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25 January 2023

## **FOURTH QUARTER PRODUCTION REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2022**

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

*"Fresnillo reports a solid operating result in the fourth quarter, with full year production in line with our guidance. In particular silver output was driven by a strong performance from our Fresnillo mine which is showing consistent improvement and the continued contribution of our new Juanicipio project offsetting the expected lower grades at San Julián. During the year we have worked hard to minimise the impact of a very tight labour market and to mitigate the impact of the labour reform in Mexico. Our recruitment and training campaigns are now complete and the mines are well staffed for 2023. A key highlight in the fourth quarter was the successful tie-in to the national electricity grid of our new Juanicipio mine. Commissioning is ongoing and we expect a gradual ramp up in the coming months. We very much look forward to seeing this major new project deliver on its potential, making a sizeable addition to our overall production for many years to come."*

### **HIGHLIGHTS**

#### **Silver**

- Full year attributable silver production of 53.7 moz (including Silverstream), in line with guidance, slightly above FY21 with production from Juanicipio and increased volumes of ore processed at Fresnillo, offset by the lower ore grade at San Julián (DOB).
- Quarterly attributable silver production of 12.5 moz (including Silverstream), down 7.8% vs. 3Q22 with stronger performances at the Fresnillo mine and San Julián (veins) offset by lower production at other mines, and a decrease in production from the Silverstream.
- Quarterly attributable silver production (including Silverstream) decreased 3.0% vs. 4Q21 due to a decrease in ore throughput and lower ore grade at San Julián (DOB) and Ciénega, mitigated by increased volumes of ore processed and higher ore grades at Fresnillo.

#### **Gold**

- Full year attributable gold production of 635.9 koz, in line with guidance, down 15.3% vs. FY21, primarily due to a lower recovery rate as higher volumes of sulphide ore are processed and lower ore grade at Herradura, and a decrease in the volume of ore processed and lower ore grades at Noche Buena, Saucito and Ciénega.

- Quarterly attributable gold production of 168.0 koz, up 5.5% vs. 3Q22, mainly due to an increase in volumes of ore deposited at Herradura, partly offset by decreased volumes of ore processed and a lower recovery rate at Noche Buena and lower ore grade and a decrease in ore throughput at Saucito.
- Quarterly attributable gold production increased 11.7% vs. 4Q21 driven by increased volumes of ore deposited and higher ore grades at Herradura, partly offset by decreased volumes of ore deposited and lower ore grade at Noche Buena.

### By-Products

- Full year attributable by-product lead production decreased 6.4% vs. FY21 due to a decrease in the volume of ore processed and lower ore grade at Saucito and decreased ore grade at San Julián (DOB), mitigated by increased ore throughput and higher ore grade at Fresnillo and increased contribution from Juanicipio.
- Quarterly attributable by-product lead production decreased 4.9% vs. 3Q22 due to decreased ore throughput and lower ore grade at Saucito and a lower volume of ore processed from Juanicipio.
- Quarterly attributable by-product zinc production decreased 9.8% vs. 3Q22 due to a decreased volume of ore processed and lower ore grades at Saucito and Fresnillo, and lower contribution from Juanicipio.
- Quarterly attributable by-product lead production increased 7.8% vs. 4Q21 driven primarily by increased volumes of ore processed and higher ore grades at Fresnillo and increased contribution from Juanicipio, partly offset by lower ore throughput at Saucito.

