



Fresnillo plc
21 Upper Brook Street
London W1K 7PY
United Kingdom
www.fresnilloplc.com

26 April 2023

FIRST QUARTER PRODUCTION REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2023

Octavio Alvidrez, Chief Executive Officer, said:

"I am pleased to report a solid start to the year. Silver and gold production are both up on the previous quarter driven by the increasing contribution from our new Juanicipio mine and the strong performance at our Herradura gold mine in particular. We have a very clear set of priorities that we are focused on in the second quarter. This includes the continued safe ramp up of the Juanicipio plant now that we have successfully completed the commissioning phase, while also progressing the tie-in to the national power grid of our new Pyrites Plant. Both of these projects will support our production objectives into the future. We have successfully managed through considerable recent challenges, reaching a sound level of operational consistency, putting us well on track to meet our full year production guidance."

HIGHLIGHTS

Silver

- Quarterly attributable silver production of 13.1 moz (including Silverstream), up 5.1% vs. 4Q22 mainly driven by a higher ore grade at San Julián (DOB) and the increased contribution of ore from Juanicipio, partly offset by the lower volume of ore processed at Saucito.
- Quarterly attributable silver production remained flat (-0.9%) vs. 1Q22 primarily due to the lower ore grade and decreased volume of ore processed at San Julián (DOB) and Ciénega, offset by the increase in volume of ore processed at Fresnillo and higher ore grade at San Julián Veins.

Gold

- Quarterly attributable gold production of 173.0 koz up 3.0% vs. 4Q22 mainly due to the higher ore grade at Saucito and higher ore grade and recovery rate at Herradura, partly offset by the lower recovery rate and decrease in ore grade at Noche Buena.
- Quarterly attributable gold production up 15.5% vs. 1Q22 primarily due to the higher volume of ore processed and ore grade at Herradura and the higher ore grade at Saucito, partly offset by the decrease in gold production at Noche Buena.

By-Products

- Quarterly attributable by-product lead production up 4.8% vs. 4Q22 due to a higher ore grade at Saucito and

- Quarterly attributable by-product lead production up 7.6% vs. 4Q22 due to a higher ore grade at Saucito and San Julián (DOB) and the increased contribution from Juanicipio, partly offset by the lower ore grade and volume of ore processed at Ciénega.
- Quarterly attributable by-product zinc production up 4.6% vs. 4Q22 due to the higher volume of ore processed at Fresnillo, increased contribution from Juanicipio and the higher ore grade at San Julián (DOB) and Saucito, partly offset by the lower ore grade, volume of ore processed and recovery rate at Ciénega.
- Quarterly attributable by-product lead production increased 9.2% vs. 1Q22 due to the higher volume of ore processed at Fresnillo and higher ore grade at San Julián (DOB), partly offset by the decrease in volume of ore processed and lower ore grade at Ciénega.
- Quarterly attributable by-product zinc production slightly increased by 1.7% vs. 1Q22, driven by the higher volume of ore processed and ore grade at Fresnillo, partly offset by the lower ore grade, recovery rate and volume of ore processed at Saucito and San Julián (DOB).

Operations

The commissioning of Juanicipio was completed as planned during 1Q23. We are now in the ramp-up phase, with full nameplate capacity expected by 3Q23. As previously reported, ore will continue to be processed at the nearby Saucito and Fresnillo plants as required.

We remain focused on complying with the requirements from the state-owned electricity company and the energy regulator to complete the tie-in of the Pyrites Plant to the national power grid, with the commissioning and start up of operations expected in 2Q23.

Attributable	1Q23	4Q22	% Change	1Q22	% Change
Silver (koz)	12,337	12,073	2.2	12,528	(1.5)
Silverstream(koz)	821	450	82.6	748	9.8
Total Silver (koz)	13,158	12,522	5.1	13,276	(0.9)
Gold (oz)	173,034	167,969	3.0	149,792	15.5
Lead (t)	13,368	12,756	4.8	12,244	9.2
Zinc (t)	24,118	23,060	4.6	23,726	1.7

Silver Equivalent Basis⁽¹⁾

Attributable quarterly silver equivalent ounces of 27.0 moz in 1Q23 (4Q22: 25.9 moz, 1Q22: 25.3 moz).

