

20 January 2016

Production Report

for the three months ended 31 December 2015

Overview

- Full year silver production (including Silverstream) of 47.0 moz, up 4.4% vs. 2014 and at the top end of our guidance range mainly due to higher ore throughput at Saucito, more than offsetting the lower production at Fresnillo
- Quarterly silver production increased 10.2% vs. 3Q15 due to higher ore grade and ore throughput at Saucito
- Full year gold production of 762 koz exceeded the revised gold production guidance of 715-730 koz, surpassing the 2018 gold production target of 750 koz; this was as a result of the dynamic leaching plant being fully operational following its start-up in March 2014 and Herradura being fully operational post the temporary explosives permit suspension which affected 2014 production
- Quarterly gold production increased 24.5% vs. 4Q14 mainly due to the start-up of the second Merrill Crowe plant at Herradura as well as higher overall average speed of recovery at the leaching pads. Increased volume of gold recovered, higher ore deposited and ore grade at Noche Buena also contributed to increase production
- 4Q15 gold production increased 18.8% vs. 3Q15 due to higher ore deposited at Herradura and increased volume of gold recovered at Noche Buena
- On track to reach 2018 production target of 65 moz of silver
- An accident occurred in early January at San Julián resulting in one fatality

2016 Production Outlook

- Silver production expected to be in the range of 49-51 moz including 4 moz from the Silverstream
- Gold production expected to be in the range of 775-790 koz
- Construction at San Julián continues with the leaching plant (stage 1) on track for commissioning in 2Q16 and the flotation plant commissioning (stage 2) in 4Q16. Detailed engineering works continue at the Pyrites Plant
- 2016 exploration budget of approximately US\$135-140 million (including capitalised exploration expenses), vs. US\$151 million spent in 2015

Octavio Alvídrez, Chief Executive Officer, said:

“I am pleased to report full year silver production at the top end of our guidance range, with 47 moz, a 4.4% increase on 2014. This was mainly driven by the ramp-up of Saucito II and a higher ore grade at Ciénega, which more than offset lower production at Fresnillo. We continue to see the results of the measures we implemented to address the development delays at Fresnillo gradually come through, with grades and production levels increasing for a second consecutive quarter. The mine showed particular signs of improvement in the fourth quarter, and in 2016 I am confident of a turnaround, with a double digit increase in ore milled expected.

In gold, production of 762 koz (+27.8%) not only exceeded our revised guidance of 715-730 koz (increased from 670-685 koz in July), but surpassed our long term 2018 target of 750 koz. This resulted from Herradura and its dynamic leaching plant being fully operational for the year, and achieving steady state as processing capacity increased following the installation of a second Merrill Crowe plant at the mine.

In terms of our development pipeline, San Julián is on track for stage 1 commissioning in the second quarter of 2016 and stage 2 commissioning by year end, whilst detailed engineering works continue at the Pyrites plant.

Looking ahead, we are expecting increases in both silver and gold production in 2016, with ranges of 49-51 moz and 775-790 koz respectively.”

Total Production*

	4Q 15	4Q 14	% change	3Q 15	2015	2014	% change
Silver (koz)	11,336	11,107	2.1	10,056	43,023	40,352	6.6
Silverstream (koz)	830	1,224	-32.2	984	3,955	4,648	-14.9
Total Silver (koz)	12,166	12,331	-1.3	11,040	46,977	45,000	4.4
Gold (oz)	215,892	173,471	24.5	181,799	761,712	595,920	27.8
Lead (t)	12,675	9,333	35.8	10,480	42,413	28,591	48.3
Zinc (t)	14,625	10,053	45.5	10,959	46,022	31,700	45.2

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

Full year silver production (including the Silverstream) increased 4.4% over 2014 mainly due to higher ore throughput at Saucito, resulting from the ramp up of Saucito II, and the milling efficiencies achieved at the Saucito I plant. In addition, higher silver ore grade at Ciénega, as a result of access to a higher ore grade area, richer veins at the San Ramón satellite mine and development ore from the Taspana vein, contributed to increased silver production.

