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Production Report

for the three months ended 31 December 2011

Overview

- Record quarterly and annual attributable gold production of 122,621 oz and 448,866 oz respectively, an increase of 22% year on year and beating our full-year target of 430,000 oz, mainly due to better than expected volume ramp-up and recovery rates at Soledad-Dipolos and increased ore processed at Herradura.
- Quarterly attributable silver production of 10.3m oz and annual silver production of 41.9m oz, ahead of the 41m oz guidance, but remained at similar levels to 2010, as the start-up of the Saucito mine was offset by lower than expected silver ore grade at the Fresnillo mine.
- 5.9m oz silver produced at Saucito, where ramp-up exceeded our production target of 5.5m oz with 5.9m oz.
- Construction of Noche Buena remains on track with start-up expected in 2Q12.
- The San Carlos (Fresnillo mine) and Ciénega's shaft were commissioned and should provide greater access to deeper ore reserves and lower haulage cost.
- Encouraging exploration results. Final audited figures will be released in 1Q12.
- Second interim dividend of \$300m declared and paid on 30 December 2011.

Outlook for 2012

- Reinforce safety procedures and continue to implement our Safety Action plan to meet our zero fatalities target.
- Silver production expected to remain stable at 41m oz (including 3m oz from the Silverstream) as the lower ore grade at Fresnillo is offset by continued production ramp-up at Saucito.
- Attributable gold production expected to be 460,000 oz with the start-up of Noche Buena.
- Exploration budget to be increased to US\$264m, up 53% on the US\$173m spent in 2011.¹
- Construction of the dynamic cyanidation plant at Herradura to continue with start-up expected in 2013.
- Prefeasibility studies at San Julian and Juanicipio will be submitted.
- Cost control initiatives will continue across all operations.

¹ These figures include drilling activities across the Company's growth pipeline and mining works for exploration.

Jaime Lomelín, Chief Executive Officer, said:

“In 2011, Fresnillo plc maintained its unwavering commitment to sustainable growth. This was demonstrated by the implementation of a Safety Action plan and additional underground control to ensure the safety of our personnel across the Group’s operations. However, it is with much regret that we report that Fresnillo had one fatality in the past quarter. This was caused by breaches of Fresnillo’s new Safety Action plan and we have taken corrective actions immediately following this. We remain committed to achieving our zero fatality target and ensuring that a safety culture is embedded across the entire group and adhered to by all our employees and contractors.

Turning to results, we beat our annual production targets for gold and silver. We maintained silver production with the successful start-up and ramp-up at Saucito and produced record levels of gold due to expanded capacity at Soledad-Dipolos and Ciénega. Our cost reduction initiatives and efficiency projects remained on track with the commissioning of the San Carlos shaft at Fresnillo and the commencement of operations at Ciénega’s shaft.

Construction of the Noche Buena gold mine and dynamic leaching plant at Herradura are advancing as expected for completion in early 2012 and 2013 respectively. Our next critical activity is to expand our resource base to meet our long term targets. As such, a budget of US\$264m for risk capital investment in exploration has been approved for 2012.

I believe these actions strengthen our foundations and position Fresnillo plc on the right path to achieve its long term goals, maintain operational excellence and deliver sustainable returns to shareholders”.

Total Production - Attributable

	4Q 11	4Q 10	% change	3Q 11	FY 11	FY 10	% change
Silver prod'n (kOz)	9,258	9,596	-3.5	9,147	37,950	38,571	-1.6
Silver stream prod'n (kOz)	1,088	908	19.8	919	3,923	3,542	10.8
Total Silver production (kOz)	10,346	10,503	-1.5	10,067	41,873	42,113	-0.6
Gold prod'n (Oz)	122,621	100,822	21.6	119,768	448,866	368,995	21.6
Lead prod'n (t)	5,501	5,036	9.2	5,340	21,442	18,977	13.0
Zinc prod'n (t)	5,932	5,805	2.2	5,751	23,113	22,472	2.9