SAFETY PERFORMANCE

We are extremely saddened to report that following an accident in the first quarter, and subsequent complications in hospital, we tragically lost a colleague from the Saucito mine. The safety and wellbeing of our people remains our priority. We will continue working to strengthen the deployment of our safety programmes, and protocols that protect our people throughout all our operating units and identify preventive measures to provide a safe environment for our workforce. Our "I care, We care" programme still needs to mature and be transformed into the safety culture in our company, an objective that we are placing even more focus on.

2023 OUTLOOK

2023 guidance remains unchanged. Attributable silver production is expected to be in the range of 57.0 to 64.0 moz (including Silverstream) while attributable gold production is expected to be in the range of 590 to 640 koz. Expressed in silver equivalent ounces¹, production is expected to be 104 -115 million ounces.

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

FRESNILLO PLC

Tel: +44 (0)20 7399 2470

London Office

Gabriela Mayor, Head of Investor Relations

Mark Mochalski

Mexico City Office

Tel: +52 55 52 79 3206

Ana Belem Zárate

POWERSCOURT

Tel: +44 (0)7793 858 211

Peter Ogden

MINING OPERATIONS**FRESNILLO MINE PRODUCTION**

	1Q23	4Q22	% Change	1Q22	% Change
Ore Processed (t)	668,366	624,105	7.1	575,499	16.1
Production					
Silver (koz)	3,557	3,606	(1.4)	3,015	18.0
Gold (oz)	8,750	8,314	5.2	8,480	3.2
Lead (t)	5,651	5,609	0.7	4,787	18.0
Zinc (t)	12,094	11,097	9.0	9,381	28.9
Ore Grades					
Silver (g/t)	184	197	(6.8)	179	2.7
Gold (g/t)	0.57	0.58	(2.4)	0.64	(12.0)
Lead (%)	1.00	1.05	(5.2)	0.99	1.1
Zinc (%)	2.42	2.37	1.9	2.24	8.2

Quarterly silver production slightly decreased 1.4% vs. 4Q22 mainly due to a lower ore grade as a greater portion of ore was extracted from the western areas of the mine with lower silver ore grade but higher base metal content. This was mitigated by the higher volume of ore processed from these areas.

Quarterly silver production increased 18.0% vs. 1Q22 mainly as a result of the higher volume of ore processed from the Candelaria, San Alberto, San Ricardo, San Mateo and San Carlos areas and, to a lesser extent, the higher ore grade.

Mine development rates increased quarter on quarter to an average of 3,105m per month in 1Q23 (4Q22: 2,933m per month), primarily due to the availability of equipment and the higher productivity of some contractors and unionised personnel.

Quarterly by-product gold production increased 5.2% and 3.2% vs. 4Q22 and 1Q22 respectively, mainly driven by the higher volume of ore processed, partially offset by the lower ore grade.

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

SAUCITO MINE PRODUCTION

	1Q23	4Q22	% Change	1Q22	% Change
Ore Processed (t)	471,959	508,455	(7.2)	495,419	(4.7)
Production					
Silver (koz)	2,804	3,026	(7.3)	2,738	2.4
Gold (oz)	21,378	18,076	18.3	16,388	30.5
Lead (t)	4,301	3,859	11.5	4,264	0.9
Zinc (t)	5,991	5,868	2.1	7,299	(17.9)
Ore Grades					
Silver (g/t)	207	208	(0.5)	193	7.5
Gold (g/t)	1.77	1.39	26.7	1.29	37.4
Lead (%)	1.07	0.90	18.9	0.98	9.1
Zinc (%)	4.68	4.58	2.2	4.84	(3.3)

Zinc (%)	1.68	1.56	8.0	1.81	(1.2)
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Quarterly silver production decreased 7.3% vs. 4Q22 mainly driven by the decrease in volume of ore processed due to lower availability of mining scalers and haulage equipment at the West and Central areas.

Quarterly silver production increased 2.4% vs. 1Q22 due to higher ore grade at the Jarillas West area and lower dilution, which more than compensated for the lower volume of ore processed in 1Q23.

