

**NI 43-101 Technical Report
for the Del Toro Silver Mine,
Zacatecas State, México**

Prepared for

First Majestic Silver Corp.

May 18, 2012

DE-00248





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Prepared by

Pincock, Allen & Holt

Leonel López, C.P.G.

CONTENTS		<u>Page</u>
1.0	EXECUTIVE SUMMARY	1.1
1.1	<i>Property</i>	1.1
1.2	<i>Geology</i>	1.2
1.3	<i>Mineralization</i>	1.2
1.4	<i>Exploration</i>	1.3
1.5	<i>Mining</i>	1.4
1.6	<i>Mineral Processing</i>	1.7
1.7	<i>Recovery Methods</i>	1.10
1.8	<i>Environmental</i>	1.11
1.9	<i>Market Studies and Contracts</i>	1.11
1.10	<i>Mine Closure, Remediation and Reclamation</i>	1.12
1.11	<i>Community Relations</i>	1.12
1.12	<i>Conclusions</i>	1.13
1.13	<i>Recommendations</i>	1.14
2.0	INTRODUCTION	2.1
2.1	<i>Technical Report</i>	2.1
2.2	<i>Purpose of Technical Report</i>	2.1
2.3	<i>Sources of Information</i>	2.1
2.4	<i>Participants in the preparation of This Technical Report</i>	2.1
2.5	<i>Terms and Definitions</i>	2.2
2.6	<i>Units</i>	2.3
3.0	RELIANCE ON OTHER EXPERTS	3.1
4.0	PROPERTY DESCRIPTION AND LOCATION	4.1
4.1	<i>Property Description</i>	4.1
4.2	<i>Location</i>	4.1
4.3	<i>Property Coverage</i>	4.1
4.4	<i>Mineral Tenure</i>	4.3
4.5	<i>Mining Concessions</i>	4.4
4.6	<i>Claim Boundaries and Mineralized Zones</i>	4.4
4.7	<i>Royalties, Back-in Rights, Agreements, and Other Encumbrances</i>	4.6
4.8	<i>Environmental Status</i>	4.6
4.9	<i>Permitting</i>	4.6
4.10	<i>Factors or Risks That May Affect the Property</i>	4.7

5.0	ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY	5.1
5.1	<i>Accessibility</i>	5.1
5.2	<i>Climate and Vegetation</i>	5.1
5.3	<i>Local Resources</i>	5.1
5.4	<i>Infrastructure</i>	5.2
5.5	<i>Physiography and Hydrology</i>	5.2
6.0	HISTORY	6.1
7.0	GEOLOGICAL SETTING	7.1
7.1	<i>Regional Geology, Structural</i>	7.1
7.2	<i>Local Geology</i>	7.2
7.3	<i>Deposit Geology</i>	7.4
7.4	<i>Mineralization</i>	7.7
	7.4.1 Mineralization at the San Juan Deposit	7.11
	7.4.2 Mineralization at the Perseverancia Deposit	7.11
8.0	DEPOSIT TYPES	8.1
9.0	EXPLORATION	9.1
9.1	<i>Introduction</i>	9.1
9.2	<i>Exploration Programs</i>	9.1
	9.2.1 Geophysical Exploration	9.1
	9.2.2 Geochemical Exploration	9.2
9.3	<i>Drilling</i>	9.6
9.4	<i>Opinion</i>	9.10
10.0	DRILLING	10.1
10.1	<i>Drilling Method</i>	10.1
10.2	<i>Interpretation</i>	10.3
10.3	<i>Sampling intervals, True Thickness</i>	10.3
10.4	<i>PAH Opinion</i>	10.3

CONTENTS (Continued)	<u>Page</u>
11.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY	11.1
11.1 <i>Channel Sampling</i>	11.1
11.2 <i>Drill Core Samples</i>	11.2
11.3 <i>Opinion</i>	11.2
12.0 DATA VERIFICATION	12.1
12.1 <i>Production – Bulk Samples</i>	12.1
12.2 <i>PAH Opinion</i>	12.5
13.0 METALLURGICAL TESTING	13.1
13.1 <i>Summary</i>	13.1
13.2 <i>General</i>	13.1
13.3 <i>Cyanidation Testing</i>	13.3
13.4 <i>Flotation Testing</i>	13.4
14.0 MINERAL RESOURCE ESTIMATE	14.1
14.1 <i>Introduction</i>	14.1
14.2 <i>Methodology</i>	14.2
14.3 <i>Density Determinations</i>	14.3
14.4 <i>Cutoff Grade Calculation</i>	14.3
14.4.1 <i>Oxides</i>	14.4
14.4.2 <i>Sulfides</i>	14.4
14.5 <i>Resource Estimation</i>	14.5
14.6 <i>Additional Geologic Potential</i>	14.9
14.7 <i>Conclusion</i>	14.11
15.0 MINERAL RESERVE ESTIMATE	15.1
15.1 <i>Introduction</i>	15.1
15.2 <i>Mineable Reserves</i>	15.1
15.3 <i>Metal Prices</i>	15.1
16.0 MINING METHODS	16.1
16.1 <i>Introduction</i>	16.1
16.2 <i>Mine Design and Production Planning</i>	16.2

