



25 April 2018

First Quarter Production Report

for the three months ended 31 March 2018

Overview

- Quarterly silver production of 15.4 moz (including Silverstream), up 14.0% vs. 1Q17 mainly due to the contribution from San Julián JM (phase II).
- Quarterly silver production decreased 3.7% vs. 4Q17 mainly due to the lower volume of ore processed and ore grade at Saucito.
- Quarterly gold production of 231.5 koz, up 4.1% vs. 1Q17 mainly due to the higher contribution from Herradura.
- Construction of the Pyrites plant in the Fresnillo district remains on track with the leaching plant at Saucito due to be commissioned in 2Q18.
- The commissioning of the second line of the Dynamic Leaching Plant (DLP) at Herradura is expected at the end of 2Q18.
- Outlook unchanged: on track to achieve 2018 production guidance of 67-70 moz silver, (including Silverstream) and 870-900 koz gold.

Octavio Alvidrez, Chief Executive Officer, said:

“Fresnillo has started the year well and delivered a solid operating performance during the period. In particular, first quarter silver production rose to 14.2 moz, driven by the positive contribution from the new San Julián JM (phase II) mine. I am also pleased to report a positive quarter at the Fresnillo mine driven by better access to the Candelaria and San Alberto areas as planned which improved throughput at the mine.

We achieved a solid gold production performance during the quarter, up 4.1% versus 1Q17, driven by strong results at the Herradura mine.

We continue to make good progress with our key development projects. Both the Pyrites plant and the second Dynamic Leaching Plant projects have advanced on time and on budget. We expect to commission both projects during the second quarter and for them to make a positive contribution to full year production in 2018.

Overall, we remain confident in the outlook and today reiterate our full year production guidance.

Sadly, in the first quarter 2018, a fatal accident of one of our contractors occurred at the Saucito mine due to the lack of adherence to our safety policies. We continue to reinforce our safety measures for all our workforce in order to fulfill our zero fatalities commitment”.

Total Production

	1Q 18	1Q 17	% change	4Q 17
Silver (koz)	14,235	12,424	14.6	14,957
Silverstream (koz)	1,186	1,105	7.3	1,059
Total Silver (koz)	15,421	13,529	14.0	16,015
Gold (oz)	231,458	222,290	4.1	232,051
Lead (t)	11,629	11,461	1.5	12,836
Zinc (t)	19,040	13,806	37.9	18,852

Silver

Quarterly silver production (including Silverstream) increased 14.0% vs. 1Q17 primarily as a result of the start of operations at San Julián (phase II) in July 2017; San Julián is now operating at full capacity. This was partially offset by lower production at Saucito due to a lower ore grade.

Compared to the previous quarter, silver production (including Silverstream) decreased 3.7% as a result of: i) lower volume of ore processed and ore grade at Saucito due to ground instability temporarily restricting access to high grade areas of the Jarillas vein which is now resolved, and ii) the lower ore grade at San Julián JM (phase II) due to ground instability in certain areas temporarily preventing access. These factors were mitigated by the higher volume of ore processed from Fresnillo due to increased access to the Candelaria and San Alberto areas and a higher contribution from the Silverstream.

Our 2018 silver production target of 67-70 moz silver (including Silverstream) remains on track, driven by increased production from San Julián’s (phase II) first year of full operations, the start-up of the Pyrites plant and the increased contribution from Fresnillo.

Gold

Quarterly gold production increased 4.1% vs. 1Q17 as a result of the continued drawdown of inventories and higher ore grade at Herradura and, to a lesser extent, the start of operations at San Julián JM (Phase II – mid July 2017). This was partly offset by the lower overall speed of recovery and volume of ore processed at Noche Buena, lower recovery rate at Saucito, and lower ore grades at Ciénega and San Julián Veins (Phase I).

Quarterly gold production remained broadly flat vs. the previous quarter (-0.3%) as a result of the higher speed of recovery at Herradura and increased volume of ore processed at Fresnillo offsetting the unfavorable effect of the lower speed of recovery at Noche Buena and lower ore grade at Ciénega.

Our 2018 gold production target of 870-900 koz gold remains on track.

By-products

Quarterly by-product lead production slightly increased 1.5% vs. 1Q17 mainly as a result of San Julián JM (phase II) beginning operations in July 2017 and subsequently operating at full capacity and, to a lesser extent, the higher ore grade at Fresnillo. This was partly offset by the lower ore grades at Saucito and Ciénega.