Quarterly by-product gold production increased 18.3% and 30.5% vs. 4Q22 and 1Q22 respectively, mainly driven by a higher ore grade at the Jarillas West area, partly offset by the lower volume of ore processed.

We will continue working toward increasing the availability of equipment and utilisation rates, whilst improving the productivity of our personnel. These measures are expected to increase volumes of ore processed in the coming months.

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

PYRITES PLANT (PHASE I)

	1Q23	4Q22	% Change	1Q22	% Change
Iron Concentrates Processed (t)	27,952	32,211	(13.0)	32,364	(13.6)
Production					
Silver (koz)	111	111	0.2	150	(25.9)
Gold (oz)	270	374	(27.7)	510	(47.0)
Ore Grades					
Silver (g/t)	177	145	22.0	193	(8.3)
Gold (g/t)	1.31	1.19	9.3	1.59	(17.8)

Quarterly silver production remained flat vs. 4Q22 as the decrease in volume of pyrite concentrates processed and lower recovery rates were offset by a higher ore grade from the Saucito's flotation plant due to lower dilution and better ore grade at long hole drilling areas.

Quarterly silver production decreased 25.9% vs. 1Q22 due to the decreased volume of pyrite concentrates processed, and lower ore grade and recovery rate.

Quarterly gold production decreased 27.7% vs. 4Q22 due to the lower recovery rate and decreased volume of pyrite concentrates processed, partly offset by the higher ore grade from Saucito's flotation plant.

Quarterly gold production decreased 47.0% vs. 1Q22 as a result of the lower ore grade and recovery rate and the decrease in volume of pyrite concentrates processed.

After the successful tie-in of Juanicipio mine in the 4Q22, the Pyrites Plant awaits the tie-in process to the national grid in 2Q23. Once this takes place, commissioning and ramp up will start immediately.

CIENEGA MINE PRODUCTION

	1Q23	4Q22	% Change	1Q22	% Change
Ore Processed (t)	240,148	256,928	(6.5)	282,568	(15.0)
Production					
Gold (oz)	9,302	9,122	2.0	9,990	(6.9)
Silver (koz)	980	982	(0.2)	1,416	(30.8)
Lead (t)	748	930	(19.6)	926	(19.2)
Zinc (t)	1,002	1,372	(27.0)	1,351	(25.9)
Ore Grades					
Gold (g/t)	1.30	1.20	8.5	1.20	8.6
Silver (g/t)	147	139	5.9	179	(17.7)
Lead (%)	0.47	0.56	(14.7)	0.50	(6.0)

Zinc (%)	0.77	0.94	(18.2)	0.85	(9.1)
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Quarterly gold production increased 2.0% vs. 4Q22 due to a higher ore grade as a result of the positive variation with the geological model. This was partly offset by the lower volume of ore processed which resulted from the longer than expected maintenance programme and delay in the preparation of stopes driven by the reduced availability of equipment. These factors are expected to improve in the coming months, thus increasing volumes of ore processed by 3Q23.

Quarterly gold production decreased 6.9% vs. 1Q22 mainly due to the lower volume of ore processed in accordance to the mine plan, mitigated by the higher ore grade as a result of the previously mentioned factors.

Quarterly silver production remained flat vs. 4Q22 mainly as a result of the higher ore grade, offset by the lower volume of ore processed.

Quarterly silver production decreased 30.8% vs. 1Q22 due to the lower ore grade as a result of higher dilution in narrow veins and decreased volumes of ore processed.

