



Fresnillo plc  
21 Upper Brook Street  
London W1K 7PY  
United Kingdom  
[www.fresnilloplc.com](http://www.fresnilloplc.com)

23 January 2019

## **Production Report**

### **for the three months and full year ended 31 December 2018**

#### **Overview**

- Record annual silver production of 61.8 moz (including Silverstream), up 5.3% vs. 2017 mainly due to the first full year of operations at San Julián (Phase II/ Disseminated ore body).
- Quarterly silver production of 15.5 moz (including Silverstream) remained flat vs. 3Q18.
- Quarterly silver production (including Silverstream) down -3.2% vs. 4Q17 due to lower volumes of ore processed and ore grade at Fresnillo and Saucito.
- Annual gold production of 923 koz, up 1.3% vs. 2017 mainly due to the higher ore grade and recovery rate at Saucito, the contribution of the new Pyrites Plant and the higher ore grade at Fresnillo.
- Quarterly gold production of 232 koz, in line with 4Q17.
- Quarterly gold production up 3.0% vs. 3Q18 mainly due to higher ore grades and recovery rates at Herradura and San Julián (Phase I/Vein system).
- Full year by-product lead and zinc production up 10.4% and 35.6% respectively vs 2017, representing 19.9 million equivalent ounces of silver.

#### **2019 Outlook**

- Silver production expected to be slightly lower, in the range of 58 to 61 moz, including the Silverstream.
- Gold production expected to be flat, in the range of 910-930 koz.
- 2019 exploration budget of approximately US\$140 million (including capitalised exploration expenses).
- Board approval for Juanicipio project expected in early 2019.

Octavio Alvidrez, Chief Executive Officer, said:

“Record annual silver production and a very strong gold performance does not mask what was a challenging year for Fresnillo.

Gold production surpassed the expectations we had at the beginning of the year and is in line with our upwardly revised guidance, driven by a strong performance at Saucito, the successful start of operations of the Pyrites Plant at Saucito and the higher ore grade at the Fresnillo mine.

Despite the year on year increase in silver production resulting from a full year of operations at San Julián (Phase II), we are reporting lower silver production than anticipated. This was mainly explained by the lower than expected ore grades at the Fresnillo and Saucito mines which have persisted into the final quarter, together with operational issues. We are taking action to address this, not least by intensifying our infill drilling programmes, controlling dilution and further investment in equipment and infrastructure. The flotation plant to process historical and ongoing tailings at the Fresnillo mine is progressing and is expected to improve overall recoveries once completed in 1H20.

We will continue to conservatively invest in the business to deliver sustainable growth and returns to shareholders. I fully expect to be able to make a further positive announcement on our Juanicipio development project in due course.”

## **Total Production**

	4Q 18	4Q 17	% change	3Q 18	YTD 18	YTD 17	% change
Silver (koz)	14,647	14,957	-2.1	14,738	58,079	54,238	7.1
Silverstream (koz)	860	1,059	-18.8	796	3,725	4,435	-16.0
Total Silver (koz)	15,507	16,015	-3.2	15,533	61,804	58,673	5.3
Gold (oz)	232,026	232,051	-0.0	225,202	922,527	911,132	1.3
Lead (t)	15,252	12,836	18.8	13,076	53,181	48,153	10.4
Zinc (t)	24,531	18,852	30.1	22,935	88,520	65,266	35.6

## Silver

Annual silver production (including Silverstream) increased 5.3% vs. 2017 principally due to San Julián (Phase II/Disseminated ore body) operating for the full year, doubling production year on year. The start-up of operations at the Pyrites Plant at Saucito and a higher ore grade at Herradura also made a positive contribution. These increases were partially offset by lower ore grades at both Saucito and Fresnillo.

Quarterly silver production remained flat vs. 3Q18 as a higher volume of ore processed and recovery rate at San Julián (Phase II/Disseminated ore body) as well as a higher ore grade at Ciénega offset a lower volume of ore processed and ore grade at Fresnillo.

