



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

14 October 2009

Production Report and Interim Management Statement for the three months ended 30 September 2009

Overview

- Quarterly attributable silver production increased by 9.3% over the same period last year to a new record level of 9.7 million ounces.
- On track to achieve full year 2009 production target of 40.1 moz attributable silver (including 3.1 moz from the Silverstream), a 7.2% increase over 2008, and 265.0 koz attributable gold.
- Construction of Soledad and Dipolos remains on track for start up in Q1 2010. Pre-Operational tests to be carried out in January 2010.
- Construction of the Saucito project is proceeding according to schedule.
- Cost per tonne milled/deposited at our three operating mines are in line with the levels stated in the Interim Report.
- Financial position remained steady over the quarter and cash balance at the end of the period to 30 September 2009 was US\$233.5m.

Jaime Lomelín, Chief Executive Officer, said:

“We are pleased with another solid operational performance over the September quarter. Production reached a new record level, the development of our two projects, Soledad and Dipolos and Saucito, remain on track, and our exploration programme around the mines and projects is on schedule. The Company will benefit from the stronger precious metal prices over the period, and we are confident that solid production, higher prices and our ongoing efforts to optimise productivity and reduce costs will ensure a good outcome for 2009 as a whole.”

Total Production

Fresnillo plc attributable production

	3Q 09	3Q 08	% change	2Q 09	YTD 09	YTD 08	% change
Silver prod'n (kOz)	9,750	8,921	9.3	9,587	28,555	26,359	8.3
Silverstream	898	703	27.7	662	2,446	1,749	39.8
Total Silver production	10,648	9,624	10.6	10,249	31,001	28,108	10.3
Gold prod'n (Oz)	63,610	60,859	4.5	68,166	196,504	200,201	-1.8
Lead prod'n (t)	4,166	4,273	-2.5	4,226	12,612	13,576	-7.1
Zinc prod'n (t)	4,682	4,990	-6.2	4,842	14,881	17,281	-13.9

The new record level of silver production for the quarter was achieved largely as a result of 160,758 additional silver ounces extracted from the development works at Saucito and processed at the Fresnillo mill. There were also increases as a result of increased ore volumes milled at Fresnillo and the higher ore grade at Ciénega.

Quarterly attributable silver production slightly increased over the second quarter 2009, whilst total attributable silver production for the nine months ended 30 September was up by 8.3% when compared to the same period of 2008 due to higher

ore volumes milled/deposited at the three operating mines and the ore from the development works at Saucito.

Third quarter gold production increased by 4.5% compared with the same period last year as a result of an increase in ore deposited and better total recoveries at Herradura and Fresnillo which more than compensated for the lower ore grade at Ciénega. However, quarterly gold production decreased by 6.7% when compared to the second quarter of 2009, due mainly to the lower recovery at Herradura during the past three months which was caused by a temporary short term operating problem at the Merrill Crowe plant. However the gold content remained in solution and will be recovered during the year.

Quarterly lead and zinc production, which are by-products of the Fresnillo and Ciénega mines, remained steady against the previous quarter and the corresponding quarter of 2008. However, lead and zinc production for the first nine months of the year decreased by 7.1% and 13.9% respectively when compared to the same period last year due to lower ore grades and recoveries at Ciénega.

Production of all metals remained in line with the Company's expectations.

Fresnillo mine production

	3Q 09	3Q 08	% change	2Q 09	YTD 09	YTD 08	% change
Silver prod'n from op mines (kOz)	9,176	8,662	5.9	9,044	26,720	25,531	4.7
Gold prod'n (Oz)	6,028	5,378	12.1	6,497	18,605	17,060	9.1
Lead prod'n (t)	2,834	1,962	44.4	2,648	7,864	6,571	19.7
Zinc prod'n (t)	2,895	2,196	31.8	2,760	8,768	8,522	2.9

Quarterly silver production at the Fresnillo mine increased by +5.9% and +1.5% compared to the third quarter of 2008 and the previous quarter respectively as a result of an increase in ore milled at the Fresnillo mine. In addition, during the third quarter of this year, 15,338 tonnes of ore from the development works at Saucito were also processed at the Fresnillo mill.

Fresnillo silver production for the first nine months of 2009 was up by +4.7% when compared to the same period last year.

Quarterly gold production at Fresnillo was stable compared with the previous quarter but increased significantly over the third quarter of 2008 as a result of the higher ore milled at Fresnillo. Quarterly lead and zinc production also increased as a result of higher ore grades and ore milled.

