



Interim Results  
for period ending  
30 June 2013

**Octavio Alvidrez, CEO**  
**Mario Arreguín, CFO**  
**David Giles, VP Exploration**

August 6, 2013





## Disclaimer

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the Fresnillo Group's intentions, beliefs or current expectations concerning, among other things, the Fresnillo Group's results of operations, financial position, liquidity, prospects, growth, strategies and the silver and gold industries.

By their nature, 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, political and economic uncertainty.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as of the date of this document, reflect the Fresnillo Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Fresnillo Group's operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Subject to the requirements of the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules or applicable law, the Fresnillo Group explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document.



# Agenda

---

- 2013 Highlights
- Operations Review
- Financial Review
- Exploration
- Projects
- Outlook
- Q&A

# Our strategy & four pillars to create value

1

## Maximise the potential of existing operations

- Operate at 100% capacity
  - Low-cost producer
- Optimise mining method and metallurgy to maintain high recovery rates

2

## Deliver growth through development projects

- Focus on delivery timeline
- Disciplined CAPEX control
- Specialized Engineering and Construction team

3

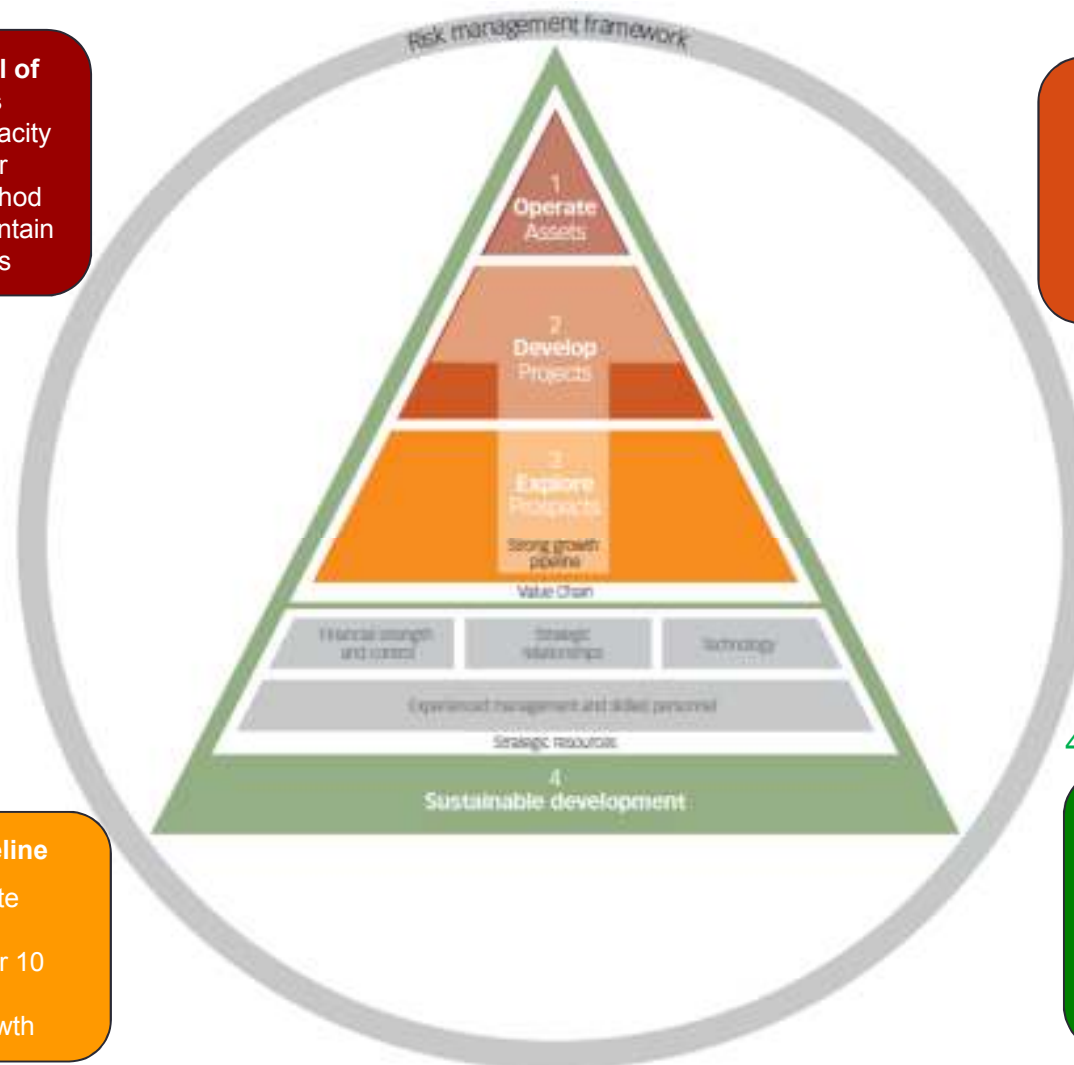
## Extend the growth pipeline

- Evaluate early-state acquisitions
- Maintain reserves for 10 years
- Ensure organic growth

4

## Advance our sustainable development

- Improve general health
  - Reinforce safety
- Minimise the environmental impact
- Maintain sound relations with communities





# What differentiates us

---

**Operational excellence**

**World class assets**

**Strong organic growth pipeline**

**Competitive cash cost performance**

**Financial strength and flexibility**

**Strong community support**



# H1 2013 Operational Highlights

---

## **Production:**

- Silver production, including Silverstream, up 4.5% to 21.0 Moz
- Attributable gold production, down 5.2% to 235,827 ounces
- 2013 guidance on track: 41moz of silver and 465,000oz gold
- Cost reduction and efficiency initiatives continue to be a focus

## **Projects:**

- Dynamic leaching plant at Herradura on track for start-up in 4Q13
- San Julián on track to start production 2H14
- Saucito II processing plant ahead of schedule
- Group Capex reviewed and remains largely unchanged

## **Exploration:**

- Encouraging results at Ciénega, Fresnillo and Herradura Districts
- Good gold and silver mineralisation at Guanajuato District
- Drilling programmes concluded at Orisyvo and Lucerito
- Exploration budget US\$242.8m reduced from US\$279.8m



# H1 2013 Financial Highlights

- Average realised silver price of US\$24.67 per oz, and gold of US\$1,471.67 per oz, down 20.3% and 10.6% respectively
- Adjusted Revenue of US\$982.3m, down 14.0%
- Estimated weighted average cost inflation was 7.1%
- Gross profit of US\$518.9m, down 27.0%
- EBITDA decreased by 29.1% to US\$486.3m
- Strong EBITDA margin of 52.5%
- Reporting AIC for each operation to illustrate strong free cash generation
- Profit attributable to equity shareholders, excluding Silverstream revaluation effects, decreased by 34.2% to US\$225.6m
- Proceeds from the placement of new ordinary shares of US\$346.1 million
- Cash at 30 Jun 2013 US\$570.8 million
- Interim dividend declared of 4.90 US cents per ordinary share



## Operations Review







## Fresnillo District

		FRESNILLO				SAUCITO			
		H1 2013	H1 2012	Change	%	H1 2013	H1 2012	Change	%
<b>Attributable production</b>									
Silver	m oz	11.2	13.4	-2.2	-16.2	5.6	3.2	2.4	73.3
Gold	k oz	13.6	15.9	-2.2	-14.1	22.0	21.7	0.3	1.5
Lead	kt	7.2	8.7	-1.5	-17.7	2.6	1.1	1.4	125.2
Zinc	kt	6.9	8.3	-1.4	-17.1	2.2	0.7	1.4	202.5
<b>Adjusted Revenue<sup>1</sup></b>									
Adj Revenue	US\$ m	300.7	433.1	-132.4	-30.6	167.2	131.6	35.5	27.0
Contribution	%	30.6	37.9			17.0	11.5		
<b>Costs</b>									
Cost per tonne	US\$/t	46.6	43.5	3.1	7.1	59.2	60.9	-1.8	-2.9
Cost per Ag oz	US\$/oz	5.5	5.1	0.4	7.3	2.2	0.5	1.7	356.3
<b>Gross Profit</b>									
Gross Profit	US\$ m	173.8	305.5	-131.7	-43.1	105.0	67.9	37.1	47.0
Contribution	%	34.6	43.8			20.9	9.7		

<sup>1</sup> Adjusted revenue is revenue as disclosed in the income statement adjusted to exclude lead hedging and treatment and refining charges  
06/08/2013



		H1 2013	H1 2012	Change	%
<b>Attributable production</b>					
Gold	k oz	59.6	65.3	-5.7	-8.7
Silver	m oz	2.2	1.2	1.0	83.9
<b>Adjusted Revenue<sup>1</sup></b>					
Adj Revenue	US\$ m	141.5	148.4	-6.9	-4.7
Contribution	%	14.4	13.0		
<b>Costs</b>					
Cost per tonne	US\$/t	73.6	74.1	-0.6	-0.8
Cost per AU oz	US\$/oz	-86.3	60.8	-147.0	-242.0
<b>Gross Profit</b>					
Gross Profit	US\$ m	64.8	80.5	-15.7	49.1
Contribution	%	12.9	11.5		

<sup>1</sup> Adjusted revenue is revenue as disclosed in the income statement adjusted to exclude lead hedging and treatment and refining charges  
06/08/2013



# Herradura District



		H1 2013	H1 2012	Change	%	H1 2013	H1 2012	Change	%	H1 2013	H1 2012
<b>Attributable production</b>											
Gold	k oz	91.2	94.4	-3.2	-3.3	22.2	38.9	-16.6	-42.8	27.0	12.6
<b>Adjusted Revenue<sup>1</sup></b>											
Adj Revenue	US\$ m	244.0	278.8	-34.8	-12.5	58.6	113.8	-55.2	-48.5	70.4	36.1
Contribution	%	24.8	24.4			6.0	10.0			7.2	3.2
<b>Costs</b>											
Cost per tonne	US\$/t	7.1	6.2	0.9	14.8	10.0	5.9	4.1	68.9	8.2	N/A
Cost per Au oz	US\$/oz	493.0	439.9	53.1	12.1	672.7	557.6	115.1	20.7	896.1	N/A
<b>Gross Profit</b>											
Gross Profit	US\$ m	125.1	161.2	-36.1	-22.4	18.1	62.6	-44.5	-71.1	16.2	20.0
Contribution	%	24.9	23.1			3.6	9.0			3.2	2.9

<sup>1</sup> Adjusted revenue is revenue as disclosed in the income statement adjusted to exclude lead hedging and treatment and refining charges  
06/08/2013



## Update on Soledad-Dipolos

---

- Minera Penmont has vacated an area at the Soledad-Dipolos operations
- Dipolos open pit gold mining has ceased and equipment removed
- Soledad will continue to operate once plant is relocated
- Explosives permit temporarily suspended for all Penmont mines but inventories will continue to be processed so production at Herradura and Noche Buena will not be impacted
- Economic impact not material (<1% of NPV)
- Revised gold production guidance of 465,000 ounces in 2013
- Maintain guidance of 500,000 ounces of gold by 2018



