

26 January 2022

## **FOURTH QUARTER PRODUCTION REPORT**

### **FOR THE THREE MONTHS ENDED 31 DECEMBER 2021**

#### **Octavio Alvidrez, Chief Executive Officer, said:**

*"Given the challenges presented by both the continued effect of the pandemic and more recent Government labour reform initiatives, as well as certain operational issues, we have delivered a creditable performance during the year, with silver production marginally short of guidance, but gold production exceeding expectations. This performance highlights the strength of our diversified portfolio and the capability of our people. During the year we have also made further progress on our development pipeline, with construction of the Juanicipio plant delivered on time and on budget though we await approval to complete the tie-in to the national power grid which we now expect at the end of the second quarter.*

*Looking ahead, our priorities for this year are clear – we must continue to navigate the challenges presented by both Covid-19, which regrettably is again accelerating in Mexico which will impact labour availability in particular, as well as continue to adapt to the new labour reform. The safety of our people is our priority, as is ensuring we continue to roll-out our performance improvement measures across our portfolio."*

## **HIGHLIGHTS**

### **Silver**

- Full year attributable silver production of 53.1 moz (including Silverstream), marginally below guidance, flat vs. FY20 with the higher ore grade at San Julián Disseminated Ore Body (DOB) and, to a lesser extent, the contribution of development ore from Juanicipio, offset by a lower ore grade and volume of ore processed at Saucito and Fresnillo.
- Quarterly attributable silver production of 12.9 moz (including Silverstream), up 2.1% vs. 3Q21 mainly driven by a higher contribution of development ore from Juanicipio, partly offset by the anticipated lower ore grade at San Julián (DOB).
- Quarterly attributable silver production (including Silverstream) remained flat vs. 4Q20 due to a higher contribution of development ore from Juanicipio offset by decreased volumes of ore processed and lower ore grades at both Fresnillo and Saucito.

## **Gold**

- Full year attributable gold production of 751.2 koz, ahead of guidance, down 2.4% vs. FY20, due to a lower ore grade at Ciénega, and a lower ore grade and volume of ore processed at San Julián Veins, partly mitigated by a higher volume of ore processed and ore grade at Noche Buena.
- Quarterly attributable gold production of 150.3 koz, down 12.9% and 30.3% vs. 3Q21 and 4Q20 respectively, mainly due to the expected lower ore grade, decreased volume of ore processed and lower recovery rate at Herradura primarily driven by the increased silt restricting the filter capacity at the plant, as reported in the prior quarter.

## **LABOUR REFORM IN MEXICO**

As reported in 3Q21, the labour reform in Mexico restricting the ability to subcontract labour came into effect from 1st September 2021 resulting in the requirement to internalise a high proportion of our contractor workforce. Subsequent contractor uptake has varied, with underground mines, in particular in the Fresnillo District and at Ciénega, more affected due to a higher number of contractors on site resulting in an increased number of staff vacancies and a higher workforce turnover. This in turn has affected equipment availability (equipment previously provided by contractors and maintenance work previously carried out by contractors) and utilisation rates (turnover and vacancies). The actions we announced to address this short term challenge will continue, including recruitment campaigns, training and investment in new equipment. These campaigns are proving effective and we expect to have completed the staffing process in the Fresnillo District and Ciénega in the third quarter, while our open pit mines, which have seen a lesser impact, should be fully staffed during 1Q22.

## **COVID-19 UPDATE**

Regrettably, a fourth wave of Covid-19 has now reached Mexico, with the highly contagious omicron variant resulting in a considerable increase in Covid cases throughout the country. We began to see the impact of this increase in terms of staff absenteeism due mainly to self isolation from the 2<sup>nd</sup> week of December and this has accelerated throughout January. The safety and well-being of our people is our priority and our Covid protocols remain in place, but we are relieved to see the omicron variant in Mexico presents a lesser health risk. Nonetheless, we are seeing greater levels of absenteeism which in turn is having an impact across our business – we expect that to continue in the first quarter of 2022.