The above production from Fresnillo does not include production from the development works at Saucito which were processed at the Fresnillo mill. In the third quarter 2009, metal contents from Saucito achieved 160,758 silver ounces, 733 gold ounces, 22 tonnes of lead and 21 tonnes of zinc.

Ciénega mine production

	3Q 09	3Q 08	% change	2Q 09	YTD 09	YTD 08	% change
Silver prod'n (kOz)	393	223	76.0	432	1,143	730	56.5
Gold prod'n (Oz)	26,175	27,643	-5.3	24,475	73,800	91,824	-19.6
Lead prod'n (t)	1,310	2,312	-43.3	1,569	4,670	7,004	-33.3
Zinc prod'n (t)	1,766	2,794	-36.8	2,072	6,050	8,759	-30.9

Quarterly silver production increased significantly (+76.0%) when compared to the same period of 2008 as a result of the higher ore grade. Similarly, silver production for first nine months of 2009 increased by 56.5% when compared to the same period last

year due to higher ore grade and ore milled. Nevertheless, quarterly silver production decreased by 9.2% compared to the second quarter 2009 due to a relative decline in the ore grade in the most recent period.

Quarterly gold production decreased by -5.3% when compared to the third quarter 2008 due to lower ore grades. However, gold production increased by +6.9% when compared to the previous quarter due to more effective ore grade control which led to higher ore grades being achieved in July and August. Although gold production at this mine has stabilized during the past four quarters at around 24,700 ounces per quarter, we continue investing in projects aiming to increase the efficiency and productivity and which are further described in the sections below.

The third quarter lead and zinc production decreased due to lower ore grades than those obtained during the third quarter of 2008 and the previous quarter.

Herradura mine production

Fresnillo plc attributable production

	3Q 09	3Q 08	% change	2Q 09	YTD 09	YTD 08	% change
Silver prod'n (kOz)	21	36	-43.1	44	108	97	10.4
Gold prod'n (Oz)	30,675	27,839	10.2	36,916	102,103	91,317	11.8

Quarterly attributable gold production increased by 10.2% when compared to the third quarter 2008 due to an increase in ore deposited and better recovery. However, quarterly gold production decreased by -16.9% when compared to the previous quarter as a result of lower recovery due to temporary short term operating problem at the Merrill-Crowe plant. Notwithstanding, the problem has been solved and the lost gold production will be recovered during the following months as the solution continues circulating through the leaching circuit.

Year to date gold production increased by 11.8% due to the increase of ore deposited in the leaching pads from the Centauro pit.

Regarding quarterly silver production, decreases by 43.1% and 53.2% were obtained when compared to the third quarter 2008 and the previous quarter respectively because of the lower ore grades and a decline in the recovery rate. However, year to date silver production was up by +10.4% as a result of higher ore deposited.

Cost reduction initiatives and efficiency projects

In the third quarter of 2009, the construction of the sewage water treatment plant at Fresnillo was concluded allowing the initial tests of the equipment to begin. This facility will reduce the cost of water while bringing environmental benefits to the community by using the sewage water from the city of Fresnillo and preserving the fresh water aquifers.

The construction of the San Carlos shaft, which will reduce haulage costs at the Fresnillo mine, is on schedule and is expected to be concluded by the end of 2011. The construction of the concrete head frame began in the third quarter and will be completed by February 2010.

The optimisation of the leaching circuit at Ciénega remains on track. During the quarter, the assembly of the pumps, clarifying filter and tank was concluded and operating tests will be initiated during the fourth quarter of 2009. This project will increase gold and silver recoveries by 2.2% and 0.8% respectively. Additionally, construction of the Knelson gravimetric concentrator, which will boost gold recovery by 0.3%, was concluded and it started operations during the last week of September.

Lastly, the project to sink the shaft a further 300 metres to gain access to deeper ore reserves is progressing according to schedule.

At Herradura, the expansion of the beneficiation plant which will increase the flow from 1,200 m³ to 1,600 m³ per hour remains on track. In the third quarter, the clarifying filter was assembled and the robots for the new automated sampler system were installed and programmed. In September, the construction of the first stage of the seventh leaching pad was also finished, whilst the laying of the liner at the second stage continued. Both projects will be concluded by year end and will ensure stable production at Herradura. The construction of the eighth leaching pad is expected to begin during the fourth quarter.

