



Fresnillo Plc
28 Grosvenor Street
London W1K 4QR
United Kingdom
www.fresnilloplc.com

14 January 2010

Production Report
for the three months ended 31 December 2009

Overview

- Quarterly attributable silver production of 9.36 million ounces, up 10% year on year.
- Record quarterly attributable gold production of 80,080 ounces, up 26% year on year and above expectations.
- Record annual attributable silver production of 37.9 million ounces, up 9%, plus a further 3moz from Silverstream.
- Annual attributable gold production of 276,584 ounces, up 5%.
- First dore bar poured at Soledad and Dipolos in December, with commercial production to begin in January 2010, ahead of schedule and below budget.
- Construction of the Saucito project remains on track.
- Several cost reduction and efficiency projects complete with results expected to be seen from 1Q2010.

Outlook for 2010

- Silver production expected to be in line with the record set in 2009.
- Attributable gold production expected to increase by 16% to 320,000 ounces as Soledad and Dipolos ramps up in Q1 2010.
- Construction of Saucito will continue ahead of planned start-up in 2011.
- Cost control initiatives and operating efficiencies will continue to deliver operational and financial benefits.
- Exploration budget to be increased to US\$75.7 million, up 54% on the approximately US\$49m spent in 2009.
- Grades expected to remain stable across all operations throughout the year.

Jaime Lomelín, Chief Executive Officer, said:

“We continue to focus on operational excellence across our asset base which is illustrated in the new record production levels we set and the success of our ongoing cost reduction programmes. The next step up in production will be from Soledad and Dipolos which will begin commercial gold production in January and is ahead of schedule and below budget. Saucito will follow and is expected to begin silver production in 2011. Exploration continues to be one of the cornerstones of our growth strategy and we have increased our budget accordingly.”

Total Production

Fresnillo plc attributable production

	4Q 09	4Q 08	% change	3Q 09	FY 09	FY 08	% change
Silver prod'n (kOz)	9,361	8,490	10.3	9,750	37,916	34,849	8.8
Silverstream	598	754	-20.7	898	3,044	2,503	21.6
Total Silver production	9,958	9,244	7.7	10,648	40,960	37,352	9.7
Gold prod'n (Oz)	80,080	63,440	26.2	63,610	276,584	263,640	4.9
Lead prod'n (t)	4,652	4,218	10.3	4,166	17,264	17,793	-3.0
Zinc prod'n (t)	4,645	5,234	-11.3	4,682	19,526	22,515	-13.3

Quarterly attributable silver production increased significantly compared with the fourth quarter of 2008, mainly as a result of higher ore volumes milled at the Fresnillo mine, with 151,192 silver ounces coming from the development works at Saucito, compared with 2008 when production at the mine was affected by an illegal stoppage by the mineworkers union. Production also benefitted from higher ore grades at Ciénega.

Quarterly attributable silver production of 9,361 thousand ounces decreased by 4.0% compared with the previous quarter production of 9,750 thousand ounces as a result of the longer programmed maintenance carried out in the last quarter of 2009, which reduced the volume of ore milled at Fresnillo compared with that in the third quarter.

In total, attributable silver production for the full year 2009 reached a new record of 37.9 million ounces, 8.8% higher than in 2008.

Additionally, in 2009, the Fresnillo Group accrued 3.0 million payable silver ounces under the Silverstream Agreement between Fresnillo plc and Peñoles. Fourth quarter silver production at the Sabinas mine decreased when compared with the previous quarter of the year due to the expected temporary decline in the ore grade, in accordance to the mining plan. However, ore grades are expected to recover in 2010 thus silver production should remain steady at the current 2009 levels.

Quarterly attributable gold production reached a record level of 80,080 ounces, a 26.2% increase on the same period in 2008 largely as a result of an increase in ore deposited and recovery at Herradura. Higher ore grade, improved recovery and increased volumes of ore milled at Ciénega also contributed to the increase. Similarly, fourth quarter attributable gold production increased by 25.9% over the previous quarter of 2009 mainly due to the additional solution recovered during the last months of the year after the temporary operating problem experienced at the Merrill Crowe plant at Herradura in the third quarter of 2009.

