

28 July 2021

**SECOND QUARTER PRODUCTION REPORT
FOR THE THREE MONTHS ENDED 30 JUNE 2021**

Octavio Alvidrez, Chief Executive Officer, said:

“I am pleased to report a solid operational performance in the period, with quarterly silver production up on the first quarter, driven mainly by a sharp improvement in ore grades at San Julián. We continue to see a consistent contribution of development ore from our Juanicipio project, where construction of the processing plant remains on track for commissioning by the end of the year. The easing of Covid-19 related working restrictions also resulted in gold production increasing over the first half last year. We remain on track to meet our full year targets and our production guidance for 2021 is unchanged, though we remain vigilant around the continued evolution of the pandemic and its potential future effect on our operations, in particular the implementation of any future new work restrictions.

“Our priority remains the safety and welfare of our people and our local communities. Our various community health programmes are on-going, as are the safety measures we put in place last year. We are completing the roll-out of the ‘I Care, We Care’ programme across all our operations, which has provided an excellent focal point for us all in the Group to ensure that safety remains our key focus.”

TOTAL PRODUCTION

HIGHLIGHTS

Silver

- Quarterly attributable silver production of 14.9 moz (including Silverstream), up 17.9% vs. 1Q21 driven by the higher than expected ore grade at San Julián Disseminated Ore Body (DOB) as a result of the positive variation with the geological model. To a lesser extent, the increased tonnage milled at San Julián DOB and a higher ore grade at Saucito also contributed to the increase in quarterly attributable silver production.
- Quarterly attributable silver production (including Silverstream) increased 9.6% vs. 2Q20 due to a higher ore grade at San Julián DOB, partly offset by a lower ore grade and a volume of ore processed at Saucito.
- First half attributable silver production of 27.5 moz (including Silverstream), up 2.7% vs. 1H20 due to a higher ore grade at San Julián DOB and, to a lesser extent, the contribution of development ore from Juanicipio, partially offset by a lower ore grade and volume of ore processed at Saucito.

Gold

- Quarterly attributable gold production of 200.2 koz down 12.3% vs. 1Q21, primarily due to a lower ore grade and volume of ore processed at the Dynamic Leaching Plant at Herradura, mitigated by the higher volume of ore processed and higher ore grade at Noche Buena.
- Quarterly attributable gold production increased 8.6% vs. 2Q20 due to a higher volume of ore processed at Herradura following Covid-19 related working restrictions last year which resulted in lower volumes of ore deposited at our open pits during 2Q20 and to a lesser extent, a higher ore grade at Saucito and increased volume of ore processed at Noche Buena. This was partially offset by a lower ore grade at Ciénega.

- First half attributable gold production of 428.4 koz, up 12.3% vs. 1H20 primarily due to the higher volume of ore processed at Herradura and, to a lesser extent, a higher ore grade at Saucito. This was partially offset by a lower ore grade at Ciénega and a lower ore grade and recovery rate at Noche Buena.

By-Products

- Quarterly attributable by-product lead production increased 6.8% vs. 1Q21, driven primarily by a higher ore grade and volume of ore processed at San Julián DOB.
- Quarterly attributable by-product zinc production increased 7.0% vs. 1Q21 due to a higher ore grade at Fresnillo and a higher volume of ore processed at San Julián DOB.
- Quarterly attributable by-product lead and zinc production increased 1.3% and 3.6% vs. 2Q20 respectively primarily due to higher ore grades at both Saucito and San Julián DOB, partially offset by lower ore grades at Fresnillo.
- First half attributable by-product lead and zinc production increased 5.5% and 8.5% vs. 1H20 respectively primarily due to higher ore grades at both Saucito and San Julián DOB, partly offset by lower ore grades at both Fresnillo and Ciénega.