CONTENTS (Continued)	<u>Page</u>
16.2.1 Major mine Development	16.2
16.2.2 Stopping methods and production Planning	16.11
16.2.3 Life of Mine Production Plan	16.13
16.2.4 Geotechnical and Ground Control	16.14
16.2.5 Major Mine Equipment	16.23
16.2.6 Mine Manpower	16.23
16.2.7 Ventilation	16.24
16.2.8 Mine Dewatering	16.28
16.2.9 Mine Electrical System	16.31
16.3 <i>Mine Capital and Operating Costs</i>	16.36
17.0 RECOVERY METHODS	17.1
17.1 <i>General</i>	17.1
17.2 <i>Ore-Processing Plant</i>	17.1
17.2.1 Oxide-Ore Cyanide-Leach Circuit	17.2
17.2.2 Sulfide-Ore Flotation Circuit	17.7
17.2.3 Tailings Storage	17.7
18.0 INFRASTRUCTURE	18.1
18.1 <i>Accessibility and Resources</i>	18.1
18.2 <i>Electric Power</i>	18.2
18.3 <i>Water</i>	18.2
18.4 <i>Other Facilities</i>	18.2
19.0 MARKET STUDIES AND CONTRACTS	19.1
19.1 <i>Summary</i>	19.1
19.2 <i>General</i>	19.1
20.0 ENVIRONMENTAL STUDIES, PERMITTING, AND SOCIAL OR COMMUNITY IMPACT	20.1
20.1 <i>Environmental Studies</i>	20.1
20.2 <i>Permitting</i>	20.2
20.3 <i>Mine Closure, Remediation and Reclamation</i>	20.3
20.4 <i>Social or Community Impact</i>	20.4

CONTENTS (Continued)	<u>Page</u>
21.0 CAPITAL AND OPERATING COSTS	21.1
21.1 <i>Capital Costs</i>	21.1
21.2 <i>Operating Costs</i>	21.3
22.0 ECONOMIC ANALYSIS	22.1
22.1 <i>Assumptions</i>	22.1
22.2 <i>NPV, IRR, and Payback Period</i>	22.2
22.3 <i>Taxes, Royalties, and Other Encumbrances</i>	22.2
22.4 <i>Sensitivity</i>	22.2
23.0 ADJACENT PROPERTIES	23.1
24.0 OTHER RELEVANT DATA AND INFORMATION	24.1
25.0 INTERPRETATION AND CONCLUSIONS	25.1
25.1 <i>Interpretation</i>	25.1
25.2 <i>Conclusions</i>	25.3
26.0 RECOMMENDATIONS	26.1
27.0 REFERENCES	27.1
28.0 STATEMENT OF QUALIFICATIONS	28.1
 TABLES	
1-1 Summary of Mineral Resources “In Situ” Prepared by FMS	1.5
1-2 Summary by Year of LOM Development Plan	1.6
1-3 Life of Mine Production Plan	1.8
1-4 Mineral Reserves	1.9
1-5 Economic Analysis	1.14
2-1 List of Contributors to This Technical Report	2.2
4-1 List of Mining Concessions	4.3
4-2 List of Land Holdings	4.4
6-1 Estimated Historical Production	6.2
9-1 Drilling programs Completed to March 31, 2012	9.10
9-2 Exploration program 2012	9.10

CONTENTS (Continued)

Page

13-1	Metallurgical Testing, Head Assays of Test Samples and Optimal Treatment Method	13.2
13-2	Metallurgical Testwork, Best Treatment Conditions & Ag Extractions for the Cyanidation of Oxide and Mixed Zones Samples	13.3
13-3	Metallurgical Testwork, Bulk Flotation of San Juan Orebodies 1 and 2, Sample #6	13.4
13-4	Metallurgical Testwork, Locked-Cycle Tests on Four Sulfide Samples	13.5
14-1	Density Determinations by SGS 15-08	14.4
14-2	Summary of Mine Cutoff Grades & NSR Value	14.5
14-3	Mineral Resources “In Situ” for Measured + Indicated for Sulfides, Prepared by FMS, Reviewed by PAH	14.7
14-4	Mineral Resources “In Situ” for Measured + Indicated for Oxides, Prepared by FMS, Reviewed by PAH	14.8
14-5	Mineral Resources “In Situ” for Inferred for Sulfides and Oxides, Prepared by FMS, Reviewed by PAH	14.10
15-1	Summary of Mineable Reserves for Mine Plan	15.2
15-2	Summary of Metal Prices for Cutoff and Economic Analysis	15.3
16-1	Life of Mine Production Plan	16.15
16-2	FM Plata Actual Del Toro Pre-production Mine Development	16.16
16-3	Summary by Year of LOM Development Plan	16.16
16-4	Pre-Production San Francisco Shaft & Ventilation Boreholes	16.17
16-5	Summary of Pre-Production Mine Equipment and Installations	16.24
16-6	Summary of Personnel Plan for LOM	16.25
16-7	LOM Mine Staffing Plan, Including Technical Support & Mine Maintenance	16.26
16-8	Summary of pre-Production mine Capital Expenditures	16.39
16-9	LOM Sustaining Capital	16.40
16-10	Summary of Unit Mine Operating Costs	16.40
17-1	Ore-Processing, Ore Sources	17.1
17-2	Ore-Processing, Principal Parameters	17.3
17-3	Ore-Processing, principal Equipment List at Start-Up	17.4
19-1	Product Marketing: Freight, Smelting, and Refining (FSR) Terms	19.2
21-1	Pre-Production Capital Expenditure Estimates	21.1
21-2	LOM Sustaining Capital Expenditure Estimate	21.2
21-3	Estimated Unit Operating Costs	21.3
22-1	Cash Flow Analysis	22.3
26-1	Exploration Program	26.2