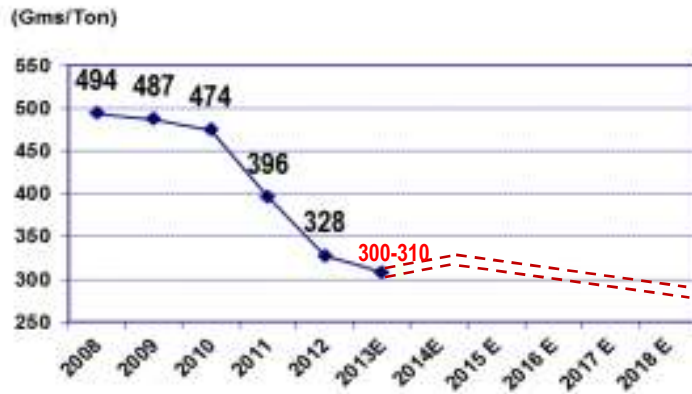
## Improving costs and efficiencies

- Targeting cost savings of US\$40 million for 2013, which is a 4-5% decrease in operating costs for the Group
- Fresnillo District (Fresnillo and Saucito mines)
  - Higher efficiency from contractors
  - Operating materials: optimise drill patterns, training in blasting techniques
  - Optimising maintenance programmes
- Ciénega mine (including San Ramón satellite mine)
  - Optimising the milling process
  - Operating materials: lower consumption of reagents, reduction in electricity consumption, optimise blasting
- Herradura District (Herradura and Noche Buena)
  - Higher efficiency from contractors
  - Operating materials: optimise lime/ore rate, increase the life of tyres, reduce usage of lubricants
  - Optimising maintenance programmes



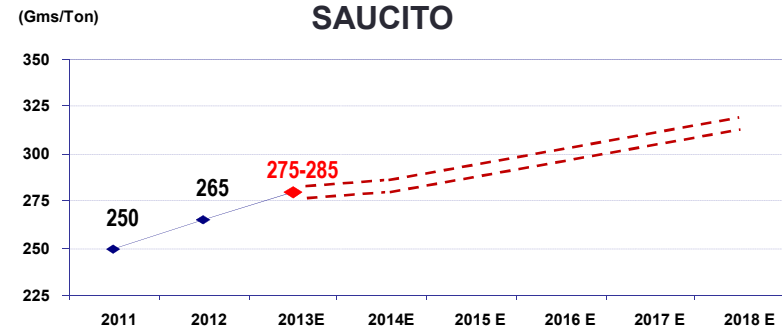
# Ore Grades

### FRESNILLO



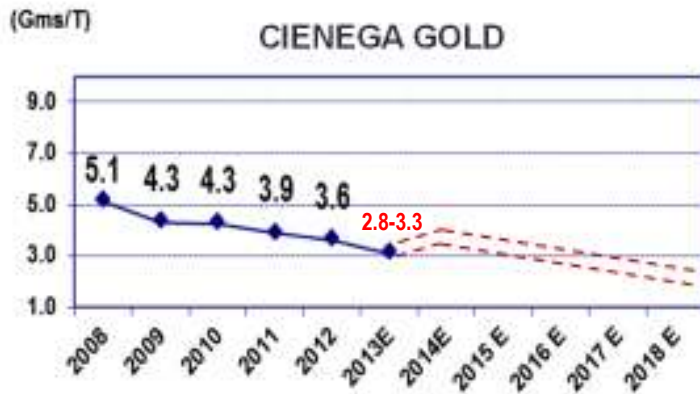
Ore grade in reserves: 281g/t

### SAUCITO



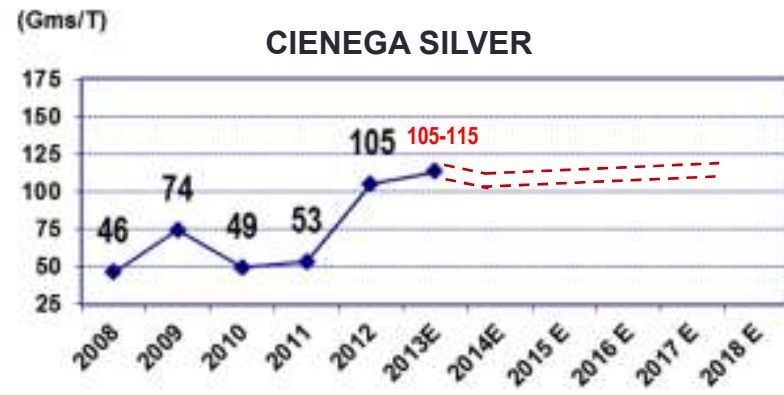
Ore grade in reserves: 357g/t

### CIENEGA GOLD



Ore grade in reserves: 1.38g/t

### CIENEGA SILVER



Ore grade in reserves: 111g/t



## Focus on Improving Safety

---

- Two fatalities in the Fresnillo District in June and July
- Action Plan to fully integrate the Health, Safety, Environment and Community Relations System across Fresnillo plc is underway
- Progress made against safety KPIs:
  - “No More Accidents” programme
  - Lost work days rate decreased by 45% to 0.31
  - Accident rate declined by 50% to 0.46

**PAGE BLANK ON PURPOSE**





## Financial Review





# Income Statement (IFRS)

CONCEPT (Million USD)	ACCUM JUNE				CHANGE	
	1H 2013	%	1H 2012	%	\$	%
ADJUSTED REVENUES	982.3		1,141.7		(159.4)	(14.0)
HEDGING (METALS)	0.1		0.0		0.1	N/A
TREATMENT AND REFINING CHARGES	(56.5)		(56.5)		0.0	(0.1)
<b>REVENUES</b>	<b>925.9</b>	<b>100.0</b>	<b>1,085.2</b>	<b>100.0</b>	<b>(159.3)</b>	<b>(14.7)</b>
ADJUSTED PRODUCTION COST	(339.0)	(36.6)	(262.0)	(24.1)	(77.0)	29.4
PROFIT SHARING	(8.8)	(1.0)	(25.5)	(2.3)	16.7	(65.4)
DEPRECIATION	(114.3)	(12.3)	(109.0)	(10.0)	(5.3)	4.9
HEDGING (MXP/USD EXCHANGE RATE)	4.1	0.4	(1.8)	(0.2)	5.8	N/A
CHANGE IN INVENTORIES	51.0	5.5	23.9	2.2	27.1	N/A
<b>COST OF SALES</b>	<b>(407.0)</b>	<b>(44.0)</b>	<b>(374.3)</b>	<b>(34.5)</b>	<b>(32.7)</b>	<b>8.7</b>
<b>GROSS PROFIT</b>	<b>518.9</b>	<b>56.0</b>	<b>710.9</b>	<b>65.5</b>	<b>(192.0)</b>	<b>(27.0)</b>
ADMINISTRATIVE EXPENSES	(14.5)	(1.6)	(14.0)	(1.3)	(0.5)	3.3
CORPORATE EXPENSES	(14.1)	(1.5)	(13.1)	(1.2)	(1.1)	8.1
EXPLORATION EXPENSES	(114.7)	(12.4)	(104.0)	(9.6)	(10.7)	10.3
OTHER INCOME (EXPENSE)	(0.8)	(0.1)	(0.5)	(0.0)	(0.3)	50.3
SELLING EXPENSES	(3.5)	(0.4)	(3.2)	(0.3)	(0.3)	10.5
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>371.3</b>	<b>40.1</b>	<b>576.1</b>	<b>53.1</b>	<b>(204.8)</b>	<b>(35.6)</b>
SILVERSTREAM REVALUATION	(112.5)	(12.1)	36.4	3.4	(148.9)	N/A
FINANCE INCOME / (EXPENSE)	(3.7)	(0.4)	4.7	0.4	(8.3)	N/A
FOREIGN EXCHANGE	(5.3)	(0.6)	(8.7)	(0.8)	3.4	(38.9)
<b>PROFIT BEFORE INCOME TAX</b>	<b>249.8</b>	<b>27.0</b>	<b>608.5</b>	<b>56.1</b>	<b>(358.7)</b>	<b>(58.9)</b>
INCOME TAX EXPENSE	(73.0)	(7.9)	(170.0)	(15.7)	97.0	(57.1)
<b>PROFIT FOR THE PERIOD</b>	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
ATTRIBUTABLE TO:						
<b>EQUITY SHAREHOLDERS OF THE GROUP</b>	<b>144.7</b>	<b>15.6</b>	<b>368.8</b>	<b>34.0</b>	<b>(224.0)</b>	<b>(60.7)</b>
MINORITY INTEREST	32.0	3.5	69.7	6.4	(37.7)	(54.0)
	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
<b>EBITDA</b>	<b>486.3</b>	<b>52.5</b>	<b>685.6</b>	<b>63.2</b>	<b>(199.3)</b>	<b>(29.1)</b>



## Adjusted Revenues (IFRS)

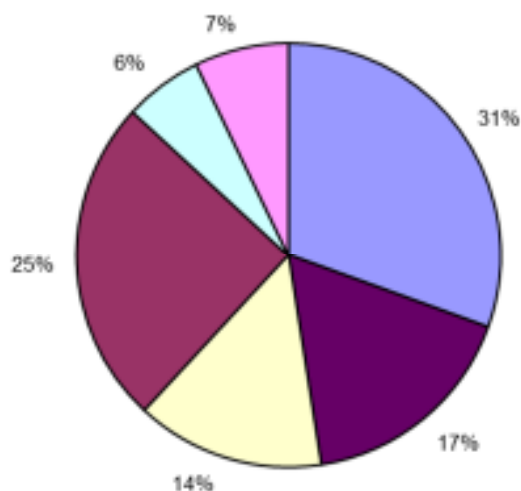
P R O D U C T (Million USD)	ACCUM JUNE		CHANGE BY:		TOTAL
	1H 2013	1H 2012	VOLUME	PRICE	
GOLD	496.7	580.8	(24.1)	(60.0)	(84.1)
SILVER	443.9	516.8	36.5	(109.3)	(72.9)
LEAD	22.7	21.9	(0.7)	1.5	0.8
ZINC	18.9	22.2	(2.4)	(0.8)	(3.3)
<b>ADJUSTED REVENUES</b>	<b>982.3</b>	<b>1,141.7</b>	<b>9.2</b>	<b>(168.7)</b>	<b>(159.4)</b>



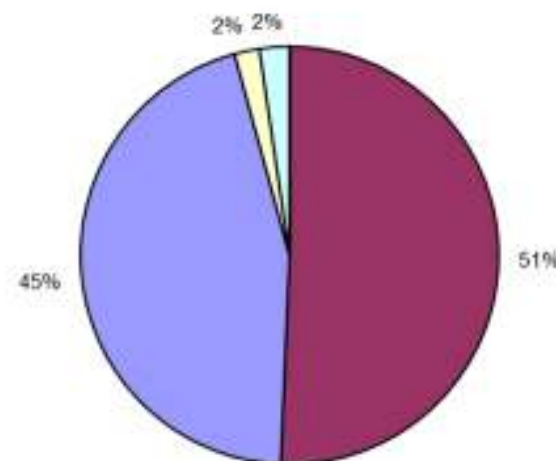
# Contribution by mine and by metal to the adjusted revenues

2013 Adjusted Revenues<sup>1</sup>: US\$982.3m

By mine



By metal



	Fresnillo		Ciénega		Herradura		Sol & Dip		Saucito		Noche Buena		Consol	
Gold	16.84	5.6%	83.52	59.0%	239.02	98.0%	57.95	98.9%	29.16	17.4%	70.20	99.7%	496.70	50.6%
Silver	259.61	86.4%	48.55	34.3%	4.96	2.0%	0.62	1.1%	129.97	77.8%	0.22	0.3%	443.93	45.2%
Lead	13.31	4.4%	4.78	3.4%					4.61	2.8%			22.70	2.3%
Zinc	10.89	3.6%	4.63	3.3%					3.41	2.0%			18.93	1.9%
<b>TOTAL</b>	<b>300.65</b>	<b>100%</b>	<b>141.48</b>	<b>100%</b>	<b>243.98</b>	<b>100%</b>	<b>58.57</b>	<b>100%</b>	<b>167.15</b>	<b>100%</b>	<b>70.43</b>	<b>100%</b>	<b>982.26</b>	<b>100%</b>

<sup>1</sup> Adjusted Revenue is revenue as disclosed in the income statement adjusted to exclude treatment and refining charges.