| Attributable       | 4Q22    | 3Q22    | %<br>Change | 4Q21    | % Change | FY 22   | FY 21   | % Change |
|--------------------|---------|---------|-------------|---------|----------|---------|---------|----------|
| Silver (koz)       | 12,073  | 12,787  | (5.6)       | 12,230  | (1.3)    | 51,052  | 49,961  | 2.2      |
| Silverstream (koz) | 450     | 799     | (43.7)      | 684     | (34.2)   | 2,688   | 3,134   | (14.2)   |
| Total Silver (koz) | 12,522  | 13,586  | (7.8)       | 12,914  | (3.0)    | 53,740  | 53,095  | 1.2      |
| Gold (oz)          | 167,969 | 159,205 | 5.5         | 150,313 | 11.7     | 635,926 | 751,203 | (15.3)   |
| Lead (t)           | 12,756  | 13,415  | (4.9)       | 11,837  | 7.8      | 52,950  | 56,573  | (6.4)    |
| Zinc (t)           | 23,060  | 25,560  | (9.8)       | 22,899  | 0.7      | 99,153  | 99,397  | (0.2)    |

### Silver Equivalent Basis [11](#)

Attributable quarterly silver equivalent ounces of 25.9 moz in 4Q22 (4Q21: 24.9 moz, 3Q22: 26.3 moz) and attributable full year silver equivalent ounces of 104.6 moz (FY21: 113.2 moz).

### DEVELOPMENT PROJECTS

Commissioning of the Juanicipio plant is ongoing. We continue to expect a gradual ramp up with the objective of reaching full nameplate capacity in the third quarter of 2023. As reported, ore will be processed at the Juanicipio plant but can also continue to be processed at our nearby Saucito and Fresnillo operations if required.

Having achieved Juanicipio's tie-in to the national grid, the focus is to get the pyrites plant connected by the end of 1Q23, with commissioning and ramp up starting immediately afterwards.

### SAFETY PERFORMANCE

We continue with our 'I Care, We Care' programme and will continue working towards identifying preventive measures to provide a safer environment for our workforce. We remain committed to meeting our Zero Fatalities target and continue encouraging adherence to stringent safety policies and implementing controls and training to guarantee a strong safety culture.

### OPERATING ENVIRONMENT

As communicated in previous reports, the labour reform in Mexico which restricts subcontracting of labour came into effect from September 2021. This resulted in the requirement to internalise a proportion of our contractor workforce. Contractor uptake varied across the Group, resulting in staff vacancies and lower equipment availability at our underground mines. The labour market remains very tight in common with other sectors and indeed geographies. However, our recruitment and training campaigns are now complete and the mines are well staffed for 2023.

## ITEMS IMPACTING THE INCOME STATEMENT

Ahead of the release of the Company's Full Year Results, we are providing an update on different factors impacting several items in the income statement.

Payability rates for all metals sold remained at the same levels as those observed in 2021, while realised metal prices are expected to be very similar to the average spot metal prices. In particular, realised prices for gold, silver, lead and zinc for the full year are anticipated to be around US\$1,800 per ounce, US\$21.7 per ounce, US\$96.3 cents per pound and US\$152.2 cents per pound respectively.

Adjusted production costs in 2H22 are expected to increase c.20% vs. 1H22 mainly due to:

1. an increase in volumes of ore processed at Herradura (+33.2%), Fresnillo (+6.2%) and Saucito (+5.6%),
2. higher cost inflation observed in 2H22 vs 1H22,
3. an increase of 49% in waste material hauled charged to costs, despite the 21% decrease in the total volume of waste material hauled (capitalised and charged to costs), mostly related to IFRIC 20 accounting interpretation for stripping costs in the production phase. In 1H22, 54.8 million tonnes of total waste material was moved, of which 48% was capitalised; whereas in 2H22, 43.3 million tonnes of waste material was moved, but only 3% of this was capitalised, with the rest being charged to costs. The reason behind this significant change in the volume of waste material being capitalised is that in 1H22 the total stripping ratio of c. 5.7 was significantly higher than the prevailing average stripping ratio for the life of the mine (LOM) (under IFRIC 20 stripping costs above the average LOM stripping ratio are capitalised), this higher stripping ratio was due to the need to prepare and gain access to the mineral banks; whereas in 2H22 the 3.4 total stripping ratio was only slightly higher than the prevailing average stripping ratio for LOM, thus decreasing the portion of volume being capitalised.
4. increased maintenance as a result of the purchase of additional in-mine equipment and increased personnel costs following the labour reform, an increase in maintenance to guarantee the continuity of operations and increased consumption of diesel and other operating materials due to longer haulage distances.

