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Production Report for the three months ended 30 June 2011

Overview

- Quarterly and half year silver production, including the Silverstream, both reached record levels of 11.4moz and 21.5moz respectively.
- Quarterly and half year attributable gold production also achieved record levels of 110,070 oz and 206,477 oz respectively.
- Saucito commercial production began in April 2011; 1.7 million silver ounces were produced in the second quarter to June 2011.
- The expansion of Cienega's milling capacity from 755,000 to 930,000 tonnes per year was concluded with the increased volumes commencing on in June 2011.
- Soledad-Dipolos reached its new capacity of 130,000 ounces per year.
- Construction of Noche Buena gold project is progressing according to schedule to start-up in 1H12

Jaime Lomelín, Chief Executive Officer, said:

"I am pleased to report that the first quarter of commercial production at Saucito and the expanded capacity at Soledad-Dipolos has contributed to record levels of quarterly - and half year - silver and gold production. In the second quarter we continued to focus on operational discipline and cost reduction initiatives, while our exploration programme remained on track with encouraging results in several projects. Construction of the Noche Buena gold mine is advancing according to schedule and is expected to begin production in 2012. We believe that all these actions will help us to achieve our production targets for 2011 and reinforce our growth strategy."

Total Production - Attributable

	2Q 11	2Q 10	% change	1Q 11	YTD 11	YTD 10	% change
Silver prod'n (kOz)	10,461	9,615	8.8	9,083	19,544	19,107	2.3
Silverstream prod'n (kOz)	906	989	-8.4	1,010	1,916	1,816	5.5
Total Silver production (kOz)	11,367	10,604	7.2	10,093	21,460	20,923	2.6
Gold prod'n (Oz)	110,070	91,254	20.6	96,407	206,477	176,351	17.1
Lead prod'n (t)	5,357	4,654	15.1	5,245	10,602	9,144	15.9
Zinc prod'n (t)	5,565	5,784	-3.8	5,864	11,429	10,825	5.6

Quarterly attributable silver production achieved record levels due to the successful start-up of commercial production at the Saucito mine. As a result, increases of 8.8% and 15.2% were achieved when compared to the second quarter of 2010 and the first

quarter of 2011, respectively. The contribution of the new Saucito mine also benefited year-to-date silver production, reaching a new record level at 19.5 million ounces.

In the second quarter of 2011, Fresnillo plc accrued 906,000 silver ounces under the Silverstream Agreement. This figure is in line with expectations given the long-term trends in ore grades. Year-to-date production at Peñoles' Sabinas mine increased over the corresponding period of 2010 due to higher volumes of ore milled and increased ore grades. However, volumes produced in the second quarter were lower compared to the same period of 2010 and the previous quarter of 2011 due to the abnormal high ore grades during those periods.

Quarterly and year-to date attributable gold production reached record levels as a result of the start-up at Saucito, the expanded capacity and improved recovery at Soledad-Dipolos and the higher volumes of ore deposited at Herradura.

Quarterly by-product lead production increased by 15.1% over the second quarter of 2010 due to the contribution of Saucito and better lead ore grades at the Fresnillo mine.

Quarterly by-product zinc production decreased when compared to the same period of last year and previous quarter of 2011 as a result of lower ore grades and recoveries at Ciénega.

The Company remains on track to achieve full year 2011 production targets. We expect to produce approximately 44 million ounces of silver (including 3.0 million ounces from the Silverstream) and 400,000 ounces of attributable gold.

Fresnillo mine production

	2Q 11	2Q 10	% change	1Q 11	YTD 11	YTD 10	% change
Silver prod'n (kOz)	8,334	9,022	-7.6	8,532	16,865	17,820	-5.4
Gold prod'n (Oz)	6,350	5,890	7.8	6,134	12,485	11,488	8.7
Lead prod'n (t)	3,374	3,057	10.4	3,365	6,739	5,836	15.5
Zinc prod'n (t)	3,358	3,301	1.7	3,221	6,579	6,014	9.4

Quarterly silver production at the Fresnillo mine decreased year-over-year and compared to the previous quarter of 2011 due to lower silver ore grade. The adverse effect was caused by additional ground control needed to ensure safety conditions which limited access to higher grade stopes. Notwithstanding, the lost silver production will be recovered once access to the high ore grade stopes is regained.

Total silver production for the first half of the year at this mine was also affected by the factors mentioned above, however management remains confident of achieving its 2011 production targets.

Quarterly and year-to-date by-product gold, lead and zinc production increased when compared to the corresponding periods of 2010 due to higher ore grades resulting from changes in the natural life of the mine.

The construction of the San Carlos shaft remained on track to be concluded in the third quarter of this year. This US\$19.1 million project will provide direct access to the western zone of the San Carlos vein, thus materially reducing haulage and hoisting costs.