FIGURES

4-1	Location Map	4.2
4-2	Mining Concessions	4.5
5-1	General Location and Access Map	5.3

CONTENTS (Continued)

Page

7-1	Regional Geology	7.3
7-2	Modeled San Juan Deposits	7.5
7-3	Interpretation of Perseverancia Deposits	7.6
7-4	San Juan Deposit 1 Oxides	7.8
7-5	San Juan Deposit 2 Sulfides	7.9
7-6	San Juan Deposit 3 Intercept	7.10
7-7	San Juan DH-28 Deposit 1 Sulfides Intercept	7.12
8-1	Typical Chalchihuites Deposits Interpretation FMS	8.2
9-1	Geophysical Outline of Skarn Zone	9.3
9-2	Geochemical Anomalies Lead	9.4
9-3	Geochemical Anomalies Zinc	9.5
9-4	Geochemical Anomalies Copper	9.7
9-5	Surface Drilling Map	9.8
9-6	Underground Drilling Map	9.9
9-7	Geophysics Exploration	9.12
10-1	Channel Sampling Cpo 1 San Juan	10.2
10-2	Channel Sampling Perseverancia Mine Level 25	10.4
10-3	Channel Sampling San Juan Mine Stope 050	10.5
12-1	Silver Assays Comparison Channel Samples vs. Duplicates	12.2
12-2	Lead Assay Comparison Channel Samples vs. Duplicates	12.3
12-3	Silver Assays Comparison Channel Samples vs. Duplicates	12.4
14-1	Mineral Resource/Reserve Blocks San Juan Deposit 1	14.12
14-2	Mineral Resource/Reserve Blocks San Juan Inter-Section Deposit 1, 2, 3	14.13
14-3	Mineral Resource/Reserve Blocks San Juan Deposit 3	14.14
14-4	Mineral Resource/Reserve Block San Juan Zinc Deposit	14.15
14-5	Mineral Resource/Reserve Blocks Perseverancia Deposit	14.16
14-6	Mineral Resource/Reserve Blocks San Nicolas Deposit	14.17
14-7	Mineral Resource/Reserve Block Dolores Deposit	14.18
16-1	Pre-Production Mine Development Schedule	16.3
16-2	San Juan Mine Orebody 3 Sulfides Stopping Process	16.5
16-3	San Nicolas – Perseverancia Mines Current and Projected Major Mine Development	16.6
16-4	Dolores Mine Current and Projected Major Mine Development	16.7
16-5	San Francisco Shaft Configuration Plan View	16.8
16-6	Longitudinal Section of San Francisco Shaft	16.9
16-7	Development and Construction Schedule for San Francisco Shaft San Juan Mine	16.10
16-8	Isometric View of Cut and Fill Stopping with Pillars	16.12
16-9	San Juan Mine – Orebody 1 Oxides Stopping Progress	16.18
16-10	San Juan Mine – Orebody 2 Oxides Annual Stopping Progress	16.19
16-11	San Juan Mine – Orebody 3 Sulfides Annual Stopping Progress	16.20
16-12	San Nicolas and Perseverancia Mines – Sulfides Annual Stopping Progress	16.21
16-13	Dolores Mine – Sulfides Annual Stopping Progress	16.22
16-14	Vertical Longitudinal Section of Proposed San Juan Ventilation System	16.27
16-15	Proposed San Nicolas and Perseverancia Ventilation Circuits	16.29
16-16	Schematic Diagram of Dolores Mine Proposed Ventilation Circuit	16.30
16-17	San Juan Mine Schematic Diagram of Current and Future Mine Dewatering System	16.32
16-18	San Nicolas – Perseverancia Mines Schematic Diagram of Proposed Mine	

CONTENTS (Continued)