# Income Statement (IFRS)

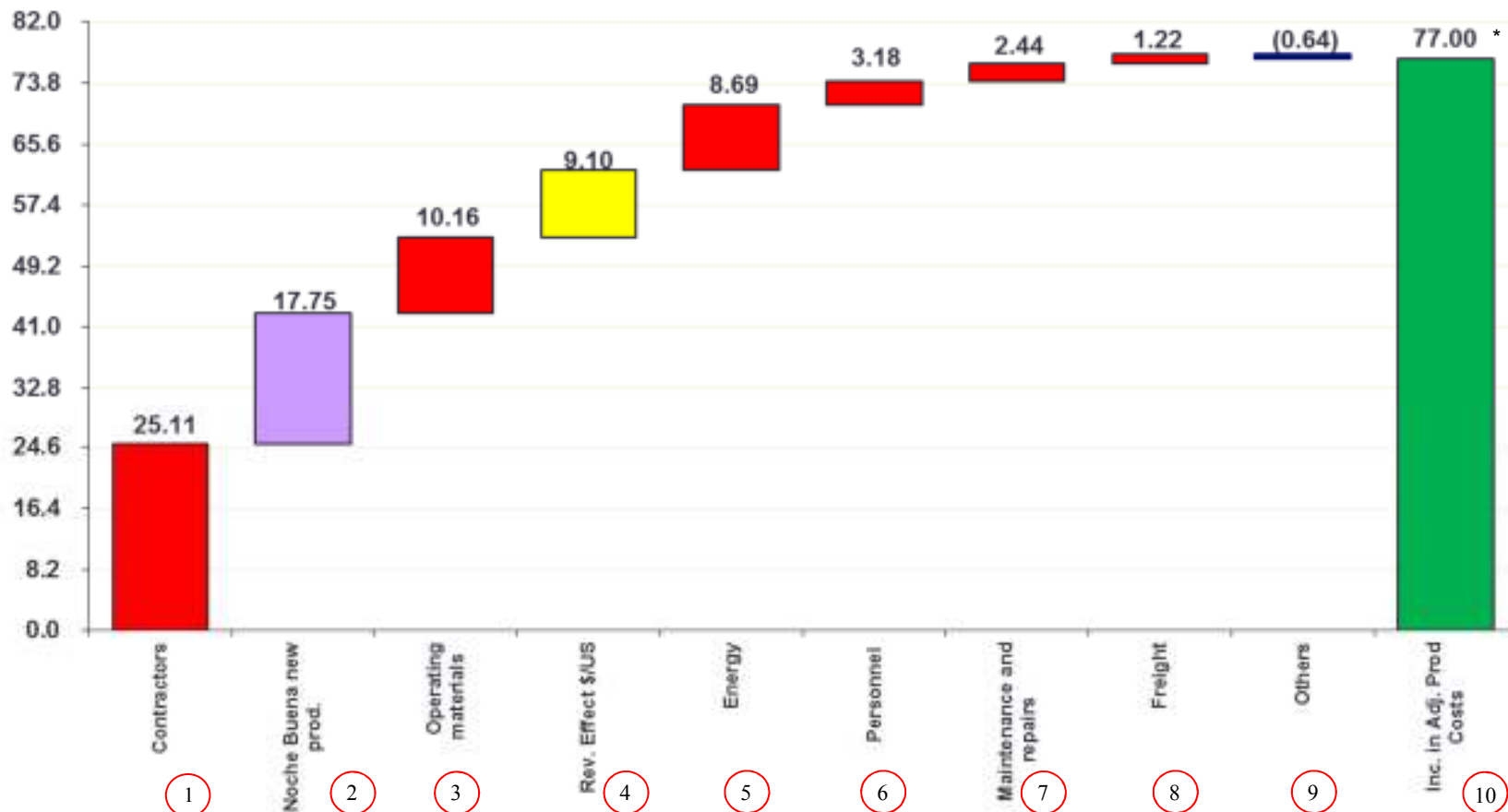
CONCEPT (Million USD)	ACCUM JUNE				CHANGE	
	1H 2013	%	1H 2012	%	\$	%
ADJUSTED REVENUES	982.3		1,141.7		(159.4)	(14.0)
HEDGING (METALS)	0.1		0.0		0.1	N/A
TREATMENT AND REFINING CHARGES	(56.5)		(56.5)		0.0	(0.1)
<b>REVENUES</b>	<b>925.9</b>	<b>100.0</b>	<b>1,085.2</b>	<b>100.0</b>	<b>(159.3)</b>	<b>(14.7)</b>
ADJUSTED PRODUCTION COST	(339.0)	(36.6)	(262.0)	(24.1)	(77.0)	29.4
PROFIT SHARING	(8.8)	(1.0)	(25.5)	(2.3)	16.7	(65.4)
DEPRECIATION	(114.3)	(12.3)	(109.0)	(10.0)	(5.3)	4.9
HEDGING (MXP/USD EXCHANGE RATE)	4.1	0.4	(1.8)	(0.2)	5.8	N/A
CHANGE IN INVENTORIES	51.0	5.5	23.9	2.2	27.1	N/A
<b>COST OF SALES</b>	<b>(407.0)</b>	<b>(44.0)</b>	<b>(374.3)</b>	<b>(34.5)</b>	<b>(32.7)</b>	<b>8.7</b>
<b>GROSS PROFIT</b>	<b>518.9</b>	<b>56.0</b>	<b>710.9</b>	<b>65.5</b>	<b>(192.0)</b>	<b>(27.0)</b>
ADMINISTRATIVE EXPENSES	(14.5)	(1.6)	(14.0)	(1.3)	(0.5)	3.3
CORPORATE EXPENSES	(14.1)	(1.5)	(13.1)	(1.2)	(1.1)	8.1
EXPLORATION EXPENSES	(114.7)	(12.4)	(104.0)	(9.6)	(10.7)	10.3
OTHER INCOME (EXPENSE)	(0.8)	(0.1)	(0.5)	(0.0)	(0.3)	50.3
SELLING EXPENSES	(3.5)	(0.4)	(3.2)	(0.3)	(0.3)	10.5
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>371.3</b>	<b>40.1</b>	<b>576.1</b>	<b>53.1</b>	<b>(204.8)</b>	<b>(35.6)</b>
SILVERSTREAM REVALUATION	(112.5)	(12.1)	36.4	3.4	(148.9)	N/A
FINANCE INCOME / (EXPENSE)	(3.7)	(0.4)	4.7	0.4	(8.3)	N/A
FOREIGN EXCHANGE	(5.3)	(0.6)	(8.7)	(0.8)	3.4	(38.9)
<b>PROFIT BEFORE INCOME TAX</b>	<b>249.8</b>	<b>27.0</b>	<b>608.5</b>	<b>56.1</b>	<b>(358.7)</b>	<b>(58.9)</b>
INCOME TAX EXPENSE	(73.0)	(7.9)	(170.0)	(15.7)	97.0	(57.1)
<b>PROFIT FOR THE PERIOD</b>	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
ATTRIBUTABLE TO:						
<b>EQUITY SHAREHOLDERS OF THE GROUP</b>	<b>144.7</b>	<b>15.6</b>	<b>368.8</b>	<b>34.0</b>	<b>(224.0)</b>	<b>(60.7)</b>
MINORITY INTEREST	32.0	3.5	69.7	6.4	(37.7)	(54.0)
	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
<b>EBITDA</b>	<b>486.3</b>	<b>52.5</b>	<b>685.6</b>	<b>63.2</b>	<b>(199.3)</b>	<b>(29.1)</b>



# Adjusted production cost analysis (consolidated)

	1H13	1H12	CHANGE	
			\$	%
Adjusted Production Cost	339.0	262.0	77.0*	+29.4
Change in inventories	-51.0	-23.9	-27.1	N/A
Depreciation	114.3	109.0	+5.3	+4.9
PTU	8.8	25.5	-16.7	-65.4
Hedging (mxp/usd exchange rate)	-4.1 (Profit)	1.8 (Loss)	-5.8	N/A
Cost of Sales	407.0	374.3	+32.7	+8.7