Quarterly attributable silver production decreased slightly by 1.5% compared to the fourth quarter of 2010 due to lower than expected ore grade at the Fresnillo mine. The broad decline in silver ore grade was caused by a change in the mine plan which resulted from the additional backfilling required to ensure safety conditions at high grade stopes. In the fourth quarter, these activities advanced as expected; however, after a more detailed analysis, it was determined that the original volume to be backfilled should be increased to further improve mine stability, thus delaying access to this part of the mine. We do not expect to return to normal operations at Fresnillo until the first quarter of 2012. Similar to previous quarters, the adverse effect of lower silver production at Fresnillo was largely off-set by production at the Saucito mine.

Fourth quarter silver production increased slightly over the third quarter of the year due mainly to higher volumes of ore milled at Fresnillo.

In the fourth quarter of 2011, Fresnillo plc accrued 1.1 million silver ounces under the Silverstream Agreement. The higher average silver ore grade at the Peñoles’ Sabinas

mine was the main factor explaining the 19.8% and 18.3% increase over the same period of 2010 and the previous quarter, respectively.

Total attributable silver production for the full year remained at a similar level compared to 2010, with 41.9 million ounces of silver produced, including 3.9 million ounces recorded in accordance with the Silverstream Agreement.

Quarterly attributable gold production reached a record high at 122,621 ounces, while production for the full year reached 448,866 ounces, surpassing our full year target of 430,000 ounces. These production levels were reached as a result of the ramp-up of Soledad-Dipolos, increased volumes of ore processed at Herradura and Saucito and expanded milling capacity at Ciénega.

Fourth quarter attributable gold production increased by 2.4% compared to the previous period due to higher ore grade at Herradura, increased ore throughput and gold grade at Fresnillo and improved recovery rates at Soledad-Dipolos.

Fresnillo mine production

	4Q 11	4Q 10	% change	3Q 11	FY 11	FY 10	% change
Silver prod'n (kOz)	7,014	9,037	-22.4	6,416	30,295	35,906	-15.6
Gold prod'n (Oz)	7,678	7,401	3.7	6,075	26,237	24,979	5.0
Lead prod'n (t)	3,475	3,348	3.8	3,171	13,385	12,236	9.4
Zinc prod'n (t)	3,076	3,097	-0.7	2,968	12,623	12,212	3.4

Quarterly and annual silver production at Fresnillo decreased by 22.4% and 15.6% compared to the corresponding periods in 2010, due to lower ore grades. Throughout the second half of the year, production from high grade stopes was limited due to activities carried out to reinforce safety conditions at the mine, mainly involving backfilling of long hole stopes. To try to compensate for this effect, Fresnillo increased its production levels from lower grade stopes. This caused the average silver ore grade to decrease beyond the Group's expectations from 474 g/t in 2010 to 396 g/t in 2011. Backfilling the long hole stopes continued in the fourth quarter but, given the rock characteristics at this part of the mine, access was restricted to adjust the process accordingly. Furthermore, Fresnillo decided to reinforce existing safety procedures by: i) reducing the depth of the long hole drill to improve stability and ii) backfilling immediately after completing extraction from these zones.

Looking forward, further declines in the silver ore grade are expected at Fresnillo as a result of depletion of high grade stopes. Ore grades are expected to average closer to the resource grade throughout the remaining life of the mine, albeit with higher gold, lead and zinc ore grades. To maintain silver production at current levels, the Company is planning to expand milling capacity from 8,000 to 10,000 tpd of lower grade ore in 2013. We are also accelerating the preparation of new stopes as this expansion will require additional volumes of ore to feed the mill accordingly.

Fourth quarter silver production rose by 9.3% compared to the previous quarter of 2011 mainly as a result of increased ore throughput.