Quarterly by-product lead production vs. the previous quarter decreased 9.4% as a result of the lower ore grade and volume of ore processed at Saucito and the lower ore grade and recovery rate at San Julián JM (phase II).

By-product zinc production increased 37.9% vs. 1Q17 as a result of San Julián JM (phase II) being in operation, and a higher ore grade, recovery and volume of ore processed at Fresnillo. These were partially offset by lower ore grades at both Saucito and Ciénega and a lower recovery rate at the latter.

Quarterly by-product zinc production remained at similar levels vs. 4Q17 as a result of higher ore grade and volume of ore processed at San Julian JM (Phase II) and increased throughput and recovery rate at Fresnillo, offsetting the lower ore grade, recovery rate and volume of ore processed at Saucito.

Fresnillo mine production

	1Q 18	1Q 17	% change	4Q 17
Ore Processed (t)	637,410	613,012	4.0	592,358
Production				
Silver (koz)	4,336	4,439	-2.3	4,066
Gold (oz)	10,431	11,325	-7.9	9,237
Lead (t)	5,783	5,170	11.9	5,455
Zinc (t)	8,866	6,707	32.2	8,019
Ore Grades				
Silver (g/t)	232	245	-5.2	236
Gold (g/t)	0.66	0.74	-11.1	0.64
Lead (%)	1.00	0.92	8.7	1.01
Zinc (%)	1.90	1.57	21.0	1.94

Quarterly silver production slightly decreased vs. 1Q17 as expected due to the higher ore grade areas being processed in the first quarter 2017. This was mitigated by the higher volume of ore processed as a result of increased access to the Candelaria and San Alberto areas.

Quarterly silver production increased 6.6% vs. the previous quarter due to the higher volume of ore processed.

Quarterly by-product gold production decreased 7.9% vs. 1Q17 mainly as a result of lower ore grade. When compared to 4Q17, by-product gold production increased 12.9% as a result of the higher volume of ore processed and ore grade.

Quarterly by-product lead production increased 11.9% vs. 1Q17 as a result of higher ore processed and ore grade. When compared to 4Q17, by-product lead production increased due to a higher volume ore processed.

Quarterly by-product zinc production increased 32.2% vs. 1Q17 as a result of higher ore grade, recovery rate and higher ore processed. When compared to the previous quarter, zinc by-product production increased 10.6% as a result of higher ore processed and recovery rate.

Saucito mine production

	1Q 18	1Q 17	% change	4Q 17
Ore Processed (t)	673,545	670,914	0.4	722,237
Production				
Silver (koz)	4,832	5,147	-6.1	5,378
Gold (oz)	16,880	17,964	-6.0	17,599
Lead (t)	3,183	4,754	-33.0	3,903
Zinc (t)	3,916	5,139	-23.8	4,930
Ore Grades				
Silver (g/t)	260	279	-6.8	271
Gold (g/t)	1.12	1.12	0.1	1.08
Lead (%)	0.57	0.87	-34.9	0.66
Zinc (%)	0.96	1.26	-23.7	1.06

Quarterly silver production decreased 6.1% vs. 1Q17 due to the lower ore grade resulting from ground instability temporarily restricting access to a high grade area of the Jarillas vein. This has since been resolved and by year end, we expect to recover the production lost as a result. Similarly, quarterly silver production vs. 4Q17 decreased 10.1% as a result of a lower volume of ore from development areas being processed and a lower ore grade due to the aforementioned factor.

Quarterly by-product gold production decreased 6.0% vs. 1Q17 as a result of a lower recovery rate. When compared to the previous quarter, by-product gold production decreased 4.1% as a result of lower volume of ore processed which was mitigated by the higher ore grade.

Quarterly by-product lead production decreased vs. 1Q17 and 4Q17 mainly as a result of lower ore grades.

Quarterly by-product zinc production decreased vs. 1Q17 as a result of the lower ore grade. When compared to the previous quarter, by-product zinc production decreased as a result of lower ore grade, ore processed and recovery rate.