Depreciation in 2H22 is expected to be 15% higher vs. 1H22 primarily driven by the additional depreciation registered at Noche Buena to fully depreciate the assets as it approaches the end of its mine life, an increase in the depletion factor at Herradura due to the higher production, and the purchase of additional equipment following the internalisation of contractors as a result of the aforementioned Mexico labour reform.

As guided previously, exploration expenses are expected to be c. US\$165-US\$170 million.

## 2023 OUTLOOK

Our 2023 guidance issued today is in line with previous expectations in terms of silver equivalent ounces. We expect increased production of gold due to an updated mine plan at Herradura and a slight increase in volumes at Noche Buena following condemnation drilling, alongside moderated production of silver due to the later than expected ramp up at Juanicipio (from mid 2022 to early 2023) and tie in of the pyrites plant at Fresnillo.

- Attributable silver production expected to be in the range of 57.0 to 64.0 moz (including Silverstream).
- Attributable gold production expected to be in the range of 590 to 640 koz.
- Taking the above ranges and expressed in silver equivalent ounces<sup>1</sup>, production is expected to be 104 -115 million ounces.

## FULL YEAR FINANCIAL RESULTS

Fresnillo will announce its full year 2022 results on 7th March 2023.

The information contained within this announcement is deemed by Fresnillo plc to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person making the notification is Carlos Ortiz Mena, Head of Legal, Fresnillo plc. The time of the notification is 7:00 am UK time.

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

|                          | 4Q22    | 3Q22    | %<br>Change | 4Q21    | %<br>Change | FY 22     | FY 21     | %<br>Change |
|--------------------------|---------|---------|-------------|---------|-------------|-----------|-----------|-------------|
| <b>Ore Processed (t)</b> | 624,105 | 643,945 | (3.1)       | 528,103 | 18.2        | 2,462,409 | 2,216,467 | 11.1        |
| <b>Production</b>        |         |         |             |         |             |           |           |             |
| Silver (koz)             | 3,606   | 3,394   | 6.2         | 2,655   | 35.8        | 13,609    | 11,986    | 13.5        |
| Gold (oz)                | 8,314   | 7,970   | 4.3         | 8,648   | (3.9)       | 34,432    | 33,743    | 2.0         |
| Lead (t)                 | 5,609   | 5,715   | (1.9)       | 4,525   | 24.0        | 21,756    | 18,796    | 15.7        |
| Zinc (t)                 | 11,097  | 12,107  | (8.3)       | 10,025  | 10.7        | 43,343    | 34,530    | 25.5        |
| <b>Ore Grades</b>        |         |         |             |         |             |           |           |             |
| Silver (g/t)             | 197     | 181     | 8.8         | 170     | 15.9        | 189       | 186       | 1.6         |
| Gold (g/t)               | 0.58    | 0.54    | 7.4         | 0.71    | (18.3)      | 0.61      | 0.68      | (10.3)      |
| Lead (%)                 | 1.05    | 1.05    | 0.0         | 1.03    | 1.9         | 1.05      | 1.01      | 4.0         |
| Zinc (%)                 | 2.37    | 2.45    | (3.3)       | 2.65    | (10.6)      | 2.38      | 2.20      | 8.2         |

Quarterly silver and gold production increased 6.2% and 4.3% respectively vs. 3Q22 driven by higher ore grades in line with the mine plan, partially offset by a lower volume of ore processed from certain areas of the mine and decreased development ore.

Quarterly silver production was up 35.8% vs. 4Q21 mainly due to a higher ore grade and increased volume of ore processed as operating restrictions that affected ore throughput in 2021 were addressed, including: i) the effect of the labour reform in Mexico which resulted in staff vacancies and affected equipment availability (the recruitment and training campaign is now complete and the mine is well staffed for 2023); and ii) the residual impact in 4Q21 of a short circuit of a main power line, which limited water pumping capacity thereby affecting access to some mining areas and haulage levels.