USD MILLION





# Adjusted production cost analysis (consolidated)

## Adjusted Production Cost

Change in inventories

Depreciation

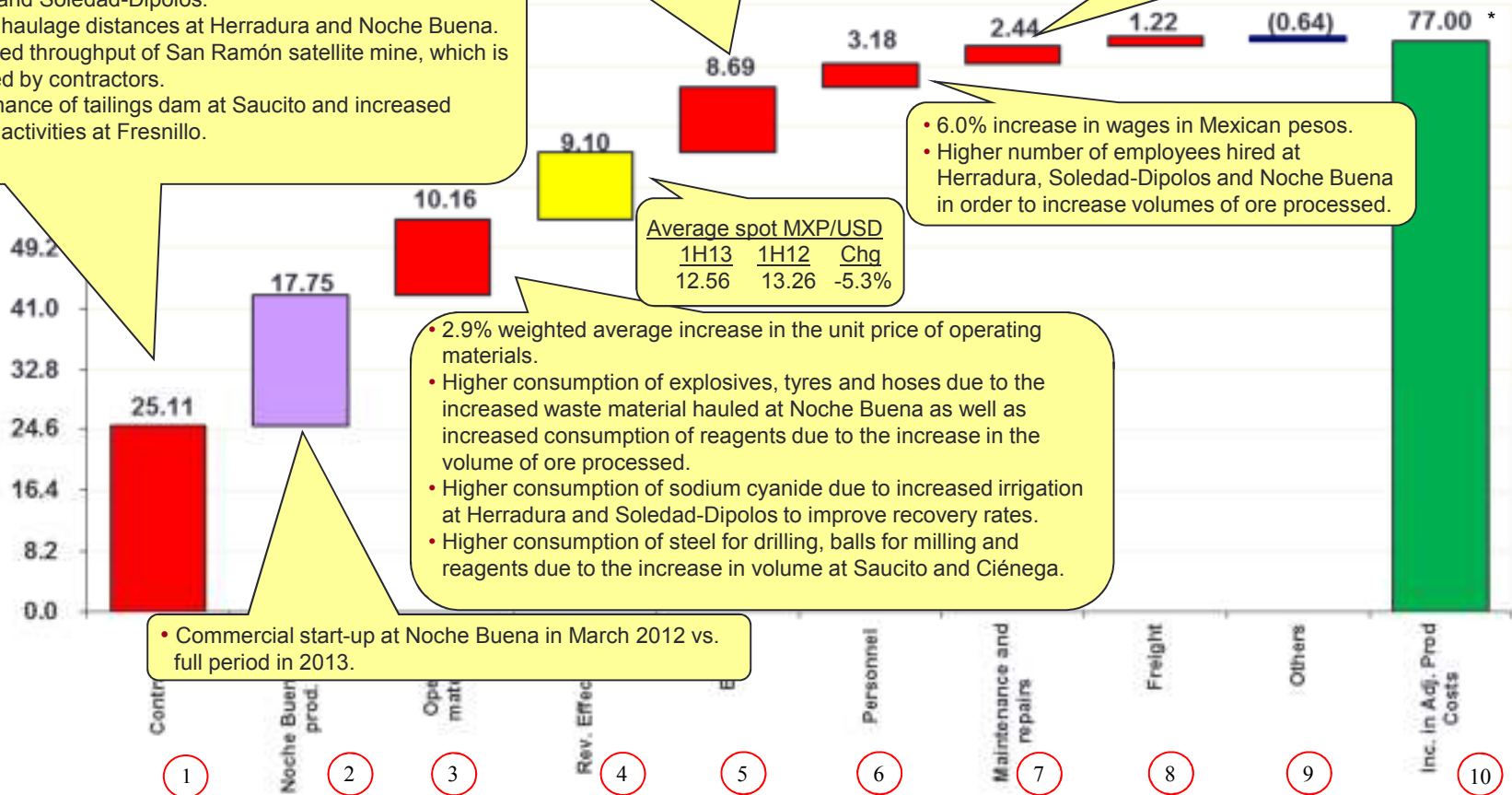
PTU

Hedging (mxp/usd exchange rate)

- Increase in volume of waste material hauled at Noche Buena and Soledad-Dipolos.
- Longer haulage distances at Herradura and Noche Buena.
- Increased throughput of San Ramón satellite mine, which is operated by contractors.
- Maintenance of tailings dam at Saucito and increased scaling activities at Fresnillo.

- Increase in diesel (+24.4%) and electricity (+9.8%) prices.
- Higher consumption of diesel and electricity at Noche Buena and Soledad-Dipolos due to the increased volume of waste material hauled.
- Higher consumption of diesel at Herradura and Fresnillo due to longer distances.
- Increased consumption of electricity at Saucito due to the increased ore throughput.

- CHANGE**
- Maintenance provided to equipment at Noche Buena due to the increased volume of waste material hauled.
  - Higher spare parts and increased maintenance provided to Fatima, Jarillas and Mezquite pumping stations at Saucito.



- 2.9% weighted average increase in the unit price of operating materials.
- Higher consumption of explosives, tyres and hoses due to the increased waste material hauled at Noche Buena as well as increased consumption of reagents due to the increase in the volume of ore processed.
- Higher consumption of sodium cyanide due to increased irrigation at Herradura and Soledad-Dipolos to improve recovery rates.
- Higher consumption of steel for drilling, balls for milling and reagents due to the increase in volume at Saucito and Ciénga.

- Commercial start-up at Noche Buena in March 2012 vs. full period in 2013.



## Cost Per Tonne

<b>COST PER TONNE *</b>		<u>1H2013</u>	<u>1H2012</u>	<u>% CHG.</u>
<b>MINE</b>	<b>UNIT</b>			
Fresnillo	US\$/TON	46.60	43.51	7.1%
Saucito	US\$/TON	59.17	60.92	-2.9%
Ciénega	US\$/TON	73.59	74.15	-0.8%
Herradura	US\$/TON	7.13	6.21	14.9%
Soledad & Dipolos	US\$/TON	9.96	5.90	69.0%
Noche Buena	US\$/TON	8.20	N/A	N/A
Note: Cost per tonne moved at open pit mines				
Herradura	US\$/TON	2.34	2.50	-6.7%
Soledad & Dipolos	US\$/TON	1.57	1.49	5.3%
Noche Buena	US\$/TON	1.57	N/A	N/A

\* Cost per tonne is calculated as total production costs less depreciation, profit sharing and the exchange rate hedging effects.





## Cash Cost (Traditional)

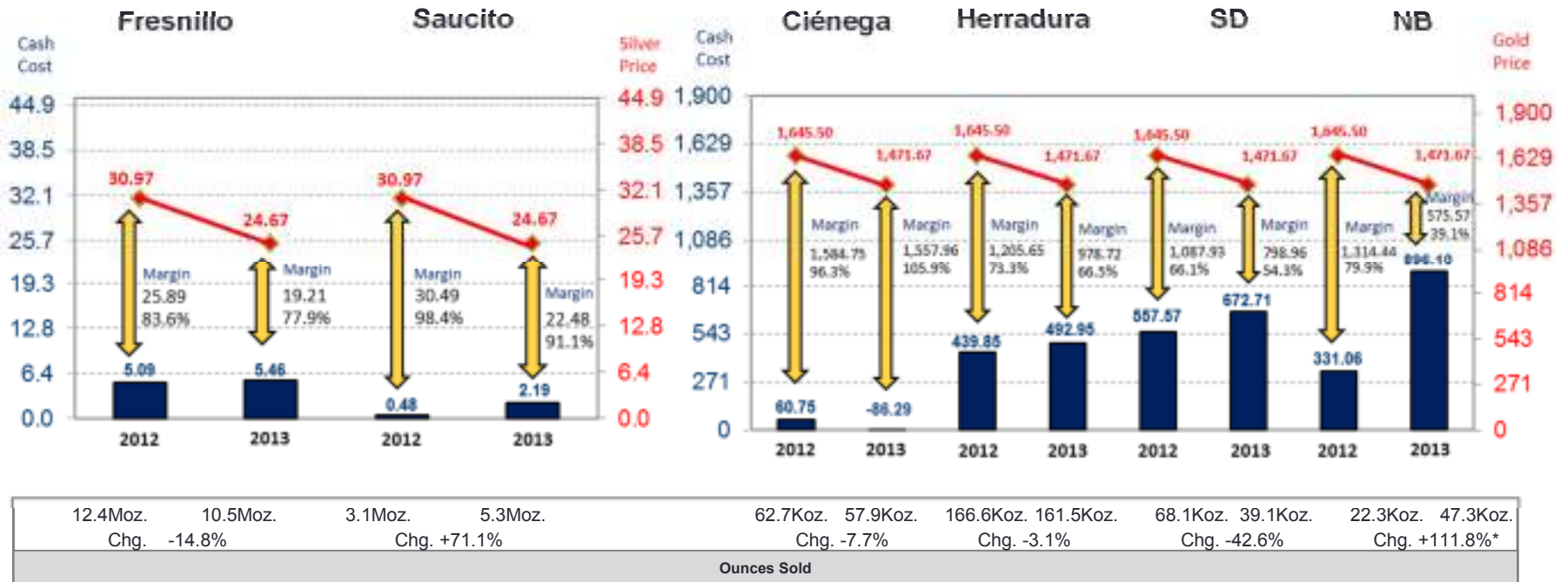
		<u>1H2013</u>	<u>1H2012</u>	<u>% CHG.</u>
<b>CASH COST *</b>				
<b>MINE</b>	<b>UNIT</b>			
Fresnillo	PER OZ. SILVER	5.46	5.09	7.3%
Saucito	PER OZ. SILVER	2.19	0.48	352.8%
Ciénega	PER OZ. GOLD	-86.29	60.75	N/A
Co-Product Cash Cost	PER OZ. GOLD	475.61	436.53	9.0%
Co-Product Cash Cost	PER OZ. SILVER	8.13	8.00	1.7%
Herradura	PER OZ. GOLD	492.95	439.85	12.1%
Soledad & Dipolos	PER OZ. GOLD	672.71	557.57	20.6%
Noche Buena	PER OZ. GOLD	896.10	N/A	N/A

\* Cash cost per ounce is calculated as total cash cost (cost of sales plus treatment and refining charges less depreciation) less revenues from by-products divided by the silver or gold ounces sold.



# Margins by mine (Metal price – Cash Cost 2013 vs 2012)

(USD/Oz)



\* Noche Buena started operations in March 2012.



# All-In Sustaining Costs (AISC)

## 1H 2013

MINE	UNIT	
Fresnillo	PER OZ. SILVER	9.45
Saucito	PER OZ. SILVER	6.83
Ciénega	PER OZ. GOLD	463.50
Herradura	PER OZ. GOLD	735.83
Soledad & Dipolos	PER OZ. GOLD	756.62
Noche Buena	PER OZ. GOLD	1,334.66

\* All-In Sustaining Costs (AISC) is calculated as traditional cash cost plus on-site general, corporate and administrative costs, community costs related to current operations, capitalised stripping & underground mine development, sustaining capital expenditures and remediation expenses.

