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Production Report

for the three months ended 30 June 2017

Overview

- Quarterly silver production of 14.5 moz (including Silverstream), up 11.7% vs. 2Q16 and up 7.3% vs. 1Q17, and first half silver production of 28.0 moz (including Silverstream), up 11.2% vs. 1H16, primarily due to the start of operations at San Julián (phase I), higher ore processed at Fresnillo and higher ore grade at Ciénega
- Quarterly gold production of 223 koz, up 2.7% vs. 2Q16 as a result of the contribution of San Julián (phase I)
- Construction of San Julián (phase II- flotation plant) completed on time and on budget with commercial production delivered in mid-July
- The turnaround plan at the Fresnillo mine continues to show positive signs as volume of ore processed increased for the fourth consecutive quarter
- On track to achieve 2017 production guidance of 58-61 moz silver (including Silverstream) and 870-900 koz gold

Octavio Alvidrez, Chief Executive Officer, said:

“I am pleased to report strong first half production results, with 28 million ounces of silver and over 445 thousand ounces of gold produced across our operating mines and from the Silverstream. The increase in silver production was primarily driven by the contribution of San Julián phase I and the higher ore processed at Fresnillo following the measures taken to increase production at the mine.

“Quarterly gold production also benefitted from the operations at San Julián (phase I), more than offsetting the expected lower production at Herradura and Noche Buena, and the lower gold ore grade at Saucito.

“We continue to advance our development projects. I am pleased to announce that the construction of San Julián (phase II) was concluded on time and on budget, and following tests with load in the second quarter, commercial production commenced in mid-July.

“Our short-term focus will be on ramping-up San Julián (phase II) to full capacity within the next two months and operating the Fresnillo mine once again at full capacity by year-end, whilst continuing to develop the infrastructure in order to prepare the mine for the future

expansion. With this progress, we remain on course to meet our 2017 production guidance of 58-61 million ounces of silver and 870-900 thousand ounces of gold.”

Total Production

	2Q 17	2Q 16	% change	1Q 17	1H 17	1H 16	% change
Silver (koz)	13,328	11,777	13.2	12,424	25,752	22,824	12.8
Silverstream (koz)	1,188	1,217	-2.4	1,105	2,292	2,388	-4.0
Total Silver (koz)	14,515	12,994	11.7	13,529	28,044	25,212	11.2
Gold (oz)	223,479	217,645	2.7	222,290	445,769	447,569	-0.4
Lead (t)	11,385	11,585	-1.7	11,461	22,846	22,668	0.8
Zinc (t)	14,919	12,529	19.1	13,806	28,725	25,380	13.2

Quarterly and year to date silver production (including Silverstream) increased 11.7% and 11.2%, vs. 2Q16 and 1H16 respectively, mainly due to: i) the contribution of San Julián (phase I) following its commissioning in 3Q16; ii) higher ore processed at the Fresnillo mine, resulting from the increased access to the San Alberto area; and iii) higher silver ore grade at Ciénega due to the increased contribution from Taspana and San Ramón. These increases were partly offset by the expected lower ore grade and recovery rate at Saucito and, to a lesser extent, the lower volume from the Silverstream due to the lower silver ore grade at Sabinas.

Quarterly silver production increased 7.3% over 1Q17 as a result of a higher ore grade at Saucito, a higher ore grade and recovery rate at San Julián (phase I), and a higher recovery rate at Ciénega.

Quarterly gold production increased slightly vs. 2Q16 due to the contribution of San Julián (phase I), which more than offset the overall lower speed of recovery at Noche Buena and to a lesser extent, lower ore grades at Saucito, Herradura and Ciénega.

Quarterly and year to date gold production remained at similar levels (+0.5% vs. 1Q17 and -0.4% vs. 1H16).

Quarterly by-product lead production decreased slightly vs. 2Q16 due to the lower ore grade and recovery rate at Saucito. Quarterly and year to date by-product lead production remained at similar levels vs. 1Q17 and 1H16.

