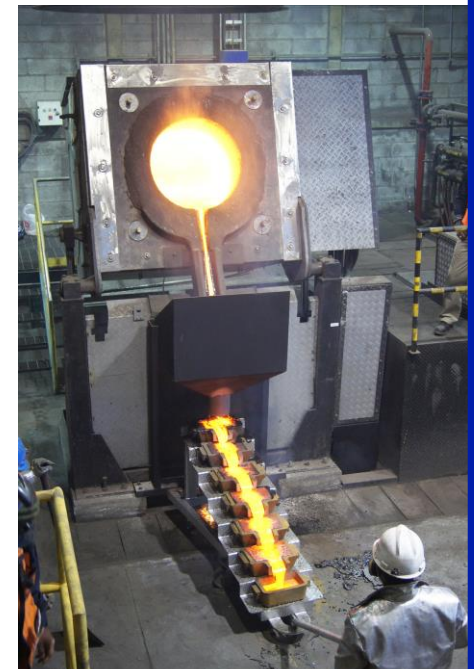
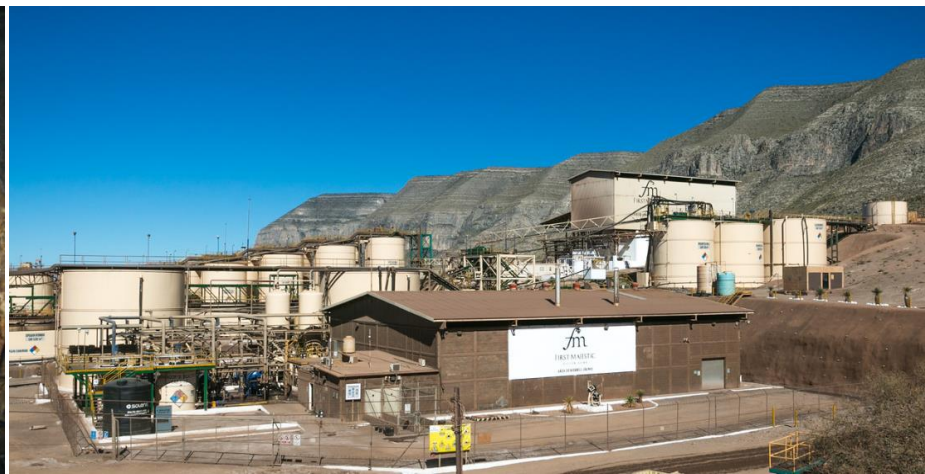




+ PRIMERO

# ACQUISITION OF PRIMERO

January 12, 2018



# CAUTIONARY DISCLAIMER FORWARD LOOKING STATEMENT

Certain statements contained herein regarding First Majestic Silver Corp. (the “Company”) and its operations constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation.

All statements that are not historical facts, including without limitation, statements regarding closing of the proposed transaction, borrowings, repayment of debt, future estimates, plans, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are “forward-looking statements”.

We caution you that such “forward-looking statements” involve known and unknown risks and uncertainties that could cause actual and future events to differ materially from those anticipated in such statements.

Such risks and uncertainties include failure to complete the proposed transaction, failure to obtain shareholder, regulatory or court approvals, failure to obtain debentureholder approval for early maturity of the debentures, failure to satisfy conditions of lenders, fluctuations in precious metal prices, unpredictable results of exploration activities, uncertainties inherent in the estimation of mineral reserves and resources, fluctuations in the costs of goods and services, problems associated with exploration and mining operations, litigation and tax matters, changes in legal, social or political conditions in the jurisdictions where the Company operates, lack of appropriate funding and other risk factors, as discussed in the Company’s filings with the Canadian and United States Securities regulatory agencies.

Resource and production goals and forecasts may be based on data insufficient to support them. Ramon Mendoza, P. Eng., Vice President of Technical Services and Jesus Velador, Ph.D., Regional Exploration Manager are certified Qualified Persons (“QP”) for the Company. The Company expressly disclaims any obligation to update any “forward-looking statements”.