**PAGE BLANK ON PURPOSE**

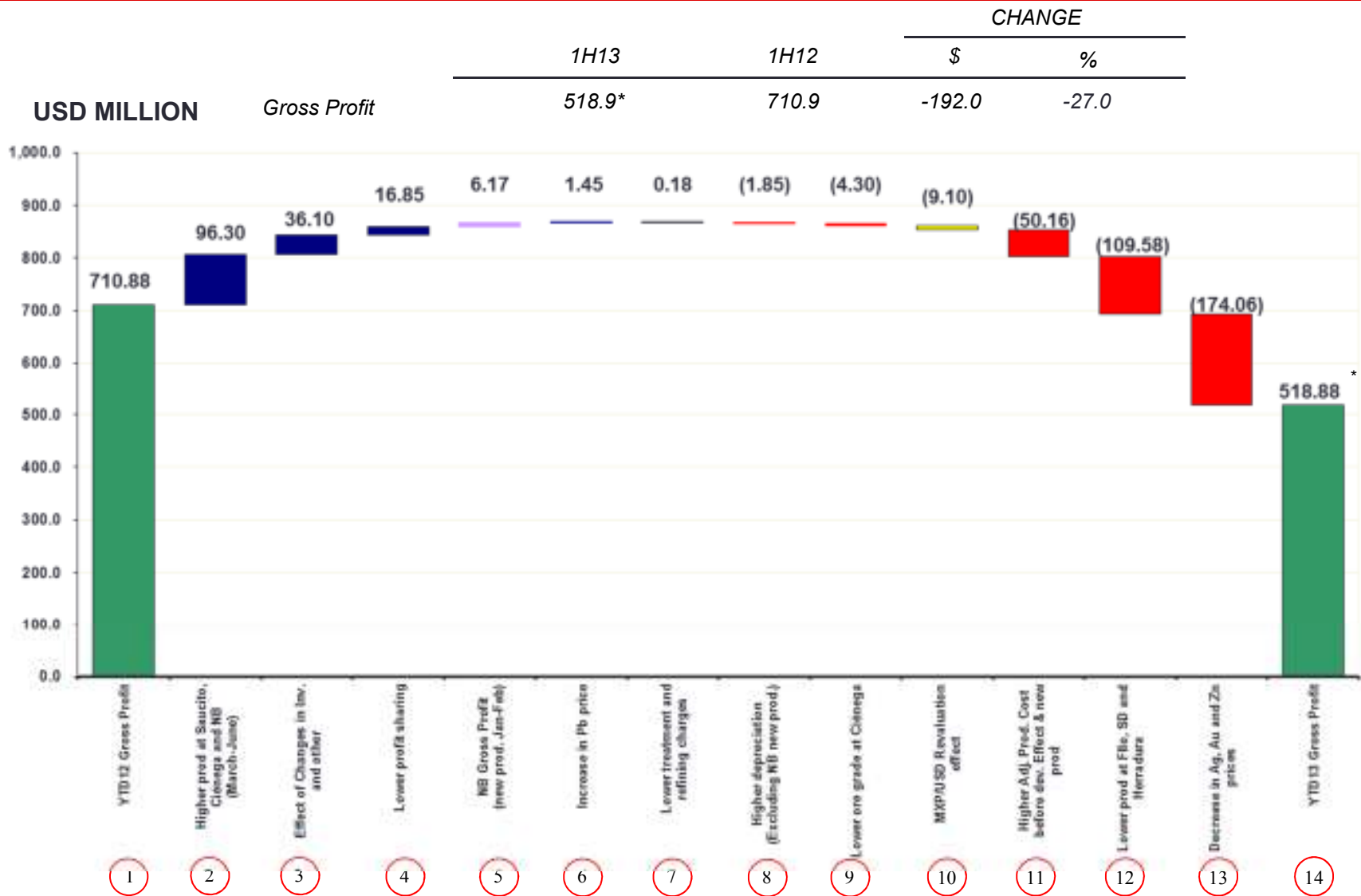


# Income Statement (IFRS)

CONCEPT (Million USD)	ACCUM JUNE				CHANGE	
	1H 2013	%	1H 2012	%	\$	%
ADJUSTED REVENUES	982.3		1,141.7		(159.4)	(14.0)
HEDGING (METALS)	0.1		0.0		0.1	N/A
TREATMENT AND REFINING CHARGES	(56.5)		(56.5)		0.0	(0.1)
<b>REVENUES</b>	<b>925.9</b>	<b>100.0</b>	<b>1,085.2</b>	<b>100.0</b>	<b>(159.3)</b>	<b>(14.7)</b>
ADJUSTED PRODUCTION COST	(339.0)	(36.6)	(262.0)	(24.1)	(77.0)	29.4
PROFIT SHARING	(8.8)	(1.0)	(25.5)	(2.3)	16.7	(65.4)
DEPRECIATION	(114.3)	(12.3)	(109.0)	(10.0)	(5.3)	4.9
HEDGING (MXP/USD EXCHANGE RATE)	4.1	0.4	(1.8)	(0.2)	5.8	N/A
CHANGE IN INVENTORIES	51.0	5.5	23.9	2.2	27.1	N/A
<b>COST OF SALES</b>	<b>(407.0)</b>	<b>(44.0)</b>	<b>(374.3)</b>	<b>(34.5)</b>	<b>(32.7)</b>	<b>8.7</b>
<b>GROSS PROFIT</b>	<b>518.9</b>	<b>56.0</b>	<b>710.9</b>	<b>65.5</b>	<b>(192.0)</b>	<b>(27.0)</b>
ADMINISTRATIVE EXPENSES	(14.5)	(1.6)	(14.0)	(1.3)	(0.5)	3.3
CORPORATE EXPENSES	(14.1)	(1.5)	(13.1)	(1.2)	(1.1)	8.1
EXPLORATION EXPENSES	(114.7)	(12.4)	(104.0)	(9.6)	(10.7)	10.3
OTHER INCOME (EXPENSE)	(0.8)	(0.1)	(0.5)	(0.0)	(0.3)	50.3
SELLING EXPENSES	(3.5)	(0.4)	(3.2)	(0.3)	(0.3)	10.5
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>371.3</b>	<b>40.1</b>	<b>576.1</b>	<b>53.1</b>	<b>(204.8)</b>	<b>(35.6)</b>
SILVERSTREAM REVALUATION	(112.5)	(12.1)	36.4	3.4	(148.9)	N/A
FINANCE INCOME / (EXPENSE)	(3.7)	(0.4)	4.7	0.4	(8.3)	N/A
FOREIGN EXCHANGE	(5.3)	(0.6)	(8.7)	(0.8)	3.4	(38.9)
<b>PROFIT BEFORE INCOME TAX</b>	<b>249.8</b>	<b>27.0</b>	<b>608.5</b>	<b>56.1</b>	<b>(358.7)</b>	<b>(58.9)</b>
INCOME TAX EXPENSE	(73.0)	(7.9)	(170.0)	(15.7)	97.0	(57.1)
<b>PROFIT FOR THE PERIOD</b>	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
ATTRIBUTABLE TO:						
<b>EQUITY SHAREHOLDERS OF THE GROUP</b>	<b>144.7</b>	<b>15.6</b>	<b>368.8</b>	<b>34.0</b>	<b>(224.0)</b>	<b>(60.7)</b>
MINORITY INTEREST	32.0	3.5	69.7	6.4	(37.7)	(54.0)
	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
<b>EBITDA</b>	<b>486.3</b>	<b>52.5</b>	<b>685.6</b>	<b>63.2</b>	<b>(199.3)</b>	<b>(29.1)</b>

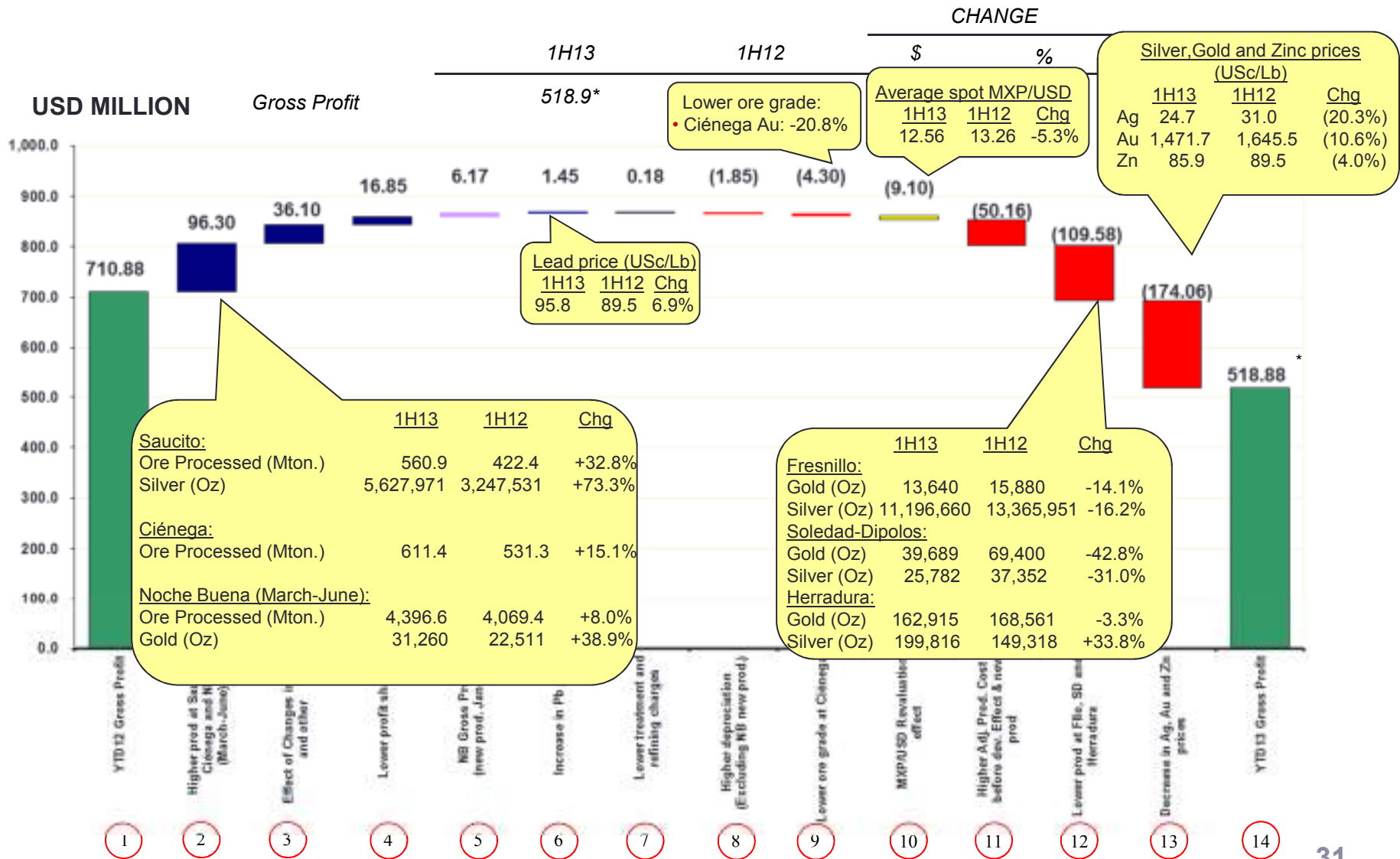


# Consolidated Gross Profit Analysis





# Consolidated Gross Profit Analysis



**PAGE BLANK ON PURPOSE**

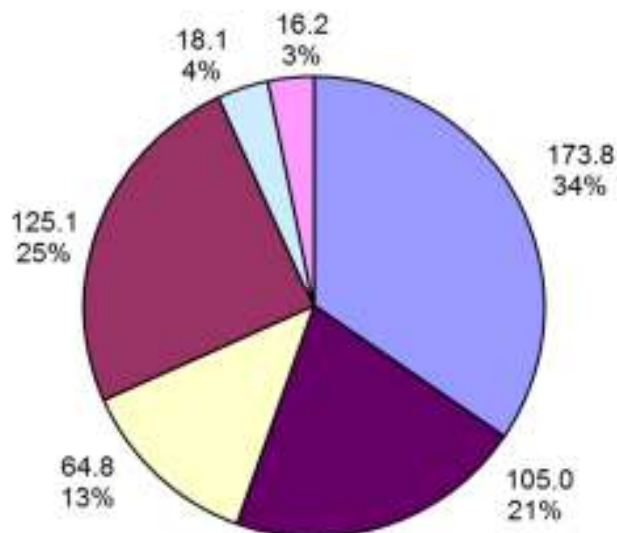




# Contribution by mine to the Gross Profit

	1H13		1H12		CHANGE	
	US\$	%	US\$	%	US\$	%
Fresnillo	173.8	34.6%	305.5	43.4%	(131.7)	(43.1)
Saucito	105.0	20.9%	67.9	9.7%	37.1	54.6
Ciénega	64.8	12.9%	80.5	11.4%	(15.7)	(19.5)
Herradura	125.1	24.9%	166.4	23.7%	(41.3)	(24.8)
Sol & Dipolos	18.1	3.6%	62.6	8.9%	(44.5)	(71.1)
Noche Buena	16.2	3.2%	20.3	2.9%	(4.1)	(20.2)
<b>Total for operating mines</b>	<b>502.9</b>	<b>100.0%</b>	<b>703.2</b>	<b>100.0%</b>	<b>(200.2)</b>	<b>(28.5)</b>
MXP/USD exchange rate hedging gains	4.1		(1.8)		5.8	N/A
Other subsidiaries	11.9		9.5		2.4	25.3
<b>Total Fresnillo plc</b>	<b>518.9</b>		<b>710.9</b>		<b>(192.0)</b>	<b>(27.0)</b>