## **By-Products**

- Full year attributable by-product lead production decreased 10.5% vs. FY20 due to a decrease in volume of ore processed and lower ore grade at Saucito and Fresnillo and a lower ore grade at Ciénega. This was mitigated by a higher ore grade at San Julián DOB.
- Full year attributable by-product zinc production decreased 6.9% vs. FY20 primarily due to a lower volume of ore processed and ore grade at Saucito and to a lesser extent, lower ore grade and recovery rate at Ciénega.

- Quarterly attributable by-product lead production decreased 9.0% vs. 3Q21 due to a lower ore grade at Saucito and a lower ore grade and volume of ore processed at Fresnillo.
- Quarterly attributable by-product zinc production remained flat vs. 3Q21 due to lower ore grades at San Julián DOB and Saucito, offset by a higher ore grade at Fresnillo.
- Quarterly attributable by-product lead and zinc production decreased 34.3% and 26.4% vs. 4Q20 respectively, driven primarily by lower ore grades and decreased volumes of ore processed at Saucito.

Attributable	4Q21	3Q21	% Change	4Q20	% Change	FY 21	FY 20	% Change
Silver (koz)	12,230	11,800	3.7	12,207	0.2	49,961	50,270	(0.6)
Silverstream (koz)	684	851	(19.7)	743	(7.9)	3,134	2,780	12.7
Total Silver (koz)	12,914	12,651	2.1	12,950	(0.3)	53,095	53,050	0.1
Gold (oz)	150,313	172,534	(12.9)	215,581	(30.3)	751,203	769,618	(2.4)
Lead (t)	11,837	13,010	(9.0)	18,013	(34.3)	56,573	63,242	(10.5)
Zinc (t)	22,899	22,930	(0.1)	31,092	(26.4)	99,397	106,793	(6.9)

## DEVELOPMENT PROJECTS

The construction of the Juanicipio plant was delivered on schedule during the quarter. However, as previously disclosed, we are focusing on complying with the new requirements from the state owned electricity company and the energy regulator to complete the tie-in to the national power grid. As a result, the mill commissioning timeline was extended by approximately six months. As previously reported, stoping and mineralised mine development will continue. To mitigate potential adverse effects, Fresnillo will make available any unused plant capacity at its Fresnillo and Saucito operations to process material produced at Juanicipio.

## SAFETY PERFORMANCE

There were zero fatal accidents during the quarter though as previously reported, we were deeply saddened by a fatal accident that occurred earlier in the year. Safety is at the heart of our operations and we continue to fully engage with the safety measures and adherence to policies needed to guarantee a safe environment for all our people. The reinforcement and monitoring of safety measures in all our operations at the mines and throughout the company is a continuous commitment and the 'I Care, We Care' programme remains hugely important across the business.

## 2022 OUTLOOK

Our 2022 guidance issued today is given in the context of the ongoing and new operational challenges worsened by the pandemic (and the resulting impact on workforce availability) and the implementation of the new labour laws which limit use of contractors. As we reported in our 3Q21 update, we had anticipated a certain level of impact on production as a result of these factors in both 4Q21 and 1Q22, though we are now likely to see a greater impact in the earlier part of the year than previously expected.

- Attributable silver production expected to be in the range of 50.5 to 56.5 moz (including Silverstream) in line with 2021 and below our previous estimate due to a lower volume of ore processed at Saucito driven by a shortage of personnel in conjunction with absenteeism due to Covid-19, and a lower ore grade as a result of the instability caused by increased seismicity in the Jarillas vein limiting access to higher ore

grade areas and thereby requiring additional development to recapture operational flexibility. Further, given the extension to the timeline for the tie-in to the national grid of both the Juanicipio plant and the Pyrites Plant at Fresnillo, we expect lower contributions from both operations.