Quarterly gold and lead production increased compared to the fourth quarter of 2010 due to higher volumes of ore milled. On an annual basis, gold, lead and zinc production benefited from higher ore grades.

The San Carlos shaft was commissioned at the end of the year, following a \$US19.3 million investment. This project will provide direct access to the western and deeper zones of the San Carlos vein, thus reducing haulage costs at the Fresnillo mine.

Saucito mine production*

	4Q11	4Q10	% change	3Q11	FY 11	FY 10	% change
Silver prod'n (kOz)	1,651	208	N.M.	2,321	5,904	1,222	N.M.
Gold prod'n (Oz)	11,662	1,335	N.M.	12,701	33,493	6,323	N.M.
Lead prod'n (t)	517	59	N.M.	666	1,742	273	N.M.
Zinc prod'n (t)	349	40	N.M.	533	1,171	147	N.M.

* 2010 figures: development ore from Saucito that was processed at the Fresnillo mill.

Quarterly silver, gold, lead and zinc production decreased when compared to the third quarter of the year due mainly to lower volumes of ore processed, which arose from the depletion of stockpiled material during the construction phase. Ramp-up of production at the mine together with development ore, will ensure continuous operations of the beneficiation plant at approximately 2,500 tonnes per day during 2012.

Annual silver production of 5.9 million ounces surpassed the expected production of 5.5 million oz for the first year of start-up. Similarly, gold production for the full year reached 33,493 ounces, which exceeded the anticipated 22,500 ounces. This outcome was achieved by milling at full capacity, while depleting stockpiled ore from the pre-operative phase and processing ore from current preparation activities and production stopes.

The construction of the Jarillas shaft remains on schedule for start-up in the second half of 2012. In the fourth quarter, mining works at the crushing area continued and the sinking of the shaft advanced to a depth of 568 metres, out of the total 645 metres planned. This new shaft will have a capacity of 5,000 tonnes per day and will reduce haulage and hoisting costs of Saucito I and II.

Ciénega mine production

	4Q 11	4Q 10	% change	3Q 11	FY 11	FY 10	% change
Gold prod'n (Oz)	31,157	29,155	6.9	32,307	116,841	113,351	3.1
Silver prod'n (kOz)	532	275	93.5	366	1,474	1,198	23.0
Lead prod'n (t)	1,509	1,628	-7.3	1,502	6,315	6,468	-2.4
Zinc prod'n (t)	2,508	2,668	-6.0	2,250	9,318	10,112	-7.9

Quarterly and annual gold production at Ciénega rose by 6.9% and 3.1% respectively when compared to the corresponding periods in 2010, which resulted from: the increase in milling capacity to 930,000 tpy, maintenance improvements and the reduction in the size of the mineral fed to the mill. This new capacity was used to process both ore from Ciénega and ore from the development works from the San Ramón satellite mine. In the fourth quarter, ore processed from this new mining zone achieved 47,433 tonnes, for a total of 86,226 tonnes in 2011. However, quarterly gold production decreased by 3.6% when compared to the third quarter of the year, reflecting the lower gold ore grade from San Ramón.

In 2011, the average gold ore grade at Ciénega decreased by only 9% compared to the anticipated 12% and it is expected to remain stable at 3.5 g/t in 2012, partially compensated by an increase in the silver grade.

Quarterly and annual silver production increased significantly by 93.5% and 23% respectively when compared to the corresponding periods in 2010 and the previous quarter due to the high silver grade contents from San Ramón and increased ore throughput at the Ciénega mine.

The sinking of the shaft a further 300 metres to gain access to deeper ore reserves was completed and the shaft was commissioned following a US\$19.4 million investment. This project will contribute to meeting our production target of 110,000 gold ounces per year and reducing costs.