# TRANSACTION OVERVIEW

<b>Transaction:</b>	<ul style="list-style-type: none"> <li>First Majestic has entered into an agreement with Primero and Wheaton Precious Metals to acquire Primero, and to restructure the existing silver stream with Wheaton Precious Metals (the "Acquisition")</li> </ul>
<b>New Flagship Asset:</b>	<ul style="list-style-type: none"> <li>Primero's main asset is San Dimas, a silver-gold mine located in Durango state in central west Mexico that has been producing for 100+ years</li> <li>2016 production of 5.3 Moz Ag and 94 Koz Au</li> </ul>
<b>On Strategy:</b>	<ul style="list-style-type: none"> <li>Continues First Majestic's focus on high quality silver operating assets in Mexico</li> </ul>
<b>New Stream:</b>	<ul style="list-style-type: none"> <li>New streaming agreement for 25% AuEq production with US\$600/oz ongoing payment</li> <li>Silver-gold ratio fixed at 70:1 – maintains leverage to increasing silver prices</li> </ul>
<b>Consideration:</b>	<ul style="list-style-type: none"> <li>C\$0.30 per share in First Majestic shares (0.03325 fixed exchange ratio)</li> <li>Expected repayment of Primero's US\$75 million convertible debentures</li> <li>Repayment of Primero's existing revolving credit facility, net of Primero cash on hand</li> <li>US\$151 million in First Majestic shares to WPM (subject to 6-month hold; volume restrictions thereafter)</li> </ul>
<b>Financing:</b>	<ul style="list-style-type: none"> <li>First Majestic and Primero's cash on hand and new committed credit facilities cover anticipated cash requirements of Acquisition</li> </ul>
<b>Timing:</b>	<ul style="list-style-type: none"> <li>Materials to be mailed to Primero shareholders in mid to late February 2018</li> <li>Shareholder and debentureholder meetings and closing in mid to late March 2018</li> </ul>

# TRANSACTION HIGHLIGHTS

## New Flagship Asset

- Adds cornerstone asset expected to be First Majestic's largest producing mine
- Long operating history of production and reserve replacement with meaningful exploration upside

## Builds on Strengths in Mexico

- Builds on First Majestic's existing expertise in Mexico and strong local presence in state of Durango
- Largest taxpayer in state of Durango and one of the largest employers in the city of Durango

## Leverage Underground Experience

- Ability to create value through significant underground operating experience; see a number of 'low hanging fruit' opportunities

## New Stream Provides Improved Economics

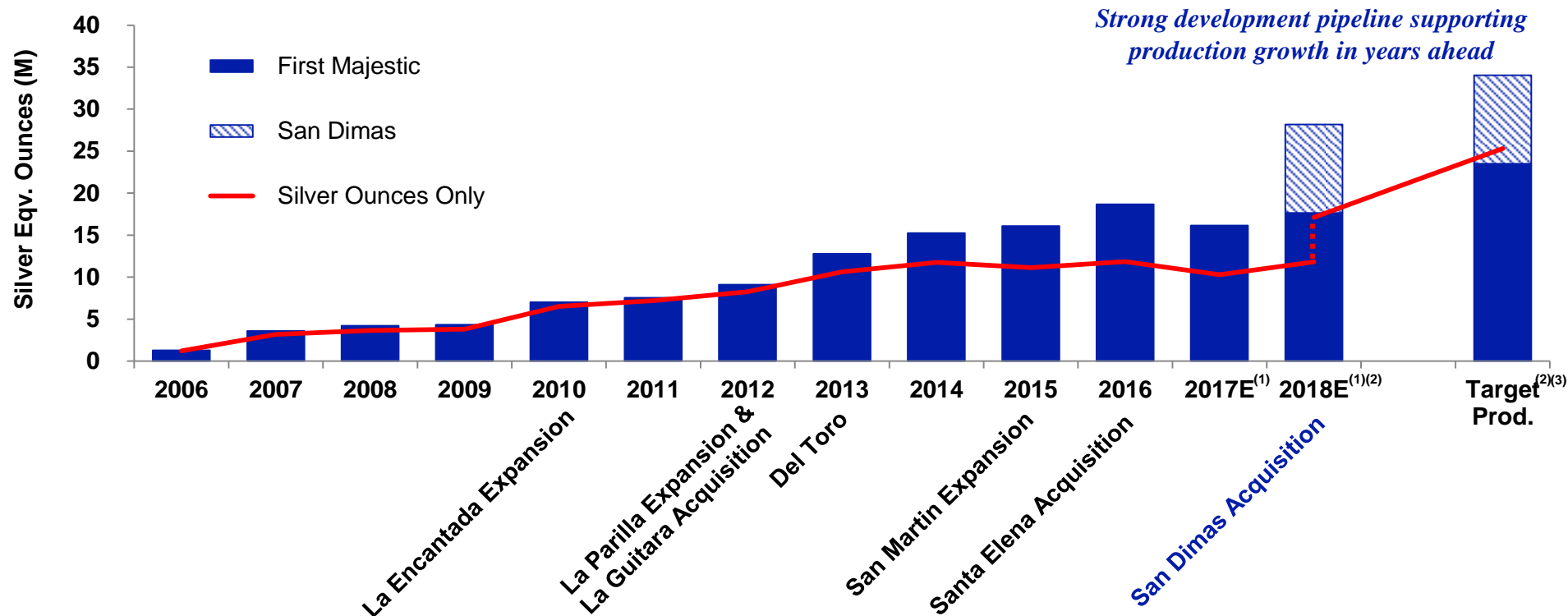
- Robust economics under restructured stream
- Alignment of interests with new stream allows for optimized mine plan to simultaneously chase best silver and gold ounces