Total attributable gold production for 2009 surpassed our expectations, obtaining a 4.9% year-on-year increase as a result of the excellent performance achieved at Herradura and the stabilisation of gold grade at Ciénega throughout the year.

Fresnillo mine production

	4Q 09	4Q 08	% change	3Q 09	FY 09	FY 08	% change
Silver prod'n from op mines (kOz)	8,700	8,245	5.5	9,176	35,420	33,776	4.9
Gold prod'n (Oz)	6,079	6,948	-12.5	6,028	24,684	24,008	2.8
Lead prod'n (t)	3,194	2,113	51.1	2,834	11,058	8,685	27.3
Zinc prod'n (t)	2,743	2,755	-0.5	2,895	11,510	11,277	2.1

Fourth quarter silver production increased by 5.5% compared with the same quarter of 2008 as a result of higher ore milled at the Fresnillo mine. However, a decrease of 5.2%

was experienced in comparison to the previous quarter of the year due to longer than scheduled maintenance in November, which reduced the volume of ore milled during the quarter.

Total annual silver production at the mine reached a new record high of 35.4 million ounces as a result of the increase in ore milled over the whole of 2009.

Quarterly gold production at Fresnillo decreased when compared to the fourth quarter of 2008 due to the lower ore grade, but remained steady over the previous quarter of 2009. Lead production increased over all comparable periods mainly as a result of higher ore grade, while zinc production remained stable.

Production figures for the Fresnillo mine do not include ore from the development works at Saucito processed at the Fresnillo mill. In the fourth quarter 2009, metal contents from Saucito achieved 151,193 silver ounces, 884 gold ounces, 11 tonnes of lead and 2 tonnes of zinc, all of which is included in the total production figures but not the Fresnillo mine figures.

Ciénega mine production

	4Q 09	4Q 08	% change	3Q 09	FY 09	FY 08	% change
Silver prod'n (kOz)	446	219	103.4	393	1,589	950	67.3
Gold prod'n (Oz)	29,710	25,079	18.5	26,175	103,510	116,903	-11.5
Lead prod'n (t)	1,448	2,104	-31.2	1,310	6,118	9,109	-32.8
Zinc prod'n (t)	1,900	2,479	-23.3	1,766	7,950	11,237	-29.3

Both, quarterly gold and silver production increased significantly when compared to the same period of 2008 and to the third quarter of 2009 as a result of higher ore grades and increased volumes of ore milled. Additionally, quarterly gold production began to reflect the benefits of the optimisation of the leaching circuit and gravimetric concentrator.

Annual gold production decreased by 11.5% as a result of the expected decline in the ore grade in the early part of the year. The ongoing investment in efficiency projects and preparation of new stopes allowed the stabilisation of the ore grade as 2009 progressed. An expansion of the milling capacity at the Ciénega mine from 755,000 to 930,000 tonnes per year, which is currently in the engineering phase, will further compensate for the lower ore grade and will help stabilise gold production at around 110,000 ounces per year. A detailed description of the projects carried out at this mine is included in the sections below.

Silver production for the full year increased due to the higher ore grade and ore milled.

Quarterly lead and zinc production decreased when compared to the fourth quarter of 2008 as a result of lower ore grades. However, quarterly production of both by-products increased over the previous quarter due to higher ore grades achieved during the last months of 2009.

The gold grade decreased from 5.1g/t in 2008 to 4.3g/t in 2009. However, as mentioned previously, the gold ore grade has stabilised around this level and no further declines are expected for 2010.

Herradura mine production

Fresnillo plc attributable production

	4Q 09	4Q 08	% change	3Q 09	YTD 09	YTD 08	% change
Silver prod'n (kOz)	64	26	142.9	21	171	124	38.5
Gold prod'n (Oz)	43,407	31,413	38.2	30,675	145,510	122,730	18.6

On a quarterly and annual basis, attributable gold production at Herradura achieved new record levels, mainly due to the increased recovery of the solution which remained

circulating through the leaching circuit after the temporary operating problem experienced at the Merrill-Crowe plant, which was reported in the third quarter. Production also benefitted from an increase in ore deposited over the fourth quarter of 2008.