Quarterly silver production (including Silverstream) decreased 3.2% vs. 4Q17 as a result of the lower ore grade at Fresnillo, and to a lesser extent, lower throughput. The lower ore grade and throughput at Saucito, and lower grade at Sabinas also had an adverse effect. However, these negative effects were mitigated by the start of operations at the Pyrites Plant and the higher ore grade at Ciénega.

Silver production for 2019 is expected to be in the range of 58 to 61 moz including Silverstream, owing to an anticipated reduction in the silver ore grade at Saucito.

## Gold

2018 full year gold production increased 1.3% vs 2017 as a result of a higher ore grade and recovery rate at Saucito, the start-up of operations at the Pyrites Plant at Saucito and a higher ore grade at Fresnillo. This was partially offset by the lower recovery rate at Noche Buena and the lower ore grades at Ciénega and San Julián (Phase I/Veins).

Quarterly gold production increased 3.0% vs. 3Q18 due to the higher ore grades and recovery rates at Herradura and San Julián (Phase I/Veins). This was partly compensated for by the lower ore grade and volume of ore processed at Noche Buena and lower ore grade at Ciénega.

Quarterly gold production was in line with 4Q17 as the higher ore grades and recovery rates at Saucito and Herradura offset the lower ore grade and speed of recovery at Noche Buena and to a lesser extent, lower ore grade at Ciénega.

Gold production in 2019 is anticipated to be in the range of 910-930 koz as a result of the contribution of the second Dynamic Leaching Plant at Herradura, albeit with a decrease in the inventory reduction at this same mine.

## By-products

Full year and quarterly by-product lead production increased 10.4% and 18.8% vs. 2017 and 4Q17 respectively due to the higher grade and recovery rate at Saucito. This more than offset the lower ore grades and recovery rates at both Fresnillo and Ciénega.

Quarterly by-product lead production increased 16.6% vs. 3Q18 due to the higher ore grade at Saucito and to a lesser extent, a higher ore grade and recovery rate at San Julián (Phase II / Disseminated ore body). This was partially offset by the lower volume of ore processed, lower ore grade and lower recovery rate at Fresnillo.

Annual by-product zinc production increased 35.6% vs. 2017 due to the first full year of operations at San Julián (Phase II / Disseminated ore body) following its commissioning in July 2017, and the higher ore grade and recovery rate at Saucito. This was partially offset by the lower ore grade at Ciénega.

Quarterly by-product zinc production increased 30.1% vs. 4Q17 as a result of the higher ore grade at Saucito and to a lesser extent, higher volume of ore processed and ore grade at San Julián (Phase II / Disseminated ore body). The aforementioned was partially offset by the lower ore grade at Fresnillo.

Quarterly by-product zinc production increased 7.0% vs 3Q18 as a result of a higher ore grade at Saucito and a higher volume of ore processed, increased ore grade and higher recovery rate at San Julián (Phase II / Disseminated ore body). These factors were partly offset by a lower ore grade, decreased volume of ore processed and lower recovery rate at Fresnillo.

## **Fresnillo mine production**

	4Q 18	4Q 17	% change	3Q 18	YTD 18	YTD 17	% change
<b>Ore Processed (t)</b>	571,330	592,358	-3.6	613,794	2,443,440	2,447,394	-0.2
<b>Production</b>							
Silver (koz)	3,244	4,066	-20.2	3,745	15,117	16,512	-8.4
Gold (oz)	10,437	9,237	13.0	10,469	42,290	38,784	9.0

Lead (t)	3,867	5,455	-29.1	4,917	19,619	20,514	-4.4
Zinc (t)	6,153	8,019	-23.3	8,096	31,094	30,021	3.6
<b>Ore Grades</b>							
Silver (g/t)	199	236	-15.5	211	214	229	-6.9
Gold (g/t)	0.76	0.64	19.9	0.68	0.70	0.64	8.7
Lead (%)	0.79	1.01	-22.2	0.89	0.90	0.92	-2.7
Zinc (%)	1.52	1.94	-21.2	1.81	1.75	1.72	1.6

Quarterly silver production decreased 20.2% and 13.4% vs. 4Q17 and 3Q18 respectively, mainly as a result of a lower than expected ore grade due to: i) differences versus the geological model, ii) a narrower than expected vein width which increased dilution and iii) the limited access to higher ore grade areas at San Carlos and Candelaria due to delays in preparation and development mainly caused by issues with contractors. Quarterly silver production was also affected, though to a lesser extent, by the decrease in volumes of ore processed, resulting from lower equipment availability given ongoing maintenance issues.