## Accretive

- Accretive on all key metrics including NAV, Cash Flow, Production, and Resources before anticipated synergies including reduction of G&A

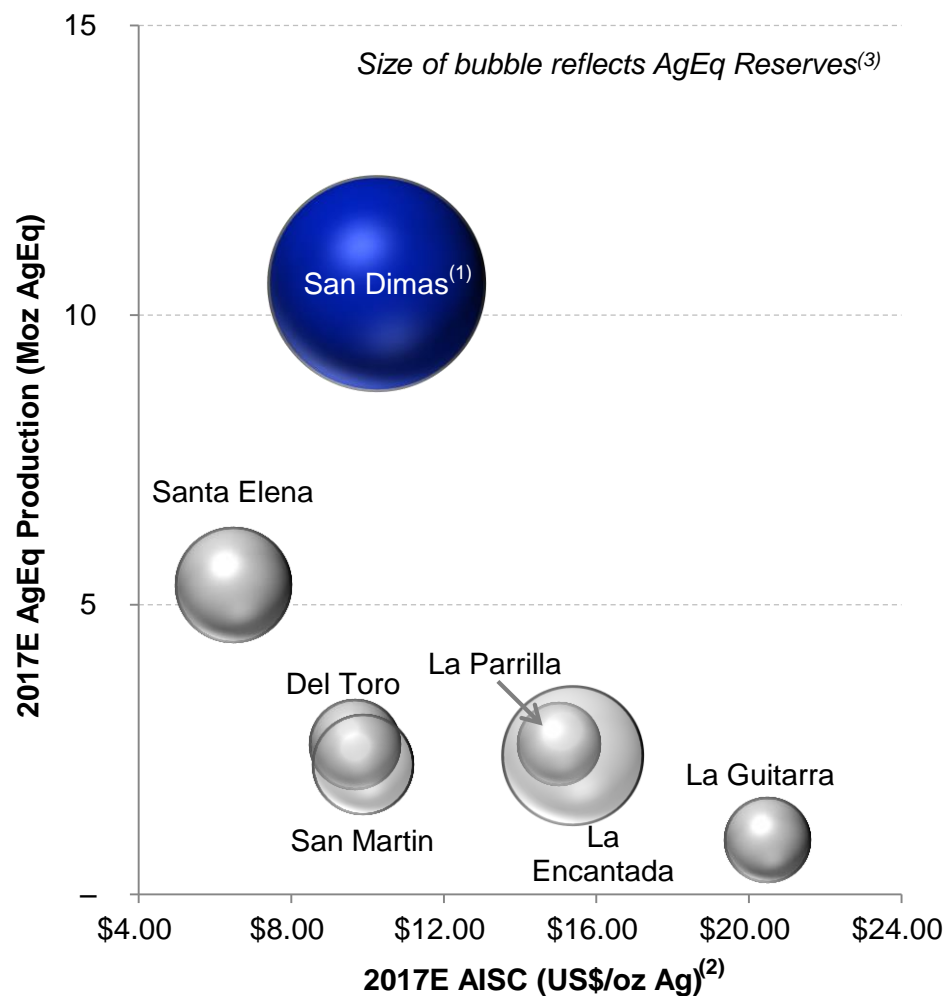
# TRANSFORMATIONAL TRANSACTION

## First Majestic Production Profile



- 1) First Majestic production from management guidance
- 2) San Dimas production based on 2016A adjusted for 25% gold equivalent stream—silver equivalent production converted based on 2016 average commodity prices
- 3) First Majestic production based on expected long-term steady state production

# NEW FLAGSHIP ASSET



Note: First Majestic production and AISC from management guidance

- 1) San Dimas metrics based on 2016A adjusted for 25% gold equivalent stream—silver equivalent production converted based on 2016 average commodity prices
- 2) Net of by-product credits
- 3) Based on latest company disclosure. Metal prices considered for resource estimates were US\$19.00/oz Ag, US\$1,300/oz Au, US\$1.00/lb Pb and US\$1.20/lb Zn