Page

	Dewatering Systems	16.33
16-19	Dolores Mine Schematic Diagram of Proposed Mine Dewatering System	16.34
16-20	Line Diagram of Projected San Juan Mine Electrical System	16.35
16-21	Line Diagram of Projected San Nicolas – Perseverancia Mine Electrical System	16.37
16-22	Line Diagram of Projected Dolores Mine Electrical System	16.38
17-1	General Site Plan	17.5
17-2	Plant Layout	17.6
17-3	Oxide and Sulfide Tailings Layout	17.8
18-1	Water Treatment Plant	18.3
22-1	NPV Sensitivity Graph	22.4
23-1	Del Toro Silver Regional Mining District	23.2

1.0 SUMMARY

1.1 *Property*

First Majestic Silver Corp. (FMS) retained Pincock, Allen and Holt (PAH) to prepare a Pre Feasibility Technical Report for the Del Toro Silver Mine (Del Toro) located in the Municipality of Chalchihuites, Zacatecas State, México. The objective of this Technical Report is to provide FMS with a report that will comply with existing regulations in Canada. This report meets the requirements for NI 43-101 and conforms to form 43-101F1 for technical reports under the new guidelines and regulations in effect since June 30, 2011.

The Del Toro project is an advanced property in development stage owned by FMS through its wholly-owned Mexican subsidiary, First Majestic Plata, S.A. de C.V. (FMPlata) and it contains hydrothermal polymetallic deposits of silver in oxides in the upper parts and silver/lead/zinc sulfides at depth. FMS's exploration, preparation and development program for Del Toro is focused on the investigation of four main mineral deposits within the mining district; San Juan which includes four mineralized areas (Deposits 1, 2, 3 and Zinc), Perseverancia including two mineralized breccia zones, Dolores vein deposit and San Nicolás, which appears to show evidences of one breccia zone and disseminated mineralization associated with the main vein deposit. Other areas of interest within the project's concessions will be explored in future programs.

FMS owns mining rights that cover 399 hectares (986 acres) within 22 titled concessions. Duration of the mineral rights concessions is 50 years with renewable periods of similar time.

As stated above, FMS's Del Toro is an advanced-stage property for which pre-feasibility studies have been completed. The Project's Environmental Impact Study (EIS) has been approved and permits for change of the use of land have been granted. Development and construction of the San Juan, San Nicolás, Perseverancia and Dolores mines, a common mill and processing plant, and ancillary facilities for Del Toro are in progress. The processing plant is scheduled to initiate operations at a rate of 1,000 tonnes per day by year end 2012 and ramp up to 4,000 tonnes per day by mid-2014. Mineral Resources and Reserves are estimated based on pre-feasibility investigations. Del Toro estimated Mineral Resources are inclusive of the estimated Mineral Reserves for which only Measure and Indicated Resources have been considered in this TR.

PAH notes that:

"CIM Definition Standards requires the completion of a Preliminary Feasibility Study as the minimum prerequisite for the conversion of Mineral Resources to Mineral Reserves.

A Preliminary Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an

open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.”

1.2 Geology

The Del Toro project is located in the Chalchihuites silver mining district in the north-western part of México, at the border zone between the physiographic provinces of Sierra Madre Occidental and Mesa Central. It is enclosed by the sub-province of Sierras y Llanuras de Durango. It is located within a 15 km-long N60°W anticline on the western side of a regional contact zone between a 7 km by 1 km long granodioritic intrusive stock and a sequence of Cretaceous sedimentary rocks. The sedimentary rocks sequence consists of Cretaceous calcareous rocks. These rocks are represented by a 500 m column of Cuesta del Cura Formation (Albian – Cenomanian age) which is the oldest outcropping sedimentary rock formation in the area, and which is composed of dark-gray re-crystallized thin to medium-grained limestone strata of 10 cm to 90 cm in thickness. The Cuesta del Cura rocks show occasional dissemination of Pb/Zn sulfides and copper carbonate stains within the Project area.

1.3 Mineralization

The Del Toro project mineralization occurs as an assemblage of metasomatic and hydrothermal mineral deposits with high-grade silver content including veins, replacement concentrations, stockworks and breccia zones. The main minerals contained in these assemblages are:

- Pyrite
- Sphalerite
- Galena
- Chalcopyrite
- Argentite, and
- Other silver sulfosalts associated with calcite and quartz as gangue minerals.

The upper parts of the mineral deposits have been affected by oxidation and secondary enrichment processes, as the Cuerpo Uno of the San Juan mine, which are comprised of:

- Sulfo-salts
 - Ceragyrite
 - Pyrargyrite
 - Stephanite
- Carbonates
 - Cerussite
 - Hydrozincite

- Hemimorphite
- Malachite
- Azurite
- Sulfates
 - Anglesite
 - Willemite), and
- Iron oxides
 - Hematite
 - Limonite, etc.

1.4 ***Exploration***

Since the acquisition of Del Toro, FMS commenced an aggressive exploration and development program that includes ramps construction, drifting and crosscutting into the old working areas of the San Juan, San Nicolás, Perseverancia, and Dolores areas to access the mineralized zones and for preparation of underground workings for drilling sites. The exploration budget for 2012 is \$4.0 Million. It includes approximately 100 drill holes totaling 28,000 m, from surface (52 drill holes with 20,000 m) and underground sites (48 drill holes with 8,000 m) and geophysical surveying. Seven drill rigs are currently operating at the Project. Additionally, Del Toro includes 2,004 m of underground development in crosscuts and drifts for access and drill site preparations for 2012.