Ciénega mine production

	1Q 18	1Q 17	% change	4Q 17
Ore Processed (t)	320,006	313,920	1.9	339,347
Production				
Gold (oz)	16,377	17,453	-6.2	18,194
Silver (koz)	1,239	1,328	-6.7	1,272
Lead (t)	1,335	1,536	-13.1	1,541

Zinc (t)	1,006	1,960	-48.7	1,336
Ore Grades				
Gold (g/t)	1.66	1.89	-12.2	1.76
Silver (g/t)	141	160	-12.2	137
Lead (%)	0.67	0.78	-14.4	0.70
Zinc (%)	0.72	1.07	-32.9	0.81

Quarterly gold production decreased 6.2% vs. 1Q17 as a result of a lower ore grade due to a temporary access delay to higher ore grade areas mainly at the Taspana satellite mine and the Rosario Transversal development works. Notwithstanding, lost production is expected to be recovered over the course of the year. This decrease in gold production was mitigated by a higher recovery rate. Quarterly gold production decreased 10.0% vs. 4Q17 as a result of lower ore processed and lower ore grade due to the previously mentioned factor.

Quarterly silver production decreased vs. 1Q17 for the reasons previously described. When compared to the previous quarter, silver production decreased 2.6% as a result of the lower ore processed which was mitigated by a higher ore grade.

Quarterly by-product lead production decreased 13.1% vs. 1Q17 as a result of a lower ore grade. When compared to the previous quarter, by-product lead production decreased 13.3% as a result of lower volume of ore processed, ore grade and recovery rate.

By-product zinc production decreased 48.7% and 24.8% vs. 1Q17 and 4Q17 respectively as a result of lower ore grades and recovery rates.

San Julián mine production

	1Q 18	1Q 17	% change	4Q 17
Ore Processed Phase I Veins (t)	310,742	306,082	1.5	325,032
Ore Processed Phase II JM (t)	531,459	-	N/A	496,907
Production Phase I Veins				
Gold (oz)	19,111	20,129	-5.1	19,248
Silver (koz)	1,445	1,386	4.3	1,462
Production Phase II JM				
Gold (oz)	680	-	N/A	784
Silver (koz)	2,123	-	N/A	2,595
Lead (t)	1,328	-	N/A	1,937
Zinc (t)	5,252	-	N/A	4,567
Ore Grades Phase I Veins				
Gold (g/t)	1.97	2.18	-9.7	1.92
Silver (g/t)	158.35	156.68	1.1	153.43
Ore Grades Phase II JM				
Gold (g/t)	0.09	-	N/A	0.11
Silver (g/t)	146.64	-	N/A	190.32
Lead (%)	0.40	-	N/A	0.51
Zinc (%)	1.31	-	N/A	1.23

San Julián Veins (Phase I)

Quarterly silver production increased 4.3% vs. 1Q17 as a result of a higher recovery rate due to the optimisation of the plant process, higher volume of ore processed and a higher ore grade.

Quarterly silver production remained at similar levels vs. 4Q17 (-1.2%).

Quarterly gold production decreased 5.1% vs. 1Q17 as a result of the expected lower ore grade which was mitigated by the higher recovery rate. Quarterly gold production vs. 4Q17 remained at similar levels (-0.7%).

San Julián (Phase II – JM disseminated ore body)

Quarterly silver production decreased 18.2% vs. 4Q17 as a result of a lower ore grade due to ground instability in certain areas temporarily preventing access. This resulted in the extraction of ore from lower grade areas of the mine as well as processing ore from the development stockpile, extracted during the pre-operative period. This factor has the potential to impact Phase II from April to May though we expect production to recover by 3Q18 and for budgeted production to be met by year end.

Quarterly gold production decreased 13.2% vs. 4Q17 as a result of lower ore grade which was mitigated by the higher volume of ore processed.

Similarly, quarterly lead production decreased 31.4% vs. the previous quarter as a result of the lower ore grade and recovery rate which was mitigated by a higher volume of ore processed.

Quarterly zinc production increased 15.0% vs. 4Q17 due to the higher ore grade and volume of ore processed.

Herradura total mine production

	1Q 18	1Q 17	% change	4Q 17
Ore Processed (t)	5,984,641	6,764,370	-11.5	6,373,732
Total Volume Hauled (t)	34,153,768	30,908,154	10.5	34,620,672
Production				
Gold (oz)	125,243	107,742	16.2	117,891
Silver (koz)	241	118	104.2	172
Ore Grades				
Gold (g/t)	0.68	0.63	6.9	0.68
Silver (g/t)	1.86	0.95	95.0	1.28

Quarterly gold production increased 16.2% vs. 1Q17 due to an increase in the inventory reduction at the leaching pads which resulted from an intensive targeted irrigation programme and, to a lesser extent, a higher speed of recovery at the DLP. This increase was partially offset by a lower volume of ore processed.