- Attributable gold production expected to be in the range of 600 to 650 koz, driven mainly by the Noche Buena mine coming to the end of its mine life.

## **FULL YEAR FINANCIAL RESULTS**

Fresnillo will announce its full year 2021 results on 8th March 2022.

There will be a conference call for analysts and investors on Wednesday 26th January at 8:00am (London time). The dial in details are as follows:

UK-Wide: +44 (0) 33 0551 0200

UK Toll Free: 0808 109 0700

Participant password: Fresnillo

A replay of the call will also be available for seven days after the event and details to access it will be published on our website after the conference call.

For further information, please visit our website [www.fresnilloplc.com](http://www.fresnilloplc.com) or contact:

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## MINING OPERATIONS

### FRESNILLO MINE PRODUCTION

	4Q21	3Q21	% Change	4Q20	% Change	FY 21	FY 20	% Change
<b>Ore Processed (t)</b>	528,103	547,140	(3.5)	590,449	(10.6)	2,216,467	2,336,943	(5.2)
<b>Production</b>								
Silver (koz)	2,655	2,722	(2.5)	3,213	(17.4)	11,986	13,055	(8.2)
Gold (oz)	8,648	7,983	8.3	9,485	(8.8)	33,743	38,388	(12.1)
Lead (t)	4,525	4,904	(7.7)	5,254	(13.9)	18,796	21,319	(11.8)
Zinc (t)	10,025	8,958	11.9	9,051	10.8	34,530	34,116	1.2
<b>Ore Grades</b>								
Silver (g/t)	170	170	0.0	190	(10.5)	186	194	(4.0)
Gold (g/t)	0.71	0.62	13.9	0.71	0.0	0.68	0.73	(6.9)
Lead (%)	1.03	1.07	(4.1)	1.08	(4.7)	1.01	1.08	(6.5)
Zinc (%)	2.65	2.27	16.4	2.19	20.8	2.20	2.07	6.1

Quarterly silver production was down 2.5% and 17.4% vs. 3Q21 and 4Q20 driven by the ongoing staff vacancies related to the new labour reform, higher Covid-19 absenteeism and a higher workforce rotation. This in turn has affected equipment availability and utilisation rates as fewer specialised mechanics or trained machine operators are available. In addition, following the power cut last quarter, as previously reported, which temporarily limited the water pumping capacity and affected some mining areas and haulage, we continued to see some residual impact in the quarter. However, a new pumping station is expected to be finalised in the coming weeks, and no further impact is expected from 2Q22 onwards.

Full year silver production was down 8.2% due to a lower volume of ore processed and lower ore grade as a result of the issues mentioned above, along with a number of other factors through the year including additional rehabilitation and maintenance of certain ramps and delayed access to Eastern areas of the mine in 1Q21, a temporary ventilation system failure and an increased presence of water in the San Alberto area during 2Q21.

Mine development rates marginally increased quarter-on-quarter to an average of 2,832 per month in 4Q21 (3Q21: 2,798m per month), primarily driven by the issues noted above in addition to the tunnel boring machine (TBM) advancing through an area of poor rock quality. We expect to regain a rate of 2,900 to 3,100 m per month on average during 1H22.

Quarterly by-product gold production increased 8.3% vs. 3Q21 driven by a higher ore grade, partially offset by a lower volume of ore processed.

Quarterly by-product gold production decreased 8.8% vs. 4Q20 due to a lower volume of ore processed.

Full year by-product gold production decreased 12.1% vs. FY20 due to a lower ore grade and volume of ore processed.

The silver ore grade in 2022 is estimated be in the range of 190-210 g/t, while the gold ore grade is estimated to remain in the range of 0.50-0.70 g/t.