Quarterly and year to date by-product zinc production increased vs. the comparable periods of 2016 and previous quarter principally as a result of the higher ore grades, recovery rates and ore processed at the Fresnillo mine.

Fresnillo mine production

	2Q 17	2Q 16	% change	1Q 17	1H 17	1H 16	% change
Ore Processed (t)	645,479	574,489	12.4	613,012	1,258,492	1,189,637	5.8
Production							
Silver (koz)	4,491	3,997	12.4	4,439	8,930	8,285	7.8
Gold (oz)	9,403	10,349	-9.1	11,325	20,728	20,631	0.5
Lead (t)	4,982	4,839	3.0	5,170	10,153	9,543	6.4

Zinc (t)	7,927	5,813	36.4	6,707	14,634	10,952	33.6
Ore Grades							
Silver (g/t)	235	232	1.3	245	240	234	2.3
Gold (g/t)	0.59	0.72	-18.3	0.74	0.66	0.70	-5.0
Lead (%)	0.86	0.94	-8.4	0.92	0.89	0.89	-0.2
Zinc (%)	1.69	1.48	14.0	1.57	1.63	1.36	19.8

The turnaround plan at the Fresnillo mine continues to show positive signs as volume of ore processed increased for the fourth consecutive quarter.

Quarterly and year to date silver production increased 12.4% and 7.8% respectively over the comparable periods of 2016, remaining on track to deliver the expected 7-10% increase in silver production for the year. This was mainly as a result of higher volumes of ore processed and, to a lesser extent, higher ore grades from the increased access to the Candelaria and San Alberto areas following improvement in the maintenance process and increased operative supervision which allowed for the preparation of higher ore grade areas. These factors more than offset the lower recovery rate.

When compared to the previous quarter, quarterly silver production increased 1.2% due to higher volumes of ore processed, which offset the expected lower ore grade in accordance with the mining plan. Silver ore grade for the full year is still expected to average 230 g/t.

Quarterly by-product gold production decreased vs. 2Q16 and 1Q17 mainly due to the lower ore grade and, to a lesser extent, lower recovery rate. Year to date by-product gold production remained at similar levels compared to 1H16.

Quarterly and first half by-product lead production increased vs. 2Q16 and 1H16 as a result of higher ore processed. However, quarterly by-product lead production decreased 3.6% vs. 1Q17 as a result of the lower ore grade and recovery rate.

Quarterly and first half by-product zinc production increased vs. the comparable periods of 2016 and previous quarter due to higher ore grades, recovery rates and ore processed.

Saucito mine production

	2Q 17	2Q 16	% change	1Q 17	1H 17	1H 16	% change
Ore Processed (t)	667,456	645,340	3.4	670,914	1,338,370	1,283,792	4.3
Production							
Silver (koz)	5,674	6,270	-9.5	5,147	10,821	11,706	-7.6
Gold (oz)	15,896	20,186	-21.3	17,964	33,859	41,823	-19.0
Lead (t)	4,688	5,164	-9.2	4,754	9,442	9,999	-5.6
Zinc (t)	4,923	4,718	4.3	5,139	10,062	10,795	-6.8
Ore Grades							
Silver (g/t)	306	339	-9.5	279	293	318	-7.9
Gold (g/t)	1.05	1.36	-23.3	1.12	1.08	1.35	-19.6
Lead (%)	0.81	0.89	-9.2	0.87	0.84	0.89	-5.2
Zinc (%)	1.26	1.33	-5.5	1.26	1.26	1.42	-11.5

Quarterly and year to date silver production decreased vs. 2Q16 and 1H16 mainly due to the expected lower ore grade in 2017 compared to the exceptionally high ore grade from the

development ore from the West and Central areas at the Jarillas vein in 2016. The temporary limited access to higher ore grade areas, due to the programmed anchoring activities aimed at enhancing safety, also impacted silver production. Additionally, a lower recovery rate resulting from the calibration of the cyclones at the vibrating screens also contributed to the decrease in silver production, though to a lesser extent. These effects however were partly mitigated by the increase in ore processed from the West and Central Jarillas areas and the increased capacity of the plants following the installation of the vibrating screens.

