

23 October 2019

THIRD QUARTER PRODUCTION REPORT

FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

Octavio Alvidrez, Chief Executive Officer, said:

“We continued to implement the performance improvement plan for our Fresnillo District mines during the third quarter. This programme includes intensive infill drilling to improve the geological model, dilution control and raising development rates, whilst also taking actions to address maintenance performance, contractor productivity and equipment availability. As a result, while grades remain variable, we are now processing higher volumes of ore on a more consistent basis at Fresnillo.

“Our development pipeline is progressing well. Construction of our next major mine Juanicipio is moving forwards. The second phase of the pyrites plant project and the optimisation of the beneficiation plant to deal with higher lead and zinc grades at the Fresnillo mine remain on track. Both are due to be commissioned in the second half of 2020.”

TOTAL PRODUCTION

	3Q19	2Q19	% Change	3Q18	% Change	YTD 19	YTD 18	% Change
Silver (koz)	12,624	13,636	-7.4	14,738	-14.3	38,633	43,432	-11.0
Silverstream (koz)	659	782	-15.7	796	-17.2	2,207	2,865	-23.0
Total Silver (koz)	13,283	14,418	-7.9	15,533	-14.5	40,839	46,297	-11.8
Gold (oz)	209,752	221,307	-5.2	225,202	-6.9	642,169	690,501	-7.0
Lead (t)	15,561	13,039	19.3	13,076	19.0	40,725	37,928	7.4
Zinc (t)	25,340	20,654	22.7	22,935	10.5	67,746	63,989	5.9

HIGHLIGHTS

Silver

- Quarterly silver production of 13.3 moz (including Silverstream) down 7.9% vs. 2Q19 mainly driven by a lower ore grade at Saucito and at San Julián Disseminated Ore Body (DOB).
- Quarterly silver production (including Silverstream) down 14.5% vs. 3Q18 primarily driven by the expected lower ore grade at Saucito and, to a lesser extent, lower ore grades at Fresnillo and San Julián (veins and DOB).
- Year to date silver production (including Silverstream) down 11.8% vs. YTD18 due to lower ore grades at both Fresnillo and Saucito.

Gold

- Quarterly gold production of 209.8 koz, down 5.2% vs. 2Q19 mainly due to a lower ore grade at Herradura.
- Quarterly gold production down 6.9% vs. 3Q18 as a result of a lower grade and lower volume of ore processed at both Herradura and San Julián veins, and a lower volume of ore processed at Noche Buena.

- Year to date gold production down 7.0% vs. YTD18 driven by a lower volume of ore processed at Noche Buena, lower speed of recovery and volume of ore processed at Herradura and lower ore grade at San Julián Veins.

By-Products

- Quarterly by-product lead production increased 19.3% and 19.0% vs. 2Q19 and 3Q18 due to a higher ore grade and ore throughput at Fresnillo and a higher ore grade and improved recovery rate at Ciénega.
- Year to date lead production increased 7.4% vs. YTD18 due to higher recovery rate and ore grade at San Julián DOB and a higher ore grade at Saucito.
- Quarterly by-product zinc production increased 22.7% and 10.5% vs. 2Q19 and 3Q18 primarily driven by higher ore grade, volume of ore processed and recovery rate at Fresnillo.
- Year to date by-product zinc production increased 5.9% vs YTD18 due to higher grades and recovery rates at Ciénega and Saucito and higher ore grade at San Julián DOB, offset by a lower ore grade and rate of recovery at Fresnillo.

Development Projects

- Construction of the Juanicipio project continued, with development already reaching over 22 kms. A new contractor has been appointed to further accelerate development rates. We are concluding the detailed engineering.
- Construction of the Pyrites plant (phase II) in the Fresnillo district remains on track and on budget, with commissioning expected in 2H20.
- Fresnillo flotation plant optimisation to cope with higher content of lead and zinc is progressing according to plan and is expected to be concluded on time by 2H20.

Outlook

- FY 2019 silver and gold production likely to be at the lower end of the guided ranges of 55-58 moz (including Silverstream) silver and 880-910 koz gold respectively.
- Higher volume of ore processed at Fresnillo combined with higher grades at Saucito and Fresnillo expected to result in higher overall fourth quarter silver production.
- Completion of the 13th leaching pad at Herradura and faster speed of recovery expected to result in higher overall fourth quarter gold production.