Herradura mine production - Attributable

	4Q 11	4Q 10	% change	3Q 11	FY 11	FY 10	% change
Gold prod'n (Oz)	48,804	44,462	9.8	46,498	183,528	162,984	12.6
Silver prod'n (kOz)	49	65	-24.6	35	227	216	5.1

Quarterly and annual attributable gold production continued to benefit from the increased ore volumes deposited on the leaching pads, reaching record levels of 48,804 and 183,528 ounces, respectively. The increase in ore deposited was due to the availability of additional trucks and loaders and the efficiency achieved by contractors, increasing the volume of mineral and waste material handled.

Fourth quarter attributable gold production increased over the previous quarter due to higher ore grades and improved recovery rates. However, gold ore grade in 2011 as a whole decreased by 7.5% to 0.65 g/t as a result of the Company's strategy to deposit volumes of low grade ore which are economically viable at current price levels. In 2012, we expect a slight increase in gold ore grade as mineral from the bottom of the Centauro pit will be available.

The construction of the first phase of the ninth leaching pad was concluded and the second phase remained on schedule, with the pad expected to become operational in the first half of 2012. This US\$16.7 million project will ensure continuity of operations.

At the Centauro Deep project, mining works and exploration drilling remained on track, with 2,156 metres developed in 2011. In the fourth quarter the construction of ramps continued, which will provide additional information that will contribute to the preparation of the pre-feasibility study in 2012-2013.

Soledad-Dipolos mine production - Attributable

	4Q 11	4Q 10	% change	3Q 11	FY 11	FY 10	% change
Gold prod'n (Oz)	23,321	18,469	26.3	22,187	88,767	61,358	44.7
Silver prod'n (kOz)	11	11	N/A	10	50	29	72.4

Quarterly attributable gold production increased by 26.3% when compared to the fourth quarter of 2011 due mainly to the ramp-up of expanded production capacity to 130,000 total gold ounces per year. Similar to Herradura, higher volumes of mineral were hauled and deposited on the pads by contractors, further increasing attributable gold production to 88,767 ounces (158,513 total ounces) in 2011. However, for 2012, a decrease in production volumes to 130,000 ounces is expected due to the additional mine development work.

In 2011, gold ore grade was 0.57g/t and is expected to remain at similar levels during 2012.

Update on development projects

- **Noche Buena**

The construction of the Noche Buena gold mine remains on track with commercial production expected to commence in the second quarter of 2012. This US\$63 million project is expected to produce a total of 376,000 gold ounces over the initial five year mine life. In the fourth quarter, construction of the first leaching pad was concluded and the laboratory, workshop and warehouse were commissioned. The construction of

the Merrill-Crowe plant continued and is expected to be concluded in the first quarter of 2012.

The encouraging exploration results indicate that there is potential to increase the mine life. As a result, the construction of a second leaching pad was approved by the Executive Committee. This project will require an additional US\$13.8 million investment and is expected to be concluded in the second half of 2012.

- ***Dynamic Cyanidation plant at Herradura***

The construction of the dynamic cyanidation plant at Herradura to process high grade ore from the Herradura and Soledad-Dipolos pits remained on schedule with start-up expected in 2013. Engineering for the crushing area advanced, while ground preparation for the milling and leaching tanks, as well as preparatory work for the future Centauro Deep shaft, have begun. This US\$106.8 million project is expected to increase gold production by an average of 51,000 ounces per year over the 2013-2020 period.

Update on exploration

The 2011 program included 509,330m of drilling. Resources were increased at: Orisyvo and San Julian in Chihuahua; San Ramon, Las Casas, Manzanillas and Lucerito in Durango; Nochebuena and Centauro Deep in Sonora; Guanajuato (Guanajuato), San Nicolas del Oro (Guerrero), Cebadillas (Nayarit), and Juanicipio (JV Fresnillo 56%, 44% Mag Silver) (Zacatecas) project areas. Several new veins were discovered both at San Julian and Centauro Deep with good potential. At Orisyvo and Juanicipio additional resources were upgraded to the indicated category. New audited resources will be published in the 1Q2012. Drilling was initiated or continued at the Tajitos (Sonora), Candameña (Chihuahua), San Juan (Durango), La Yesca (Jalisco) and Amata (Peru) properties, where gold-silver mineralization has also been intersected.