# BUILDS ON STRENGTHS IN MEXICO

- First Majestic has extensive operating expertise in Mexico with longstanding relationships with local unions and government officials
- Largest taxpayer in state of Durango and one of the largest employers in the city of Durango

## IN PRODUCTION PROJECTS

1 La Encantada

2 La Parrilla

3 San Martin

4 La Guitarra

5 Del Toro

6 Santa Elena

8 Plomosas

9 La Luz

## EXPLORATION

10 La Joya

7 **SAN DIMAS**





# SAN DIMAS SILVER/GOLD MINE

## Operations

Mill Capacity: 2,750 tpd

Sinaloa – Durango, Mexico

## Reserves & Resources

Proven & Probable: 41.2M Ag + 517K Au oz

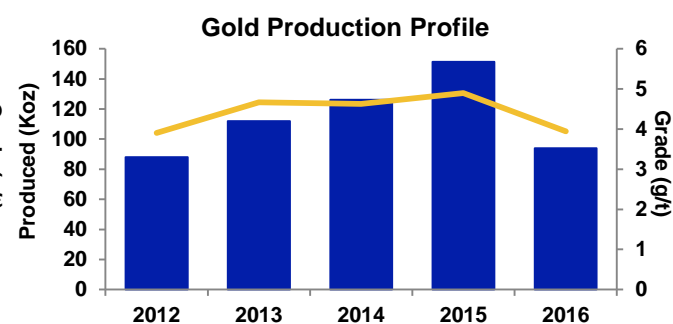
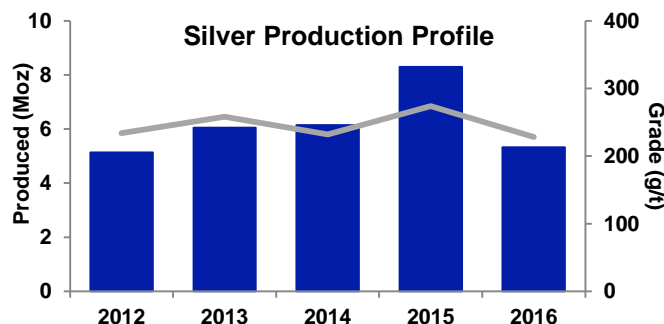
Measured & Indicated: 61.9M Ag + 832K Au oz

Inferred: 73.5M Ag + 860K Au oz

\*M&I Resources are inclusive of Reserves



- +100 years of mine production history, the district has produced +620Moz Ag +11Moz of Au
- +120 known epithermal veins
- 100% Silver/Gold doré producer

