processed at Saucito, and higher recovery rates at Fresnillo.

Fresnillo mine production

	4Q 14	4Q 13	% change	3Q 14	FY 14	FY 13	% change
Silver prod'n (kOz)	4,668	5,343	-12.6	4,884	20,098	22,764	-11.7
Gold prod'n (Oz)	10,723	11,205	-4.3	9,074	35,676	33,079	7.9
Lead prod'n (t)	3,794	4,154	-8.7	3,422	13,888	15,552	-10.7
Zinc prod'n (t)	4,231	3,688	14.7	3,559	15,199	14,914	1.9

Annual silver production decreased 11.7% when compared to 2013 mainly due to lower ore grades (FY14: 258.47 g/t vs FY13: 285.27 g/t). These lower ore grades resulted from: i) the expected natural decline in ore grades; ii) higher dilution in some stopes at the San Carlos and San Mateo areas due to rock conditions; and iii) limited access to a number of stopes at the San Carlos, San Mateo and San Alberto areas as a result of the delay in development activities due to contractor delays caused by equipment malfunction.

Quarterly silver production decreased 12.6% when compared to the same period of 2013 mainly as a result of the lower ore processed (-11.4%) as a result of the delays in the preparation of stopes at the San Carlos, San Mateo and San Alberto areas due to contractor delays and to a lesser extent, lower ore grades. Similarly, quarterly silver production decreased 4.4% when compared to the previous quarter as a result of the lower ore processed (-3.3%) and lower ore grade.

We are confident that we have clearly identified the measures necessary to address the issues experienced at Fresnillo, and appointed an external consultant to verify our findings. We expect to control dilution by minimising the height of ore areas (banks), conducting further blasting training and decreasing stope lengths to improve precision in the drilling activities. Over the last quarter, two additional contractors were engaged in order to increase development rates and ensure the continuity of development activities. With these measures in place, we expect the silver ore grade to be approximately 250 g/t in 2015.

Full year by-product gold production increased 7.9% on 2013 as a result of a higher ore grade (FY14:0.53 g/t vs FY13:0.50 g/t) and to a lesser extent, higher recovery rates. Similarly, quarterly by-product gold production increased 18.2% on 3Q14 due to a higher ore grade and recovery rate.

Quarterly by-product gold production decreased 4.3% vs. 4Q13 as a result of a decrease in ore processed.

Full year by-product lead production decreased 10.7% on 2013 due to lower ore grades (YTD14: 0.59% vs YTD13: 0.63%) and a decrease in ore milled. Similarly, quarterly by-product production decreased 8.7% vs. 4Q13 due to lower ore processed. However, quarterly lead production increased 10.9% when compared to 3Q14 as a result of higher ore grades (0.69% in 4Q14 vs 0.61% in 3Q14).

Full year and quarterly by-product zinc production increased 1.9% and 14.7% respectively when compared to the same periods of 2013 mainly due to higher ore grades (FY14:0.97% vs FY13:0.94% and 4Q14: 1.11% vs 4Q13: 0.94%). Similarly, quarterly by-product zinc production increased 18.9% vs. 3Q14 due to higher ore grades (4Q14: 1.11% vs 3Q14: 0.96%) and recovery rates.

Saucito mine production

	4Q 14	4Q 13	% change	3Q 14	FY 14	FY 13	% change
Silver prod'n (kOz)	5,304	3,044	74.2	3,778	15,397	11,581	33.0
Gold prod'n (Oz)	17,556	11,733	49.6	12,848	57,227	45,177	26.7
Lead prod'n (t)	4,278	1,513	182.7	2,606	9,967	5,605	77.8
Zinc prod'n (t)	4,247	1,106	284.0	2,827	10,501	4,509	132.9

Full year and quarterly silver production increased 33.0% and 74.2% respectively when compared to the same periods of 2013 as a result of higher ore throughput (29.9% and 55.8% respectively) due to the additional material processed from the development activities at Saucito II, which was in part processed at Fresnillo. This additional volume enabled the operating team to take advantage of capacity available at the Fresnillo beneficiation plant, and efficiencies in the Saucito plant. Additionally, a higher full year and quarterly ore grade (FY14: 338.95 g/t vs FY13: 329.58 g/t) and (4Q14: 372.15 g/t vs

4Q13: 326.50 g/t) due to higher than expected ore grades from the development works also contributed to the increased production at Saucito.

Similarly, quarterly silver production increased 40.4% vs. 3Q14 as a result of higher ore processed (27.1%) and higher ore grade (4Q14: 372.15 g/t vs 3Q14: 328.19 g/t).

In 2015, the average silver ore grade at Saucito is expected to be around 290 g/t.

Full year and quarterly by-product gold production increased 26.7% and 49.6% respectively when compared to the same periods of 2013 as a result of an increase in ore processed which fully compensated for the lower recovery rates. Additionally, quarterly gold production increased 36.6% on 3Q14 as a result of an increase in ore processed and higher ore grades (4Q14: 1.41 g/t vs 3Q14: 1.23 g/t) which compensated for a lower recovery rate.