Quarterly silver production increased 10.3% vs. 1Q17 as a result of the gradual increase in access to the high grade stope at the Jarillas vein as anchoring activities continue and, to a lesser extent, a higher recovery rate.

Quarterly and first half by-product gold production decreased vs. 2Q16 and 1H16 due to lower ore grade and lower recovery rate, which were partly mitigated by the higher ore processed. Similarly, by-product gold production decreased 11.5% vs. 1Q17 due to lower ore grade and recovery rates.

By-product lead production for the second quarter and first half 2017 decreased when compared to the same periods of 2016 mainly as a result of the lower ore grade and recovery rate. Quarterly by-product lead production decreased slightly vs. 1Q17 due to lower ore grade and ore processed which were partly mitigated by the higher recovery rate.

Quarterly by-product zinc production increased over 2Q16 as a result of the higher recovery rate and ore processed. However, first half by-product zinc production decreased vs. 1H16 due to lower ore grade. Quarterly by-product zinc production decreased 4.2% vs. 1Q17 as a result of lower recovery rates.

Ciénega mine production

	2Q 17	2Q 16	% change	1Q 17	1H 17	1H 16	% change
Ore Processed (t)	322,760	318,330	1.4	313,920	636,680	642,049	-0.8
Production							
Gold (oz)	18,904	19,651	-3.8	17,453	36,358	36,896	-1.5
Silver (koz)	1,458	1,344	8.5	1,328	2,786	2,513	10.9
Lead (t)	1,715	1,582	8.4	1,536	3,251	3,125	4.0
Zinc (t)	2,070	1,998	3.6	1,960	4,030	3,633	10.9
Ore Grades							
Gold (g/t)	1.89	1.99	-4.6	1.89	1.89	1.85	2.3
Silver (g/t)	161	149	7.8	160	161	139	15.7
Lead (%)	0.78	0.72	7.6	0.78	0.78	0.70	11.5
Zinc (%)	1.10	1.08	1.8	1.07	1.08	0.99	9.0

Quarterly gold production decreased vs. 2Q16 mainly due to the depletion of higher gold ore grade veins at Ciénega and lower grades at the Rosario and Las Casas areas and, to a lesser extent, a lower recovery rate. However, this was partly offset by higher ore processed.

Year to date gold production decreased slightly vs. 1H16 as a result of a lower recovery rate and, to a lesser extent, lower ore processed. However, these factors were partly offset by the higher ore grade from the West and East areas.

Quarterly gold production increased 8.3% over 1Q17 mainly due to higher volume of ore processed.

Quarterly and first half silver production increased over 2Q16 and 1H16 mainly due to the higher ore grade at the Taspana and San Ramón areas. Quarterly silver production increased 9.8% vs. 1Q17 mainly as a result of the higher volume of ore processed.

Quarterly and first half by-product lead production increased vs. 2Q16 and 1H16 mainly as a result of higher ore grade which was partly compensated for by the lower recovery rate. Quarterly by-product lead production increased 11.6% over 1Q17 due to a higher recovery rate and higher ore processed.

Quarterly by-product zinc production increased 3.6% and 5.6% vs. 2Q16 and 1Q17 respectively, mainly due to higher ore grade and ore processed. Half year by-product zinc production increased vs 1H16 as a result of a higher ore grade and recovery rate.