## SAUCITO MINE PRODUCTION

	4Q21	3Q21	% Change	4Q20	% Change	FY 21	FY 20	% Change
<b>Ore Processed (t)</b>	558,101	565,425	(1.3)	671,429	(16.9)	2,434,449	2,767,432	(12.0)
<b>Production</b>								
Silver (koz)	2,990	2,846	5.1	3,428	(12.8)	12,439	15,532	(19.9)
Gold (oz)	17,719	19,143	(7.4)	23,199	(23.6)	88,440	84,878	4.2
Lead (t)	4,272	4,853	(12.0)	9,354	(54.3)	24,615	28,592	(13.9)
Zinc (t)	6,672	7,226	(7.7)	14,038	(52.5)	37,469	42,774	(12.4)
<b>Ore Grades</b>								
Silver (g/t)	186	178	4.5	195	(4.3)	183	206	(11.1)
Gold (g/t)	1.26	1.36	(7.6)	1.40	(9.8)	1.46	1.24	17.8
Lead (%)	0.90	1.01	(11.1)	1.65	(45.5)	1.18	1.22	(3.0)
Zinc (%)	1.60	1.69	(5.4)	2.95	(45.6)	2.08	2.21	(5.9)

Quarterly silver production increased 5.1% vs. 3Q21 due to a higher ore grade as a result of preparing and accessing new stopes with better ore grades. We continue with the installation of geomechanical monitoring equipment to enable an efficient and optimal mine sequence, while prioritising the safety of our teams. As a result, we expect some variability in the ore grade and reduced volumes of ore to be processed during 2022. In conjunction with this, Covid-19 further impacted operations due to higher absenteeism during the quarter as our people were required to self isolate.

Quarterly silver production decreased 12.8% vs. 4Q20 due to a lower volume of ore processed as a result of the ongoing impact of the labour reform that came into effect in 3Q21, limiting equipment and personnel availability and to a lesser extent, a lower ore grade due to the instability caused by increased seismicity, as mentioned above. This was mitigated by a higher recovery rate.

Full year silver production decreased 19.9% vs. FY20 due to a decrease in volume of ore processed and lower ore grade due mainly to the aforementioned instability issues and the adverse impact of the labour reform.

We have continued our recruitment and training campaigns at the mine with the target of gradually reducing the shortage of personnel and returning the mine to its potential capacity, once fully staffed.

Quarterly by-product gold production decreased 7.4% vs. 3Q21 mainly driven by a lower ore grade.

Quarterly by-product gold production decreased 23.6% vs. 4Q20 due to a lower volume of ore processed and ore grade.

Full year by-product gold production increased 4.2% vs. FY20, driven by higher ore grades, partially offset by lower volumes of ore processed.

Full year 2022 silver ore grade is estimated to remain between 175-195 g/t, while the gold ore grade is estimated to be around 1.10-1.20 g/t.

## PYRITES PLANT (PHASE I)

	4Q21	3Q21	% Change	4Q20	% Change	FY 21	FY 20	% Change
<b>Iron Concentrates Processed (t)</b>	31,976	37,376	(14.4)	47,860	(33.2)	159,635	172,233	(7.3)
<b>Production</b>								
Silver (koz)	121	143	(15.4)	194	(37.8)	567	920	(38.4)
Gold (oz)	455	441	3.1	820	(44.5)	2,294	3,452	(33.5)
<b>Ore Grades</b>								
Silver (g/t)	158	157	1.2	172	(8.1)	151	220	(31.6)
Gold (g/t)	1.39	1.35	3.1	1.64	(15.0)	1.50	1.92	(21.8)

Quarterly silver production decreased 15.4% vs. 3Q21 due to a lower volume of pyrite concentrates processed from the Saucito mine.

Quarterly gold production increased 3.1% vs. 3Q21 due to a higher recovery rate, partially offset by a lower volume of pyrite concentrates processed from the Saucito mine.

Quarterly silver and gold production decreased 37.8% and 44.5% vs. 4Q20 respectively due to a decreased volume of pyrite concentrates processed and a lower ore grade of pyrite concentrates processed from the Saucito mine.