Attributable gold production for the full year increased by 18.6% due to the increase of ore deposited in the leaching pads from the Centauro pit and better recovery as a result of the expansion of the beneficiation plant.

Quarterly silver production increased significantly when compared to the fourth quarter 2008 and the previous quarter due to the higher ore grade and a better recovery rate. Full year silver production was up by +38.5% year-on-year.

Cost reduction initiatives and efficiency projects

In the fourth quarter, testing of the equipment and process at the sewage water treatment plant was concluded and became fully operational in November with 150 litres per second treated since then. Further savings from the reduction of consumption of fresh water will be realised during the first quarter of 2010. Regarding the construction of the San Carlos shaft, the structure of the concrete head frame was concluded in the first week of December, while the foundation of the hoist began immediately afterwards. This project will reduce haulage costs at the Fresnillo mine and it is expected to be concluded by the end of 2011.

The optimisation of the leaching circuit at Ciénega was concluded and tests of the equipment, tanks and pumps began in the fourth quarter. This project is starting to generate increases in gold recovery and will achieve a 2.2% and 0.8% increase in gold and silver recovery rates respectively once final adjustments are made and the project becomes fully operational in the first months of 2010. The project to sink the shaft a further 300 metres to gain access to deeper ore reserves remains on track.

In October, an expansion of Ciénega's milling capacity from 755,000 to 930,000 tonnes per year was approved. This project will ensure a production volume of around 110,000 gold ounces per year, while maintaining the mine life over 10 years. This project is expected to begin in 2011 and will cost an initial US\$24.9 million plus further sustainable capital expenditure of US\$0.5 million per annum from 2012 to 2019.

At Herradura, the expansion of the beneficiation plant was concluded and tests of the new pumps and deoxygenation tank began in November. In the fourth quarter, the flow of 1,200m³ per hour was increased gradually achieving a volume of 1,450m³ by year-end and it is expected to reach the target of 1,600m³ in the first quarter of 2010 in accordance with the requirements of the mine. The sampler system was also concluded during the period and started operations successfully. The seventh leaching pad was concluded in November and the construction of the eighth leaching pad began. In the fourth quarter of the year, activities carried out at this project included the haulage of filtering material, levelling of land and the receipt of liners. The eighth leaching pad will be concluded in the third quarter of 2010. All these projects will ensure stable production at Herradura.

Update on exploration

In the fourth quarter, exploration was carried out with 29 diamond drills and 1 reverse circulation rig to increase resources at the Saucito, San Julián, Orisyvo, Centauro Deep at Herradura and San Ramon and Casas in the Ciénega District. Infill drilling was conducted to convert inferred to indicated resources at Saucito, Juanicipio, San Julián and Nochebuena. Early stage drilling campaigns continue at San Nicolás del Oro, San Juan and Leones. The 2009 programme was successfully completed and expenditure totalled approximately US\$49 million. Updated resource figures are presently in audit and will be announced at the time of the Preliminary results.

At the Saucito development project, 12 holes (8,700 metres) were drilled along the Mezquite, Jarillas and Valdecañas East veins, 9 of which intersected interesting silver-gold mineralization. Bulk and channel sampling continue on levels 1976 and 1952 of the Saucito vein, and the ramp level of the Mezquite vein.

Twenty diamond drill holes (9,350 metres) were completed at the San Julián project. The JM silver-lead-zinc deposit was tested by 13 of these holes to complete the exploration on a 75 x 50 metre grid. Seven holes tested the extensions of the San Julián and Ruth veins, and contain interesting gold-silver values. Advance at the exploration ramp was 400 metres.

At the Juanicipio joint venture exploration project (56% Fresnillo plc, 44% Mag Silver) 7 holes (5,000 metres) were drilled to convert part of the inferred to indicated resources on the Valdecañas vein, and explore the Juanicipio vein. One hole was also drilled (560 metres) to explore a structure west of the Valdeñas vein.

Confirmation drilling was accelerated at the Nochebuena gold project located near the Herradura mine (both 56% Fresnillo plc, 44% Newmont). Sixty reverse circulation holes (13,660 metres) were drilled to delineate the limits of the gold mineralization, and identify areas for the construction of leach pads. Thirty four diamond drill holes (13,660 metres) were also completed for resource delineation, and the reserves will be determined in 1Q2010. Samples for additional metallurgical tests were collected with large diameter PQ diamond drill core, and bulk sampling of the Nochebuena shaft.