Saucito mine production

	2Q 11	2Q 10*	% change	1Q 11*	YTD 11	YTD 10*	% change
Silver prod'n (kOz)	1,745	208	N/A	187	1,932	477	N/A
Gold prod'n (Oz)	8,299	830	N/A	831	9,130	1,998	N/A

Lead prod'n (t)	501	38	N/A	59	559	80	N/A
Zinc prod'n (t)	245	0	N/A	45	290	0	N/A

* 2010 and 1Q11 figures: development ore from Saucito that was processed at the Fresnillo mill.

Commercial production at Saucito commenced in April 2011 following a US\$273 million total investment, which was below the original budget. Tonnage milled at Saucito exceeded the Company's expectations for the second quarter of the year which resulted from processing ore from two sources: i) stock pile from development during the construction phase and current development and preparation activities and ii) ore from the production stopes at the Saucito vein. It is estimated that the stock piled ore from the construction phase will be depleted by year end. Management remains confident of achieving the anticipated 2011 production volume of 4.7 million ounces of silver and the ramp-up of the mine will continue in 2012.

Fresnillo continues to examine the possibility of significantly expanding capacity at Saucito in the coming years, although a decision to do so has not yet been made. As stated previously (2010 Annual Report), there is 361.5m ounces of silver in resources at Saucito which have to be converted into reserves before a feasibility study regarding an expansion can begin.

The sinking of the Jarillas shaft advanced to a depth of 547 metres, out of a total 645 metres planned and is expected to become operational in 2012. This new shaft will have a 5,000 tonnes per day capacity, hoisting ore and waste material exclusively from the Saucito mine.

Ciénega mine production

	2Q 11	2Q 10	% change	1Q 11	YTD 11	YTD 10	% change
Gold prod'n (Oz)	26,420	28,564	-7.5	26,956	53,377	55,772	-4.3
Silver prod'n (kOz)	301	310	-2.9	275	576	676	-14.8
Lead prod'n (t)	1,482	1,559	-4.9	1,822	3,304	3,228	2.4
Zinc prod'n (t)	1,962	2,483	-21.0	2,598	4,560	4,811	-5.2

Quarterly and year-to-date gold production decreased when compared to the corresponding periods in 2010 as a result of the expected lower ore grades encountered at the western zone of the mine. However, preparation of stopes with better ore grades in the eastern areas and higher ore throughput will mitigate this adverse effect.

The expansion of milling capacity from 755,000 to 930,000 tonnes per year was concluded and became operational on June 1st. This US\$24.9 million initiative is expected to stabilise gold production at 110,000 ounces per year.

In the second quarter of 2011, development ore from the San Ramón project started to be processed at the Ciénega mill.

Quarterly by-product silver production increased by 9.7% over the first quarter of 2011 due to higher ore grades. However, year-to-date silver by-product production decreased when compared to the corresponding period in 2010 as a result of lower ore grades.

Quarterly by-product lead and zinc production was also affected by lower ore grades when compared to the same period of 2010.

The US\$13.3 million project to deepen the shaft to gain access to deeper ore reserves will be concluded on schedule in 2H11.

Herradura mine production - Attributable

	2Q 11	2Q 10	% change	1Q 11	YTD 11	YTD 10	% change
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Gold prod'n (Oz)	46,252	39,672	16.6	41,974	88,226	79,569	10.9
Silver prod'n (kOz)	66	67	-1.5	76	142	122	16.4

Quarterly and year-to-date attributable gold production achieved record levels due to the increased ore volumes deposited. Quarterly gold attributable production increased by 10.2% over the first quarter of the year mainly due to improved recovery.

By-product silver production in the second quarter decreased by 12.7% when compared to the previous quarter due to lower ore grades and recovery rates. However, year-to-date silver production increased as a result of higher volumes of ore deposited.

The construction of the ninth leaching pad remained on schedule and the first phase is expected to be concluded in the second half of the year. This US\$16.7 million project will ensure stable production is maintained at this mine in the future.

The project to automate the assay process at the laboratory remained on track with operations expected to be initiated in the third quarter of 2011, which will result in greater accuracy and efficiency with lower costs.

Soledad-Dipolos mine production - Attributable

	2Q 11	2Q 10	% change	1Q 11	YTD 11	YTD 10	% change
Gold prod'n (Oz)	22,749	16,298	39.6	20,511	43,260	27,524	57.2
Silver prod'n (kOz)	15	8	87.5	14	28	11	149.4

Quarterly attributable gold production increased when compared to the same quarter of the previous year and the first quarter of 2011 with leaching pads N°1 and N°2 reaching full capacity. Attributable gold production in the first half of the year also benefited from the expanded capacity and better recovery, achieving a 57.2% increase over the corresponding period of 2010.