Full year silver and gold production decreased 38.4% and 33.5% vs. FY20 respectively due to lower ore grades from Saucito's flotation plant, lower volumes of pyrite concentrates processed and to a lesser extent, lower recovery rates.

For 2022, we estimate silver production from the pyrites plant at Saucito to be in the range of 700 to 750 koz while gold production is estimated to be in the range of 1.5 to 2.5 koz.

As noted in previous reports, the Pyrites Plant (phase II) was completed in 4Q20 but as with Juanicipio, we are focusing on complying with the new requirements from the state owned electrical company and the energy regulator to complete the tie-in to the national power grid.

## CIENEGA MINE PRODUCTION

	4Q21	3Q21	% Change	4Q20	% Change	FY 21	FY 20	% Change
<b>Ore Processed (t)</b>	301,968	320,277	(5.7)	334,977	(9.9)	1,282,367	1,318,263	(2.7)
<b>Production</b>								
Gold (oz)	10,596	11,528	(8.1)	13,605	(22.1)	48,819	64,101	(23.8)
Silver (koz)	1,401	1,323	5.9	1,272	10.2	5,447	5,762	(5.5)
Lead (t)	772	985	(21.6)	1,339	(42.2)	3,947	6,112	(35.4)
Zinc (t)	1,240	1,491	(16.9)	2,078	(40.3)	6,373	9,263	(31.2)
<b>Ore Grades</b>								
Gold (g/t)	1.18	1.21	(2.8)	1.36	(13.2)	1.27	1.63	(21.7)
Silver (g/t)	165.6	150	10.7	139	19.0	153	159	(3.2)
Lead (%)	0.43	0.51	(14.2)	0.61	(28.8)	0.51	0.70	(28.0)
Zinc (%)	0.75	0.85	(12.0)	1.06	(29.2)	0.90	1.18	(23.7)

Quarterly gold production decreased 8.1% vs. 3Q21 due to a lower volume of ore processed given the continued impact of the labour reform in Mexico leading to lower utilisation rates, though we expect this to be a temporary factor. Further, during December we experienced an electricity outage by the Mexican state-owned utility Comisión Federal de Electricidad (CFE) which impacted the volumes of ore processed in addition to higher absenteeism due to Covid-19.

Quarterly silver production increased 5.9% and 10.2% vs. 3Q21 and 4Q20 respectively due to a higher ore grade in line with the mine sequence, partially offset by a lower volume of ore processed for the reasons explained above.

Quarterly and full year gold production decreased 22.1% and 23.8% vs. 4Q20 and FY20 respectively due to the lower ore grades year-on-year, in line with the mine sequence and to a lesser extent, lower volumes of ore processed.

Full year silver production decreased 5.5% vs. FY20 due to an expected lower ore grade and decreased volume of ore processed.

The gold and silver ore grades for 2022 are estimated to be in the ranges of 1.20-1.40 g/t and 145-155 g/t respectively.