The favourable conditions outlined above more than offset the lower ore grade (-14.9%) and ore processed at Fresnillo (-8.2%), mainly resulting from development delays that limited access to richer stopes. These development delays were caused by a combination of factors including narrower veins (which also increased dilution), poor rock quality, issues with contractors and lack of necessary infrastructure in certain areas of the mine.

Quarterly silver production (including the Silverstream) slightly decreased by 1.3% when compared to the same period of 2014 as a result of lower silver ore grade at Sabinas (Silverstream) compared to the above average ore grade in 4Q14.

Quarterly silver production increased by 12.7% over the previous quarter due to higher ore grade and increased throughput at Saucito. Higher ore processed and ore grades at Fresnillo also contributed to increased silver production as we continued to see positive results from the actions taken to increase development rates and control dilution. These favourable effects more than compensated for the lower ore grade and volume of ore processed at Ciénega.

Annual gold production increased 27.8% over 2014, reaching 762 koz, exceeding the guidance of 715-730 koz of gold for 2015. This was mainly a result of: i) higher overall speed of recovery and increased volume of ore processed at the Herradura leaching pads, resulting from the mine being fully operational whilst the temporary explosives permit suspension affected production in 2014; ii) the dynamic leaching plant (DLP) at Herradura being operational for the full year following its start-up in March 2014; iii) reaching steady state at Herradura post the increase in processing capacity following installation of the second Merrill Crowe plant; iv) an increase in ore deposited and a higher rate of recovery at Noche Buena; and v) increased ore throughput at Saucito. These factors more than offset the lower ore grades at Ciénega due to the expected depletion of richer gold veins.

Quarterly gold production increased 24.5% on 4Q14 due to a higher overall average speed of recovery at Herradura, higher ore deposited, increased volumes recovered and a higher ore grade at Noche Buena, and increased ore throughput at Saucito. These factors more than compensated for the lower ore grade at Ciénega due to the expected depletion of high gold grade stopes and higher dilution resulting from mining narrower veins.

Similarly, quarterly gold production increased 18.8% on 3Q15 as a result of higher ore deposited at Herradura and reaching steady state post the start of operations of the new Merrill Crowe plant, allowing the processing of a higher volume of rich solution. In addition, gold production also increased due to higher volumes recovered at Noche Buena as well as higher ore grades at Fresnillo.

Full year and quarterly by-product lead production increased by 48.3% and 35.8% on 2014 and 4Q14 respectively, due to increased ore throughput and higher ore grade at Saucito and higher ore grades at Fresnillo and Ciénega. Quarterly by-product lead production increased 20.9% over 3Q15 due to higher ore grade and volume of ore processed at Fresnillo, increased ore throughput and ore grades at Saucito and higher ore grade and recovery rates at Ciénega.

Annual by-product zinc production increased 45.2% over 2014 due to higher ore throughput and ore grades at Saucito and higher ore grades and recovery rates at Fresnillo. Quarterly by-product zinc production increased 45.5% on 4Q14 due to higher volumes of ore processed, recovery rates and ore grades at Saucito and higher ore grades and recovery rates at Fresnillo. Quarterly by-product zinc production increased 33.5% on 3Q15 as a result of higher recovery rate, ore processed and ore grade at Saucito and higher ore grades and volumes of ore processed at Fresnillo.

Fresnillo mine production

	4Q 15	4Q 14	% change	3Q 15	2015	2014	% change
Ore Processed (t)	620,412	611,270	1.5	583,180	2,410,033	2,625,511	-8.2
Production							
Silver (koz)	4,058	4,668	-13.1	3,723	15,612	20,098	-22.3
Gold (oz)	10,435	10,723	-2.7	8,593	34,120	35,676	-4.4
Lead (t)	5,277	3,794	39.1	3,967	16,248	13,888	17.0
Zinc (t)	6,172	4,231	45.9	4,651	19,029	15,199	25.2
Ore Grades							
Silver (g/t)	222	256	-13.2	218	220	258	-14.9
Gold (g/t)	0.68	0.67	2.1	0.60	0.57	0.53	7.5
Lead (%)	0.94	0.69	35.5	0.75	0.75	0.59	26.2
Zinc (%)	1.46	1.11	31.8	1.18	1.18	0.97	21.6