Full year silver and gold production increased 13.5% and 2.0% vs. FY21 respectively, primarily due to a higher volume of ore processed driven by the factors mentioned above.

Mine development rates slightly decreased quarter on quarter averaging 2,933 metres per month in 4Q22 (3Q22: 3,030 metres per month), with the full year rate averaging 2,929 metres per month, in line with expectations. Works to relocate the tunnel boring machine to a haulage level continued and are expected to be concluded in 1H23. Notwithstanding, development rates are expected to remain at 3,000 metres per month on average in 2023 while an assessment is conducted to determine the optimal rate going forward based on production levels and updated

assessment is conducted to determine the optimal rate going forward, based on production levels and updated reserves.

Quarterly by-product gold production decreased 3.9% vs. 4Q21 due to a lower ore grade.

The silver ore grade in 2023 is estimated be in the range of 185-205 g/t, while the gold ore grade is estimated to remain in the range of 0.50-0.70 g/t.

## SAUCITO MINE PRODUCTION

|                          | 4Q22    | 3Q22    | %<br>Change | 4Q21    | %<br>Change | FY 22     | FY 21     | %<br>Change |
|--------------------------|---------|---------|-------------|---------|-------------|-----------|-----------|-------------|
| <b>Ore Processed (t)</b> | 508,455 | 556,199 | (8.6)       | 558,101 | (8.9)       | 2,072,812 | 2,434,449 | (14.9)      |
| <b>Production</b>        |         |         |             |         |             |           |           |             |
| Silver (koz)             | 3,026   | 3,171   | (4.6)       | 2,990   | 1.2         | 11,977    | 12,439    | (3.7)       |
| Gold (oz)                | 18,076  | 22,249  | (18.8)      | 17,719  | 2.0         | 73,497    | 88,440    | (16.9)      |
| Lead (t)                 | 3,859   | 4,513   | (14.5)      | 4,272   | (9.7)       | 17,816    | 24,615    | (27.6)      |
| Zinc (t)                 | 5,868   | 6,882   | (14.7)      | 6,672   | (12.1)      | 28,415    | 37,469    | (24.2)      |
| <b>Ore Grades</b>        |         |         |             |         |             |           |           |             |
| Silver (g/t)             | 208     | 199     | 4.5         | 186     | 11.8        | 201       | 183       | 9.8         |
| Gold (g/t)               | 1.39    | 1.58    | (12.0)      | 1.26    | 10.3        | 1.40      | 1.46      | (4.1)       |
| Lead (%)                 | 0.90    | 0.96    | (6.3)       | 0.90    | 0.0         | 1.01      | 1.18      | (14.4)      |
| Zinc (%)                 | 1.56    | 1.64    | (4.9)       | 1.60    | (2.5)       | 1.78      | 2.08      | (14.4)      |

Quarterly silver production decreased 4.6% vs. 3Q22 due to a decrease in ore throughput driven by one off factors including lower equipment availability, lower productivity as new employees completed training modules, and a longer than planned shutdown required by CFE related to the tie at Juanicipio. This was partially mitigated by the higher ore grade areas mined in 4Q22.

Quarterly silver and gold production slightly increased 1.2% and 2.0% vs. 4Q21 respectively, due to higher ore grades from improvements to the short term mine planning process and the regained access to certain areas of the mine with higher ore grades, offset by a lower volume of ore processed for the factors mentioned above.

Full year silver production decreased 3.7% vs. FY21 driven by a lower volume of ore processed mainly due to changes to the short planning process and, to lesser extent, a lower productivity from internalised personnel, offset by the higher ore grade due to the factors explained above.

Quarterly and full year by-product gold production was down 18.8% and 16.9% vs. 3Q22 and FY21 respectively, driven by a lower ore grade and a decrease in ore throughput.

