



Fresnillo plc
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15 April 2015

Production Report

for the three months ended 31 March 2015

Overview

- Quarterly silver production of 12.4 moz (including Silverstream), up 18.9% vs. 1Q14 due to increased ore volume processed and higher ore grade at Saucito, more than offsetting lower production at Fresnillo
- Quarterly gold production of 182 koz, up 62.4% vs. 1Q14 mainly due to Herradura being fully operational post the temporary explosives permit suspension which affected the comparator quarter, and the dynamic leaching plant at the mine now in operation, together with an increased contribution from Saucito
- Quarterly gold production up 4.9% vs. 4Q14 mainly reflecting the ramp-up at Herradura
- Ramp-up of Saucito II successfully underway, resulting in a 12.1% increase in silver production at Saucito over the previous quarter
- Construction at San Julián remains on track. The leaching plant (stage 1) is expected to be commissioned in 4Q15
- Encouraging exploration results at Orisyvo, Juanicipio and Guanajuato
- On track to achieve 2015 production guidance of 45-47 moz silver, (including 3.5 moz from the Silverstream), and 670-685 koz gold

Octavio Alvidrez, Chief Executive Officer, said:

“We have had a strong start to 2015, producing over 12 million ounces of silver and 182 thousand ounces of gold in the quarter. We have improved development work at Fresnillo and started to see the results of the measures being taken to solve the challenges faced at Herradura.

Silver production increased nearly 20% on the first quarter of 2014, boosted by higher production levels from Saucito as Saucito II ramps up successfully following its commissioning on time and on budget in late 2014 and we continue to make efficiency improvements. Gold production increased over 60% on the first quarter of 2014, with Herradura and its dynamic leaching plant fully operational.

Looking ahead, we have seen continued progress at our San Julián development project, with stage 1 on schedule for commissioning in late 2015, and stage 2 to follow in 2016. I am confident that we remain on track to achieve our 2015 production guidance of 45-47 million ounces of silver and 670-685 thousand ounces of gold.”

Total Production*

	1Q 15	1Q 14	% change	4Q 14
Silver (koz)	11,309	9,331	21.2	11,107
Silverstream (koz)	1,116	1,115	0.1	1,224
Total silver (koz)	12,424	10,446	18.9	12,331
Gold (oz)	182,035	112,113	62.4	173,471
Lead (t)	9,447	6,363	48.5	9,333
Zinc (t)	10,108	7,105	42.3	10,053

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

Quarterly silver production (including the Silverstream) increased 18.9% on 1Q14 mainly due to an increase in ore processed (+78.1%) at Saucito resulting from the start of operations at Saucito II, milling efficiencies at the Saucito I plant, a higher silver ore grade as a result of controlled dilution and an increase in higher ore grade throughput at Saucito. A higher silver ore grade at Ciénega due to lower dilution as a result of wider veins at the Carmen and Rosario areas also contributed to the increase in silver production. These factors more than offset the decrease in ore processed at Fresnillo due to the development delays experienced last year and the subsequent ramp-up, as well as a lower ore grade.

Quarterly silver production (including the Silverstream) remained at similar levels to the previous quarter as a result of the increased production from Saucito and the higher ore grade at Ciénega which compensated for the lower production at Fresnillo.

Quarterly gold production increased 62.4% on 1Q14 due to an increase in ore processed at Herradura resulting from the mine being fully operational whilst the temporary explosives suspension impacted 1Q14, and the dynamic leaching plant (DLP) being operational for the full quarter following its start-up in March 2014, which resulted in: i) an increase in ore processed; ii) higher ore grades given the DLP processes higher ore grade material; and iii) a higher speed of recovery. A higher ore grade and an increase in ore processed at Saucito also contributed to increased gold production. These factors more than offset the lower gold ore grade at Ciénega due to the depletion of higher ore grades and wider areas as well as a slower recovery speed at Noche Buena due to the increased height of the leaching pads.

Quarterly gold production increased 4.9% on the previous quarter due to a higher speed of recovery and ore grade at Herradura as a result of the ramp-up of operations, a higher ore grade and ore deposited at Noche Buena and an increase in ore processed at Saucito.

Quarterly by-product lead production increased 48.5% on 1Q14 due to an increase in ore processed, ore grade and recovery at Saucito and a higher ore grade at Ciénega. Quarterly by-product lead production remained at similar levels to the previous quarter.

Quarterly by-product zinc production increased 42.3% on 1Q14 mainly due to a higher ore throughput and ore grade at Saucito which offset the lower ore grade and recovery at Ciénega. Quarterly by-product zinc production remained at similar levels to the previous quarter.