Additional surface land acquired at the San Julian, Nochebuena and Guachichil properties will facilitate the ongoing work. Claim holdings were increased to 2,126,000 ha. in Mexico and to 78,800 ha. in Peru. Exploration ramps and drifts attained a total 8000 meters at the San Julian project and 300 meters at Orisyvo in order to expose mineralization for bulk sampling and metallurgical testing. The health, safety, environmental, and community programs continued at all drilling projects, and our staff was increased from 75 to 80 geologists and engineers.

Safety performance

It is with deep regret we report that one contractor suffered a fatal accident in December at the Fresnillo mine. The incident was caused by breaches of the Company's safety policy and the failure to place a barricade when working at the ramp. As a result, a worker was hit by a scoop tram while installing service pipes, causing injuries which eventually led to the loss of his life.

We are extremely concerned by this most recent fatality which has occurred while the Group continues to implement its Safety Action plan. As we have previously said, the safety of our workers (union and contractors) comes first and we have taken various corrective actions to ensure an incident like this does not happen again. Fresnillo plc will continue to take actions as needed to provide improved safety conditions and prevent fatal accidents from occurring again. Consistent with this, Fresnillo has hired a corporate safety manager who will be dedicated to matters of safety at all Fresnillo mines, and will be responsible for monitoring the results of our initiatives and Safety Action plan.

The Health, Safety, Environment and Community Relations Committee is committed to ensuring that the Safety Action plan continues to be implemented and that Fresnillo is on the correct path to achieve its zero fatalities target. Following working sessions with the Group's contractors in July 2011 to reinforce safety procedures, a rescission clause was included and accepted by them should further accidents occur as a result of violating Fresnillo plc's safety protocols. Accordingly, the contractor involved in the recent Fresnillo fatal incident was dismissed, reflecting our serious commitment to prioritize safety above production.

The Company extends its sincere condolences to the family of our colleague.

There will be a conference call for analysts and investors on Wednesday 18 January at 8.30am GMT (London time). The dial in details are as follows:

Participant Number: +44 (0) 1452 541 077
Conference ID: 42364064

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About Fresnillo plc

Fresnillo Plc is the world's largest primary silver producer and Mexico's second largest gold producer, listed on the London Stock Exchange under the symbol FRES.

Fresnillo has five producing mines, all of them in Mexico - Fresnillo, Ciénega, Herradura, Soledad-Dipolos and Saucito; three development projects –Noche Buena (new gold mine at Herradura District), San Ramón mine (a satellite of the Ciénega gold mine) and Dynamic Cyanidation to treat high grade gold ore from Herradura and Soledad-Dipolos mine; and five advanced exploration prospects – San Julián, Centauro Deep, Juanicipio, Orysivo and Las Casas as well as a number of other long term exploration prospects. In total, has mining concessions covering approximately 2.1 million hectares in Mexico.

Fresnillo 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 both silver and gold.

Fresnillo's goal is to maintain the Group's position as the world's largest primary silver company, producing 65 million ounces of silver and over 400,000 ounces of gold by 2018.

Forward Looking Statements

Information contained in this announcement may include 'forward-looking statements'. All statements other than statements of historical facts included herein, including, without limitation, those regarding the Fresnillo Group's intentions, beliefs or current expectations concerning, amongst other things, the Fresnillo Group's results of operations, financial position, liquidity, prospects, growth, strategies and the silver and gold industries are forward-looking statements. Such forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Fresnillo Group's operations, financial position and liquidity, and the development of the markets and the industry in which the Fresnillo Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the results of operations, financial position and liquidity, and the development of the markets and the industry in which the Fresnillo Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations (including the US dollar and Mexican Peso 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.