Similarly, full year silver production decreased 8.4% when compared to 2017 mainly due to the lower ore grade resulting from: i) the limited access to higher ore grade areas at San Carlos and Candelaria; and ii) differences vs. the geological model.

A number of initiatives have been implemented to address mine performance, including: investing in infrastructure and equipment to accelerate preparation and development; improving the maintenance programme to increase equipment availability; and conducting an infill drilling programme to improve the accuracy of the geological model and provide greater certainty for short term production estimates.

While 2018 was a challenging year at Fresnillo, we remain both confident and determined we will return the mine to the positive trend seen in previous years.

We expect silver ore grade to be between 210-220 g/t in 2019.

Quarterly by-product gold production increased 13.0% vs. 4Q17 as a result of a higher ore grade which entirely compensated for the lower volume of ore processed and the lower recovery rate.

Quarterly by-product gold production remained broadly flat vs. 3Q18.

Full year by-product gold production increased 9.0% when compared to 2017 mainly as a result of a higher ore grade.

Gold ore grade is expected to be around 0.60-0.65 g/t in 2019.

Quarterly and annual by-product lead production decreased against all comparable periods as a result of lower ore grades and lower recovery rates.

Quarterly by-product zinc production decreased 23.3% vs. 4Q17 due to a lower ore grade and a decrease in ore processed. Similarly, fourth quarter by-product zinc production decreased 24.0% vs. 3Q18 as a result of lower ore grade, recovery rate and volume of ore processed.

However, full year by-product zinc production increased 3.6% vs. 2017 as a result of a higher recovery rate and ore grade.

For 2019, lead and zinc ore grades are expected to be 1.15%-1.25% and 2.35%-2.40% respectively.

### Saucito mine production

	4Q 18	4Q 17	% change	3Q 18	YTD 18	YTD 17	% change
<b>Ore Processed (t)</b>	693,608	722,237	-4.0	713,441	2,792,057	2,753,876	1.4
<b>Production</b>							
Silver (koz)	4,890	5,378	-9.1	4,897	19,781	21,215	-6.8
Gold (oz)	22,932	17,599	30.3	23,558	86,092	69,948	23.1
Lead (t)	8,362	3,903	114.2	5,791	22,662	17,714	27.9
Zinc (t)	10,132	4,930	105.5	7,909	29,506	20,348	45.0
<b>Ore Grades</b>							
Silver (g/t)	260	271	-4.0	250	257	280	-8.0
Gold (g/t)	1.30	1.08	20.1	1.34	1.25	1.09	14.7
Lead (%)	1.36	0.66	105.1	0.95	0.94	0.77	21.1
Zinc (%)	2.21	1.06	108.9	1.61	1.61	1.21	33.6

Quarterly silver production decreased 9.1% vs. 4Q17 as a result of a decrease in ore throughput and a lower ore grade attributable to ore processed from the deeper areas of the mine.

Fourth quarter silver production remained broadly flat vs. 3Q18 as the higher ore grade extracted due to better mine planning resulting from the improvement in the infill drilling programme was offset by the lower volume of ore processed and a lower recovery rate.

Full year silver production decreased 6.8% vs. 2017 due to lower than expected ore grades at high grade stopes in the upper levels of the mine and increased dilution. An infill drilling programme continues to be conducted so as to enhance the accuracy of the geological model.

However, the gradual depletion of higher ore grade areas is anticipated to continue in 2019, therefore we expect the silver ore grade to average 210-220 g/t in the year.