■ Fresnillo   
 ■ Saucito   
 ■ Ciénega   
 ■ Herradura   
 ■ Sol & Dip   
 ■ Noche Buena





# Income Statement (IFRS)

CONCEPT (Million USD)	ACCUM JUNE				CHANGE	
	1H 2013	%	1H 2012	%	\$	%
ADJUSTED REVENUES	982.3		1,141.7		(159.4)	(14.0)
HEDGING (METALS)	0.1		0.0		0.1	N/A
TREATMENT AND REFINING CHARGES	(56.5)		(56.5)		0.0	(0.1)
<b>REVENUES</b>	<b>925.9</b>	<b>100.0</b>	<b>1,085.2</b>	<b>100.0</b>	<b>(159.3)</b>	<b>(14.7)</b>
ADJUSTED PRODUCTION COST	(339.0)	(36.6)	(262.0)	(24.1)	(77.0)	29.4
PROFIT SHARING	(8.8)	(1.0)	(25.5)	(2.3)	16.7	(65.4)
DEPRECIATION	(114.3)	(12.3)	(109.0)	(10.0)	(5.3)	4.9
HEDGING (MXP/USD EXCHANGE RATE)	4.1	0.4	(1.8)	(0.2)	5.8	N/A
CHANGE IN INVENTORIES	51.0	5.5	23.9	2.2	27.1	N/A
<b>COST OF SALES</b>	<b>(407.0)</b>	<b>(44.0)</b>	<b>(374.3)</b>	<b>(34.5)</b>	<b>(32.7)</b>	<b>8.7</b>
<b>GROSS PROFIT</b>	<b>518.9</b>	<b>56.0</b>	<b>710.9</b>	<b>65.5</b>	<b>(192.0)</b>	<b>(27.0)</b>
ADMINISTRATIVE EXPENSES	(14.5)	(1.6)	(14.0)	(1.3)	(0.5)	3.3
CORPORATE EXPENSES	(14.1)	(1.5)	(13.1)	(1.2)	(1.1)	8.1
➔ EXPLORATION EXPENSES	(114.7)	(12.4)	(104.0)	(9.6)	(10.7)	10.3
OTHER INCOME (EXPENSE)	(0.8)	(0.1)	(0.5)	(0.0)	(0.3)	50.3
SELLING EXPENSES	(3.5)	(0.4)	(3.2)	(0.3)	(0.3)	10.5
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>371.3</b>	<b>40.1</b>	<b>576.1</b>	<b>53.1</b>	<b>(204.8)</b>	<b>(35.6)</b>
➔ SILVERSTREAM REVALUATION	(112.5)	(12.1)	36.4	3.4	(148.9)	N/A
FINANCE INCOME / (EXPENSE)	(3.7)	(0.4)	4.7	0.4	(8.3)	N/A
FOREIGN EXCHANGE	(5.3)	(0.6)	(8.7)	(0.8)	3.4	(38.9)
<b>PROFIT BEFORE INCOME TAX</b>	<b>249.8</b>	<b>27.0</b>	<b>608.5</b>	<b>56.1</b>	<b>(358.7)</b>	<b>(58.9)</b>
INCOME TAX EXPENSE	(73.0)	(7.9)	(170.0)	(15.7)	97.0	(57.1)
<b>PROFIT FOR THE PERIOD</b>	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
ATTRIBUTABLE TO:						
<b>EQUITY SHAREHOLDERS OF THE GROUP</b>	<b>144.7</b>	<b>15.6</b>	<b>368.8</b>	<b>34.0</b>	<b>(224.0)</b>	<b>(60.7)</b>
MINORITY INTEREST	32.0	3.5	69.7	6.4	(37.7)	(54.0)
	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
<b>EBITDA</b>	<b>486.3</b>	<b>52.5</b>	<b>685.6</b>	<b>63.2</b>	<b>(199.3)</b>	<b>(29.1)</b>



# Income Statement (IFRS)

CONCEPT (Million USD)	ACCUM JUNE				CHANGE	
	1H 2013	%	1H 2012	%	\$	%
ADJUSTED REVENUES	982.3		1,141.7		(159.4)	(14.0)
HEDGING (METALS)	0.1		0.0		0.1	N/A
TREATMENT AND REFINING CHARGES	(56.5)		(56.5)		0.0	(0.1)
<b>REVENUES</b>	<b>925.9</b>	<b>100.0</b>	<b>1,085.2</b>	<b>100.0</b>	<b>(159.3)</b>	<b>(14.7)</b>
ADJUSTED PRODUCTION COST	(339.0)	(36.6)	(262.0)	(24.1)	(77.0)	29.4
PROFIT SHARING	(8.8)	(1.0)	(25.5)	(2.3)	16.7	(65.4)
DEPRECIATION	(114.3)	(12.3)	(109.0)	(10.0)	(5.3)	4.9
HEDGING (MXP/USD EXCHANGE RATE)	4.1	0.4	(1.8)	(0.2)	5.8	N/A
CHANGE IN INVENTORIES	51.0	5.5				
<b>COST OF SALES</b>	<b>(407.0)</b>	<b>(44.0)</b>				
<b>GROSS PROFIT</b>	<b>518.9</b>	<b>56.0</b>				
ADMINISTRATIVE EXPENSES	(14.5)					
CORPORATE EXPENSES	(14.1)	(2.7)				
EXPLORATION EXPENSES	(114.7)	(12.4)				
OTHER INCOME (EXPENSE)	(0.8)	(0.1)				
SELLING EXPENSES	(3.5)	(0.4)				
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>371.3</b>	<b>40.1</b>				
SILVERSTREAM REVALUATION	(112.5)	(12.1)				
FINANCE INCOME / (EXPENSE)	(3.7)	(0.4)				
FOREIGN EXCHANGE	(5.3)	(0.6)			(0.8)	(38.9)
<b>PROFIT BEFORE INCOME TAX</b>	<b>249.8</b>					
INCOME TAX EXPENSE	(73.0)	(29.2)				
<b>PROFIT FOR THE PERIOD</b>	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
ATTRIBUTABLE TO:						
<b>EQUITY SHAREHOLDERS OF THE GROUP</b>	<b>144.7</b>	<b>15.6</b>	<b>368.8</b>	<b>34.0</b>	<b>(224.0)</b>	<b>(60.7)</b>
MINORITY INTEREST	32.0	3.5	69.7	6.4	(37.7)	(54.0)
	<b>176.8</b>	<b>19.1</b>	<b>438.5</b>	<b>40.4</b>	<b>(261.7)</b>	<b>(59.7)</b>
<b>EBITDA</b>	<b>486.3</b>	<b>52.5</b>	<b>685.6</b>	<b>63.2</b>	<b>(199.3)</b>	<b>(29.1)</b>

> Centauro Profundo	25.6	> Soledad-Dipolos	4.4
> Noche Buena	13.1	> Corredor Herradura	2.8
> Orisyvo	8.0	> Guanajuato	2.4
> Herradura	7.7	> Saucito	2.3
> Fresnillo	5.9	> Perú	2.2
> San Julián	5.2	> Guachichil	1.1
> San Ramón	5.2	> San Juan	0.9
> Ciénega	4.7	> Candameña	0.9
> Lucerito	4.7	> Others	17.6

- Lower than expected silver prices
- Financial loss resulting from the half year amortization.



# Consolidated Cashflow

C O N C E P T (Million USD)	YTD 2013	YTD 2012	CHANGE	
			\$	%
<b>CASH GENERATED BY OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>	496.4	716.7	(220.3)	(30.7)
➔ WORKING CAPITAL	(53.0)	(71.1)	18.1	(25.4)
INCOME TAX AND PROFIT SHARING PAID	<u>(254.5)</u>	<u>(352.8)</u>	98.3	(27.9)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	188.9	292.8	(103.9)	(35.5)
<b><u>OTHER PROCEEDS</u></b>				
➔ PLACEMENT OF NEW ORDINARY SHARES	346.1	0.0	346.1	N/A
➔ SILVERSTREAM CONTRACT	37.3	53.2	(15.9)	(29.9)
PROCEEDS FROM THE SALE OF PROPERTY, PLANT AND EQUIPMENT	6.5	5.4	1.1	20.0
NET INTEREST RECEIVED (PAID)	2.7	3.7	(1.0)	(27.0)
OTHERS	1.8	2.1	(0.3)	(15.6)
CAPITAL CONTRIBUTION	<u>1.2</u>	<u>1.7</u>	(0.5)	(28.6)
<b>TOTAL OTHER PROCEEDS</b>	395.6	66.1	329.5	498.5
➔ PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(324.1)	(240.4)	(83.7)	34.8
➔ DIVIDENDS PAID	<u>(304.1)</u>	<u>(312.6)</u>	8.5	(2.7)
<b>USES OF CASH</b>	(628.3)	(553.1)	(75.2)	13.6
NET INCREASE / (DECREASE) IN CASH DURING THE PERIOD	(43.8)	(194.1)	150.4	(77.4)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	0.8	0.0	0.8	N/A
CASH AND CASH EQUIVALENTS AT 01 JANUARY	<u>613.8</u>	<u>684.9</u>	(71.1)	(10.4)
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<u>570.8</u>	<u>490.8</u>	80.0	16.3



# Consolidated Cashflow

CONCEPT (Million USD)	YTD 2012	2011	2010	2009
<b>CASH GENERATED BY OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>	496.4	116.7	(220.3)	(30.7)
→ WORKING CAPITAL	(53.0)	(71.1)	18.1	(25.4)
INCOME TAX AND PROFIT SHARING PAID	(254.5)	(352.8)	98.3	(27.9)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	188.9	292.8	(103.9)	(35.5)
<b>OTHER PROCEEDS</b>				
→ PLACEMENT OF NEW ORDINARY SHARES	346.1		346.1	N/A
→ SILVERSTREAM CONTRACT	37.3	53.2	(15.9)	(29.9)
PROCEEDS FROM THE SALE OF PROPERTY, PLANT AND EQUIPMENT	6.5	5.4	1.1	20.0
NET INTEREST RECEIVED (PAID)	2.7			
OTHERS	1.8			
CAPITAL CONTRIBUTION	1.2			
<b>TOTAL OTHER PROCEEDS</b>	395.6	59.1	331.3	(39.8)
→ PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(324.1)			
→ DIVIDENDS PAID	(304.1)			
<b>USES OF CASH</b>	(628.3)			
NET INCREASE / (DECREASE) IN CASH DURING THE PERIOD	(43.8)	392.6	(435.2)	(75.3)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	0.8			
CASH AND CASH EQUIVALENTS AT 01 JANUARY	613.8			
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>570.8</b>			

- Increase in ore inventories at Soledad-Dipolos and Noche Buena (-\$57.2).
- Net increase in accounts payables (+\$4.1).

- On 29 April 2013, the Company issued 19,733,430 new ordinary shares @ £11.30/share.
- Currently the Company has 736,893,589 ordinary shares outstanding.