This program was based on the following premises:

- Access to old mine working areas
- Geologic mapping and definition of mineralized zones
- Explore extensions of the known deposits
- Support exploration activities for channel sampling and underground drilling
- Prepare drill sites for deeper drilling
- Determine Mineral Resources/Reserves
- Access the mineral deposits for bulk sampling for metallurgical testwork
- Prepare mine for development and production

Resource calculations at Del Toro are based on projections of the mineralized zones from the underground mine workings, 25 m beyond the accessible areas of drifts, crosscuts, and ramps for the measured resources, and another 25 m beyond the boundaries of the measured resources for the blocks of indicated resources. Inferred resources are estimated by projecting up to 50 m beyond the boundaries of the indicated resource blocks along mineralized structures, and another 25 m beyond the blocks' width according to geologic conditions. Del Toro mineral resource estimates were applied to defined underground blocks with projections of diamond drill intercepts. Mine dilution is added to each mine block and drill intercept by including 0.50 m to about 1.00 m additional sampling of low grade material at the walls of the mineralized structures. Mining recovery is estimated average 88 percent.

The grade for these blocks is determined from the grade estimated for the drill hole intervals and from the adjacent resource blocks sample assays in mine workings and drill holes located within the block area.

The Measured and Indicated Mineral Resources, including oxides and sulfides mineralization, consist of 9.4 million tonnes averaging 146 grams per tonne silver, 2.2 percent lead and 2.8 percent zinc for a total content of 74.5 M ounces of silver equivalent including silver and minor amounts of gold in oxides with additional credits for lead and zinc in sulfides. The resources grade has been estimated "in situ" and includes internal mine dilution. The silver equivalent content is estimated based on the following prices: Ag - \$25.00/oz, Au - \$1,600/oz, Pb - \$0.90/lb, and Zn - \$0.90/lb. FMS did not include mine and metallurgical recoveries for the "in situ" Mineral Resources, since these are applied for determination of the Mineral Reserves. The estimated Mineral Resources include all mineralized blocks determined by the combination of channel samples and drill hole intercepts based on geologic interpretations. These Mineral Resources are inclusive of the Mineral Reserves and include all the mineralization with assay grades at or higher than the estimated stand-alone cutoff, 118 g/t Ag eq (3.78 oz/tonne). Table 1-1 shows a summary of Del Toro Mineral Resources.

Additional geologic potential exists within the Del Toro area for targets that may result in significant resource development for the project. Direct exploration of the geophysical anomaly areas may result in significant target zones for further exploration. Geophysical induced polarization and magnetic anomalies should be further investigated by direct methods, such as drilling or underground development because they may represent concentrations of sulfides or other conductive minerals.

PAH believes that Del Toro's resource estimates have been reasonably prepared and conform to acceptable engineering standards for reporting of reserves and resources. PAH believes that the classification of the resources meets the standards of Canadian National Instrument NI 43-101 and the definitions of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM).

The resources herein reported by FMS for Del Toro were reviewed by PAH and constitute part of a continued exploration program including underground development and mine preparation for mineral extraction. There are no significant technical, legal, environmental, political or other kind of restrictions; therefore, in PAH's opinion these resources may not be materially affected by issues that could prevent their extraction and processing.

1.5 Mining

A production decision was made for Del Toro in late 2011, and mine development, construction of a mill and process plant for both sulfide and oxide ore and construction of ancillary facilities is currently underway. Del Toro Silver Mine operations will include production from four different underground areas, each of which is or will be developed as an independent operation. These operations are San Juan, Perseverancia, San Nicolás and Dolores. All mines will produce primary sulfide ore, but a significant amount of oxide ore has been identified and developed in the San Juan area, and this will also be mined, milled and processed.

TABLE 1-1

**First Majestic Silver Corp.
Del Toro Silver Mine**

Summary of Mineral Resources "In Situ" Prepared by FMS , Reviewed by PAH, As of March 31, 2012

Deposit	Tonnes M	Width m	Au g/t	Ag g/t	Pb %	Zn %	Ag (only) oz	Ag oz eq	Total Ag oz eq
Mineral Measured Resources Sulfides									
Total Measured Resources	1,042,705	6.73	0.00	90	1.66	3.72	3,021,927	4,448,816	7,470,744
Mineral Indicated Resources Sulfides									
Total Indicated Resources	5,457,078	9.03	0.11	155	2.55	3.12	27,158,770	25,716,434	52,875,205
Total Measured + Indicated Sulfides	6,499,783	8.66	0.09	144	2.40	3.21	30,180,698	30,165,251	60,345,948
Mineral Measured Resources Oxides									
Total Measured	1,111,441	10.03	0.00	136	1.38	1.74	4,866,988	526	4,867,514
Mineral Indicated Resources Oxides									
Total Indicated	1,837,759	11.54	0.01	156	1.98	2.08	9,222,395	24,421	9,246,816
Total Measured + Indicated Oxides	2,949,200	10.97	0.00	149	1.75	1.95	14,089,383	24,947	14,114,330
Measured + Indicated Sulfides + Oxides	9,448,983	9.38	0.06	146	2.20	2.82	44,270,081	30,190,198	74,460,278
PAH review = Mineral Resources "In Situ", including mine dilution, but no mine and metallurgical recoveries.									