CAPITAL MARKETS DAY

Fresnillo plc will host a Capital Markets Day on the 2nd of December, during which the senior management team will provide further information on the asset portfolio including initiatives to address near term performance, development projects, exploration and costs.

There will be a conference call for analysts and investors on Wednesday 23rd October at 8:00am (London time). The dial in details are as follows:

UK: 0808 109 0700

Int'l access: +44 (0) 20 3003 2666

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 in our website after the conference call.

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

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MINING OPERATIONS

FRESNILLO MINE PRODUCTION

	3Q 19	2Q 19	% change	3Q 18	% change	YTD 19	YTD 18	% change
Ore Processed (t)	648,646	619,852	4.6	613,794	5.7	1,842,845	1,872,110	-1.6
Production								
Silver (koz)	3,408	3,455	-1.3	3,745	-9.0	9,815	11,873	-17.3
Gold (oz)	15,601	13,489	15.7	10,469	49.0	40,535	31,853	27.3
Lead (t)	7,037	5,233	34.5	4,917	43.1	15,806	15,752	0.3
Zinc (t)	10,225	6,710	52.4	8,096	26.3	22,182	24,941	-11.1
Ore Grades								
Silver (g/t)	183	192	-4.8	211	-13.2	186	218	-14.9
Gold (g/t)	0.99	0.90	9.4	0.68	44.5	0.91	0.68	32.9
Lead (%)	1.24	0.97	27.2	0.89	39.3	0.99	0.93	5.8
Zinc (%)	2.14	1.60	33.9	1.81	18.0	1.70	1.82	-6.6

Silver production was broadly stable vs. 2Q19. The investments in technology and systems made during the year are starting to have a positive impact on the volumes of ore processed, while as expected, ore grade continues to be variable as the other initiatives, including the infill drilling programme, sampling, actions to reduce dilution and actions to increase development rates, start to have a positive impact.

Quarterly and YTD silver production decreased 9.0% and 17.3% vs. 3Q18 and YTD18 due to the lower silver ore grade resulting from the differences with the geological model, higher dilution in narrower veins and limited access to higher grade areas caused by delays in development.

Mine performance improvement remains a key priority. The infill drilling programme continues to progress well and is expected to result in an updated and more accurate geological model. We expect better dilution control with the use of a more efficient and accurate topographic scanner and improved blasting patterns and drilling techniques to adjust for the narrower vein widths.

Development rates averaged 3,200 metres per month in 3Q19 with the tunnel boring machine due to begin operating in 4Q19.

Quarterly by-product gold production increased against all comparable periods as a result of higher ore grades.

Silver ore grade in 2019 is expected to remain between 190-200 g/t, while gold, lead and zinc ore grades are estimated to marginally increase to levels of 0.90 g/t, 0.95% and 1.60% respectively.

SAUCITO MINE PRODUCTION

	3Q 19	2Q 19	% change	3Q 18	% change	YTD 19	YTD 18	% change
Ore Processed (t)	703,002	662,023	6.2	713,441	-1.5	2,030,675	2,098,449	-3.2
Production								
Silver (koz)	4,040	4,507	-10.4	4,897	-17.5	12,879	14,890	-13.5
Gold (oz)	21,096	17,987	17.3	23,558	-10.5	57,812	63,160	-8.5
Lead (t)	4,906	4,562	7.5	5,791	-15.3	15,345	14,301	7.3
Zinc (t)	6,655	5,941	12.0	7,909	-15.9	21,707	19,374	12.0
Ore Grades								
Silver (g/t)	207	242	-14.7	250	-17.2	230	257	-10.3
Gold (g/t)	1.22	1.15	6.1	1.34	-9.0	1.16	1.24	-5.8
Lead (%)	0.84	0.83	1.6	0.95	-11.5	0.90	0.80	12.9
Zinc (%)	1.38	1.33	3.2	1.61	-14.7	1.55	1.41	9.6

Quarterly silver production decreased 10.4% vs. 2Q19, driven by the expected lower ore grade in line with the gradual depletion of higher grade areas and increased dilution, resulting from a decrease in the Jarillas vein width. This was mitigated by a higher volume of ore processed.