Full year 2023 silver ore grade is estimated to remain between 190-210 g/t, while the gold ore grade is estimated to be around 1.20-1.40 g/t.

## PYRITES PLANT (PHASE I)

|                                        | 4Q22   | 3Q22   | % Change | 4Q21   | % Change | FY 22   | FY 21   | % Change |
|----------------------------------------|--------|--------|----------|--------|----------|---------|---------|----------|
| <b>Iron Concentrates Processed (t)</b> | 32,211 | 37,142 | (13.3)   | 31,976 | 0.7      | 135,044 | 159,635 | (15.4)   |
| <b>Production</b>                      |        |        |          |        |          |         |         |          |
| Silver (koz)                           | 111    | 142    | (21.8)   | 121    | (8.3)    | 529     | 567     | (6.7)    |
| Gold (oz)                              | 374    | 653    | (42.7)   | 455    | (17.8)   | 1,959   | 2,294   | (14.6)   |
| <b>Ore Grades</b>                      |        |        |          |        |          |         |         |          |
| Silver (g/t)                           | 145    | 159    | (8.8)    | 158    | (8.2)    | 164     | 151     | 8.6      |
| Gold (g/t)                             | 1.19   | 1.71   | (30.4)   | 1.39   | (14.4)   | 1.44    | 1.50    | (4.0)    |

Quarterly silver and gold production decreased 21.8% and 42.7% vs. 3Q22 due to a decreased volume of pyrite concentrates processed from the Saucito mine and a lower ore grade.

Quarterly silver and gold production was down 8.3% and 17.8% vs. 4Q21 respectively, due to a lower ore grade.

Full year silver production decreased 6.7% vs. FY21 due to lower volumes of pyrite concentrates processed from Saucito's flotation plant, mitigated by a higher ore grade.

Full year gold production decreased 14.6% vs. FY21 due to a decreased volume of pyrite concentrates processed from the Saucito mine and a lower ore grade.

Following the successful tie-in of the Juanicipio mine in the fourth quarter, we now expect the pyrites plant to complete tie-in by the end of 1Q23, with commissioning and ramp up starting immediately afterwards.

## CIENEGA MINE PRODUCTION

|                          | 4Q22    | 3Q22    | %<br>Change | 4Q21    | %<br>Change | FY 22     | FY 21     | %<br>Change |
|--------------------------|---------|---------|-------------|---------|-------------|-----------|-----------|-------------|
| <b>Ore Processed (t)</b> | 256,928 | 294,210 | (12.7)      | 301,968 | (14.9)      | 1,114,232 | 1,282,367 | (13.1)      |
| <b>Production</b>        |         |         |             |         |             |           |           |             |
| Gold (oz)                | 9,122   | 9,437   | (3.3)       | 10,596  | (13.9)      | 37,466    | 48,819    | (23.3)      |
| Silver (koz)             | 982     | 1,242   | (20.9)      | 1,401   | (29.9)      | 4,709     | 5,447     | (13.5)      |
| Lead (t)                 | 930     | 904     | 2.9         | 772     | 20.5        | 3,518     | 3,947     | (10.9)      |
| Zinc (t)                 | 1,372   | 1,419   | (3.3)       | 1,240   | 10.6        | 5,387     | 6,373     | (15.5)      |
| <b>Ore Grades</b>        |         |         |             |         |             |           |           |             |
| Gold (g/t)               | 1.20    | 1.09    | 10.1        | 1.18    | 1.7         | 1.14      | 1.27      | (10.2)      |
| Silver (g/t)             | 139     | 152     | (8.6)       | 165.6   | (15.9)      | 152       | 153       | (0.7)       |
| Lead (%)                 | 0.56    | 0.48    | 16.7        | 0.43    | 30.2        | 0.49      | 0.51      | (3.9)       |
| Zinc (%)                 | 0.94    | 0.87    | 8.0         | 0.75    | 25.3        | 0.86      | 0.90      | (4.4)       |

Quarterly gold production was down 3.3% and 13.9% vs. 3Q22 and 4Q21 respectively, due to a lower volume of ore processed as a result of the non-scheduled minor technical stoppages at the SAG mill, and lower productivity from new personnel at the mine, mitigated by a higher ore grade.