## SAN JULIÁN MINE PRODUCTION

	4Q21	3Q21	% Change	4Q20	% Change	FY 21	FY 20	% Change
<b>Ore Processed Veins (t)</b>	308,691	302,987	1.9	315,863	(2.3)	1,202,826	1,254,970	(4.2)
<b>Ore Processed DOB (t)</b>	533,631	533,204	0.1	572,962	(6.9)	2,070,563	2,229,612	(7.1)
<b>Total production at San Julián</b>								
Gold (oz)	12,887	13,612	(5.3)	16,048	(19.7)	55,847	64,925	(14.0)
Silver (koz)	3,967	4,156	(4.5)	3,730	6.4	16,772	13,306	26.0
<b>Production Veins</b>								
Gold (oz)	12,142	12,550	(3.3)	15,123	(19.7)	51,840	61,790	(16.1)
Silver (koz)	1,200	1,033	16.2	965	24.3	4,224	4,030	4.8
<b>Production DOB</b>								
Gold (oz)	745	1,062	(29.9)	925	(19.5)	4,006	3,134	27.8
Silver (koz)	2,768	3,123	(11.4)	2,765	0.1	12,548	9,276	35.3
Lead (t)	1,914	2,122	(9.8)	2,036	(6.0)	8,543	7,112	20.1
Zinc (t)	4,419	5,039	(12.3)	5,874	(24.8)	19,991	20,492	(2.4)
<b>Ore Grades Veins</b>								
Gold (g/t)	1.29	1.36	(5.4)	1.58	(18.7)	1.42	1.61	(12.1)
Silver (g/t)	131	116	13.1	103	26.5	119	109	9.8
<b>Ore Grades DOB</b>								
Gold (g/t)	0.08	0.11	(27.9)	0.09	(13.2)	0.10	0.09	20.0
Silver (g/t)	187	217	(14.1)	172	8.6	221	150	46.8
Lead (%)	0.45	0.50	(9.1)	0.46	(0.6)	0.51	0.41	24.5
Zinc (%)	1.10	1.24	(10.8)	1.28	(14.1)	1.27	1.19	6.6



## SAN JULIÁN VEINS

Quarterly and full year silver production increased vs. all comparative periods due to higher ore grades as a result of better dilution control.

Quarterly gold production decreased 3.3% vs. 3Q21 due to a lower ore grade in line with the mine plan.

Quarterly and full year gold production decreased 19.7% and 16.1% vs. 4Q20 and FY20 respectively due to a lower ore grade as a result of the depletion of higher ore grade areas and, to a lesser extent, lower volume of ore processed driven by two electricity outages by the Mexican state-owned utility Comisión Federal de Electricidad (CFE) during the year.

We estimate the 2022 silver and gold ore grades to average 120-130 g/t and 1.35-1.55 g/t, respectively.

## SAN JULIÁN DISSEMINATED ORE BODY (DOB)

Quarterly silver production decreased 11.4% vs. 3Q21 due to the anticipated lower ore grade as we move towards the periphery of the ore body.

Quarterly silver production was flat vs. 4Q20 due to a higher than expected ore grade. As reported in previous quarters, this was the 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. The higher ore grade was offset by a lower volume of ore processed.

Full year silver production increased 35.3% vs. FY20 due to a higher than expected ore grade as described above, partially offset by a lower volume of ore processed driven by the temporary impact in 1Q21 from the damage to the lead circuit housing at the end of 2020 and the electricity outages by the CFE in 1Q21 and 3Q21, as reported in previous quarters.

We estimate the 2022 silver ore grade to be in the range of 150-170 g/t as we continue to advance towards the lower grade areas in the periphery of the ore body.

## HERRADURA TOTAL MINE PRODUCTION

	4Q21	3Q21	% Change	4Q20	% Change	FY 21	FY 20	% Change
<b>Ore Processed (t)</b>	4,271,069	4,546,401	(6.1)	6,875,196	(37.9)	20,311,876	19,797,063	2.6
<b>Total Volume Hauled (t)</b>	33,115,154	33,068,512	0.1	28,976,190	14.3	132,838,820	109,777,575	21.0
<b>Production</b>								
Gold (oz)	69,177	94,193	(26.6)	134,439	(48.5)	421,535	425,288	(0.9)
Silver (koz)	168	228	(26.1)	231	(27.1)	926	1,306	(29.1)
<b>Ore Grades</b>								
Gold (g/t)	0.65	0.76	(14.2)	0.76	(14.5)	0.76	0.77	(1.5)
Silver (g/t)	1.91	2.24	(14.5)	1.46	31.0	2.05	2.60	(21.2)

Quarterly gold production decreased 26.6% vs. 3Q21 due to: i) the expected lower ore grade; ii) lower recovery rate at the leaching pads driven by the increased silt in solution restricting the filter capacity at the plant, as mentioned in the prior quarter, and the requirement for some repair work to an impermeable liner in the pregnant solution collection pond; and iii) a decrease in the volume of ore processed due to corrective maintenance in the mill area at one of the dynamic leaching plants.