In line with our expectations, quarterly and year to date silver production decreased 17.5% and 13.5% vs. 3Q18 and YTD18 respectively due to a lower ore grade and to a lesser extent, lower volume of ore processed. The lower ore grade is a result of the gradual depletion of higher ore grade areas.

The infill drilling programme to increase the certainty of the geological model continues. In addition, further actions such as adjusting the blasting patterns are being taken to reduce dilution.

The silver ore grade for 2019 continues to be in the range of 230-240 g/t, while gold ore grade is estimated to remain around the 1.1 g/t mark.

Quarterly by-product gold production increased 17.3% vs. 2Q19 due to a higher volume of ore processed, recovery rate and ore grade. Quarterly and year to date by-product gold production decreased 10.5% and 8.5% vs 3Q18 and YTD18 respectively driven by lower grades and to a lesser extent, lower volume of ore processed.

PYRITES PLANT (PHASE I)

	3Q 19	2Q 19	% change	3Q 18	% change	YTD 19	YTD 18	% change
Ore Processed (t)	38,572	39,159	-1.5	63,336	-39.0	125,557	75,081	67.2
Production								
Silver (koz)	285	333	-14.3	434	-34.4	923	507	82.0
Gold (oz)	954	1,215	-21.5	1,418	-32.7	3,270	1,604	103.8
Ore Grades								
Silver (g/t)	314	352	-10.7	423	-25.8	308	428	-28.0
Gold (g/t)	2.44	2.57	-5.2	2.87	-15.1	2.35	2.95	-20.3

Quarterly silver and gold production decreased 14.3% and 21.5% vs. 2Q19 mainly due to lower ore grade material sent from the flotation plant and a lower gold recovery rate.

Quarterly silver and gold production decreased 34.4% and 32.7% vs. 3Q18 respectively due to the lower ore grade and volume of ore processed following the depletion of the pre-operative high grade stockpile. This was mitigated by a higher recovery rate.

The plant was commissioned mid-2018, thus comparable figures vs. YTD18 are not relevant.

CIENEGA MINE PRODUCTION

	3Q 19	2Q 19	% change	3Q 18	% change	YTD 19	YTD 18	% change
Ore Processed (t)	335,493	329,117	1.9	332,493	0.9	985,600	983,378	0.2
Production								
Gold (oz)	17,858	15,075	18.5	18,214	-2.0	47,615	51,281	-7.1
Silver (koz)	1,384	1,457	-5.0	1,539	-10.0	4,304	4,296	0.2
Lead (t)	1,826	1,353	34.9	1,105	65.2	4,160	3,792	9.7
Zinc (t)	2,755	2,130	29.4	1,889	45.9	6,597	4,125	59.9
Ore Grades								
Gold (g/t)	1.78	1.57	13.8	1.79	-0.5	1.63	1.70	-4.4
Silver (g/t)	151	162	-7.0	169	-10.6	159	159	0.0
Lead (%)	0.81	0.64	26.6	0.57	41.0	0.65	0.64	1.7
Zinc (%)	1.35	1.10	22.6	0.95	42.7	1.12	0.81	37.4

Quarterly gold production increased 18.5% vs. 2Q19 while quarterly silver production decreased 5.0% vs. 2Q19 driven by the ore grades. This was in line with the mine plan, as we extracted a higher proportion of material from the eastern zone of the district with higher gold content and lower silver content.

Quarterly gold and silver production decreased 2% and 10% vs. 3Q18 respectively driven by lower grades in line with the mine plan.

Year to date gold production decreased 7.1% vs. YTD18 driven by a lower ore grade resulting from the natural depletion of high ore grade areas in the deeper levels at Las Casas and East Taspana. A lower recovery rate further impacted the YTD19 gold production.

Expected gold ore grade in 2019 remains in the range of 1.60-1.70 g/t and silver ore grade is still anticipated to be between 150-160 g/t.