	2Q21	1Q21	% Change	2Q20	% Change	1H21	1H20	% Change
Silver (koz)	14,092	11,839	19.0	12,944	8.9	25,931	25,491	1.7
Silverstream (koz)	803	796	1.0	648	23.9	1,599	1,328	20.4
Total Silver (koz)	14,895	12,635	17.9	13,592	9.6	27,530	26,819	2.7
Gold (oz)	200,163	228,193	(12.3)	184,356	8.6	428,356	381,319	12.3
Lead (t)	16,386	15,340	6.8	16,180	1.3	31,726	30,085	5.5
Zinc (t)	27,687	25,881	7.0	26,726	3.6	53,568	49,381	8.5

DEVELOPMENT PROJECTS

- Continued progress was achieved on the construction of the Juanicipio flotation plant, with the assembly of flotation cells and filters concluded during the quarter. Commissioning of the plant by 4Q21 remains on track.
- As previously reported, the connection of the new circuit to the Fresnillo flotation plant was completed in 1Q21, and the programming of the control loop system was concluded in 2Q21.

2021 OUTLOOK

We remain on track to meet our 2021 full year guidance of 53.5 to 59.5 moz of silver (including Silverstream) and 675 to 725 koz of gold. We are assessing any potential impact that might result from the implementation of the new law restricting the ability to subcontract labour in Mexico. However, these new measures are not expected to impact second half production.

INTERIM RESULTS

Fresnillo will announce its 2021 Interim Results on 3rd of August 2021.

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MINING OPERATIONS

FRESNILLO MINE PRODUCTION

	2Q21	1Q21	% Change	2Q20	% Change	1H21	1H20	% Change
Ore Processed (t)	579,863	561,360	3.3	596,115	(2.7)	1,141,223	1,194,905	(4.5)
Production								
Silver (koz)	3,348	3,260	2.7	3,611	(7.3)	6,608	6,756	(2.2)
Gold (oz)	8,736	8,375	4.3	10,828	(19.3)	17,112	19,609	(12.7)
Lead (t)	4,875	4,492	8.5	6,860	(28.9)	9,367	11,477	(18.4)
Zinc (t)	8,404	7,143	17.7	10,978	(23.5)	15,546	17,737	(12.3)
Ore Grades								
Silver (g/t)	201	203	(1.1)	209	(4.1)	202	196	2.7
Gold (g/t)	0.69	0.69	0.8	0.79	(12.2)	0.69	0.72	(4.2)
Lead (%)	0.99	0.95	4.4	1.33	(25.4)	0.97	1.14	(14.7)
Zinc (%)	2.07	1.82	13.4	2.55	(18.7)	1.95	2.12	(7.9)

Quarterly silver production was up 2.7% vs. 1Q21 due to a higher volume of ore processed resulting from a decrease in Covid-19 related absenteeism.

Quarterly silver production decreased 7.3% vs. 2Q20 driven by a lower ore grade, in line with expectations, and to a lesser extent, lower volume of ore processed as a result of a temporary ventilation system failure and an increased presence of water in the San Alberto area in June, which adversely impacted development and mining activities.

First half silver production decreased 2.2% vs. 1H20 due to a lower volume of ore processed resulting from the issues mentioned above and the additional rehabilitation and maintenance of certain ramps as reported in 1Q21. This was mitigated by a higher ore grade partly as a result of the enhanced dilution control during the year.

Mine development rates decreased slightly quarter on quarter to an average of 3,224m per month in 2Q21 (1Q21: 3,346m per month), driven by the reasons mentioned above and the performance of the tunnel boring machine. The target remains to develop on average between 3,300 – 3,500m per month in 2021.

Quarterly by-product gold production increased 4.3% vs. 1Q21 driven by a higher volume of ore processed.

Quarterly and first half by-product gold production decreased 19.3% and 12.7% vs. 2Q20 and 1H20 respectively due to lower ore grades and a decrease in volumes of ore processed.

The silver ore grade in 2021 is expected to remain in the range of 190-210 g/t, while the gold ore grade is expected to remain in the range of 0.55-0.70 g/t.