Quarterly silver production decreased 20.9% and 29.9% vs. 3Q22 and 4Q21 respectively, due to a lower ore throughput for the reasons explained above, and a lower ore grade in line with the mine sequence.

Full year silver and gold production were down 13.5% and 23.3% vs. FY21 respectively, due to the lower volumes of ore processed and a lower gold ore grade as a higher proportion of ore from the main Ciénega mine was processed, as opposed to processing ore from a satellite operation in the surrounding area with a higher average ore grade.

The gold and silver ore grades for 2023 are estimated to be in the ranges of 1.0-1.1 g/t and 150-160 g/t respectively.

## SAN JULIÁN MINE PRODUCTION

|                                       | 4Q22    | 3Q22    | %<br>Change | 4Q21    | %<br>Change | FY 22     | FY 21     | %<br>Change |
|---------------------------------------|---------|---------|-------------|---------|-------------|-----------|-----------|-------------|
| <b>Ore Processed Veins (t)</b>        | 294,582 | 297,216 | (0.9)       | 308,691 | (4.6)       | 1,175,164 | 1,202,826 | (2.3)       |
| <b>Ore Processed DOB (t)</b>          | 517,733 | 498,882 | 3.8         | 533,631 | (3.0)       | 2,092,971 | 2,070,563 | 1.1         |
| <b>Total production at San Julián</b> |         |         |             |         |             |           |           |             |
| Gold (oz)                             | 11,907  | 11,387  | 4.6         | 12,887  | (7.6)       | 46,727    | 55,847    | (16.3)      |
| Silver (koz)                          | 3,113   | 3,171   | (1.8)       | 3,967   | (21.5)      | 14,252    | 16,772    | (15.0)      |
| <b>Production Veins</b>               |         |         |             |         |             |           |           |             |
| Gold (oz)                             | 11,062  | 10,625  | 4.1         | 12,142  | (8.9)       | 43,397    | 51,840    | (16.3)      |
| Silver (koz)                          | 1,288   | 1,115   | 15.5        | 1,200   | 7.3         | 4,638     | 4,224     | 9.8         |
| <b>Production DOB</b>                 |         |         |             |         |             |           |           |             |
| Gold (oz)                             | 845     | 762     | 10.9        | 745     | 13.4        | 3,330     | 4,006     | (16.9)      |
| Silver (koz)                          | 1,825   | 2,056   | (11.2)      | 2,768   | (34.1)      | 9,614     | 12,548    | (23.4)      |
| Lead (t)                              | 1,712   | 1,461   | 17.2        | 1,914   | (10.6)      | 7,105     | 8,543     | (16.8)      |
| Zinc (t)                              | 3,604   | 3,790   | (4.9)       | 4,419   | (18.4)      | 17,487    | 19,991    | (12.5)      |
| <b>Ore Grades Veins</b>               |         |         |             |         |             |           |           |             |
| Gold (g/t)                            | 1.23    | 1.17    | 5.1         | 1.29    | (4.7)       | 1.21      | 1.42      | (14.8)      |
| Silver (g/t)                          | 149     | 128     | 16.4        | 131     | 13.7        | 135       | 119       | 13.4        |

| <b>Ore Grades DOB</b> |      |      |        |      |        |      |      |        |
|-----------------------|------|------|--------|------|--------|------|------|--------|
| Gold (g/t)            | 0.08 | 0.08 | 0.0    | 0.08 | 0.0    | 0.08 | 0.10 | (20.0) |
| Silver (g/t)          | 130  | 153  | (15.0) | 187  | (30.5) | 168  | 221  | (24.0) |
| Lead (%)              | 0.43 | 0.39 | 10.3   | 0.45 | (4.4)  | 0.43 | 0.51 | (15.7) |
| Zinc (%)              | 0.93 | 1.01 | (7.9)  | 1.10 | (15.5) | 1.09 | 1.27 | (14.2) |

## SAN JULIÁN VEINS

Quarterly silver and gold production increased 15.5% and 4.1% vs. 3Q22 as we gained access to higher ore grade stopes, in line with the mine plan.