Resource estimate based on Cutoff grade of Ag eq = Sulfides 118 g/tonne; Oxides 63 g/tonne. Metal prices at = Ag-25/oz, Au-\$1600/oz,Pb-\$0.90/lb, Zn-\$0.90/lb.

Mineral Inferred Resources									
Mineral Inferred Resources Sulfides									
Total Inferred Resources Sulfides	8,617,965	8.42	0.09	120	2.12	3.83	33,233,695	42,234,881	75,468,576
Mineral Inferred Resources Oxides									
Total Inferred Oxides	641,136	6.49	0.00	173	2.33	1.86	3,573,464	0	3,573,464
Total Inferred Sulfides + Oxides	9,259,101	8.29	0.08	124	2.12	3.83	36,807,159	42,234,881	79,042,040
Metal Prices									
Au = \$1,600/oz Pb = \$0.90/lb									
Ag = \$25/oz Zn = \$0.90/lb									

PAH review = Mineral Resources "In Situ", including mine dilution, but no mine and metallurgical recoveries.

Resource estimate based on Cutoff grade of Ag eq = Sulfides 118 g/tonne; Oxides 63 g/tonne. Metal prices at = Ag-25/oz, Au-\$1600/oz,Pb-\$0.90/lb, Zn-\$0.90/lb.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.

Inferred Mineral Resources do not have economic value and these have not been included in this TR as a part of the economic analysis.

During the exploration phase for the project major access declines have been driven in the San Juan, Perseverancia and Dolores Mines. Access to the San Nicolás Mine was driven from the Perseverancia Mine workings, but this mine will also be developed with a main decline access from surface in the future.

In addition to the Perseverancia decline from surface the old Perseverancia 186-m deep vertical hoisting shaft has been rehabilitated for this mine.

A new vertical 486-m deep hoisting shaft, the San Francisco, is currently under construction for the San Juan Mine. In addition to the shaft excavation, which will be a rectangular shaft stripped out around a 3-m diameter raise bored hole, an additional 5,560 meters (including excavation volumes converted to linear meters) of ancillary development will be need for shaft ore dumps, crusher installations, conveyor belt galleries and the like. Although the planned startup date for the mill and sulfide recovery circuit is in late 2012, completion of the shaft and ancillary installations are scheduled for completion at year-end 2013.

Mine exploration and development activities in the mines has been substantial with a total of about 7,150 meters of mine workings having been driven in the mines between January 2010 and March 31, 2012. The workings mainly consisted of access declines and drifts and the totals for each mine were 4,000 meter in the San Juan Mine, 200 meters in the San Nicolás Mine, 1,500 meters in Perseverancia Mine and 1,450 meters in the Dolores Mine. Excluding the San Francisco Shaft project an additional 5,600 meters of additional development is scheduled for all mines. A summary of the Life of Mine underground development requirements is shown in Table 1-2.

TABLE1-2
First Majestic Silver Corp.
Del Toro Silver Mine
Summary By Year of LOM Development Plan (linear meters)

AREA and TYPE OF WORKING	YEARS								TOTALS
	2012	2013	2014	2015	2016	2017	2018	2019	
SAN JUAN									
Drifts in Ore	500	500	150	150					1,300
Declines & Inclines	1,150	500	500	300	300	150			2,900
Crosscuts	350	300	150	150	150	150	50		1,300
Conventional Raises	200	200	200	200	100	100	50		1,050
Sub-Total San Juan	2,200	1,500	1,000	800	550	400	100		6,550
PERSEVERANCIA/SAN NICOLAS/DOLORES									
Drifts in Ore	300	300	250	250	150	100			1,350
Declines & Inclines	650	300	150	150	150	100			1,500
Crosscuts	100	75	75	75	75	50			450
Conventional Raises	100	75	75	75	75	50			450
Sub-Total Perseverancia/San Nicolas/Dolores	1,150	750	550	550	450	300			3,750
TOTALS	3,350	2,250	1,550	1,350	1,000	700	100	0	10,300

The stoping method selected for mining the near-vertical veins and orebodies of the Del Toro Silver Mine is open cut and fill stoping, with or without in situ support (post) pillars, with delayed backfill. Pillar support will be required in both the San Juan and Perseverancia ore zones because of the fair to poor ground conditions within the ore zones in these areas. The minimum mining width for all the cut and fill

operations will be 2 meters. Stopes will be backfilled with development waste rock or mined waste rock from surface pits.