We will continue focusing on ensuring the availability of contractors and increasing their productivity to gradually increase development rates and deepen five main ramps at the Jarillas's vein.

Quarterly by-product gold production decreased 2.7% vs. 3Q18 as a result of a lower ore grade and volume of ore processed which were partially offset by the higher recovery rate.

Full year and quarterly by-product gold production increased 23.1% vs. 2017 and 30.3% vs. 4Q17 as a result of a higher ore grade and recovery rate.

Expected gold ore grade in 2019 will be roughly 1.30 g/t.

Full year and quarterly by-product lead production increased against all comparable periods as a result of the higher ore grade in the deeper areas of the mine and the higher recovery rate.

Similarly, annual and quarterly by-product zinc production increased 45.0% vs. 2017 and 105.5% vs. 4Q17 mainly as a result of higher ore grades and increased recovery rates.

Quarterly by-product zinc production increased 28.1% vs. 3Q18 as a result of a higher ore grade which more than compensated for the lower recovery rate and the lower volume of ore processed.

For 2019, lead and zinc ore grades are expected to be 0.95%-1.05% and 2.0%-2.1% respectively.

### ***Pyrites Plant (Phase I)***

	4Q 18	4Q 17	% change	3Q 18	YTD 18	YTD 17	% change
<b>Ore Processed (t)</b>	56,699	0	N/A	63,336	131,780	0	N/A
<b>Production</b>							
Silver (koz)	470	0	N/A	434	977	0	N/A
Gold (oz)	1,952	0	N/A	1,418	3,556	0	N/A
<b>Ore Grades</b>							
Silver (g/t)	348	0	N/A	423	393	0	N/A
Gold (g/t)	2.5	0	N/A	2.9	2.8	0	N/A

The leaching plant of the Pyrites Plant at Saucito contributed 977 koz of silver and 3,556 oz of gold during the year. In 4Q18, ore processed decreased 10.4% vs. 3Q18 due to the depletion of the stock pile that was built during the construction of the plant. Quarterly silver production increased 8.4% vs. 3Q18 as a result of the higher recovery rate, which was partly offset by the expected lower ore grade. Similarly, quarterly gold production increased by 37.7% vs. 3Q18 due to a higher recovery rate which compensated for the lower volume of ore processed and the lower ore grade.

As previously guided, lower ore grade material will be processed in 2019 as a result of the depletion of the stock pile of iron concentrate with high silver content. This is expected to be between 190-210 g/t

### **Ciénega mine production**

	4Q 18	4Q 17	% change	3Q 18	YTD 18	YTD 17	% change
<b>Ore Processed (t)</b>	340,529	339,347	0.4	332,493	1,323,908	1,302,409	1.7
<b>Production</b>							
Gold (oz)	15,588	18,194	-14.3	18,214	66,869	71,947	-7.1
Silver (koz)	1,703	1,272	33.9	1,539	5,999	5,394	11.2
Lead (t)	1,007	1,541	-34.7	1,105	4,799	6,328	-24.2
Zinc (t)	1,767	1,336	32.2	1,889	5,892	7,048	-16.4
<b>Ore Grades</b>							
Gold (g/t)	1.49	1.76	-15.6	1.79	1.65	1.82	-9.6
Silver (g/t)	180	137	31.4	169	164	152	8.5
Lead (%)	0.48	0.70	-30.8	0.57	0.60	0.74	-19.6
Zinc (%)	0.87	0.81	7.6	0.95	0.83	0.98	-15.3

Full year and quarterly gold production decreased against all comparable periods mainly due to the lower ore grade as a result of the depletion of higher ore grade areas at Las Casas, Taspana and Jessica areas. This was partly offset by the higher recovery rate and a higher

volume of ore processed due to the operating controls and efficiency achieved in the maintenance programme, which have reduced downtime.

Gold ore grade is expected to remain at 1.6-1.7 g/t in 2019.