Quarterly gold production decreased 48.5% vs. 4Q20 due to a lower volume of ore processed and ore grade for reasons explained above.

Full year gold production remained flat vs. FY20 as a result of a slower speed of recovery on the leaching pads and slightly lower ore grade, offset by a higher volume of ore processed following the Covid-19 operational restrictions in 2020.

The gold ore grade in 2022 is estimated to be in the range of 0.65-0.75 g/t.

## NOCHE BUENA TOTAL MINE PRODUCTION

	4Q21	3Q21	% Change	4Q20	% Change	FY 21	FY 20	% Change
<b>Ore Processed (t)</b>	2,903,023	2,389,895	21.5	1,638,305	77.2	8,996,842	6,682,617	34.6
<b>Total Volume Hauled (t)</b>	6,482,783	6,222,974	4.2	9,259,638	(30.0)	25,953,967	34,914,284	(25.7)
<b>Production</b>								
Gold (oz)	28,591	25,015	14.3	17,737	61.2	96,835	87,998	10.0
Silver (koz)	11	8	29.8	9	14.7	32	39	(19.6)
<b>Ore Grades</b>								
Gold (g/t)	0.70	0.59	17.3	0.50	38.6	0.59	0.52	15.0
Silver (g/t)	0.20	0.19	8.8	0.84	(75.9)	0.19	0.72	(73.3)

Quarterly gold production increased 14.3% vs. 3Q21 due to a higher volume of ore processed arising from an optimised mining sequence and cycle times, in addition to a higher ore grade. This was partially offset by a lower recovery rate due to shorter irrigation cycles as a result of the ore being deposited in smaller areas as we approach the end of mine life, in addition to increased sulphide content in the ore.

Quarterly gold production increased 61.2% vs. 4Q20 due to a higher volume of ore deposited and higher ore grade following a stability problem in the pit during 2H20 as previously reported. This led to an increase in the waste hauled last year to regain access to the deeper areas of the mine. The favourable impact of the increased ore deposited and higher ore grade was partly offset by the lower recovery rate as explained above.

Full year gold production increased 10.0% vs. FY20 due to a higher volume of ore deposited following the Covid-19 operational restrictions last year in addition to the aforementioned stability problem, and to a lesser extent, a higher ore grade. This was partially offset by a lower recovery rate for reasons explained above.

The 2022 estimated gold ore grade will be in the range of 0.40-0.50g/t, as the mine approaches the end of its operational life.

## JUANICIPIO

Development and stope ore from Juanicipio continued to be processed in the Fresnillo and Saucito flotation plants. On an attributable basis, Juanicipio produced 914 koz of silver and 2,232 oz of gold in 4Q21, and 1.8 moz of silver and 3,683 oz of gold in 2021.

The construction of the Juanicipio plant was delivered on schedule during the quarter. However, the mill commissioning timeline was extended by approximately six months to focus on complying with the new requirements from the state owned electrical company and the energy regulator to complete the tie-in to the national grid.

We continue with the pre-commissioning testing and once the required permits have been granted, we will look to ramp up operations to 85%-90% capacity by the end of the year.

## **SILVERSTREAM**

Quarterly Silverstream production decreased 19.6% and 7.9% vs. 3Q21 and 4Q20 respectively due to a lower volume of ore processed and ore grade.

Full year Silverstream production increased 12.7% vs. FY20 due to a higher ore grade and volume of ore processed.

Silver production in 2022 is estimated to be in the range of 2.5-3.5 moz.

## **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-Dipolos<sup>1</sup>, Noche Buena and San Julián (Veins and Disseminated Ore Body), two development projects - the Pyrites Plant at Fresnillo and Juanicipio, both of which have been completed but approvals to operate are pending, 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.

<sup>1</sup> 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 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.

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