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14 April 2010

**Interim Management Statement and Production Report
 for the three months ended 31 March 2010**

Overview

- Quarterly attributable silver production of 9.5 million ounces, up 3% when compared to the first quarter 2009, excluding the Sabinas Silverstream.
- Quarterly attributable gold production increased by 31.5% over the same period last year to a record level of 85,097 ounces.
- Soledad-Dipolos commercial production began in January 2010, with 11,226 attributable gold ounces.
- The Saucito shaft has successfully started operations which will speed up the mine development.
- Cost reduction efforts and efficiency initiatives are continuing.

Jaime Lomelín, Chief Executive Officer, said:

“We are pleased with the results for the first quarter of 2010. Attributable gold production has exceeded our expectations, due to the better than expected initial operating results at Soledad–Dipolos, while silver production has also increased. Work has continued at our development project at Saucito during the period and the progress we have made has been encouraging. Meanwhile the exploration programme at Noche Buena has been completed and results are being evaluated. These achievements, together with ongoing strict cost management, confirm our strong position towards achieving the Company’s financial and operational goals.”

Total Production

Fresnillo plc attributable production

	1Q 10	1Q 09	% change	4Q 09
Silver prod'n (koz)	9,492	9,218	3.0	9,361
Silverstream (koz)	714	887	-19.5	598
Total silver prod'n (koz)	10,206	10,105	1.0	9,959
Gold prod'n (Oz)	85,097	64,728	31.5	80,080
Lead prod'n (t)	4,489	4,220	6.4	4,652
Zinc prod'n (t)	5,040	5,358	-5.9	4,645

Quarterly attributable silver production increased by 3% compared with the first quarter of 2009, mainly as a result of increased ore tonnage milled at the Fresnillo mine. Additionally, silver production benefited from higher ore grades and increased tonnage milled at Ciénega, thanks to maintenance improvements.

Additionally, over the quarter the Fresnillo Group accrued 714,000 payable silver ounces under the Silverstream Agreement between Fresnillo plc and Peñoles. Although this was 19.5% lower than the same period of 2009 due to the expected temporary decline in the ore grade at the Sabinas mine, ore grades have recovered since the fourth

quarter of 2009, resulting in a 19.4% increase in silver ounces accrued quarter on quarter

Gold attributable production increased by 31.5% compared with the same period of 2009 due to the successful start-up of commercial production at Soledad–Dipolos and increased ore deposited and improved recovery at Herradura. Higher mill throughput, better grades and recovery at Ciénega also contributed to the increased gold production. First quarter gold production was 6.3% higher than the previous quarter, largely due to the start-up of the Soledad–Dipolos mine.

Quarterly by-product lead production increased by 6.4% year on year as a result of higher ore grades and increased volumes of ore milled at the Fresnillo mine. However, by-product lead production decreased by 3.5% when compared to the last quarter of 2009 as lead grades declined at Fresnillo. Furthermore, quarterly by-product zinc production decreased by 5.9% compared with the same period of last year due to lower recovery and grades at Fresnillo. However, quarterly by-product zinc production increased by 8.5% year on year as a result of higher grades and recovery at Ciénega.

Fresnillo mine production

	1Q 10	1Q 09	% change	4Q 09
Silver (kOz)	8,799	8,500	3.5	8,700
Gold (Oz)	5,598	6,081	-7.9	6,079
Lead (t)	2,779	2,383	16.6	3,194
Zinc (t)	2,713	3,113	-12.8	2,743

Quarterly silver production at the Fresnillo mine increased by 3.5% when compared to first quarter of 2009, and by 1.1% compared to the previous quarter, as a result of an increase tonnages milled and better recovery. Quarterly gold production decreased by 7.9% when compared to the first and fourth quarters of 2009 due to lower ore grades.

Production figures for the Fresnillo mine do not include ore from the development works at Saucito processed at the Fresnillo mill. In the first quarter of 2010, metal contents from Saucito reached 269,066 silver ounces, 1,168 gold ounces and 41 tonnes of lead, all of which is included in the total production figures but not in the Fresnillo mine figures.

Ciénega mine production

	1Q 10	1Q 09	% change	4Q 09
Silver (kOz)	366	319	14.7	446
Gold (Oz)	27,208	23,150	17.5	29,710
Lead (t)	1,669	1,791	-6.8	1,448
Zinc (t)	2,328	2,212	5.2	1,900

Silver and gold quarterly production increased by 14.7% and 17.5% year on year respectively, mainly as a result of increased volumes of ore milled and higher ore grades. The increase in ore milled was achieved thanks to maintenance improvements. Silver and gold recoveries have also improved as a result of the optimisation of the leaching circuit and further improvement is expected in the current quarter.

Herradura mine production

Fresnillo plc attributable production

	1Q 10	1Q 09	% change	4Q 09
Silver (kOz)	55	43	27.9	64
Gold (Oz)	39,897	34,512	15.6	43,407

Attributable gold and silver production for the first three months of 2010 increased by 15.6% and 27.9% respectively when compared with the same period of 2009. This increase was driven by larger areas under irrigation at the leaching pads and the higher

efficiency achieved at the Merrill–Crowe plant. Additionally, gold production was boosted by the increase in ore deposited from the recently open Valles pit.