Quarterly and full year silver production increased versus all comparable periods due to the higher ore grade which resulted from the increased access to higher silver ore grade areas at Taspana and lower dilution; and to a lesser extent, a higher volume of ore processed and recovery rate.

Silver ore grade is expected to be between 150-160 g/t in 2019.

Full year and quarterly by-product lead production decreased 24.2% vs. 2017 and 34.7% vs. 4Q17 as a result of a lower ore grade and recovery rates, but mitigated by a higher volume of ore processed. Quarterly by-product lead production decreased 8.9% vs. 3Q18 as a result of a lower ore grade which was partially mitigated by a higher recovery rate and volume of ore processed.

Quarterly by-product zinc production increased 32.2% vs. 4Q17 as a result of a higher recovery rate and increased ore grade. However, quarterly by-product zinc production decreased 6.5% vs. 3Q18 as a result of a lower ore grade.

Full year by-product zinc production decreased 16.4% vs. 2017 as a result of a lower ore grade and to a lesser extent, lower recovery rate.

## San Julián mine production

	4Q 18	4Q 17	% change	3Q 18	YTD 18	YTD 17	% change
<b>Ore Processed Phase I Veins (t)</b>	337,428	325,032	3.8	332,836	1,270,781	1,273,129	-0.2
<b>Ore Processed Phase II Disseminated ore body (t)</b>	587,905	496,907	18.3	561,808	2,221,433	945,057	135.0
<b>Total production at San Julián</b>							
<b>Gold (oz)</b>	23,003	20,032	14.8	19,452	82,344	84,533	-2.6
<b>Silver (koz)</b>	3,903	4,057	-3.8	3,626	14,630	10,534	38.9
<b>Production Phase I Veins</b>							
Gold (oz)	22,065	19,248	14.6	18,458	79,218	82,782	-4.3
Silver (koz)	1,380	1,462	-5.7	1,347	5,434	5,936	-8.5
<b>Production Phase II Disseminated ore body</b>							
Gold (oz)	938	784	19.7	994	3,125	1,750	78.6
Silver (koz)	2,524	2,595	-2.7	2,279	9,196	4,598	100.0
Lead (t)	2,017	1,937	4.2	1,263	6,101	3,598	69.6
Zinc (t)	6,479	4,567	41.9	5,041	22,027	7,849	180.6
<b>Ore Grades Phase I Veins</b>							
Gold (g/t)	2.11	1.92	9.9	1.84	2.01	2.10	-4.4
Silver (g/t)	137.22	153.43	-10.6	137.19	144.06	157.21	-8.4
<b>Ore Grades Phase II Disseminated ore body</b>							
Gold (g/t)	0.10	0.11	-3.7	0.11	0.09	0.12	-32.7
Silver (g/t)	158.09	190.32	-16.9	155.54	154.37	180.33	-14.4
Lead (%)	0.51	0.51	-0.6	0.40	0.43	0.52	-15.7
Zinc (%)	1.48	1.23	19.7	1.33	1.35	1.18	13.7

### ***San Julián (Phase I - Veins System)***

Quarterly silver production decreased 5.7% vs. 4Q17 as a result of a lower ore grade due to the depletion of higher ore grade areas. However, the higher recovery rate and increased volume of ore processed mitigated this negative effect.

Quarterly silver production slightly increased 2.4% when compared to 3Q18 due to the increase in volume of ore processed and a higher recovery rate.

Full year silver production decreased 8.5% vs. 2017 mainly as a result of the lower ore grade resulting from the depletion of high-grade areas.

The expected silver ore grade for the full year 2019 is in the range of 155-165 g/t.

Quarterly gold production increased 14.6% when compared to 4Q17 as a result of a higher ore grade, due to unusually low ore grade extracted in 4Q17 and, to a lesser extent, the higher volume of ore processed.

Quarterly gold production increased 19.5% vs. 3Q18 due to the higher ore grade and improved recovery rate and, to a lesser extent, the increased volume of ore processed once the shortage of water reported in previous quarters was addressed.