- 1.8 Moz.

**Herradura**

- Construction of the dynamic leaching plant and leaching pads.
- Components for mobile equipment and construction of explosives warehouse.

**Saucito**

- Purchase of in-mine and plant equipment.

**San Julián Project**

- Continuous mining works.

**Ciénega**

- Development and mining works.
- Purchase of operative control system (Devex).

**Fresnillo**

- Continuous mining works and purchase of equipment.

**Noche Buena**

- Construction of leaching pads and expansion of the Noche Buena warehouse.

- 2012 Final dividend: US\$304.1M paid in May 2013.



## Consolidated Balance Sheet (IFRS)

Concept	31-JUNE-13	31-DIC-12	Change %
<b>Assets</b>			
Cash and Investments	570.8	613.8	(7.0)
Trade and Other Receivables	265.8	263.6	0.8
Inventories	254.8	198.0	28.7
Prepaid Expenses	1.8	3.1	(43.3)
Silverstream	343.0	487.8	(29.7)
Derivative Financial Instruments	1.0	2.8	(64.3)
Property, Plant and Equipment	1,704.6	1,490.7	14.4
Other Assets (Long term)	195.9	221.4	(11.5)
<b>Total Assets</b>	<b>3,337.7</b>	<b>3,281.2</b>	<b>1.7</b>
<b>Liabilities</b>			
Profit Sharing	8.8	51.8	(83.0)
Other Liabilities (Short term)	116.6	125.4	(7.0)
Retirement and Pension Plan Reserves	11.5	10.7	7.5
Deferred Taxes	305.9	379.0	(19.3)
Other Liabilities ( Long term)	108.3	104.7	3.4
<b>Total Liabilities</b>	<b>551.1</b>	<b>671.7</b>	<b>(18.0)</b>
Stockholder's Equity	2,381.5	2,237.6	6.4
Minority Interest	405.1	371.9	8.9
<b>Total Stockholder's Equity</b>	<b>2,786.6</b>	<b>2,609.5</b>	<b>6.8</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>3,337.7</b>	<b>3,281.2</b>	<b>1.7</b>



# Consolidated Income Statement without Silverstream Effect

C O N C E P T (Million USD)	ACCUM JUNE				CHANGE	
	1H 2013	%	1H 2012	%	\$	%
ADJUSTED REVENUES	982.3		1,141.7		(159.4)	(14.0)
HEDGING (METALS)	0.1		0.0		0.1	N/A
TREATMENT AND REFINING CHARGES	(56.5)		(56.5)		0.0	(0.1)
<b>REVENUES</b>	<b>925.9</b>	<b>100.0</b>	<b>1,085.2</b>	<b>100.0</b>	<b>(159.3)</b>	<b>(14.7)</b>
ADJUSTED PRODUCTION COST	(339.0)	(36.6)	(262.0)	(24.1)	(77.0)	29.4
PROFIT SHARING	(8.8)	(1.0)	(25.5)	(2.3)	16.7	(65.4)
DEPRECIATION	(114.3)	(12.3)	(109.0)	(10.0)	(5.3)	4.9
HEDGING (MXP/USD EXCHANGE RATE)	4.1	0.4	(1.8)	(0.2)	5.8	N/A
CHANGE IN INVENTORIES	51.0	5.5	23.9	2.2	27.1	N/A
<b>COST OF SALES</b>	<b>(407.0)</b>	<b>(44.0)</b>	<b>(374.3)</b>	<b>(34.5)</b>	<b>(32.7)</b>	<b>8.7</b>
<b>GROSS PROFIT</b>	<b>518.9</b>	<b>56.0</b>	<b>710.9</b>	<b>65.5</b>	<b>(192.0)</b>	<b>(27.0)</b>
ADMINISTRATIVE EXPENSES	(14.5)	(1.6)	(14.0)	(1.3)	(0.5)	3.3
CORPORATE EXPENSES	(14.1)	(1.5)	(13.1)	(1.2)	(1.1)	8.1
EXPLORATION EXPENSES	(114.7)	(12.4)	(104.0)	(9.6)	(10.7)	10.3
OTHER INCOME (EXPENSE)	(0.8)	(0.1)	(0.5)	(0.0)	(0.3)	50.3
SELLING EXPENSES	(3.5)	(0.4)	(3.2)	(0.3)	(0.3)	10.5
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>371.3</b>	<b>40.1</b>	<b>576.1</b>	<b>53.1</b>	<b>(204.8)</b>	<b>(35.6)</b>
SILVERSTREAM REVALUATION	0.0	0.0	0.0	0.0	0.0	N/A
FINANCE INCOME / (EXPENSE)	(3.7)	(0.4)	4.7	0.4	(8.3)	N/A
FOREIGN EXCHANGE	(5.3)	(0.6)	(8.7)	(0.8)	3.4	(38.9)
<b>PROFIT BEFORE INCOME TAX</b>	<b>362.3</b>	<b>39.1</b>	<b>572.1</b>	<b>52.7</b>	<b>(209.8)</b>	<b>(36.7)</b>
INCOME TAX EXPENSE	(104.7)	(11.3)	(159.7)	(14.7)	55.0	(34.4)
<b>PROFIT FOR THE PERIOD</b>	<b>257.6</b>	<b>27.8</b>	<b>412.4</b>	<b>38.0</b>	<b>(154.8)</b>	<b>(37.5)</b>
ATTRIBUTABLE TO:						
<b>EQUITY SHAREHOLDERS OF THE GROUP</b>	<b>225.6</b>	<b>24.4</b>	<b>342.7</b>	<b>31.6</b>	<b>(117.1)</b>	<b>(34.2)</b>
MINORITY INTEREST	32.0	3.5	69.7	6.4	(37.7)	(54.0)
	<b>257.6</b>	<b>27.8</b>	<b>412.4</b>	<b>38.0</b>	<b>(154.8)</b>	<b>(37.5)</b>



Exploration







# Exploration Projects

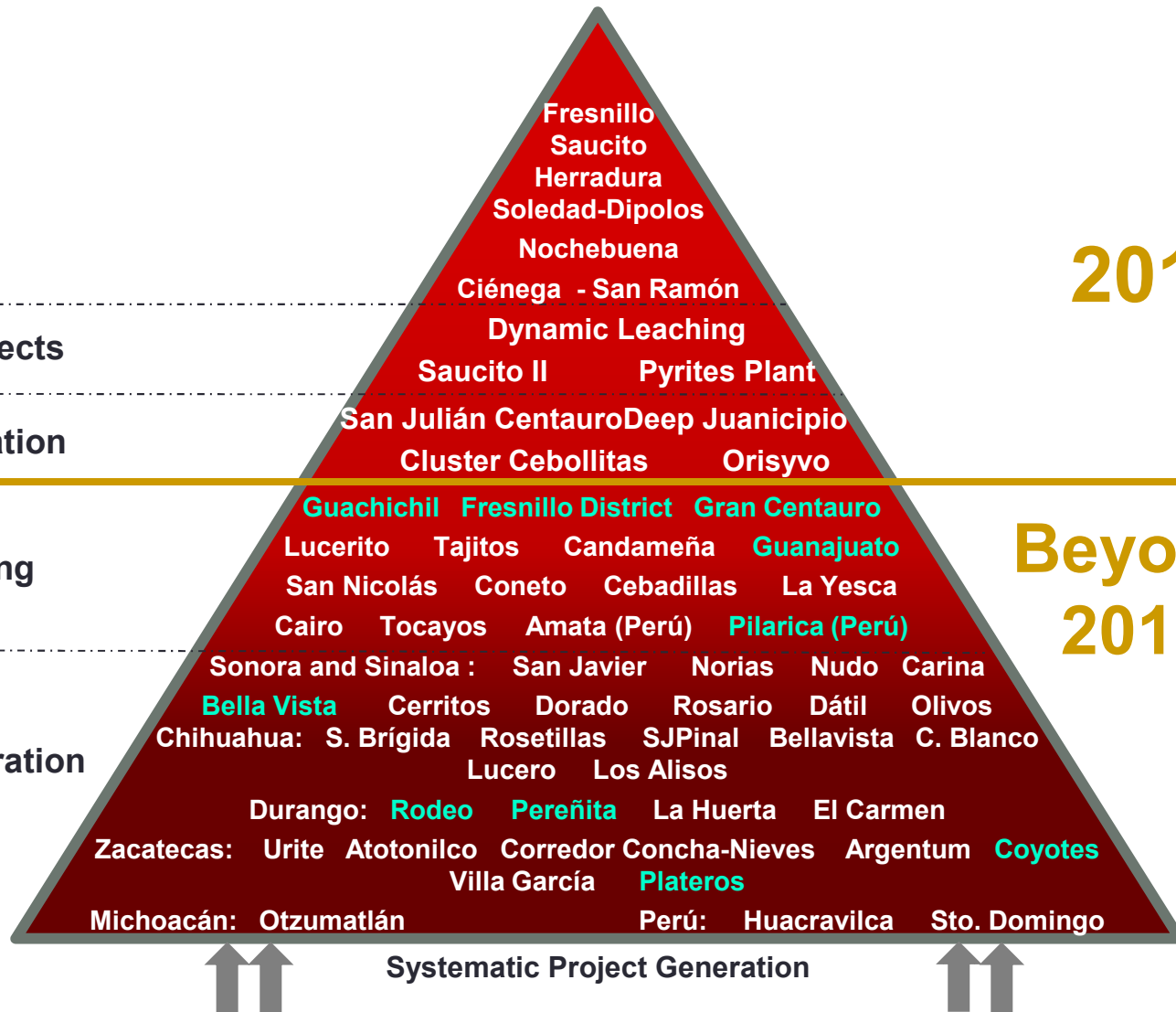
Mine Operations

Development Projects

Advanced Exploration

Prospects in drilling

Early stage Exploration





# Exploration Strategy

## Where we explore:

- In countries which have mineral endowment, cultural affinity and stability
  - Mexico
  - Chile
  - Peru
  - Colombia
- In mining districts where we have operations or projects under construction
  - Fresnillo District
  - Ciénega District
  - Herradura District
  - San Julián District
- In new districts where we have a competitive strength
  - Guanajuato District
  - Pilarica District (Peru)
  - Rodeo District (Mesa Central-Durango)



## Exploration Strategy (cont'd)

---

### How we do it:

#### People

- Keep a strong and motivated exploration team

#### Assets

- Current operations:
  - Maintain 10 years reserves
- New prospects:
  - Minimum 100m oz silver and 2m oz gold potential
  - Focus on high quality, low cost assets: metals grade, mine & metallurgical recoveries, infrastructure, community relations, low environmental impact