Annual and quarterly silver production decreased 22.3% and 13.1% respectively on the same periods of 2014 due to the previously announced lower ore grade resulting from

limited access to higher ore grade areas at the San Alberto, San Carlos and San Mateo areas, and lower volume of ore processed due to the development activity delays in these areas. These development delays were caused by a combination of factors including: i) narrower veins at the deeper zones of the mine which require additional development and also lead to increased dilution; ii) poor rock quality necessitating additional shotcreting and anchoring; iii) issues with contractors; and iv) lack of necessary infrastructure in certain areas of the mine.

However, measures put in place to address these issues, including enhanced supervision of contractors and using the expertise of engineers from Ciénega where we have dealt with narrow veins for many years, allowed development rates to increase to over 4,000 metres per month in 2H15, reaching a total of 48,433 metres developed in 2015. This compares positively to the 39,845 metres developed in 2014 at a monthly rate of 3,320 metres. In 2016, we expect development to reach an average of 4,500 metres per month, which is expected to provide further access to higher grade veins, regain flexibility at operating stopes and improve production levels.

Quarterly silver production increased 9.0% on 3Q15 due to increased volumes of ore processed and higher ore grades resulting from the measures being taken to address the issues mentioned.

We expect the silver ore grade to average around 240 g/t in 2016 (vs. 220 g/t in 2015).

Full year by-product gold production decreased 4.4% on 2014 as a result of lower throughput and recovery rates, which were partially offset by higher ore grades. Quarterly by-product gold production increased 21.4% on 3Q15 due to higher ore grade and ore processed.

Annual and quarterly by-product lead and zinc production increased on the same periods of 2014 and 3Q15, mainly due to the expected higher ore grades as we go deeper into the mine.

Saucito mine production

	4Q 15	4Q 14	% change	3Q 15	2015	2014	% change
Ore Processed (t)	613,496	488,492	25.6	566,814	2,339,096	1,534,579	52.4
Production							
Silver (koz)	5,851	5,304	10.3	4,744	21,984	15,397	42.8
Gold (oz)	20,958	17,556	19.4	19,254	84,884	57,227	48.3
Lead (t)	5,903	4,278	38.0	5,199	20,740	9,967	108.1
Zinc (t)	6,810	4,247	60.3	4,781	21,023	10,501	100.2
Ore Grades							
Silver (g/t)	332	372	-10.8	295	327	339	-3.3
Gold (g/t)	1.33	1.41	-5.4	1.37	1.42	1.40	1.8
Lead (%)	1.10	0.99	10.9	1.02	1.01	0.75	35.7
Zinc (%)	1.91	1.74	9.5	1.79	1.70	1.32	28.9

Full year silver production increased 42.8% over 2014 due to increased ore throughput resulting from the ramp up of operations at Saucito II, higher volumes of ore processed from the Jarillas Central, West and East areas, improved dilution control and milling efficiencies achieved at the Saucito I plant after the installation of vibrating screens. These factors more than offset the expected lower ore grade and recovery rates due to technical adjustments at the Saucito I plant following the installation of the vibrating screens.

In 2016, silver ore grade is expected to average around 295 g/t. In 1H16, capacity at the Saucito II plant is expected to increase as a result of the installation of vibrating screens similar to those installed at the Saucito I plant. With this optimisation project, total nominal capacity at the Saucito mine is now expected to reach 7,500 tpd.

Quarterly silver production increased 10.3% on 4Q14 due to higher ore processed as a result of the ramp up of operations at Saucito II after its commissioning in 4Q14, and the milling efficiencies achieved at the Saucito I plant. These positive effects more than offset the expected lower ore grades.