SAN JULIÁN MINE PRODUCTION

	3Q 19	2Q 19	% change	3Q 18	% change	YTD 19	YTD 18	% change
Ore Processed Veins (t)	321,798	338,797	-5.0	332,836	-3.3	983,478	933,353	5.4
Ore Processed DOB (t)	559,693	562,534	-0.5	561,808	-0.4	1,667,567	1,633,528	2.1
Total production at San Julián								
Gold (oz)	14,234	18,303	-22.2	19,452	-26.8	50,677	59,341	-14.6
Silver (koz)	3,080	3,589	-14.2	3,626	-15.0	9,622	10,726	-10.3
Production Veins								
Gold (oz)	13,711	17,667	-22.4	18,458	-25.7	49,010	57,153	-14.2
Silver (koz)	1,035	1,246	-16.9	1,347	-23.2	3,365	4,054	-17.0

Production DOB								
Gold (oz)	523	636	-17.7	994	-47.4	1,666	2,188	-23.8
Silver (koz)	2,045	2,343	-12.7	2,279	-10.3	6,257	6,672	-6.2
Lead (t)	1,792	1,891	-5.2	1,263	41.9	5,413	4,083	32.6
Zinc (t)	5,705	5,873	-2.9	5,041	13.2	17,261	15,548	11.0
Ore Grades Veins								
Gold (g/t)	1.39	1.71	-18.7	1.84	-24.7	1.62	1.97	-17.5
Silver (g/t)	108.09	124.34	-13.1	137.19	-21.2	115.89	146.53	-20.9
Ore Grades DOB								
Gold (g/t)	0.07	0.08	-17.7	0.11	-38.7	0.08	0.09	-16.8
Silver (g/t)	130.13	149.17	-12.8	155.54	-16.3	134.70	153.03	-12.0
Lead (%)	0.41	0.44	-7.6	0.40	2.6	0.43	0.41	4.9
Zinc (%)	1.35	1.42	-4.8	1.33	1.6	1.38	1.30	6.3

SAN JULIÁN VEINS

Quarterly silver and gold production decreased 16.9% and 22.4% vs. 2Q19 respectively due to lower ore grades resulting from differences with the geological model and a temporary lower volume of ore processed while we transitioned to a new contractor. That contractor is now in place and is already operating at the higher grade areas of the mine.

Quarterly and YTD silver production decreased 23.2% and 17.0% mainly due to the depletion of high grade areas at the San Julián and San Atanasio veins.

Quarterly and year to date gold production decreased 25.7% and 14.2% vs. 3Q18 and YTD18 respectively, primarily driven by lower ore grades resulting from the same reason as explained above.

We expect gold and silver ore grades to remain in the ranges of 1.6-1.7 g/t and 110-125 g/t, respectively.

SAN JULIÁN DISSEMINATED ORE BODY (DOB)

Quarterly silver production decreased 12.7% vs. 2Q19 due to a lower ore grade. This resulted from the ongoing limited access to higher grade areas caused by geotechnical conditions. As explained in prior quarters, the mine sequencing has been changed to maintain the geotechnical stability of some high ore grade stopes and we expect to regain access to these higher quality areas by the end of 2020.

Quarterly silver production decreased 10.3% and 6.2% vs. 3Q18 and YTD18, respectively, driven by lower ore grades for reasons explained above.

The silver ore grade guidance for the full year remains at 125-140 g/t.

HERRADURA TOTAL MINE PRODUCTION

	3Q 19	2Q 19	% change	3Q 18	% change	YTD 19	YTD 18	% change
Ore Processed (t)	5,591,746	5,466,791	2.3	5,859,579	-4.6	16,753,610	17,449,647	-4.0
Total Volume Hauled (t)	33,396,651	32,100,458	4.0	29,718,422	12.4	94,629,850	97,432,307	-2.9
Production								
Gold (oz)	102,439	119,987	-14.6	109,630	-6.6	339,305	352,759	-3.8
Silver (koz)	412	280	47.4	492	-16.3	1,045	1,097	-4.7
Ore Grades								
Gold (g/t)	0.71	0.84	-16.0	0.76	-6.7	0.79	0.73	7.6
Silver (g/t)	3.27	2.48	31.4	3.05	7.2	2.89	2.50	15.7

Quarterly gold production decreased 14.6% vs. 2Q19 due to a temporary lower ore grade resulting from lower availability of the dynamic leaching plant, partly mitigated by a higher volume of ore processed.