All stoping as well as development and support operations will be highly mechanized with a substantial fleet of diesel-powered mobile mining equipment. Most mine development, exploration and support operations for the Del Toro Silver Mine are conducted with outside exploration and mining contract firms. Later, ore mining will also be done with contractors, but mine services will be conducted by company personnel. Some administrative and technical support functions are handled by corporate personnel, based in the main Durango City, Durango State company offices, and in some cases, by personnel from FMS nearby La Parrilla operation. At full production (in 2014), the personnel complement for the mine operations will consist of about 195 contract miners, 75 hourly company personnel, and 28 company staff personnel.

Mine and mill production is planned at 4,000 tonnes per day, based on 330 working days per year. Full production is about 660,000 tonnes per annum of sulfide ore and 660,000 tonnes per year of oxide ore. Achievement of this production rate is scheduled for 2014, with a ramp-up period during 2012 and 2013. FMS's engineers have constructed a Life of Mine (LOM) production plan in which is shown the production planning for both sulfides and oxides. This plan is shown in Table 1-3. Table 1-4 shows the Del Toro Mineral Reserves.

The estimated capital costs (mines only) of major point forward (from March 31, 2012) capital projects to bring the Del Toro mines on stream and achieve first phase production of 1,000 tpd (330,000 tonnes annually) are about \$30.5 million, and LOM sustaining capital is estimated at about \$17.4 million. The \$30.5 million estimate includes a 5 percent contingency. Of the \$30.5 million of initial investment, about \$9.0 million (without contingency) will be spent on developing and equipping the San Francisco Shaft and ancillary installations, including an underground crusher station.

Mine operating costs for the mines are estimated at an average of \$19.88 per tonne. Mine development is a very small component of the operating costs as most Del Toro mine development will be capitalized.

1.6 Metallurgy and Ore Processing

Two ore types will be processed for Del Toro: oxides and sulfides. The oxides will only come from San Juan Ore Bodies 1 and 2; the sulfides will be predominantly from San Juan Ore Body 3 (about 80 percent) with the remainder from a combination of Perserverancia, San Nicolás, and Dolores. The oxide ore will be subjected to cyanide leaching to produce doré; the sulfide ore will be subjected to two-stage differential flotation to produce a lead-silver concentrate and a zinc concentrate.

Test data indicates that cyanide leaching of the oxide ore will result in a silver recovery of about 80 percent with a grind of 80 percent passing 200 mesh, 96 hours leach time, and a cyanide concentration of 3 grams per liter.

TABLE 1-3
First Majestic Silver Corp.
Del Toro Silver Mine
Life of Mine Production Plan

CONCEPTS	YEARS								TOTALS
	2012	2013	2014	2015	2016	2017	2018	2019	
SULFIDE ORE									
Tonnes Mined by Mine and/or Orebody									
Total Sulfide Tonnes Mined/Milled	82,000	350,000	660,000	660,000	660,000	851,381	1,234,158	131,375	4,628,914
Average Head Grades									
Silver - gpt	173	178	173	173	179	179	170	167	174
Lead - %	2.71	2.80	2.71	2.71	2.81	2.82	2.65	2.60	2.73
Zinc - %	2.74	2.68	2.74	2.74	2.67	2.66	2.78	2.82	2.72
Gold - gpt	0.11	0.09	0.11	0.11	0.09	0.10	0.12	0.13	0.11
OXIDE ORE									
Tonnes Mined by Mine and/or Orebody									
Total Oxide Tonnes Mined/Milled		240,000	660,000	660,000	660,000	468,619	85,842		2,774,461
Head Grades									
* Silver - gpt		146	141	141	141	144	140		142
SULFIDES + OXIDES									
Total Tonnes Mined & Milled, All Mines	82,000	590,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	131,375	7,403,375
Average Head Grades									
Silver - gpt	173	165	157	157	160	167	168	167	162
** Lead - %	2.71	2.33	2.19	2.19	2.24	2.40	2.59	2.60	2.33
** Zinc - %	2.74	2.30	2.31	2.31	2.27	2.36	2.73	2.82	2.40
**Gold - gpt	0.11	0.06	0.06	0.06	0.05	0.06	0.11	0.13	0.07
Annual Production									
Silver ounces	456,214	3,130,257	6,665,423	6,665,423	6,790,157	7,077,160	7,127,143	706,185	38,617,962
Pounds of lead	4,891,963	21,603,721	39,380,449	39,380,449	40,954,419	52,943,786	72,055,528	7,525,497	278,735,812
Pounds of zinc	4,959,313	20,649,525	39,912,041	39,912,041	38,784,370	49,949,239	75,767,342	8,169,082	278,102,953
Gold ounces	311	1,119	2,412	2,412	1,967	2,463	4,804	550	16,038
TOTAL Equivalent Ounces of Silver Produced	829,511	4,720,236	9,675,393	9,675,393	9,789,405	10,941,694	12,756,980	1,306,383	59,694,995

* PAH has not reported Pb, Zn grades of oxide ores because no mill recovery of them will be done. San Juan Zinc deposit is not included in the Reserves.