Annual gold production decreased 4.3% vs. 2017 as a result of a lower ore grade due to the depletion of higher ore grade veins.

Average gold grade for 2019 is expected to be around 1.6-1.7 g/t.

### ***San Julián (Phase II – Disseminated ore body)***

Quarterly silver production decreased 2.7% vs. 4Q17 as a result of the expected lower ore grade, which was partially offset by a temporary increase in the volume of ore processed as a result of mineral size optimisation. Quarterly silver production increased 10.7% vs. 3Q18 due to a higher recovery rate and higher volume of ore processed.

Annual silver production doubled vs. 2017 as a result of the first full year of operations following initial start-up in July 2017.

Silver ore grade for 2019 is expected to be around 160-170 g/t.

Quarterly by-product gold production increased 19.7% vs. 4Q17 due to a higher volume of ore processed and higher recovery rate, which more than offset the lower ore grade. Quarterly by-product gold production decreased 5.7% vs. 3Q18 due to a lower ore grade and recovery rate, mitigated by the higher volume of ore processed.

Full year by-product gold production increased 78.6% vs. 2017 as a result of a higher volume of ore processed, which more than compensated for the lower ore grade and recovery rate.

Gold ore grade is anticipated to be around 0.09-0.10 g/t in 2019.

Annual and quarterly by-product lead production increased 69.6% vs. 2017 and 4.2% vs. 4Q17 respectively, as a result of a higher volume of ore processed which more than compensated the lower recovery rate and lower ore grade. Quarterly by-product lead production increased 59.8% vs. 3Q18 as a result of a higher ore grade, recovery rate and volume of ore processed.

Full year and quarterly by-product zinc production increased against all comparable periods as a result of the higher volume of ore processed, ore grades and recovery rates.



## Herradura total mine production

	4Q 18	4Q 17	% change	3Q 18	YTD 18	YTD 17	% change
Ore Processed (t)	4,707,145	6,373,732	-26.1	5,859,579	22,156,792	26,027,466	-14.9
Total Volume Hauled (t)	26,592,044	34,620,672	-23.2	29,718,422	124,024,351	130,025,439	-4.6
<b>Production</b>							
Gold (oz)	121,409	117,891	3.0	109,630	474,168	473,638	0.1
Silver (koz)	427	172	148.6	492	1,523	551	176.4
<b>Ore Grades</b>							
Gold (g/t)	0.88	0.68	30.9	0.76	0.76	0.68	12.6
Silver (g/t)	3.64	1.28	184.6	3.05	2.74	1.07	155.1

Quarterly gold production increased 3.0% vs. 4Q17 as a result of a higher ore grade and a higher overall speed of recovery, due to greater control over the reagents used in the leaching pads. This was partly offset by the lower volume of ore processed following heavy rainfall in October which impacted operations at the Merrill Crowe plant as electrical lines were affected and caused a temporary shutdown of the pit for safety reasons.

Similarly, quarterly gold production increased 10.7% vs. 3Q18 due to a higher ore grade and higher speed of recovery, partly offset by the lower volume of ore processed.

Annual gold production remained broadly flat compared to 2017 due to a higher ore grade processed at the dynamic leaching plant and a higher recovery rate as a result of the increase in irrigation, which was offset by the lower volume of ore processed.

Tests at the second line of the dynamic leaching plant were concluded in December. As a result, this project contributed 21,266 ounces of gold during the year. This US\$110 million project will process high ore grade material from the Herradura pit.

As a result of the annual analysis (in line with IFRS) carried out to identify the separate components of the ore bodies at Herradura, and in light of the increase in reserves in 2017 and further exploration conducted in the 1H18, it was concluded that the number of components to which stripping costs are allocated should be reduced from two to one. This change resulted in recognising the entirety of the stripping in the income statement as opposed to partially capitalising it, thereby increasing the expensed stripping ratio to 4.56 in 2H18 (whereas the expensed stripping ratio in 1H18 was 2.33, having considered it as two components).

Gold ore grade for 2019 is expected to average 0.70-0.75 g/t.