Update on exploration

In the third quarter, exploration was conducted with 22 diamond drills and 1 reverse circulation rig to increase resources at 9 projects (Saucito, San Julian, Orisyvo, Juanicipio, Nochebuena, Centauro Deep, San Ramon, Casas and San Nicolas del Oro) and convert inferred to indicated resources at the Saucito, San Julián, Juanicipio and San Ramon properties. The board authorized an increase in the 2009 budget to US\$56.9 million dollars and the exploration program is on schedule. Updated resource figures will be calculated at the end of the financial year.

At the Saucito development project, 10,795 metres were drilled in 15 holes, extending silver mineralization along strike at the Mezquite, Jarillas, Santa Natalia and Valdecañas East veins. Bulk and channel sampling were carried out on the Saucito and Mezquite veins along the new development workings.

At the San Julián project, 11,857 metres were drilled in 24 holes. The JM silver-lead-zinc deposit was tested by 22 of these holes on a 75 by 50 metre grid confirming the continuity of mineralization in the central section. Additionally, 2 holes were completed with interesting gold-silver values on the San Julián vein, and drill pads were constructed at the Refugio, La Dura and Ramal de Oro veins for follow-up work. Advance at the exploration ramp totalled 40 metres.

At the Juanicipio joint venture exploration project (56% Fresnillo Plc, 44% MagSilver) 5,516 metres were drilled in 8 holes and silver-gold-lead mineralization was extended down dip on the west end of the Valdecañas vein. Drilling continues on the Juanicipio vein.

Confirmation drilling was initiated at the Nochebuena gold project located southeast of the Herradura mine. Thirty three reverse circulation holes (7,670 metres) were drilled to verify previous drilling and eight diamond drill holes totalling 1,300 metres core were also completed for metallurgical tests. 11,400 metres in core holes remain to be drilled in this program.

At the Orisyvo project, 4,152 metres were drilled in 6 holes using a portable diamond drill rig. Gold mineralization was extended to the north and west in the 2 oxide deposits in exploration. Metallurgical tests are in progress and the preliminary results are favourable.

7,975 metres were drilled in 12 holes on the Casas and Rosario veins located near the Ciénega mine, outlining silver-lead-zinc mineralization over 8 to 15 metres width. Infill drilling on the nearby San Ramon vein was re-initiated in the period and gold-silver values occur in the 2 holes completed (1,120 meters). This work is being carried out with 2 portable diamond drills in order to minimize construction of access roads.

Update on development projects

Soledad and Dipolos

The construction of the first leaching pad continued during the third quarter and ore began to be deposited in the first pad, whilst orders for the liners of the second leaching pad were placed. The construction of the administrative offices and warehouses progressed according to schedule and is expected to be concluded by year end. The assembly of the equipment at the Merrill-Crowe plant continued and electric and mechanic works were carried out. Pre-Operational tests will begin in January 2010 and commercial production is expected to start in the first quarter of 2010.

Saucito

During the period under review, the engineering of the Saucito project remains on track. Construction of the access road continued and the construction of the ramps advanced by 736.6 metres during the quarter, while the drifts and cross-cuts increased by 842.6 and 661.6 metres respectively. At the Saucito shaft, electric works were carried out and the guidance wires for the hoist were hung; while the construction of the Jarillas shaft continued.

In the third quarter, 160,758 silver ounces and 733 gold ounces were obtained from the development works at Saucito and processed at the Fresnillo mill. Saucito continues to accumulate ore from its development works.

Financial Position

During the period under review there has been no material change to the financial position of the company other than described in this announcement. Fresnillo has no bank debt and the cash balance at the end of the period to 30 September 2009 was US\$233.5m.

Third quarter and year to date costs in U.S. dollars decreased when compared to the same periods last year as a result of the higher average MXP/USD exchange rate. Costs at our three operating mines are in line with the levels reported in the half year report for 2009. Regarding the prices of some key mining inputs, no significant decreases have been observed during the past three months, and given the economic recovery, the Company does not expect to see further declines in such prices.

Outlook

Production of all our products to 30 September 2009 was as expected, with silver production across the Company hitting another record. The management expects full year 2009 production to reach 40.1 moz attributable silver (including 3.1 moz from the Silverstream), a 7.2% increase over 2008, and 265.0 koz attributable gold, and we are on track to achieve these targets.

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

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

Access Code: 34633953

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

Dial in number: + 44 (0) 1452 550 000

Access Code: 34633953#

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

Patrick Handley

Carole Cable

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, Orsivo, 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.