SAUCITO MINE PRODUCTION

	2Q21	1Q21	% Change	2Q20	% Change	1H21	1H20	% Change
Ore Processed (t)	660,039	650,884	1.4	715,338	(7.7)	1,310,923	1,385,385	(5.4)
Production								
Silver (koz)	3,454	3,148	9.7	4,098	(15.7)	6,602	8,141	(18.9)
Gold (oz)	24,760	26,819	(7.7)	20,398	21.4	51,578	41,574	24.1
Lead (t)	7,650	7,841	(2.4)	6,255	22.3	15,490	11,972	29.4
Zinc (t)	11,722	11,848	(1.1)	8,842	32.6	23,570	17,744	32.8
Ore Grades								
Silver (g/t)	190	177	7.1	207	(8.3)	184	210	(12.8)
Gold (g/t)	1.51	1.65	(8.5)	1.15	31.3	1.58	1.21	31.0
Lead (%)	1.35	1.40	(3.7)	1.04	29.8	1.38	1.02	35.4
Zinc (%)	2.43	2.48	(2.0)	1.82	33.4	2.45	1.84	33.3

Quarterly silver production increased 9.7% vs. 1Q21 due to a higher ore grade following the short term instability issues reported in 1Q21 limiting access to higher ore grade areas.

As seen in previous quarters, quarterly and first half silver production decreased 15.7% and 18.9% vs. 2Q20 and 1H20 respectively as a result of the gradual decrease of ore grade at the Jarillas vein. The lower volume of ore processed was primarily driven by the presence of high temperature water in an underground production area, which temporarily limited access to that zone and a section of the ramps, also resulting in the need for additional ventilation.

Quarterly by-product gold production decreased 7.7% vs. 1Q21 driven by a lower ore grade.

Quarterly and first half by-product gold production increased 21.4% and 24.1% vs. 2Q20 and 1H20 respectively, driven by higher ore grades, partially offset by lower volumes of ore processed.

Given the lower silver grade in 1H21, full year 2021 silver ore grade is expected to be at the lower end of the original estimate of 200-220 g/t, while the gold ore grade is estimated to be around 1.3-1.5 g/t.

PYRITES PLANT (PHASE I)

	2Q21	1Q21	% Change	2Q20	% Change	1H21	1H20	% Change
Pyrite Concentrates Processed (t)	48,523	41,760	16.0	39,049	24.4	90,283	80,502	12.2
Production								
Silver (koz)	167	137	22.3	249	(32.9)	304	505	(39.8)
Gold (oz)	721	678	6.4	924	(22.0)	1,399	1,795	(22.1)
Ore Grades								
Silver (g/t)	147	143	3.3	261	(43.6)	145	252	(42.5)
Gold (g/t)	1.56	1.64	(4.5)	2.10	(25.6)	1.60	2.11	(24.2)

Quarterly silver production increased 22.3% vs. 1Q21 due to an increased volume and higher ore grade of pyrite concentrates processed from the Saucito mine.

Quarterly gold production increased 6.4% vs. 1Q21 due to a higher volume of pyrite concentrates processed, partially offset by a lower ore grade and recovery rate.

Quarterly and first half silver and gold production decreased vs. 2Q20 and 1H20 due to lower ore grades from Saucito's flotation plant and lower recovery rates, mitigated by a higher volume of pyrite concentrates processed.

In 2021, we continue to expect production from this plant at Saucito to remain unchanged year-on-year.

As noted in previous reports, the Pyrites Plant (phase II) was completed on time in 4Q20 but due to Covid-19 related delays, the plant start-up was pushed back as a result of certain technical permitting issues. We continue to anticipate that the plant will start operating in 3Q21.