Fresnillo mine production

	1Q15	1Q14	% change	4Q14
Ore Processed (t)	609,496	684,509	-11.0	611,270
Production				
Silver (koz)	4,180	5,145	-18.8	4,668
Gold (oz)	7,543	8,082	-6.7	10,723
Lead (t)	3,208	3,526	-9.0	3,794
Zinc (t)	3,872	3,965	-2.3	4,231
Ore Grades				
Silver (g/t)	231	253	-8.7	256
Gold (g/t)	0.49	0.47	4.9	0.67
Lead (%)	0.59	0.57	3.4	0.69
Zinc (%)	0.98	0.97	0.5	1.11

Quarterly silver production decreased 18.8% on 1Q14 as a result of a decrease in ore processed (-11.0%) due to the previously announced development delays at the San Carlos, San Alberto and East areas experienced last year and the subsequent ramp-up, and a lower ore grade reflecting limited access to higher ore grade areas.

Similarly, quarterly silver production decreased 10.5% on the previous quarter as a result of the lower ore grade.

During the quarter we advanced development rates to 3,900m/month from the 3,300m/month reached in 2014, having both strengthened the supervision of contractors and brought on additional contractors. We expect to reach development rates of 4,000m/month by the end of the year. These increased development rates will allow us to advance declines in order to access the higher grade veins at lower levels and regain flexibility at our operating stopes, thus helping to improve ore grades and volumes in the second half.

Quarterly by-product gold, lead and zinc production decreased on 1Q14 as a result of a decrease in ore processed, however, higher gold and lead ore grades and a higher zinc recovery rate (+9.2%) partially offset this.

Quarterly by-product gold, lead and zinc production decreased on the previous quarter as a result of lower ore grades, however zinc production was partially supported by an increased recovery rate (+3.8%).

Saucito mine production

	1Q15	1Q14	% change	4Q14
Ore Processed (t)	564,020	316,769	78.1	488,492
Production				
Silver (koz)	5,947	3,103	91.7	5,304
Gold (oz)	20,131	10,911	84.5	17,556
Lead (t)	4,822	1,491	223.4	4,278
Zinc (t)	4,841	1,634	196.3	4,247
Ore Grades				
Silver (g/t)	363	329	10.2	372
Gold (g/t)	1.38	1.28	7.9	1.41
Lead (%)	0.98	0.56	75.0	0.99
Zinc (%)	1.62	0.99	63.2	1.74

Quarterly silver production increased 91.7% on 1Q14 as a result of an increase in ore processed due to the start of operations at Saucito II, milling efficiencies at the Saucito I plant, a higher silver ore grade as a result of controlled dilution and an increase in ore throughput from higher ore grade stopes at the Jarillas vein.

During the quarter we made technical adjustments to the milling process to increase the capacity of the Saucito I plant to 3,600TPD by installing vibrating screens. At the Saucito II plant we used an inventory build-up and ore volumes from high development rates to stress test the plant at a temporarily high processing rate, as part of the ramp-up process.

Quarterly silver production increased on the previous quarter due to the increase in ore processed resulting from the ramp-up of Saucito II, partially offset by a small decrease in the silver ore grade.

Quarterly by-product gold, lead and zinc production increased on 1Q14 as a result of the increase in ore processed and higher ore grades. An increase in lead and zinc recovery rates (+3.8% and +1.9%, respectively) contributed to the increased production of these metals, whereas gold production was partially impacted by a lower recovery rate (-4.0%).

Quarterly by-product gold, lead and zinc production increased from the previous quarter as a result of the increase in ore processed, partially offset by lower ore grades. A higher zinc recovery rate (+6.3%) also contributed to the increased production.

Ciénega mine production

	1Q15	1Q14	% change	4Q14
Ore Processed (t)	332,884	328,250	1.4	337,507
Production				
Gold (oz)	24,180	29,087	-16.9	27,174
Silver (koz)	1,057	996	6.1	934
Lead (t)	1,417	1,345	5.4	1,262
Zinc (t)	1,396	1,505	-7.2	1,575
Ore Grades				
Gold (g/t)	2.34	2.85	-18.0	2.59
Silver (g/t)	113	108	4.5	99
Lead (%)	0.63	0.60	4.7	0.56
Zinc (%)	0.73	0.76	-3.9	0.75

Quarterly gold production decreased 16.9% on 1Q14 mainly as a result of the expected lower ore grade due to the depletion of both higher gold ore grade and wider stopes at the east and west veins.

Similarly, quarterly gold production decreased 11.0% on the previous quarter primarily as a result of the expected lower ore grade.

Quarterly silver production increased 6.1% on 1Q14 as a result of a higher silver ore grade reflecting lower dilution as a result of wider veins at the Carmen and Rosario areas, and an increase in ore processed. Similarly, quarterly silver production increased 13.1% on the previous quarter due to a higher ore grade, partially offset by a decrease in ore processed.

Quarterly by-product lead production increased on 1Q14 mainly as a result of higher ore grades and an increase in ore processed. Similarly, quarterly by-product lead production increased on the previous quarter as a result of a higher ore grade and a slight increase (+1.5%) in the recovery rate which was partially offset by a decrease in ore processed.

Quarterly by-product zinc production decreased on 1Q14 and the previous quarter due to lower ore grades and recovery rates.