Quarterly silver production was up 7.3% vs. 4Q21 due to a higher ore grade driven by the operational decision to adjust the mine plan to prioritise extraction from wider veins of the mine with higher silver content but lower gold ore grade, partly offset by a lower ore throughput driven by faster than expected mill maintenance in 4Q21.

Quarterly gold production decreased 8.9% vs. 4Q21 due to a lower ore grade in narrow veins at Refugio and San Atanasio areas and the depletion of high ore grade areas at the Shalom and Santa Maria stopes, and a decrease in volumes of ore processed.

Full year gold production decreased 16.3% vs. FY21 mainly due to a lower ore grade for the factors mentioned above and, to a lesser extent, lower volume of ore processed.

Full year silver production increased 9.8% vs. FY21 due to the higher ore grade for the reason explained above, partly offset by lower ore throughput.

We estimate the 2023 silver and gold ore grades to average 130-140 g/t and 1.20-1.30 g/t, respectively.

## SAN JULIÁN DISSEMINATED ORE BODY (DOB)

Quarterly silver production decreased 11.2% vs. 3Q22 due mainly to a lower ore grade consistent with the mine sequence and additional ground supporting activities required, which limited access to certain higher grade areas. This was partly compensated for by a higher volume of ore processed due to the optimisation of the maintenance programme.

Quarterly silver production was down 34.1% vs. 4Q21 driven by the expected decrease in ore grade as we move towards the periphery of the ore body, and a lower ore throughput due to the lower availability of haulage trucks and the need to prioritise ground support activities in the mine.

Full year silver production decreased 23.4% vs. FY21 due to the expected lower ore grades in 2022 following the higher than anticipated ore grade in 2021 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.

We estimate the 2023 silver ore grade to be in the range of 130-140 g/t as we mine lower grade areas in the periphery of the ore body.

## HERRADURA TOTAL MINE PRODUCTION

|                                | 4Q22       | 3Q22       | %<br>Change | 4Q21       | %<br>Change | FY 22       | FY 21       | %<br>Change |
|--------------------------------|------------|------------|-------------|------------|-------------|-------------|-------------|-------------|
| <b>Ore Processed (t)</b>       | 7,084,437  | 5,592,474  | 26.7        | 4,271,069  | 65.9        | 22,195,187  | 20,311,876  | 9.3         |
| <b>Total Volume Hauled (t)</b> | 27,446,767 | 28,590,141 | (4.0)       | 33,115,154 | (17.1)      | 120,370,290 | 132,838,820 | (9.4)       |
| <b>Production</b>              |            |            |             |            |             |             |             |             |
| Gold (oz)                      | 103,826    | 85,245     | 21.8        | 69,177     | 50.1        | 349,715     | 421,535     | (17.0)      |
| Silver (koz)                   | 191        | 199        | (4.0)       | 168        | 13.7        | 776         | 926         | (16.2)      |
| <b>Ore Grades</b>              |            |            |             |            |             |             |             |             |
| Gold (g/t)                     | 0.71       | 0.71       | 0.0         | 0.65       | 9.2         | 0.69        | 0.76        | (9.2)       |
| Silver (g/t)                   | 1.35       | 1.71       | (21.1)      | 1.91       | (29.3)      | 1.65        | 2.05        | (19.5)      |

Quarterly gold production increased 21.8% vs. 3Q22 due to the increased volumes of ore processed as a result of the positive variations with the geological model and faster recovery from ore deposited on the lower layers of the leaching pad 14B.