Construction of the third, fourth and fifth leaching pads progressed well over the period. These pads are expected to start operation by year-end, ensuring continuous production at 130,000 gold ounces per year.

Update on development projects

- ***Noche Buena***

Construction of the Noche Buena gold mine is progressing according to schedule. The relocation of plant species from the project area was concluded and waste stripping commenced in April. The construction of the laboratory and maintenance workshop has begun, while the explosives magazine has been completed. Installation of the power line and the preparation of the land for the leaching pads and plant began. The management is confident that this US\$63 million project will start gold production in the first half of 2012.

- ***Dynamic Cyanidation Plant at Herradura***

In order to increase recoveries of the high-grade ore from the Herradura Centauro pit, the construction of a new dynamic cyanidation plant has been considered. For this project, the Executive Committee has approved the advance purchase orders of critical long-lead equipment. This facility, when in operation, will have a capacity of 8,000 tonnes per day, and is expected to result in an average additional gold production of 60,000 ounces per year. Furthermore, this plant is expected to treat the ore from the future Centauro Deep underground mine.

Update on exploration

During the second quarter of 2011, 44 rigs explored at 14 Fresnillo plc prospects in Mexico. At the Herradura District (56% Fresnillo plc) in Sonora, drilling on the east side of the Noche Buena ore body detected additional open pittable gold resources. At the Herradura mine area, several holes were drilled for an additional 300 metres along strike to the north, which intersected gold bearing veins in the Centauro Deep deposit, extending the mineralisation that could support an underground operation. Exploration drilling continues at the Ciénega District in Durango, on the San Ramón, Transversal and Manzanillas vein systems. Resources have increased at San Ramón on the Porvenir and Candelaria structures. Drilling was initiated at the Jaralillo area in the Fresnillo District, Zacatecas, to test geophysical/geochemical anomalies in the valley east of the main mine area. Infill drilling on the Minera Juanicipio property (56% Fresnillo plc) converted additional resources into the indicated category and, subject to an independent review, will be the base for a prefeasibility study.

Drilling at San Julián, in Durango, has extended the gold-silver mineralisation along the Shalon, Todos Santos and San Julián veins in the north area of the project. Development on the San Julián and San Roberto ramps now totals 4,000 metres. Infill drilling upgraded the resource category at Orisyvo, in Chihuahua, both in the oxide and sulphide deposits. The access road to the exploration adit portal has been completed and metallurgical testing continues on drill cores.

Early stage drilling was carried out at the San Juan, Tocayos and Lucerito properties in Durango, the Cebadillas property in Nayarit, and the Guanajuato District in Guanajuato. Interesting gold-silver values were obtained at the latter on the Karina and San Jose veins. Permitting, drill stations and access roads are now prepared for the 2H11 programme at the Candameña (Chihuahua), Yesca (Nayarit), and Amata (Peru) projects. An airborne aeromagnetic survey was completed on the Company's extensive claim blocks in the Mesa Central (Mexico), complementing geological mapping and geochemical surveys. Three areas have been selected for drill testing and permits are in process. Additional ground was also staked to consolidate positions in the Herradura, Mesa Central, Sierra Madre and Peruvian Andes belts, where Fresnillo plc now controls 2.2 million hectares of claims.

Safety Performance

Regrettably, in the second quarter of 2011, Fresnillo plc suffered two fatalities of unionised personnel. Additionally, the contractors at our operations, suffered five fatalities.

We are deeply concerned with this performance. Our policy is to put the safety of personnel, union members or contractors, as our main priority. A detailed investigation was undertaken for each accident and an analysis was reported to the management team, which concluded that five of the incidents were caused by violating established safety procedures, and one was as a result of unsafe equipment.

We have engaged with the contractors to ensure better and more frequent training, and have instructed them to employ a Safety Supervisor at each site that reports into the Fresnillo plc Safety Supervisor. We have also engaged Peñoles, as part of the Services Contract currently in place, to conduct a thorough audit of Fresnillo plc's safety procedures and recommendations will be presented to the Health, Safety, Environment and Community Relations Committee in August. Additionally, the Company has hired an experienced independent safety consultant, who will help us to identify areas of opportunity to reduce safety risks further. We expect these actions to help us return to a zero fatalities performance. The Company extends its sincere condolences to the families of the victims.

There will be a conference call for analysts and investors on Thursday 14 July at 9.00am BST (London time). The dial in details are as follows:

Participants' dial in number: +44 (0)1452 541 076

Conference ID: 81437190

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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; two development projects –Noche Buena (new gold mine) and San Ramón (a satellite for the Ciénega gold mine); and four advanced exploration prospects – San Juan, San Julián, Orysivo and Juanicipio as well as a number of other long term exploration prospects and, 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.