CIENEGA MINE PRODUCTION

	2Q21	1Q21	% Change	2Q20	% Change	1H21	1H20	% Change
Ore Processed (t)	333,959	326,163	2.4	331,543	0.8	660,123	657,893	0.3
Production								
Gold (oz)	12,406	14,289	(13.2)	15,948	(22.2)	26,696	32,374	(17.5)
Silver (koz)	1,425	1,299	9.7	1,573	(9.4)	2,723	2,969	(8.3)
Lead (t)	964	1,227	(21.4)	1,489	(35.3)	2,191	3,237	(32.3)
Zinc (t)	1,669	1,973	(15.4)	2,324	(28.2)	3,642	4,909	(25.8)
Ore Grades								
Gold (g/t)	1.24	1.45	(14.6)	1.61	(22.8)	1.34	1.65	(18.4)
Silver (g/t)	154	145	6.0	172	(10.3)	150	163	(8.2)
Lead (%)	0.49	0.59	(18.1)	0.69	(29.1)	0.54	0.75	(27.7)
Zinc (%)	0.91	1.07	(14.3)	1.19	(23.2)	0.99	1.24	(20.1)

Quarterly gold production decreased 13.2% vs. 1Q21 due to a lower ore grade as higher volumes of ore were extracted from the Western area of the Ciénega mine, which has a higher silver content.

Quarterly silver production increased 9.7% vs. 1Q21 due to a higher ore grade as mentioned above and, to a lesser extent, an increase in the volume of ore processed resulting from efficiency gains in the maintenance programme.

Quarterly and first half gold and silver production decreased vs. 2Q20 and 1H20, due to the lower ore grades year on-year, in line with the mine sequence.

The gold and silver ore grades for 2021 are expected to remain in the range of 1.30-1.40 g/t and 150-160 g/t respectively.

SAN JULIÁN MINE PRODUCTION

	2Q21	1Q21	% Change	2Q20	% Change	1H21	1H20	% Change
Ore Processed Veins (t)	302,475	288,673	4.8	312,796	(3.3)	591,148	621,973	(5.0)
Ore Processed DOB (t)	555,055	448,674	23.7	559,564	(0.8)	1,003,728	1,101,489	(8.9)
Total production at San Julián								
Gold (oz)	15,546	13,802	12.6	16,361	(5.0)	29,346	31,535	(6.9)
Silver (koz)	5,219	3,430	52.2	3,104	68.1	8,649	6,277	37.8
Production Veins								
Gold (oz)	14,320	12,828	11.6	15,658	(8.5)	27,147	30,242	(10.2)

Silver (koz)	1,027	966	6.3	1,047	(2.0)	1,992	2,121	(6.1)
Production DOB								
Gold (oz)	1,226	974	25.9	703	74.2	2,199	1,293	70.1
Silver (koz)	4,192	2,465	70.1	2,057	103.8	6,657	4,156	60.2
Lead (t)	2,813	1,694	66.1	1,576	78.4	4,507	3,400	32.6
Zinc (t)	5,751	4,783	20.2	4,581	25.5	10,533	8,991	17.1
Ore Grades Veins								
Gold (g/t)	1.56	1.47	5.8	1.63	(4.2)	1.52	1.58	(4.1)
Silver (g/t)	115	115	0.4	113	1.9	115	115	(0.3)
Ore Grades DOB								
Gold (g/t)	0.12	0.12	(0.4)	0.08	41.5	0.12	0.08	45.0
Silver (g/t)	275	197	39.3	133.96	105.2	240	136.93	75.5
Lead (%)	0.61	0.47	29.5	0.37	63.4	0.55	0.39	38.4
Zinc (%)	1.38	1.38	(0.1)	1.08	27.9	1.38	1.10	24.9

SAN JULIÁN VEINS

Quarterly silver production increased 6.3% vs. 1Q21 due to a higher volume of ore processed as a result of efficiency gains in the maintenance programme in 2Q21, though ore throughput in 1Q21 was adversely impacted by the reported electricity outage by the Mexican state-owned electricity utility Comisión Federal de Electricidad (CFE) in February.

Gold production increased 11.6% vs. 1Q21 due to a higher volume of ore processed for reasons explained above and a higher ore grade.