Quarterly gold production decreased 6.6% vs. 3Q18 driven by a lower ore grade and a decrease in the volume of ore deposited due to the expected higher stripping ratio. This was partly mitigated by a higher speed of recovery.

Year to date gold production decreased 3.8% vs. YTD18 driven by a lower volume of ore processed and a slower overall speed of recovery, as set out in the prior quarters.

The 13th leaching pad started operations in 3Q19 and is expected to improve the overall speed of recovery in 4Q19.

Expected gold ore grade in 2019 remains at 0.70-0.75 g/t.

NOCHE BUENA TOTAL MINE PRODUCTION

	3Q 19	2Q 19	% change	3Q 18	% change	YTD 19	YTD 18	% change
Ore Processed (t)	3,215,167	3,663,549	-12.2	4,834,512	-33.5	9,790,495	13,800,217	-21.9
Total Volume Hauled (t)	11,447,273	13,135,058	-12.8	20,489,682	-44.1	37,562,882	63,084,240	-40.5
Production								
Gold (oz)	37,570	35,252	6.6	42,460	-11.5	102,956	130,503	-29.1
Silver (koz)	14	17	-13.9	5	180.0	43	42	2.6
Ore Grades								
Gold (g/t)	0.58	0.56	4.9	0.52	11.8	0.55	0.53	3.9
Silver (g/t)	0.25	0.22	13.2	0.05	448.4	0.23	0.14	60.7

Quarterly gold production increased 6.6% vs. 2Q19 due to higher ore grade resulting from the increased mining in deeper areas of the pit, and an improved recovery rate driven by the larger irrigation area at the 7th leaching pad. This was partly offset by the expected lower volume of ore processed.

Quarterly and year to date production decreased 11.5% and 21.1% vs. 3Q18 and YTD18, respectively due to a lower volume of ore processed, but in accordance with the mine plan, mitigated by higher ore grades and recovery rates.

Expected gold ore grade in 2019 remains at approximately 0.55 g/t.

SILVERSTREAM

Quarterly Silverstream production decreased 15.7% and 17.2% vs. 2Q19 and 3Q18 respectively driven by lower volumes of ore processed due to maintenance to the SAG mill and lower equipment availability, as well as the expected lower ore grade and lower recovery rate.

Year to date Silverstream production decreased 23.0% vs. YTD18 due to the expected lower ore grade resulting from the narrower veins.

UPDATE ON DEVELOPMENT PROJECTS

PYRITES PLANT

Construction of the tailings flotation plant at the Fresnillo mine (phase II) remains on track and is due to be commissioned in the second half of 2020. The installation of the flotation cells and mills continued as well as the construction of the maintenance workshop and compressors.

This US\$155 million project is expected to improve overall recoveries of both gold and silver by processing historical and current tailings from the Fresnillo and Saucito mines and once commissioned and operating at nominal capacity, is expected to contribute an additional annual production of c. 3.5 moz of silver and c. 13 koz of gold.

JUANICIPIO

During the period, development of the mine continued reaching 22.7 km. We have made further progress in engineering and commenced earthmoving and preparation for the construction of the beneficiation plant.

Juanicipio is expected to contribute a total average annual production of 11.7 moz silver and 43.5 koz gold, with an initial life of mine of 12 years.

SAFETY PERFORMANCE

There was a strong safety performance during the third quarter. The “I Care We Care” programme continues to be rolled across our operations along with the reinforcement of our safety training for all employees and contractors among other programmes, to make safety policies the core priority at every working area. We remain committed to our zero harm target while maintaining a safe and healthy workplace.

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 the San Ramón satellite mine), Herradura, Soledad-Dipolos¹, Noche Buena and San Julián (Phase I and II), two development projects - the Pyrites Plant at Fresnillo and Juanicipio, and three advanced exploration projects – Orisyvo, Las Casas Rosario & Cluster Cebollitas and Centauro Deep, 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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