Herradura total mine production (100%)*

	1Q15	1Q14	% change	4Q14
Ore Processed (t)	5,894,219	2,004,698	194.0	6,458,067
Total Volume Hauled (t)	29,199,844	15,941,926	83.2	39,613,481
Production				
Gold (oz)	98,359	29,845	229.6	87,362
Silver (koz)	101	65	55.4	177
Ore Grades				
Gold (g/t)	0.76	0.71	7.1	0.73
Silver (g/t)	1.23	1.13	9.3	1.22

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

Quarterly total gold production including output from the DLP increased on 1Q14 due to an increase in ore processed at Herradura resulting from the mine being fully operational whilst the temporary explosives suspension impacted 1Q14, and the DLP being operational for the full quarter following its start-up in March 2014, which resulted in: i) an increase in ore processed; ii) higher ore grades given the DLP processes higher ore grade material; and iii) a higher speed of recovery (+4.6%).

Quarterly total gold production increased 12.6% on the previous quarter due to a higher speed of recovery (+18.4%) and higher ore grades as a result of the ramp-up of operations at the DLP and the heap leaching process, which offset a decrease in ore processed.

We remain on track to reach steady state production by 4Q15, post the installation of the second Merrill Crowe plant at Herradura. Once this is reached, the expected annual gold production at Herradura (heap leaching and DLP) is estimated at 360,000 ounces.

Quarterly silver production increased on 1Q14 as a result of an increase in ore processed and a higher ore grade which offset a lower recovery rate. Quarterly silver production decreased on the previous quarter as a result of a lower recovery rate and a decrease in ore processed.

Exploration at Centauro Deep continued, with 15km drilled during the quarter.

Soledad-Dipolos total mine production (100%)

As previously announced, operations at the mine remain 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. We will provide an update in due course.

Noche Buena total mine production (100%)*

	1Q15	1Q14	% change	4Q14
Ore Processed (t)	4,214,249	3,579,787	17.7	3,962,098
Total Volume Hauled (t)	21,493,338	22,142,043	-2.9	22,614,578
Production				
Gold (oz)	31,822	34,188	-6.9	30,655
Silver (koz)	24	21	14.3	24
Ore Grades				
Gold (g/t)	0.50	0.54	-8.1	0.46
Silver (g/t)	0.32	0.38	-17.9	0.35

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

Quarterly total gold production decreased 6.9% on 1Q14 as a result of a lower speed of recovery (-13.9%) due to the increased height of the leaching pads, and the expected lower ore grade, with ore deposited from higher banks rather than deeper high ore grade areas in order to reduce haulage costs. An increase in ore deposited partially offset these effects.

Quarterly total gold production increased 3.8% on the previous quarter due to a higher ore grade in accordance with the mine plan and an increase in ore deposited, partially offset by a lower speed of recovery (-9.7%).

Quarterly silver production increased on 1Q14 due to the increase in ore deposited and a higher recovery rate (+15.7%), partially offset by the lower silver ore grade.

Update on development projects

- ***San Julián***

In the first quarter, mining works continued, with a further 2,973m developed and mining works for the preparation of the general pumping station were completed. In addition, the construction of the agitator tank foundations commenced and training for the DLP personnel took place.

Further infrastructure advances were achieved at the crushing building, and the foundations for the rich solution tanks at the Merrill Crowe plant and the water tanks were constructed.

The DLP, which will process ore from the veins (stage 1), is expected to be commissioned in 4Q15. The flotation plant to process ore from the disseminated ore body (stage 2) is expected to be commissioned in 2H16.

This silver-gold project is expected to produce an average of 10.3 million ounces of silver and 44,000 ounces of gold per year once at full capacity in 2017.

- ***Pyrites plant***

During the quarter we continued detailed engineering works for this project, which is expected to increase silver and gold recovery rates by processing tailings, both historical and ongoing, from the Fresnillo and Saucito mines.

This US\$155 million project remains on track to commence operations in 2017, with annual production expected to total 3.5 million ounces of silver and 13,000 ounces of gold.

Update on Exploration

Drilling in the first quarter focused on ten projects (Fresnillo, Noche Buena, Centauro Deep, Orisyvo, Juanicipio, Rodeo, Guanajuato, Pilarica, Guachichil and Tajitos). Interesting intersections with gold-silver values were obtained at Centauro Deep, Orisyvo, Rodeo, Guanajuato and Pilarica, and mapping has located new targets at Fresnillo, Herradura and Guanajuato.

Safety Performance

No fatal accidents occurred during the period. We continue to reinforce our safety efforts in order to fulfil our zero fatalities commitment on an ongoing basis.

There will be a conference call for analysts and investors on Wednesday 15th April at 8:30am (London time). The dial in details are as follows:

Participants' dial in number: **+44 (0) 20 3427 1908**

Conference ID: **7726561**

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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 - San Julián and the Pyrites plant, and four advanced exploration prospects – Orisyvo, Juanicipio, Las Casas Rosario & Cluster Cebollitas and Centauro Deep, 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 silver.

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.

¹Operations at Soledad-Dipolos are currently suspended.