Full year and quarterly by-product lead and zinc production increased when compared to the same periods of 2013 due to higher ore grades, ore volumes processed and recovery rates. Similarly, quarterly by-product lead and zinc production increased 64.2% and 50.2% respectively vs. 3Q14 as a result of higher ore grades and ore volumes processed.

Ciénega mine production

	4Q 14	4Q 13	% change	3Q 14	FY 14	FY 13	% change
Gold prod'n (Oz)	27,174	24,513	10.9	27,052	108,211	112,053	-3.4
Silver prod'n (kOz)	934	1,011	-7.6	1,069	4,075	4,240	-3.9
Lead prod'n (t)	1,262	939	34.4	1,087	4,736	4,811	-1.6
Zinc prod'n (t)	1,575	1,254	25.6	1,465	6,000	5,459	9.9

Full year gold production decreased 3.4% on 2013 as a result of the expected lower ore grade (FY14: 2.59 g/t vs. FY13: 2.90 g/t) due to the depletion of both higher gold ore grades and wider stopes, and higher dilution. These effects were partially offset by an increase in ore processed (+8.0%), resulting from the optimisation of the milling process.

However, quarterly gold production increased 10.9% on 4Q13 as a result of an increase in ore processed (+6.3%) and a higher ore grade (4Q14: 2.59 g/t vs. 4Q13: 2.48 g/t). Quarterly gold production remained at similar levels (+0.5%) vs. 3Q14.

The average gold ore grade is expected to be around 2.1 g/t for 2015.

Full year and quarterly silver production decreased 3.9% and 7.6% respectively when compared to the same periods of 2013 due to lower ore grades (FY14: 108.55 g/t vs FY13: 121.59 g/t and 4Q14: 99.34 g/t vs 4Q13: 114.09 g/t) as a result of increased dilution due to narrower veins at San Ramón. However, this effect was partially offset by an increase in ore processed (+8.0% and +6.3% respectively).

Similarly, quarterly silver production decreased 12.6% on 3Q14 mainly as a result of the lower ore grade (4Q14: 99.34 g/t vs 3Q14: 111.87 g/t).

In 2015, the average silver ore grade at Ciénega is expected to be approximately 120 g/t.

Full year by-product lead production decreased 1.6% on 2013 due to a lower ore grade (FY14: 0.53% vs FY13: 0.56%) and recovery rate, partly offset by increased ore processed. However, quarterly by-product lead production increased 34.3% vs. 4Q13 and 16.1% vs.

3Q14 as a result of higher ore grades (4Q14: 0.56% vs 4Q13: 0.46%) and (4Q14: 0.56% vs 3Q14: 0.48%).

Full year by-product zinc production increased 9.9% on 2013 as a result of an increase in ore processed and a higher recovery rate. Quarterly by-product zinc production increased 25.6% on 4Q13 as a result of a higher ore grade (4Q14: 0.75% vs 4Q13: 0.67%), recovery rate and an increase in ore processed.

Quarterly by-product zinc production increased 7.5% vs. 3Q14 due to a higher ore grade (4Q14: 0.75% vs 3Q14: 0.70%).

Herradura total mine production (100%)*

	4Q 14	4Q 13	% change	3Q 14	FY 14	FY 13	% change
Gold prod'n (Oz)	87,362	20,664	322.8	73,681	265,564	264,562	0.4
Silver prod'n (kOz)	177	21	742.9	198	679	299	127.1

*All figures include 100% of production from the Penmont mines (Herradura, Soledad-Dipolos and Noche Buena).

Full year attributable gold production (having acquired full control of the Penmont assets) remained at similar levels to 2013 (+0.4%) as a result of the gold production ramp-up at Herradura, the contribution of ore processed at the DLP following its start-up in March 2014 and a higher ore grade (FY14: 0.72 g/t vs FY13: 0.61 g/t). These factors offset the adverse impacts of: i) expected lower production from the heap leaching process during its ramp-up to the pads reaching their “steady state” post the temporary suspension of explosives; ii) the excess of suspended solids in solution resulting from the start-up of the new DLP; and iii) the need to increase processing capacity at Herradura in order to efficiently process the solution produced at both the pads and the DLP. In 2015 we plan to install a second Merrill Crowe plant at Herradura, partly taken from the currently inactive operations at Soledad-Dipolos, make additional investment to increase the solution processing capacity, and make technical modifications to the DLP. The total expected capital expenditure for this project is estimated at US\$24.5 million.

With these measures the process is expected to reach “steady state” status by 4Q15; once this is reached the expected average annual production at Herradura (heap leaching and DLP) is estimated at 360,000 ounces.

Quarterly total gold production increased compared to 4Q13 as a result of the ramp-up at Herradura, whereas the temporary explosives suspension affected production in 4Q13, and the ore processed at the DLP following its start-up in March 2014. Quarterly gold production increased 18.6% on 3Q14 due to a higher speed of recovery resulting from the ramp-up.