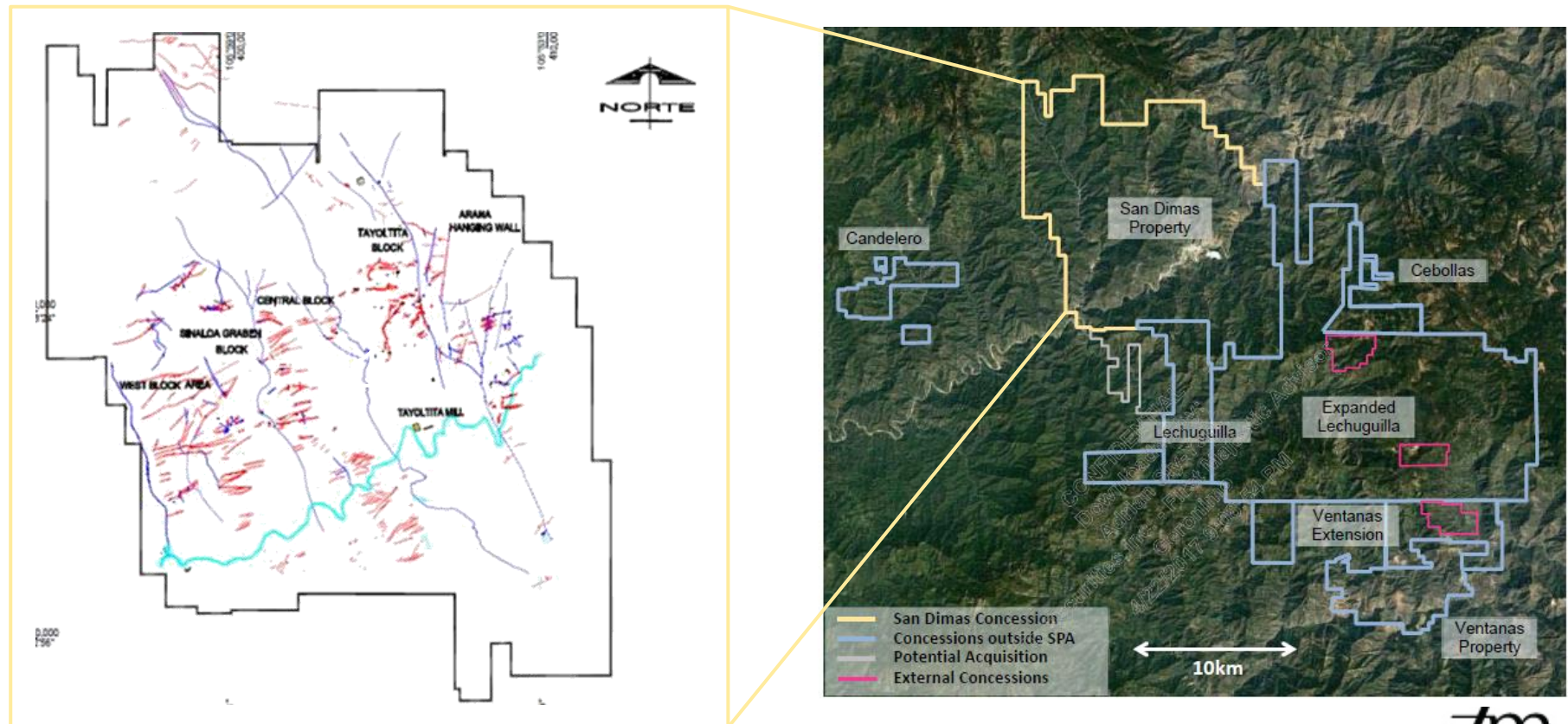


■ Production — Grade



# SAN DIMAS OPTIMIZATION STRATEGY

- Recapitalization of underground
- Lateral development to improve access to working faces
- Plant optimization
- Exploration of large unexplored land package which may increase reserves and extend mine life