At the Orisyvo project, 6 holes (4,600 metres) were drilled using 2 portable diamond drill rigs. Gold mineralization was cut in all 6 holes and oxide mineralization was extended to the north and west.

Twelve holes (7,280 metres) were drilled in the Casas area located near the Ciénega mine, extending the silver-lead-zinc mineralization in 2 wide veins. Seven diamond drill holes (2,630 metres) were completed with 2 portable rigs on the San Ramon vein, also near the Ciénega mine. Five of these holes cut interesting silver-gold values and mineralization is continuous along 600 metres vein strike.

Mapping, sampling and permitting were carried out at the Lucerito and Sombrerete properties in Mexico and the Amata property in Peru that will be drill tested in 2010.

Update on development projects

Soledad and Dipolos

The construction of the Soledad and Dipolos mine was successfully concluded in December 2009 and the production tests were completed with positive results. The first doré bar was poured on 9 December 2009 and commercial production will start in January 2010 which is ahead of schedule and below budget.

Saucito

The construction of the Saucito project remained on track over the quarter and all the permits are in place. The engineering of the concentrator plant is advancing according to schedule and orders for the main equipment have been placed. In the fourth quarter, the construction of the access road was concluded and the construction of the ramps advanced by 780.0 metres, while the drifts and cross-cuts increased by 1,348.5 and 893.0 metres respectively. At the Saucito shaft, the assemblage of platforms and guidance wires continued and tests of the hoist were carried out.

In the fourth quarter, 151,193 silver ounces and 884 gold ounces were recovered from the development works at Saucito and processed at the Fresnillo mill. The total amount

of ounces recovered in 2009 from the Saucito project were 735,744 silver ounces and 2,880 gold ounces. Ore from the Saucito project will continue to be processed at the Fresnillo mill as it is accumulated and until Saucito's beneficiation plant is concluded, which is expected to be in the first half of 2011.

Canplats

At the end of the fourth quarter of 2009, Fresnillo's 56% joint venture Minera Penmont made two proposals to the board of Canplats Resources to purchase the outstanding common shares of the company.

On both occasions, the proposal by Penmont was matched by a proposal from Goldcorp Inc, which had entered an existing agreement with the board of Canplats. As a result, the Canplats board has recommended its shareholders vote in favour of the arrangement with Goldcorp.

Although Penmont judged the acquisition of Canplats, whose chief focus is the Camino Rojo asset adjacent to Fresnillo's existing exploration acreage, fitted its strategy of consolidating mining districts and increasing its resource base, Penmont considered that increasing its proposal further would not be in the best interests of its shareholders and, at the beginning of the current quarter, the company notified the board of Canplats accordingly.

Outlook

For 2010, silver production is expected to remain steady, while gold production will increase as a result of the start-up of Soledad and Dipolos in January 2010. Saucito will be the next project to begin production, expected in the first half of 2011. Our exploration budget has increased for 2010 in order to increase activities around our existing mines and at our prospects such as at San Julián and Orisyvo. This will help to drive our medium term growth and we remain committed to increasing the resource base and doubling production by 2018.

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

Participants' dial in number: +44 (0) 1452 561 371

Access Code: 5080 6515

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

Dial in number: +44 (0) 1452 55 00 00

Access Code: 5080 6515#

For further information, please visit our website: www.fresnilloplc.com or contact:

Fresnillo plc

London Office

Tel: +44 (0)20 7399 2470

Octavio Alvidrez, Head of Investor Relations

Mexico City Office

Gabriela Mayor

Tel: +52 55 52 79 3203

Brunswick

Carole Cable

David Litterick

Tel: +44 (0)20 7404 5959

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 three producing mines, all of them in Mexico - Fresnillo, Ciénega and Herradura; two development projects - Saucito, Soledad & Dipolos; 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 intends to maintain its position as the world's largest primary silver producer with the aim of approximately doubling production, on a silver equivalent ounce basis by 2018 and increasing its gold production.

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.