In 2015, the average gold ore grade at Herradura is expected to be at a similar level to 2014.

Soledad-Dipolos total mine production (100%)*

	4Q 14	4Q 13	% change	3Q 14	FY 14	FY 13	% change
Gold prod'n (Oz)	-	-	N/A	-	-	47,285	-100.0
Silver prod'n (kOz)	-	-	N/A	-	-	31	-100.0

*All figures include 100% of production from the Penmont mines (Herradura, Soledad-Dipolos and Noche Buena).

As previously announced, operations at the 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 Ejido "El Bajío" litigation process. The company is currently analysing options with regards to the future of Soledad-Dipolos.

Noche Buena total mine production (100%) *

	4Q 14	4Q 13	% change	3Q 14	FY 14	FY 13	% change
Gold prod'n (Oz)	30,655	29,682	3.3	34,125	129,242	108,729	18.9
Silver prod'n (kOz)	24	27	-11.1	28	102	49	108.2

*All figures include 100% of production from the Penmont mines (Herradura, Soledad-Dipolos and Noche Buena).

Full year attributable gold production (having acquired full control of the Penmont assets) increased 18.9% mainly as a result of an increase in ore deposited (+27.1%) due to the ramp-up to the expanded capacity and the temporary explosives suspension that affected operations in 3Q13. This was partly offset by a lower ore grade (FY14: 0.51 g/t vs FY13: 0.54 g/t).

Quarterly total gold production increased 3.3% on 4Q13 as a result of a higher rate of recovery and ore deposited (+10.9%) reflecting the ramp-up of operations. However, a lower ore grade in line with the mine plan (4Q14: 0.46 g/t vs 4Q13: 0.56 g/t) partially offset these factors.

Quarterly total gold production decreased 10.2% on 3Q14 due to a decrease in the ore grade (4Q14: 0.46 g/t vs 3Q14: 0.50 g/t) and ore deposited (-5.3%), again in line with the mine plan. The above effects were partly offset by higher recovery rates.

In 2015, it is expected that the average gold ore grade at Noche Buena will reach levels of approximately 0.45 g/t.

Update on development projects

- **Saucito II**

Saucito II commenced operations on time and on budget in 4Q14.

This US\$235 million project is anticipated to produce 8.4 million ounces of silver and 35,000 ounces of gold per annum once at full capacity, which we expect to reach ahead of the three year timeframe previously anticipated.

- **San Julián**

The construction of the San Julián project is progressing as expected and remains on track to start production in 4Q15. During the quarter, progress was made on the construction of the dynamic leaching plant, plant infrastructure, mining works, the crusher building and water tanks. In addition, construction of the tailings dam commenced.

This US\$515 million silver-gold project is expected to produce an average of 10.3 million ounces of silver and 44,000 ounces of gold per annum once at full capacity.

Update on Exploration

Exploration programmes continued in the highly prospective Herradura (Sonora), Fresnillo (Zacatecas) and Ciénega (Durango) districts. At the Orisyvo greenfield project, exploration holes extended the gold oxide zone and the grade was confirmed. Drilling at the Rodeo (Durango) greenfield project increased gold oxide mineralisation to a strike of

2,200 metres. Several exploration holes intersected economic silver grades on two newly discovered veins in the Joya area of the Guanajuato district. Reserve and resource estimates are presently being audited and the results will be published in our 2014 annual report.

Update on the partial one-off hedging programme

In 4Q14 the Company concluded the first stage of its previously announced one-off hedging programme to protect the value of the investment made in the acquisition of 44% of the Penmont Joint Venture.

The first stage covered 1,524,276 ounces of gold, equivalent to the total expected gold production for the five year period from January 2015 to December 2019, and included current operating units and the Centauro Deep and Mega Centauro projects (but excluded Soledad-Dipolos, which is currently suspended). This hedged volume corresponded solely to the 44% participation in the Penmont Joint Venture that was purchased from Newmont. The Company implemented this first stage by entering into gold ounce-US dollar collars with a floor price of US\$1,100 per ounce and a range of capped prices from US\$1,375 to US\$1,495 ounce with a weighted average level of US\$1,427 per ounce. The collar derivative instruments mature on a monthly basis over the previously mentioned period.

Management has decided to suspend for the time being the implementation of subsequent stages related to volumes produced beyond December 2019 until further notice. The Company remains positive on the long-term outlook for gold and silver prices and this does not constitute a change in the Group's hedging policy, which remains guided by the principle of providing shareholders with full exposure to gold and silver prices.

Safety Performance

We are pleased to announce that during the fourth quarter there were no fatal accidents due to the continuous reinforcement of our safety measures as well as our employees' adherence to our safety policies. We will continue to work in order to reach our zero fatal accidents target on an ongoing basis.

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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-Dipolos¹ 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 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 750,000 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.

¹ Operations at Soledad and Dipolos are currently suspended.