#### Financial discipline

- Invest through cycles
- Acquisition of early stage assets



## Projects





# Growth Projects Project Development Chart

Risk	Investment (US\$ million)	Expected Production	PROJECT	YEAR					
				2013	2014	2015	2016	2017	2018
Medium	500	10 mill Oz Ag & 44 thds Oz Au	SAN JULIÁN	CONSTRUCTION		PRODUCTION			
Low	45	20 thds Oz Au & 1.3 mill Oz Ag	CIENEGA 5,000 TPD (Optimization project)	DETAILED ENGINEERING	CONSTRUCTION	PRODUCTION			
Medium Low	235	10 mill Oz Ag & 35 thds Oz Au	SAUCITO II	CONSTRUCTION		PRODUCTION			
Low	170	10 mill Oz Ag	FRESNILLO 10,000 TPD (Optimization project)	BASIC ENGINEERING	CONSTRUCTION	PRODUCTION			
Medium	55	4 mill Oz Ag & 18 thds Oz Au	PYRITES PLANT (Optimization project)	BASIC ENGINEERING	CONSTRUCTION	PRODUCTION			
Medium	200	200 thds Oz Au	MEGA CENTAURO PIT	EXPLORATION	DEVELOPMENT		PRODUCTION		
Medium High	250	200 thds Oz Au	CENTAURO DEEP	EXPLORATION	DEVELOPMENT		PRODUCTION		
Medium Low	300	10 mill Oz Ag & 30 thds Oz Au	JUANICPIO	BASIC ENGINEERING	DETAILED ENGINEERING	CONSTRUCTION		PRODUCTION	
High	350	136 thds Oz Au	ORISYVO	EXPLORATION	BASIC ENGINEERING	DETAILED ENGINEERING	CONSTRUCTION		PRODUCTION

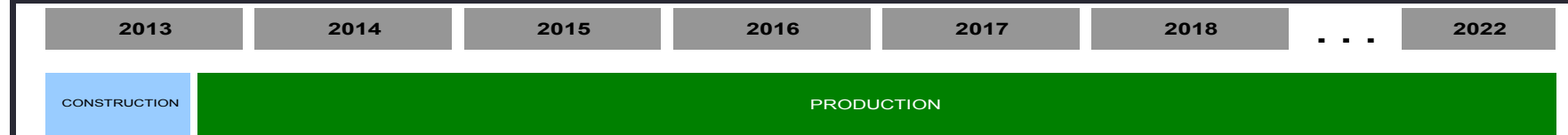
06/08/2013



# Growth Projects Dynamic Leaching

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

<b>Dynamic Leaching</b>	Sonora Herradura District	2013	50,000 Oz Gold	US\$ 120	Low
-------------------------	---------------------------	------	----------------	----------	-----



Gold price (USD/Oz)	
<i>Stressed case</i>	
<b>Au 1,100</b>	
Net Present Value (000 USD)	
Disc. Rate	
<b>5%</b>	40.4
<b>10%</b>	15.6
IRR	14.40%



# Growth Projects San Julián

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

<b>San Julián</b>	<b>Chihuahua – Durango</b>	<b>2H-2014</b>	<b>10.3m Oz Silver 44,000 Oz Gold 6,000 Tons Lead 14,000 Tons Zinc</b>	<b>US\$ 500</b>	<b>Medium</b>
-------------------	----------------------------	----------------	--	-----------------	---------------

2013	2014	2015	2016	2017	2018
CONSTRUCTION		PRODUCTION			

		Gold and Silver prices (USD/Oz)
		<i>Stressed case</i>
		<b>Au 1,100</b>
		<b>Ag 18</b>
		<i>Net Present Value (000 USD)</i>
Disc. Rate		
<b>5%</b>		<b>216.9</b>
<b>10%</b>		<b>63.1</b>
<b>IRR</b>		<b>13.30%</b>

**Note:** The project has presented a remarkable growth in resources due to the discovery of new ore bodies (veins) with further growth potential. The company believes that this zone can become a mining district in the future.



# Growth Projects Cienega Expansion

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

<b>Ciénega Expansion 5,000 TPD</b>	<b>Durango Cienega District</b>	<b>2015</b>	<b>20,000 Oz Gold 1.3m Oz Silver</b>	<b>US\$45</b>	<b>Low</b>
--	---------------------------------	-------------	--	---------------	------------

2013	2014	2015	2016	2017	2018	...	2027
BASIC / DETAILED ENGINEERING	CONSTRUCTION	PRODUCTION					

Gold and Silver prices (USD/Oz)	
<i>Stressed case</i>	
Au 1,100 Ag 18	
Net Present Value (000 USD)	
Disc. Rate	
5%	9.7
10%	8.3
IRR	22.74%





# Growth Projects Saucito II

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

<b>Saucito II</b>	<b>Zacatecas Fresnillo District</b>	<b>2H - 2015</b>	<b>8.4m Oz Silver 36,000 Oz Gold 9,000 Tons Lead 11,000 Tons Zinc</b>	<b>US\$ 235</b>	<b>Medium Low</b>
-------------------	-------------------------------------	------------------	---	-----------------	-------------------



Gold and Silver prices (USD/Oz)	
<i>Stressed case</i>	
<b>Au 1,100</b>	
<b>Ag 18</b>	
<i>Net Present Value (000 USD)</i>	
<b>Disc. Rate</b>	
<b>5%</b>	<b>368.4</b>
<b>10%</b>	<b>262.6</b>
<b>IRR</b>	<b>25.7%</b>



# Growth Projects Fresnillo Expansion

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

<b>Fresnillo Expansion 10,000 TPD</b>	<b>Zacatecas Fresnillo District</b>	<b>2015</b>	<b>10m Oz Silver</b>	<b>US\$ 170</b>	<b>Low</b>
---------------------------------------	-------------------------------------	-------------	----------------------	-----------------	------------



		Gold and Silver prices (USD/Oz)
		<i>Stressed case</i> Au 1,100 Ag 18
		<i>Net Present Value (000 USD)</i>
Disc. Rate	5%	818.1
	10%	659.7
	IRR	67.41%

**Note:**

Continue analysing alternatives to carry out this expansion, seeking to optimise CAPEX investment and capturing all the synergies that exist in the district to maximise the total outcome of Fresnillo and Saucito.



# Growth Projects Pyrites Treatment Plant

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

<b>Pyrites Treatment Plant</b>	<b>Zacatecas Fresnillo District</b>	<b>2015</b>	<b>4m Oz Silver 18,000 Oz Gold</b>	<b>US\$55</b>	<b>Medium</b>
--------------------------------	-------------------------------------	-------------	--	---------------	---------------



		Gold and Silver prices (USD/Oz)
		<i>Stressed case</i>
		<b>Au 1,100</b>
		<b>Ag 18</b>
		<b>Net Present Value (000 USD)</b>
Disc. Rate		
5%		454.9
10%		262.1
IRR		57.26%

**Note:** Continue analysing this attractive project together with the Fresnillo expansion project in order to maximise the total outcome of the district.



# Growth Projects Mega Centauro

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

<b>Mega Centauro</b>	<b>Sonora Herradura District</b>	<b>2017</b>	<b>200,000 Oz Gold</b>	<b>Aprox. US\$ 200</b>	<b>Medium</b>
----------------------	----------------------------------	-------------	------------------------	------------------------	---------------



**Note:** Conclude exploration and accelerate the evaluation of the project so a decision can be made in the second half of 2013.



# Growth Projects Mega Centauro

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

<b>Mega Centauro</b>	<b>Sonora Herradura District</b>	<b>2017</b>	<b>200,000 Oz Gold</b>	<b>Aprox. US\$ 200</b>	<b>Medium</b>
----------------------	----------------------------------	-------------	------------------------	------------------------	---------------



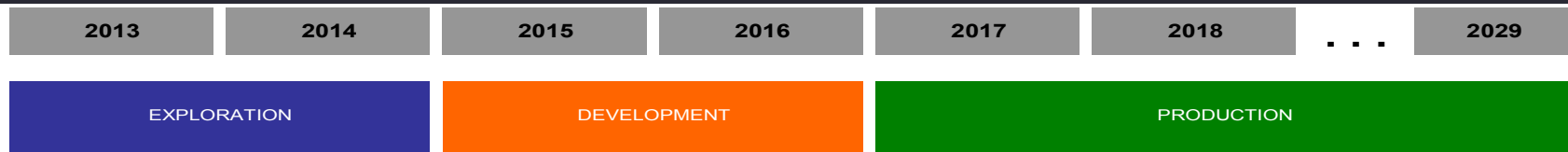
**Note:** Conclude exploration and accelerate the evaluation of the project so a decision can be made in the second half of 2013.



# Growth Projects Centauro Deep

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

<b>Centauro Deep</b>	<b>Sonora Herradura District</b>	<b>2017</b>	<b>200,000 Oz Gold</b>	<b>Aprox. US\$ 250</b>	<b>Medium High</b>
----------------------	----------------------------------	-------------	------------------------	------------------------	--------------------



**Note:**

Continue exploration given the encouraging results obtained in order to make an economic assessment of the project.



# Growth Projects Juanicipio

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

Juanicipio	Zacatecas Fresnillo District	2018	10.5m Oz Silver 32,000 Oz Gold	US\$ 300	Medium Low
------------	---------------------------------	------	-----------------------------------	----------	---------------

2013	2014	2015	2016	2017	2018	...	2033
BASIC ENGINEERING	DETAILED ENGINEERING	CONSTRUCTION			PRODUCTION		

Gold and Silver prices (USD/Oz)	
<i>Stressed case</i>	
Au 1,100 Ag 18	
<i>Net Present Value (000 USD)</i>	
Disc. Rate	
5%	732.3
10%	407.4
IRR	31.25%

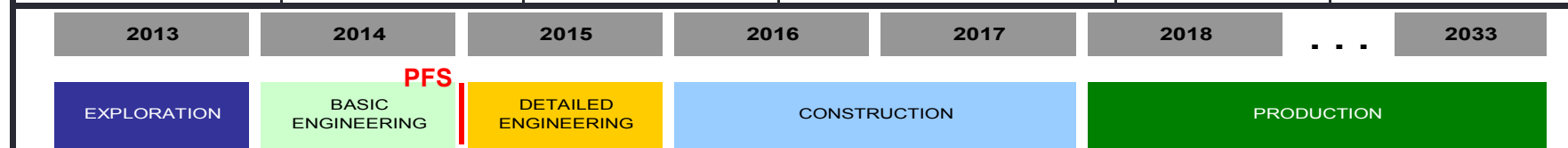


# Growth Projects

## Orisyvo

Project	Location	Operation Start - Up	Annual Average Production (100%)	CAPEX <sup>(100%)</sup> Pre-Operative (Million)	Risk
---------	----------	----------------------	----------------------------------	---	------

Orysivo	Chihuahua	2017	136,000 Oz Gold	Aprox. US\$ 350	High +
---------	-----------	------	-----------------	-----------------	--------



**Note:** Conclude exploration and metallurgical studies and defer near term projected investments.





## Conclusion and Outlook





## Conclusion and Outlook

- Strong operational performance
  - On track to produce 41moz silver and 465,000oz gold in 2013
  - Safety, our people, communities & environment are our priority
- Growth projects on track
  - Dynamic leaching plant at Herradura on track to start in 4Q13
  - San Julián on track to start production 2H14
  - Saucito II processing plant ahead of schedule
- EBITDA margins robust at 52%
- Strong balance sheet supports dividend policy
- As a result of the strategy review considering current market conditions:
  - we will continue to focus on reducing costs and improving efficiencies
  - the Group's capex remains largely unchanged
  - the exploration budget US\$242.8m was reduced from US\$279.8m

**Advancing towards our 2018 goal: 65moz Ag + 500,000oz Au**