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

SAN JULIÁN MINE PRODUCTION

	1Q23	4Q22	% Change	1Q22	% Change
Ore Processed Veins (t)	283,752	294,582	(3.7)	294,144	(3.5)
Ore Processed DOB (t)	522,260	517,733	0.9	541,030	(3.5)
Total production at San Julián					
Gold (oz)	12,033	11,907	1.0	11,684	3.0
Silver (koz)	3,412	3,113	9.6	3,640	(6.3)
Production Veins					
Gold (oz)	11,139	11,062	0.7	10,844	2.7
Silver (koz)	1,312	1,288	1.9	1,060	23.8
Production DOB					
Gold (oz)	894	845	5.7	840	6.4
Silver (koz)	2,100	1,825	15.1	2,580	(18.6)
Lead (t)	1,855	1,712	8.4	1,608	15.4
Zinc (t)	3,755	3,604	4.2	4,725	(20.5)
Ore Grades Veins					
Gold (g/t)	1.28	1.23	3.6	1.21	5.0
Silver (g/t)	158	149	6.1	123	27.9
Ore Grades DOB					
Gold (g/t)	0.09	0.08	9.0	0.08	11.2
Silver (g/t)	146	130	11.9	173	(15.5)
Lead (%)	0.46	0.43	8.2	0.39	19.5
Zinc (%)	0.96	0.93	3.1	1.11	(13.2)

SAN JULIÁN VEINS

Quarterly silver and gold production slightly increased 1.9% and 0.7% vs. 4Q22 respectively, due to a higher ore grade at the San Antonio, Ultima Tierra and Eliza areas which compensated for the lower volume of ore processed due to the optimisation in the maintenance programme in 4Q22.

Quarterly silver production increased 23.8% vs. 1Q22 mainly driven by the aforementioned higher ore grade which was partly offset by the lower volume of ore processed.

Quarterly gold production increased 2.7% vs. 1Q22 due to the higher ore grade and, to a lesser extent, the improved recovery rate which compensated for the lower volume of ore processed.

We continue to expect 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 increased 15.1% vs. 4Q22 mainly due to higher ore grades at the 2,400 level and, to a lesser extent, the higher recovery rate.

Quarterly silver production decreased 18.6% vs. 1Q22 due to the lower ore grade in the areas in the periphery of the ore body, as expected. Additionally, the lower volume of ore processed due to unplanned maintenance stoppage at the beneficiation plant in 1Q23 also contributed to the decrease in silver production.

We continue to expect the 2023 silver ore grade to be in the range of 130-140 g/t.

HERRADURA TOTAL MINE PRODUCTION

	1Q23	4Q22	% Change	1Q22	% Change
Ore Processed (t)	6,485,710	7,084,437	(8.5)	4,216,598	53.8
Total Volume Hauled (t)	29,223,867	27,446,767	6.5	32,784,771	(10.9)
Production					
Gold (oz)	106,832	103,826	2.9	77,602	37.7
Silver (koz)	208	191	9.1	218	(4.4)
Ore Grades					
Gold (g/t)	0.73	0.71	3.7	0.69	6.9
Silver (g/t)	1.72	1.35	27.4	2.25	(23.4)

Quarterly gold production increased 2.9% vs. 4Q22 mainly driven by the higher recovery rate resulting from the increased irrigation of inventory as leaching pad 14B is accessed, and higher ore grade, partly offset by the lower volume of ore processed driven by the failure of the main transformer at the dynamic leaching plant, which is temporarily being replaced by a lower capacity transformer while the main transformer is repaired.

Quarterly gold production increased 37.7% vs. 1Q22 mainly due to the increase in volume of ore processed and higher ore grade mainly as a result of a positive variation with the geological model. This was partly offset by the lower recovery rate driven by gold contents in solution still in the leaching process.

The adjusted production costs were impacted by the increase in waste material hauled charged to costs, rather than capitalised, despite the 20.6% decrease in the total volume of waste material hauled (capitalised and charged to costs). This is because in 1Q22 the total stripping ratio of c. 6.8 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 benches; whereas in 1Q23 the 3.5 total stripping ratio was only slightly higher than the prevailing average stripping ratio for LOM, thus decreasing the portion of volume being capitalised.

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

	1Q23	4Q22	% Change	1Q22	% Change
Ore Processed (t)	1,711,348	1,232,125	38.9	1,789,478	(4.4)
Total Volume Hauled (t)	6,595,264	7,296,832	(9.6)	5,178,188	27.4
Production					
Gold (oz)	11,078	13,331	(16.9)	21,869	(49.3)
Silver (koz)	4	3	41.4	8	(48.1)
Ore Grades					
Gold (g/t)	0.48	0.51	(5.6)	0.62	(22.9)
Silver (g/t)	0.15	0.21	(26.9)	0.31	(52.1)

Quarterly gold production decreased 16.9% vs. 4Q22 due to the lower recovery rate driven by higher leaching pads and the lower ore grade, partly offset by the higher volume of ore processed.