Silver production for the last quarter of 2015 increased 23.3% over 3Q15 due to higher ore grade processed from richer veins at Jarillas West, whilst in 3Q15 silver production was affected by a scheduled preventive maintenance programme.

Full year by-product gold production increased 48.3% over 2014 due to increased ore throughput, which more than offset the lower recovery rates. Quarterly by-product gold production increased 19.4% and 8.8% on 4Q14 and 3Q15 respectively, as a result of higher volumes of ore processed which compensated for the expected lower ore grade.

Annual and quarterly by-product lead and zinc production increased over all the comparator periods as a result of higher ore processed and ore grades.

Ciénega mine production

	4Q 15	4Q 14	% change	3Q 15	2015	2014	% change
Ore Processed (t)	329,444	337,507	-2.4	346,337	1,329,364	1,341,569	-0.9
Production							
Gold (oz)	20,007	27,174	-26.4	19,909	85,662	108,211	-20.8
Silver (koz)	1,251	934	33.9	1,428	4,828	4,075	18.5
Lead (t)	1,495	1,262	18.5	1,314	5,425	4,736	14.6
Zinc (t)	1,642	1,575	4.3	1,528	5,970	6,000	-0.5
Ore Grades							
Gold (g/t)	1.96	2.59	-24.4	1.85	2.07	2.59	-20.0
Silver (g/t)	134	99	35.4	146	129	108	18.9
Lead (%)	0.66	0.56	18.2	0.58	0.61	0.53	13.8
Zinc (%)	0.91	0.75	21.8	0.77	0.80	0.73	9.7

Full year and quarterly gold production decreased 20.8% and 26.4%, respectively, when compared to the same periods of 2014 mainly due to the expected lower ore grade resulting from the depletion of higher gold ore grade areas with wider veins. In 2016, gold ore grade is expected to average around 2.0 g/t.

Annual and quarterly silver production increased 18.5% and 33.9%, respectively, over the same periods of 2014 as a result of higher ore grade due to access to a higher ore grade area, richer veins at the San Ramón satellite mine and development ore from the new Taspana vein with high silver ore grades. However, quarterly silver production decreased 12.4% on 3Q15 due to lower ore throughput at Ciénega and above average ore grade at San Ramón in the comparator quarter.

In 2016, silver ore grade is expected to average around 120 g/t.

Annual and quarterly by-product lead production increased over all the comparator periods mainly due to higher ore grades. Quarterly by-product zinc production increased on 4Q14 and 3Q15 due to higher ore grades.

Herradura total mine production

	4Q 15	4Q 14	% change	3Q 15	2015	2014	% change
Ore Processed (t)	6,616,148	6,458,067	2.4	5,321,702	22,875,421	22,305,133	2.6
Total Volume Hauled (t)	30,115,575	39,924,424	-24.6	29,256,427	117,033,171	129,797,074	-9.8
Production							
Gold (oz)	115,127	87,362	31.8	95,689	398,866	265,564	50.2
Silver (koz)	166	177	-6.2	141	526	679	-22.5
Ore Grades							
Gold (g/t)	0.72	0.73	-1.4	0.73	0.73	0.72	1.2
Silver (g/t)	1.23	1.22	0.8	1.26	1.24	1.23	1.0

Full year gold production (including DLP throughput) was up 50.2% over 2014, a significant increase due to: i) increased volume of ore processed resulting from the mine being fully operational after the temporary explosives permit suspension affected production in 2014; ii) a higher overall average speed of recovery at the leaching pads as we ramped up to steady state at Herradura; iii) the DLP being operational for the full period following its start-up in March 2014; iv) the installation of the second Merrill Crowe plant at the DLP which was key in increasing capacity and reaching steady state; and v) higher ore grades.

Quarterly gold production increased 31.8% on 4Q14 due to the higher average speed of recovery and, to a lesser extent, the higher ore processed following the commissioning of the second Merrill Crowe plant in 4Q15, which allowed processing of higher volumes of rich solution and enabled us to stabilise inventories at the pads at 160koz. Gold production for 4Q15 increased 20.3% on 3Q15 due to higher ore processed (24.3%) following the previously mentioned installation of the new Merrill Crowe plant.