Quarterly gold production was up 50.1% vs. 4Q21 due to the increased volume of ore processed for reasons explained above, and a higher ore grade driven by the positive variation with the geological model.

Full year gold production decreased 17.0% vs. FY21 as a result of the expected decrease in ore grade and lower recovery rates as higher volumes of sulphide ore are processed, partly mitigated by the increase in volume of ore processed for the factors explained above.

The gold ore grade in 2023 is estimated to be in the range of 0.65-0.75 g/t.

## NOCHE BUENA TOTAL MINE PRODUCTION

|  | 4Q22 | 3Q22 | %<br>Change | 4Q21 | %<br>Change | FY 22 | FY 21 | %<br>Change |
|--|------|------|-------------|------|-------------|-------|-------|-------------|
|--|------|------|-------------|------|-------------|-------|-------|-------------|

|                         |           |           | Change |           | Change |            |            | Change |
|-------------------------|-----------|-----------|--------|-----------|--------|------------|------------|--------|
| Ore Processed (t)       | 1,232,125 | 1,811,987 | (32.0) | 2,903,023 | (57.6) | 7,428,189  | 8,996,842  | (17.4) |
| Total Volume Hauled (t) | 7,296,832 | 6,274,060 | 16.3   | 6,482,783 | 12.6   | 26,854,547 | 25,953,967 | 3.5    |
| Production              |           |           |        |           |        |            |            |        |
| Gold (oz)               | 13,331    | 19,235    | (30.7) | 28,591    | (53.4) | 79,669     | 96,835     | (17.7) |
| Silver (koz)            | 3         | 3         | 0.0    | 11        | (72.7) | 20         | 32         | (37.5) |
| Ore Grades              |           |           |        |           |        |            |            |        |
| Gold (g/t)              | 0.51      | 0.44      | 15.9   | 0.70      | (27.1) | 0.53       | 0.59       | (10.2) |
| Silver (g/t)            | 0.21      | 0.16      | 31.3   | 0.20      | 5.0    | 0.22       | 0.19       | 15.8   |

Quarterly gold production decreased 30.7% vs. 3Q22 due to expected decrease in volume of ore deposited as the mine approaches the end of its life and a lower recovery rate, partly mitigated by the higher ore grade.

Quarterly gold production decreased 53.4% vs. 4Q21 due to the decrease in ore processed and lower ore grade as the mine approaches the end of its life, partly compensated for by a higher recovery rate due to shorter irrigation cycles.

Full year gold production decreased 17.7% vs. FY21 due to a decreased volume of ore processed and lower ore grade consistent with end of mine life.

The 2023 estimated gold ore grade will remain in the range of 0.40-0.50g/t, as the mine approaches the end of its operational life.

## JUANICIPIO

Mineralised material from Juanicipio continued to be processed through the Fresnillo and Saucito flotation plant during the quarter. On an attributable basis, Juanicipio produced 1,042 koz of silver and 3,020 oz of gold in 4Q22, and 5.2 moz of silver and 12,461 oz of gold in 2022.

As reported in December, the final testing of the downstream power distribution and control systems was completed and the entire electric system energised. Commissioning of the Juanicipio plant is ongoing. We expect a gradual ramp up with the objective of reaching full nameplate capacity in the third quarter of 2023. As reported, ore will be processed at the Juanicipio plant and can also continue to be processed at our nearby Saucito and Fresnillo operations if required.

## SILVERSTREAM

Quarterly Silverstream production decreased against all comparative periods due to a decrease in volume of ore processed driven by a technical stoppage of the flotation plant in December. The maintenance programme was concluded and operations have resumed according to plan.

Silver production in 2023 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 - Juanicipio and the Pyrites Plant at Fresnillo, which has been completed and is awaiting tie-in of the plant to the national electricity grid, 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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[\[1\]](#) Au:Ag ratio of 80:1

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