Herradura total mine production

	2Q 17	2Q 16	% change	1Q 17	1H 17	1H 16	% change
Ore Processed (t)	6,551,791	6,313,303	3.8	6,764,370	13,316,161	12,624,559	5.5
Total Volume Hauled (t)	31,063,542	30,965,379	0.3	30,908,154	61,971,696	60,763,938	2.0
Production							
Gold (oz)	116,267	119,445	-2.7	107,742	224,009	248,558	-9.9
Silver (koz)	104	161	-35.4	118	222	304	-27.0
Ore Grades							
Gold (g/t)	0.66	0.70	-5.7	0.63	0.64	0.69	-6.3
Silver (g/t)	0.87	1.22	-28.5	0.95	0.91	1.11	-17.8

Quarterly gold production decreased slightly vs. 2Q16, as a result of the adverse effect of a lower ore grade, which was mostly offset by the increased volumes of ore processed and to a slightly higher reduction of gold inventories at the leaching pads.

First half gold production decreased vs. 1H16 due to the smaller decrease in gold inventories at the leaching pads compared to the larger one-off reduction in inventory level in 2016, and lower ore grade. We do not expect this to fall further, rather increase marginally over 2H17.

Quarterly gold production increased 7.9% over 1Q17 as a result of a higher volume recovered due to the irrigation of new mineral layers being deposited on the leaching pads as well as a higher ore grade.

Noche Buena total mine production

	2Q 17	2Q 16	% change	1Q 17	1H 17	1H 16	% change
Ore Processed (t)	4,399,136	4,349,088	1.1	4,613,684	9,012,820	8,586,222	5.0
Total Volume Hauled (t)	22,436,979	20,186,274	11.1	20,918,657	43,355,636	40,292,417	7.6
Production							
Gold (oz)	42,097	48,014	-12.3	47,678	89,774	99,661	-9.9
Silver (koz)	7	4	61.4	7	14	16	-10.9
Ore Grades							

Gold (g/t)	0.51	0.48	6.2	0.51	0.51	0.49	3.0
Silver (g/t)	0.09	0.07	29.5	0.09	0.09	0.11	-17.0

Quarterly and first half gold production decreased vs. 2Q16 and 1H16 due to the lower overall speed of recovery in 2017 compared to the one achieved in 1H16, when new mineral layers were deposited at the leaching pads. This was partly mitigated by the higher volume of ore processed.

Quarterly gold production decreased 11.7% vs. 1Q17 mainly as a result of lower overall speed of recovery and ore processed due to increased stripping.

San Julián

	2Q 17	1Q 17	% change	1H 17
Ore Processed (t)	308,342	306,082	0.7	614,423
Production				
Gold (oz)	20,912	20,128	3.9	41,041
Silver (koz)	1,592	1,386	14.9	2,979
Ore Grades				
Gold (g/t)	2.19	2.18	0.2	2.18
Silver (g/t)	171.58	156.68	9.5	164.16

Quarterly silver production increased vs. 1Q17 as a result of the higher ore grade and recovery rate at phase I (leaching plant). Gold production also increased vs. 1Q17 as a result of a higher recovery rate.

The construction of San Julián (phase II-flotation plant) has been completed on time and on budget. The milling facility was commissioned, tests with load were concluded and commercial production commenced in mid-July.

Update on development projects and exploration

An update on our development projects and exploration programme will be provided alongside our interim results, due to be announced on 1 August 2017.

Safety Performance

We are pleased to report that there were no fatal accidents at our operations during the second quarter of 2017. We continue to reinforce our safety measures in order to fulfil our zero fatalities commitment on an ongoing basis.

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

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About Fresnillo plc

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

Fresnillo plc has seven operating mines, all of them in Mexico - Fresnillo, Saucito, Ciénega (including the San Ramón satellite mine), Herradura, Soledad-Dipolos¹, Noche Buena and San Julián (phase I and II), two development projects - the Pyrites plant, and second line of DLP at Herradura, and four advanced exploration projects – 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 1.8 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 per year by 2018, having already surpassed the gold target of 750,000 ounces.

¹ Operations at Soledad-Dipolos are currently suspended.

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

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