Quarterly and first half gold production decreased 8.5% and 10.2% vs. 2Q20 and 1H20 respectively due to a lower volume of ore processed and lower ore grade due to the depletion of higher ore grade areas.

Quarterly silver production decreased 2.0% vs. 2Q20 due to a lower volume of ore processed, mitigated by a higher ore grade.

First half silver production decreased 6.1% vs. 1H20 due to a lower volume of ore processed for reasons explained above.

We continue to expect the 2021 silver and gold ore grades to average 110-120 g/t and 1.30-1.50 g/t, respectively.

SAN JULIÁN DISSEMINATED ORE BODY (DOB)

Quarterly silver production increased 70.1% vs. 1Q21, due to a higher than expected ore grade as a result of: i) the positive variation with the geological model in the Central area of the ore body; and ii) access to higher ore grade areas following the mine resequencing in 2019, as mentioned in previous quarters.

An increase in the volume of ore processed driven by efficiency gains in the maintenance programme further benefited 2Q21 silver production, though volumes were temporarily impacted in 1Q21 by the damage to the lead circuit housing at the end of 2020 and the electricity outage by the CFE in February, as previously reported.

Quarterly silver production increased 103.8% vs. 2Q20 due to a higher than expected ore grade, as explained above.

First half silver production increased 60.2% vs. 1H20 due to a higher than expected ore grade as described above, partially offset by a lower volume of ore processed, again, for reasons explained above.

We are in the process of reviewing the reconciliation of the actual silver grade with the geological model, in particular in high grade areas. However, if this trend continues, the silver ore grade for 2021 is expected to be between 200-230 g/t.

HERRADURA TOTAL MINE PRODUCTION

	2Q21	1Q21	% Change	2Q20	% Change	1H21	1H20	% Change
Ore Processed (t)	5,482,544	6,011,862	(8.8)	3,283,104	67.0	11,494,407	8,130,282	41.4
Total Volume Hauled (t)	33,153,978	33,501,176	(1.0)	18,942,659	75.0	66,655,154	52,783,600	26.3
Production								
Gold (oz)	108,990	149,175	(26.9)	95,253	14.4	258,165	205,746	25.5
Silver (koz)	227	303	(25.0)	300	(24.2)	530	824	(35.7)
Ore Grades								
Gold (g/t)	0.68	0.92	(26.2)	0.90	(24.6)	0.81	0.82	(1.3)
Silver (g/t)	1.74	2.30	(24.2)	3.28	(46.9)	2.03	3.82	(46.8)

Quarterly gold production decreased 26.9% vs. 1Q21 due to a lower ore grade processed at the Dynamic Leaching Plant (DLP), in line with our expectations, and a decrease in the volume of ore processed as a result of the temporary stoppage of the DLP in April in order to change screens and grids. This was mitigated by improved recovery rates.

Quarterly gold production increased 14.4% vs. 2Q20 due to a higher volume of ore deposited in 2Q21 as Covid-19 operational restrictions resulted in lower volumes of ore deposited during 2Q20. This was partially offset by a lower ore grade when compared to 2Q20, when we had access to a higher ore grade area, and a slower recovery rate.

First half gold production increased 25.5% vs. 1H20 due to a higher volume of ore processed, partially offset by the lower recovery rate resulting from a slower speed of recovery on the leaching pads.

The gold ore grade in 2021 is expected to remain in the range of 0.70-0.75 g/t, despite the ore grade in 1H21 being above this guidance.