In 2016, the average ore grade at Herradura is expected to be around 0.65 g/t.

Noche Buena total mine production

	4Q 15	4Q 14	% change	3Q 15	2015	2014	% change
Ore Processed (t)	4,370,888	3,962,098	10.3	4,338,503	17,399,931	15,607,230	11.5
Total Volume Hauled (t)	19,949,209	22,614,578	-11.8	20,158,505	82,373,385	92,592,837	-11.0
Production							
Gold (oz)	49,365	30,655	61.0	38,353	158,179	129,242	22.4
Silver (koz)	11	24	-54.2	19	73	102	-28.4
Ore Grades							
Gold (g/t)	0.49	0.46	6.9	0.51	0.50	0.51	-3.0
Silver (g/t)	0.13	0.35	-62.9	0.15	0.19	0.35	-47.1

Annual gold production increased 22.4% on 2014 due to a higher overall rate of recovery as a result of leaching pads 4 and 5 being operational for the full year post their construction in 2014. This was partially offset by lower ore grade as ore was deposited from higher banks to reduce haulage costs rather than from deeper, higher ore grades area.

Quarterly gold production increased 61.0% on 4Q14 as a result of: i) higher recovery rate; ii) increased ore deposited; and iii) higher ore grade given the particularly low grade in 4Q14 in line with the mining plan. Similarly, quarterly gold production increased 28.7% over 3Q15 due to higher volumes recovered which more than offset the lower ore grade.

Average gold ore grade is expected to be around 0.47 g/t in 2016.

Soledad-Dipolos total mine production

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.

Update on Development projects

San Julián

In the last quarter 2015, further progress was achieved in the construction of the leaching plant (stage 1); in the milling area, the building lamination works were concluded with the assembly of electrical equipment now 70% complete. Tests for the thickeners and crushers are expected to begin this quarter as well as the assembly of the mill liners.

Additionally, the crushing platform at the flotation plant (stage 2) was constructed as well as foundations for the zinc and lead cells, the ball mills and the crusher.

We expect the San Julián leaching plant, which will process ore from the veins (stage 1), to be commissioned in 2Q16, whilst the flotation plant to process ore from the disseminated ore body (stage 2) is expected to become operational in 4Q16.

This US\$515 million silver-gold project has an expected average production of 10.3 million ounces of silver and 44,000 ounces of gold per year once it reaches full capacity in 2017.

Pyrites Plant

During the period, detailed engineering continued and is expected to be finished by 2Q16. Additionally, the area where the flotation plant will be constructed is being prepared. The necessary adjustments to the Saucito plant will then be made, and the installation of the iron flotation cells at the Fresnillo plant is expected to start in 2016.

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. The pyrites plant is expected to increase silver and gold recovery rates by processing tailings, both historical and ongoing, from the Fresnillo and Saucito mines.

Update on Exploration

The 2015 exploration programme was successfully completed within budget. An audit of updated reserve and resource estimates is currently being carried out by SRK, but preliminary results indicate that we can expect an increase in silver-gold resources at the Guanajuato, San Julián, Fresnillo, Rodeo and Pilarica projects. More detail on the reserves and resources audit will be provided in the Preliminary Announcement in March 2015 and full updated reserve and resource estimates will be published in our 2015 annual report (early April).

During the quarter, drilling continued in the Herradura and Ciénega districts, testing new targets. Bulk sampling and mapping was carried out in the Orisyvo, Centauro Deep (Herradura) and Santo Domingo (Peru) areas. Selected submittals are being evaluated in Mexico, Peru and Chile.

Safety Performance

Regrettably at the beginning of January 2016 one of our contractors suffered a fatal accident at San Julián. An investigation is being carried out in conjunction with the authorities. The Company continues to uphold its strict safety measures whilst reinforcing the safety procedures with employees and contractors alike with the aim of preventing further accidents.

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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 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.

¹ Operations at Soledad-Dipolos are currently suspended.