Quarterly gold production increased 6.2% vs. 4Q17 as a result of the increase in inventory reduction mentioned above which was partially offset by the lower volume of ore processed.

Noche Buena total mine production

	1Q 18	1Q 17	% change	4Q 17
Ore Processed (t)	4,414,790	4,613,684	-4.3	4,445,313
Total Volume Hauled (t)	20,521,239	20,918,657	-1.9	20,921,652
Production				
Gold (oz)	42,735	47,678	-10.4	49,098
Silver (koz)	19	7	171.4	12
Ore Grades				
Gold (g/t)	0.52	0.51	2.8	0.54
Silver (g/t)	0.22	0.09	138.6	0.14

Quarterly gold production decreased vs. 1Q17 as a result of the expected lower overall speed of recovery from the leaching pads (increase in inventories) and the lower volume of ore processed.

Similarly, gold production decreased 13.0% vs. 4Q17 as a result of the expected lower speed of recovery from the leaching pads (increase in inventories) and lower ore grade.

Update on development projects

Pyrites Plant

Construction of the Pyrites plant in the Fresnillo district remains on track. The leaching plant at Saucito is expected to be commissioned in late 2Q18 and will process tailings from the Saucito mine and its current stockpile while the historical and ongoing tailings from the Fresnillo mine are expected to start being processed in 2019.

The Company expects to conclude tests for the vertical mills and agitation tanks during May 2018.

The plant is expected to improve overall recoveries of both gold and silver by processing historical and ongoing tailings from the Fresnillo and Saucito mines.

This US\$155 million project is expected to contribute an annual production of c. 3.5 moz of silver and c. 13 koz of gold once it reaches full capacity in 2019.

Second Dynamic Leaching Plant

We expect to commission the second line of the Dynamic Leaching Plant (DLP) at Herradura by the end of 2Q18. This project will enable sulphides occurring deeper in the pit to be processed more efficiently. We expect to continue testing the electrical, instrumentation and control installation over the next two months.

At the time of analysis, this US\$110 million project was expected to extend the life of mine at Herradura to 12 years with an average annual gold production of 390 koz over the life of mine.

Juanicipio

Work to progress the Juanicipio project remains on track. The joint venture partners are working collaboratively and currently reviewing an advanced draft of the feasibility study. Once the final report is completed, the project will be submitted for Board approval. There are no changes to the project delivery timeline.

Update on exploration

In 1Q18, 111,258 metres of drilling was completed at our operating mines with the aim of converting resources into reserves. Ore shoots were extended near the Fresnillo mine and east of the Ciénega mine. At exploration projects, 79,626 metres of drilling was carried out across 15 projects with interesting results at San Julián South, Guazapares, San Juan and Guanajuato.

Through mapping and sampling, we have located new areas in the Fresnillo, San Julián and Guanajuato districts that merit drill testing. Exploration teams working out of the Hermosillo, Chihuahua, Zacatecas, Toluca, Lima-Peru and Santiago de Chile offices have identified several new areas with gold and silver potential that are now under evaluation. Additional staff have been hired to help with the permitting processes in addition to supporting the Company's community relations activities.

Safety Performance

As previously mentioned during our 2017 Preliminary Results, we deeply regret the fatal accident of one of our contractors at the Saucito mine as a result of the lack of adherence to our safety policies. We continue to reinforce our safety measures throughout the Company, with our management systems and organisational programmes focused on personnel safety. We remain committed to our zero fatalities target on an ongoing basis. Safety remains our main priority.

There will be a conference call for analysts and investors on Wednesday 25th April at 9:00am (London time). The dial in details are as follows:

UK: +44 (0) 808 109 0700

USA: +1 866 966 5335

Mexico: +1 866 966 8830

All other locations: +44 (0) 20 3003 2666

Participant password: Fresnillo

A replay of the call will also be available for seven days after the event. The replay can be accessed via the following details:

Replay dial-in number: +44 (0) 208 196 1998

Replay PIN: 4302051#

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 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.

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