Quarterly gold production decreased 49.3% vs. 1Q22 due to the decrease in recovery rate as described above, and a lower ore grade and volume of ore processed.

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

JUANICIPIO

	1Q23*	4Q22**	% Change	1Q22**	% Change
Ore Processed (t)	222,024	165,786	33.9	145,485	52.6
Production					
Silver (koz)	1,260	1,042	20.0	1,344	(6.3)

Q1/23 (moz)	1,200	1,072	20.3	1,077	(0.5)
Gold (oz)	3,392	3,020	12.3	3,269	3.8
Lead (t)	813	647	25.7	658	23.6
Zinc (t)	1,275	1,119	13.9	970	31.4
Ore Grades					
Silver (g/t)	363	415	(12.5)	597	(39.2)
Gold (g/t)	1.08	1.31	(17.6)	1.58	(31.6)
Lead (%)	0.74	0.84	(11.9)	0.94	(21.3)
Zinc (%)	1.44	1.60	(10.0)	1.74	(17.2)

* Includes ore processed as part of the initial tests during the commissioning of the Juanicipio plant and ore processed at the Fresnillo and Saucito beneficiation plants.

** Ore processed at the Fresnillo and Saucito beneficiation plants.

The commissioning of Juanicipio was completed as planned during 1Q23. The ramp-up phase has begun, with full nameplate capacity expected by 3Q23. As previously reported, ore will continue to be processed at the nearby Saucito and Fresnillo plants as required.

As previously disclosed, Juanicipio will be an increasingly major influence in Fresnillo plc operations with total average annual silver and gold production of 11.7 moz and 43.5 koz respectively over the life of mine.

UPDATE ON ADJUSTED PRODUCTION COSTS

Adjusted production costs in 1Q23 continued to be impacted by:

1. ongoing cost inflation, along with the revaluation of the Mexican peso vs. the US dollar of approximately +13.2% yoy;
2. a 53.8% increase in ore processed at Herradura (+2.3 million tonnes); together with an increase in waste material hauled at Herradura charged to costs (+65.1%, +8.4 million tonnes).

SILVERSTREAM

Quarterly Silverstream production increased 82.6% vs. 4Q22 due to the higher volume of ore processed following the technical stoppage of the flotation plant in December and, to a lesser extent, a higher ore grade.

Quarterly Silverstream production increased 9.8% vs. 1Q22 due to a higher volume of ore processed and higher recovery rate, partly offset by the lower ore grade.

Silver production in 2023 is estimated to be in the range of 2.5-3.5 moz.

UPDATE ON THE BILL TO REFORM MINING LAW PROPOSED IN MEXICO

The Company notes the regulatory initiative sent to the Mexican Congress by the President of Mexico on 28 March 2023 (the "Initiative") with a view to reforming several codes of legislation, including Mexico's Federal Mining Law. The Initiative was reviewed, modified and initially approved on 20 April 2023 (the "Reformed Initiative") by the lower house of Congress (Chamber of Deputies), subject to further discussion and analysis by the upper house of Congress (the Mexican Senate) in accordance with the legislative process in Mexico. The Reformed Initiative has now been presented to the Mexican Senate for discussion, review and, if thought fit, approval. Any such approval will be subject to its return to the Federal Executive Branch for publication in due course as a new law, which has not yet occurred. The Company will, however, be monitoring these events closely, in order to review and assess the possible outcomes and their potential consequences for the mining sector in general, and Fresnillo plc in particular.

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 eight operating mines, all of them in Mexico - Fresnillo, Saucito, Juanicipio, Ciénega, Herradura, Soledad-Dipolos¹, Noche Buena and San Julián (Veins and Disseminated Ore Body), one development project - the Pyrites Plant at Fresnillo, which has been completed and is awaiting tie-in of the plant to the national electricity grid, and four advanced exploration projects - Orisyvo, Rodeo, Guanajuato and Tajitos 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 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.

[\[1\]](#) Au:Ag ratio of 80:1

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