# ROBUST ECONOMICS UNDER NEW STREAM

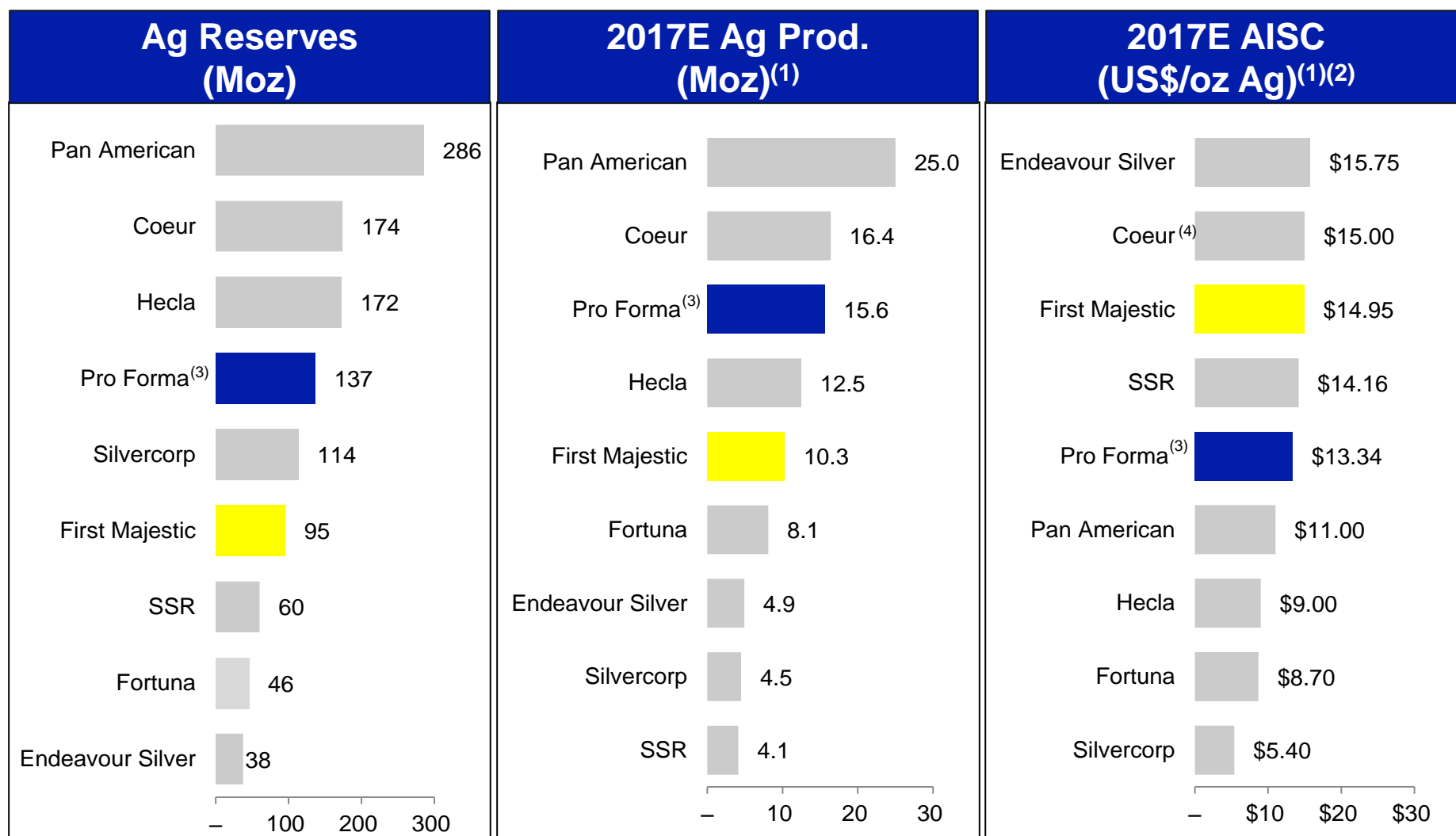
	Old Stream	New Stream
	KEY TERMS	
Stream %	<ul style="list-style-type: none"> <li>100% of silver produced up to 6 Moz per year; 50% thereafter</li> </ul>	<ul style="list-style-type: none"> <li>25% of gold equivalent production with a fixed silver-gold ratio of 70:1</li> </ul> $25\% \times \text{payable Au} + \frac{25\% \times \text{payable Ag}}{70}$
Ongoing Payment <sup>(1)</sup>	<ul style="list-style-type: none"> <li>US\$4.28/oz of silver</li> </ul>	<ul style="list-style-type: none"> <li>US\$600/oz for each ounce of gold equivalent</li> </ul>
Threshold	<ul style="list-style-type: none"> <li>6 Moz of silver per year</li> </ul>	<ul style="list-style-type: none"> <li>No production thresholds</li> </ul>
	KEY POST-STREAM METRICS	
2016A AgEq Production <sup>(2)</sup>	<ul style="list-style-type: none"> <li>8.3 Moz</li> </ul>	<ul style="list-style-type: none"> <li>10.5 Moz<sup>(3)</sup></li> </ul>
2016A By-Product AISC <sup>(2)</sup>	<ul style="list-style-type: none"> <li>US\$15.35/oz</li> </ul>	<ul style="list-style-type: none"> <li>US\$10.23/oz<sup>(3)</sup></li> </ul>