## Noche Buena total mine production

	4Q 18	4Q 17	% change	3Q 18	YTD 18	YTD 17	% change
Ore Processed (t)	4,395,527	4,445,313	-1.1	4,834,512	18,195,744	17,820,817	2.1
Total Volume Hauled (t)	17,220,712	20,921,653	-17.7	20,489,682	80,304,953	85,233,001	-5.8
<b>Production</b>							
Gold (oz)	36,705	49,098	-25.2	42,460	167,208	172,282	-2.9
Silver (koz)	9	12	-19.7	5	52	31	64.9

Ore Grades							
Gold (g/t)	0.50	0.54	-7.5	0.52	0.52	0.52	0.0
Silver (g/t)	0.09	0.14	-33.0	0.05	0.13	0.10	34.4

Full year gold production slightly decreased 2.9% vs. 2017 as a result of a lower speed of recovery, resulting from the higher altitude of the leaching pads which increased the residence time of the solution in the pads. This was mitigated by the higher volume of ore processed. Quarterly gold production decreased 25.2% vs. 4Q17 as a result of a lower ore grade and lower speed of recovery due to the factors mentioned above.

Quarterly gold production decreased 13.6% vs. 3Q18 due to the lower ore grade and ore volume processed as a result of the heavy rains in October.

Gold ore grade for 2019 is expected to be around 0.55 g/t.

## Update on development projects

### Pyrites Plant at the Fresnillo mine

Construction of the 14,000 tpd tailings flotation project to process the historical and ongoing tailings from the Fresnillo mine continued. This project is expected to be concluded by 1H20. This facility is expected to incur a capex of US\$51.4 million, which is part of the total US\$155 million capex authorised for the Pyrites Plant project.

## Update on exploration

The cumulative drilling for the year at our operating mines and exploration projects was 579,000 and 346,000 metres respectively. Resources and reserves (in the case of the operating mines) are presently in audit by SRK and the results of which will be disclosed in the first quarter of 2019 with our Preliminary results. Resources were increased at the Guanajuato and San Juan projects, while mapping identified new targets at the Fresnillo and Herradura districts, and a geophysical survey detected areas for follow up in the San Julián district. Further to this, and for the first time in the Company's history, drilling began in Chile. Exploration teams are working out of the Hermosillo, Chihuahua, Zacatecas, Toluca, Lima-Peru and Santiago de Chile offices in selected areas of favorable silver-gold belts in Mexico, Peru, Chile and Argentina.

### Juanicipio

Exploration, mine development and basic and detailed engineering continued at this project. Minor details on the construction agreement are being finalised and agreed, with Juanicipio's approval expected soon.

## Safety Performance

We deeply regret to report three fatal accidents during 4Q18; one at the Fresnillo mine and two in Ciénega. Full investigations were undertaken to identify the causes of these tragic incidents. We continue to enforce the "I care, we care" programme to identify risks, reinforce safety protocols and procedures, increase training and promote a more visible leadership, as we seek to deliver a continuous improvement in safety. We remain committed to our zero fatalities target.

## Full Year Financial Results

Fresnillo will announce its full year 2018 results on 26th February 2019.

For further information, please visit our website [www.fresnilloplc.com](http://www.fresnilloplc.com) or contact:

### **Fresnillo plc**

Tel: +44 (0)20 7399 2470

*London Office*

Gabriela Mayor, Head of Investor  
Relations

Patrick Chambers

*Mexico City Office*

Tel: +52 55 52 79 3206

Ana Belem Zárate

### **Powerscourt**

Tel: +44 (0)20 7250 1446

Peter Ogden

## 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-Dipolos<sup>1</sup>, Noche Buena and San Julián (Phase I and II), one development project - the Pyrites Plant at Fresnillo, 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 and 700 thousands hectares in Peru.

Fresnillo plc has a strong and long tradition of exploring, 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 and Mexico's largest gold producer.

<sup>1</sup> 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 exchanges 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.

LEI: 549300JXWH1UV5JoXV81