NOCHE BUENA TOTAL MINE PRODUCTION

	2Q21	1Q21	% Change	2Q20	% Change	1H21	1H20	% Change
Ore Processed (t)	2,530,510	1,173,414	115.7	1,366,909	85.1	3,703,923	3,330,054	11.2
Total Volume Hauled (t)	6,585,098	6,663,112	(1.2)	5,612,622	17.3	13,248,211	15,717,399	(15.7)
Production								
Gold (oz)	28,564	14,665	94.8	24,643	15.9	43,228	48,686	(11.2)
Silver (koz)	8	5	67.4	9	(17.2)	12	19	(34.6)
Ore Grades								
Gold (g/t)	0.53	0.48	10.6	0.54	(0.7)	0.52	0.54	(3.9)
Silver (g/t)	0.17	0.21	(17.6)	0.54	(67.8)	0.19	0.38	(51.3)

Quarterly gold production increased 94.8% vs. 1Q21 due to an increase in the volume of ore deposited and higher ore grade as access to deeper areas of the pit is being regained following the minor landslip in 2H20. This was partially offset by a lower recovery rate.

Quarterly gold production increased 15.9% vs. 2Q20 due to a higher volume of ore deposited following the Covid-19 related operational restrictions last year which resulted in lower volumes of ore deposited during 2Q20, partially offset by a lower recovery rate in 1H21 vs. the one achieved in 1H20 when increased irrigation on the pads resulted in a higher speed of recovery.

First half gold production decreased 11.2% vs. 1H20 due to a lower recovery rate and to a lesser extent, lower ore grade as a result of the expected depletion of the mine as it approaches closure. This was mitigated by a higher volume of ore processed.

The expected gold ore grade in 2021 is predicted to remain in the range of 0.40-0.50 g/t.

JUANICIOPIO

Development ore from Juanicipio continued to be processed through the Fresnillo mine beneficiation plant during the quarter. On an attributable basis, 243.6 koz of silver and 440.7 oz of gold were produced in 2Q21.

Continued progress was achieved on the construction of the Juanicipio processing plant with the assembly of flotation cells and filters being completed during the quarter. Commissioning of the plant by 4Q21 remains on track.

We expect to process an average of 16,000 tonnes per month through to 4Q21 on a consolidated basis, at which time we expect to start commissioning the Juanicipio beneficiation plant.

SILVERSTREAM

Quarterly Silverstream production remained at similar levels to the previous quarter (+1.0%) mainly due to a higher volume of ore processed. Quarterly Silverstream production increased 23.9% vs. 2Q20 due to a higher ore grade and higher volume of ore processed.

First half Silverstream production increased 20.4% vs. 1H20 due to an increased ore grade and higher volume of ore processed.

Expected silver production in 2021 remains in the range of 2.5-3.5 moz.

SAFETY PERFORMANCE

A healthy and safe working environment builds trust with our people and we continue to be absolutely committed to a strong safety culture in our mines, targeting zero fatalities through the reinforcement of our safety training for all employees and contractors. The 'I Care, We Care' programme continues to be rolled out across the business and is a central aspect of all new development projects and operations. We continue to target a steady improvement in all health and safety metrics.

ABOUT FRESNILLO PLC

Fresnillo plc is the world's largest primary silver producer and Mexico's largest gold producer, listed on the London and Mexican Stock Exchanges under the symbol FRES.

Fresnillo plc has seven operating mines, all of them in Mexico - Fresnillo, Saucito, Ciénega (including Las Casas Rosario & Cluster Cebollitas), Herradura, Soledad-Dipolos¹, Noche Buena and San Julián (Veins and Disseminated Ore Body), three development projects - the Pyrites Plant at Fresnillo, the optimisation of the beneficiation plant also at Fresnillo, and Juanicipio, and three advanced exploration projects – Orisyvo, Rodeo and Guanajuato, as well as a number of other long term exploration prospects.

Fresnillo plc has mining concessions and exploration projects in Mexico, Peru and Chile.

Fresnillo plc has a strong and long tradition of exploring, mining, a proven track record of mine development, reserve replacement, and production costs in the lowest quartile of the cost curve for silver.

Fresnillo plc's goal is to maintain the Group's position as the world's largest primary silver company and Mexico's largest gold producer.

¹ Operations at Soledad-Dipolos are currently suspended.

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 exchange 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.

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