1) Subject to 1% inflationary adjustment

2) Production converted to silver equivalent based on 2016 average commodity prices

3) Adjusted for 25% gold equivalent stream

# LEADING SILVER PRODUCER



(1) Based on mid-point of management guidance, where applicable

(2) Net of by-product credits

(3) San Dimas metrics based on 2016A adjusted for 25% gold equivalent stream—silver equivalent production converted based on 2016 average commodity prices

(4) AgEq basis; based on 70:1 gold to silver ratio

# HIGHLY STRATEGIC ACQUISITION

**Adds new flagship asset**

**Builds on strengths in Mexico**

**Leverage underground experience**

**New stream provides improved economics**

**Accretive to First Majestic**

# QUESTIONS



# APPENDIX



Natural Gas Generators

# SAN DIMAS RESERVES AND RESOURCES

Category	M tonnes	Ag (g/t)	Au (g/t)	Ag (Moz)	Au (Moz)
Proven and Probable	4.0	322	4.0	41.2	517
Measured and Indicated	5.0	387	5.2	61.9	832
Inferred	7.2	317	3.7	73.5	860

- 1) As of December 31, 2016
- 2) Mineral Resources are calculated inclusive of Mineral Reserves
- 3) Figures may not add due to rounding

## Notes to the San Dimas Mineral Reserve Statement:

- 1) Assumed gold price of US\$1,200 per troy ounce and silver price of US\$17 per troy ounce
- 2) A two-pass cut-off grade was applied at San Dimas; first-pass of 3.22 g/t gold equivalent based total all-in costs of \$118.00/t (\$81/t direct costs and \$37/t sustaining capital), and secondpass of 2.22 g/t gold equivalent based on direct operating costs only. Metal supply contract obligations have been referenced in determining overall vein reserve estimate viability
- 3) Assumed processing recovery factors at San Dimas for gold of 95% and silver of 92%
- 4) Exchange rate assumed is MXN\$18.00/US\$1.00
- 5) The Mineral Reserve estimates for San Dimas Mine set out in the table above have been reviewed and approved by Mr. Clifford Lafleur, P.Eng., Former Director of Technical Services, Primero and Mr. Patrick McCann, P.Eng., Principal Engineer, Primero and a Qualified Person ("QP") for the purposes of National Instrument 43-101 ("NI 43-101")
- 6) Mineral Reserves do not consider the silver purchase agreement which exists with Silver Wheaton Corp. such that the first 6.0 million ounces per annum of silver produced by the San Dimas mine, plus 50% of the excess silver above this amount, must be sold to Silver Wheaton Caymans at the lesser of \$4.28 per ounce (adjusted by 1% per year) and market prices

## Notes to the San Dimas Mineral Resource Statement:

- 1) Mineral Resources are total and include those resources converted to Mineral Reserves
- 2) Assumed gold price of US\$1,200 per troy ounce and silver price of US\$17 per troy ounce
- 3) San Dimas cut-off grade of 2.0 g/t gold equivalent was applied
- 4) The Mineral Resource estimates for the San Dimas Mine set out in the table above have been reviewed and approved by Mr. Dave Laudrum, P.Geo., Senior Resource Manager, Primero and a QP for the purposes of NI 43-101