A decrease of 8.1% in attributable gold production was recorded when compared to the exceptionally high production in Q4 2009 due to a temporary operating problem at the Merrill-Crowe plant which deferred Q3 production to the fourth quarter of the year.

Attributable silver production increased over the first quarter of 2009 due to better ore grade, however it decreased by 13.4% when compared to the fourth quarter of last year as a result of lower ore grades and recovery.

Soledad-Dipolos mine production

Fresnillo plc attributable production

	1Q 10	1Q 09	% change	4Q 09
Silver (kOz)	3	-	-	-
Gold (Oz)	11,226	-	-	-

Once pre-operative tests were concluded at Soledad-Dipolos, commercial production successfully began in January 2010. Both attributable gold and silver volumes produced were above anticipated levels. The production ramp-up continues and is expected to reach run rate in the second quarter.

Cost reduction initiatives and efficiency projects

The sewage water treatment plant at Fresnillo is now fully operational and savings of approximately US\$220,000 have been achieved during the first quarter of the year.

Sinking of the San Carlos shaft reached 352 metres of a planned total of 560 metres and the foundation of the hoist was completed.

At Ciénega, the sinking of the shaft to gain access to deeper ore reserves reached 183 metres out of a planned total 300 metres. The tender process for engineering work relating to the grinding area in the new 1910 level began. This activity will help to determine the development works needed to conclude the construction of the area.

The expansion of Ciénega's milling capacity from 755,000 to 930,000 tonnes per year remains on track. The engineering continued on schedule and the contractor for the civil and structural works has been selected. Part of the required area was cleared in preparation for the expansion.

At Herradura, construction of the eighth leaching pad continues. At Soledad-Dipolos, the installation of the lining for the second leaching pad continues.

Update on exploration

Exploration expenses in the first quarter of 2010 totalled US\$16.0 million (including the capitalised portion). Diamond drilling is in progress at Centauro Deep (4,434 metres plus 3,807 metres reverse circulation), Noche Buena (9,946 metres plus 9,137 metres reverse circulation), Orisyvo (3,672 metres), San Julián (10,622 metres), Leones (3,415 metres), Ciénega NW (9,937 metres), San Ramón (4,341 metres), San Juan (3,397 metres), Minera Saucito (6,829 metres), and Minera Juanicipio (7,362 metres). Mapping and sampling work aimed at identifying new exploration targets was conducted at the Altar, Lucerito, Guachichil, Sombrerete, Guanajuato and San Nicolas del Oro prospects in Mexico and the Amata and Huacravilca prospects in Peru.

Drilling at Noche Buena is now complete and an updated reserve calculation will be carried out in April. Independent scoping studies were initiated at the Orisyvo and San Julián projects to evaluate the substantial increase in resources, and to help design development works. The San Julián exploration ramp has been extended to 700 metres, and the new San Roberto adit advanced 270 metres. Road access and portals for two new ramps at San Ramón have also been completed.

The drilling results at the new projects of Centauro Deep, Orisyvo and Minera Saucito have been encouraging in the first quarter of 2010. Four additional drills were added to the San Ramón, San Julián and Minera Juanicipio to accelerate the conversion of inferred to indicated resources. The company presently has 35 surface rigs in operation.

Exploration activities at areas adjacent to existing operations also remained on track, including parametric drilling at strategic points such as the west San Carlos Vein and Cerro del Fierro exploration area at Fresnillo.

Additionally, 14,229 metres have been drilled at Ciénega, exceeding targeted levels. Exploration in La Virgen, Tajos, San Roberto and Arroyo de Plata veins has similarly progressed.

Drilling at Ocotillo and Cerro Mayor areas, both of which are located in Herradura, has taken place in order to determine the continuity of existing mineral bodies and to identify new ones. Diamond drilling at Cerro Mayor has just begun with the intention of seeking deeper ore bodies at the Centauro, Dunas and Ocotillo veins.

At Soledad-Dipolos, 8,843 metres were drilled in order to convert inferred resources to probable reserves in the south and central area. Infill drilling continued in the Saucito and Mezquite veins at Saucito.

Update on development projects

Saucito

Construction of the Saucito project remains on track. The Saucito shaft was successfully commissioned and is in operation. Construction of the patio of the Saucito shaft and the compressor building is on schedule. In addition, the foundations for the flotation plant have been finished.

Since construction began, ramps, drifts and cross-cuts have advanced by 18.3 kilometres, whilst sinking of the Jarillas shaft has reached a depth of 37 metres.

In the first quarter, 269,066 ounces of silver, 1,168 ounces of gold and 41 tonnes of lead were recovered from the Saucito development ore processed at the Fresnillo mill.

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

Participants' dial in number: +44 (0) 1452 561371

Access code: 68446118

A replay of the conference call will be available for one week on the following number:

Dial in number: +44 (0) 1452 550000

Access code: 68446118

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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 four producing mines, all of them in Mexico - Fresnillo, Ciénega, Herradura and Soledad-Dipolos; one development project - Saucito; and three exploration prospects - San Juan, San Julian, Orysivo, as well as a number of other long term exploration prospects and, in total, has mining concessions covering approximately 1.75 million hectares in Mexico.

Fresnillo has a strong and long tradition of mining, a proven track record of mining development and reserves replacement, and a low cost of production, being 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.