** Average grades for sulfide ore only.

Metal average price assumptions for calculating equivalent ounces: Silver \$25.00/oz, Lead \$0.90/lb, Zinc \$0.90/lb, Gold \$1,600/oz

TABLE 1-4
First Majestic Silver Corp.
Del Toro Silver Mine
Mineral Reserves

MINE and/or OREBODY	PROVEN AND PROBABLE MINERAL RESERVES					Metal Content in Silver Eq Ounces		
	Tonnes	Ag - gpt	Pb - %	Zn - %	Au - gpt	Silver Only	Silver Eq.	Total Silver Eq
SULFIDES								
San Juan - Orebody 3	3,766,136	167	2.60	2.82	0.13	20,244,238	17,205,906	37,450,144
Persever./San Nic./Dol.	862,778	206	3.31	2.31	0.00	5,713,893	3,849,170	9,563,062
Sub-Total	4,628,914	174	2.73	2.73	0.11	25,958,130	21,055,076	47,013,206
OXIDES								
San Juan - Orebody 1	2,104,031	135	1.72	2.02	0.01	9,115,262	21,953	9,137,215
San Juan - Orebody 2	670,431	164	1.50	1.33	0.00	3,544,575	0	3,544,575
Sub-Total	2,774,461	142	1.66	1.85	0.00	12,659,836	21,953	12,681,790
TOTALS	7,403,375	162	2.33	2.40	0.07	38,617,967	21,077,029	59,694,996

Based on Measured and Indicated Resources including mining dilution and recovery.

For the purposes of the economic analysis, Measured and Indicated Resources have been treated as Reserves therefore are inclusive of the estimated Mineral Reserves after deducting 12% of ore left in pillars and adding back 5% for mining dilution, and also deducting an ore body of zinc that is in the process of being defined. The result of these changes reduces the Measured and Indicated Resources of 9.4 tonnes or 74.5 million ounces to 7.4 million tonnes equaling 59.7 million ounces of silver equivalent.

Test data indicates that differential flotation of the sulfide ore with a primary grind of 75 percent passing 200 mesh and regrinding the lead-rougher-concentrate to 75 percent passing 20 microns, will result in the following recoveries and concentrate grades:

	Lead Concentrate		Zinc Concentrate	
	Recovery	Grade	Recovery	Grade
Silver	76%	3.2 kg/tonne	3%	0.3 kg/tonne
Lead	52%	38%		
Zinc			40%	50%

Tests of the sulfide ore indicate that the concentrates will contain varying amount of arsenic, such that smelter penalties may occur.

One comminution test was conducted that indicated a ball mill work index of 12.4 kilowatts per short ton on a sulfide ore sample. There have been no tests of concentrate or of tailings thickening and filtration.

1.7 *Recovery Methods*

An ore-processing plant is currently under construction, though detail plans are still being developed. The plant will be expanded through the life of the property. Detailed flow diagrams and equipment lists of the plant in the three different phases of operation are still being developed. A listing of the principal plant equipment for the Phase 1 operation is provided in Table 17-3. A general site map showing the location of the plant and sulfide tailings area is shown in Figure 17-1 and a preliminary layout drawing for the plant is provided in Figure 17-2. The cyanide-leach circuit will consist of a crushing and grinding circuit followed by thickening in a grind thickener, then leaching of the thickened slurry in four agitated tanks arranged in series. Leached slurry will pass to a leach thickener followed by plate-and-frame filtering of the thickened underflow. Tailings from the filters will be dry stacked.

Pregnant solution recovered from the leach thickener and filters will be processed through a conventional Merrill-Crowe circuit consisting of diatomaceous-earth pregnant-solution pressure filters, de-aeration towers, zinc-dust feeders, plate-and-frame precipitate filters, a precipitate dryer, and induction furnaces. The product will be doré bullion.

The flotation circuit will consist of a crushing and grinding circuit followed by sequential lead and zinc flotation. The rougher lead concentrate will be reground and subjected to two stages of cleaning. Zinc rougher concentrate will not be reground but will also be subjected to two stages of cleaning. Lead and zinc concentrates will be separately thickened and then filtered in plate-and-frame filters.

Flotation tailings will be filtered by plate-and-frame filters and dry stacked.

1.8 Environmental

FMS submitted the "Manifestación de Impacto Ambiental Modalidad Particular (MIA)" or Environmental Impact Statement (EIS) as document No. SEMARNAT-04-002-A to the Federal Agency responsible for environmental matters (Delegación Federal de la Secretaría de Medio Ambiente y Recursos Naturales) on September 25, 2009 and on December 4, 2009 SEMARNAT resolved approval on favor of the project. The approval is subjected to terms and conditions as established in the document. These include usual requirements for protection of the environment including soil, vegetation, wild life and upon mine closure reclamation of the land including disassemble of all metallic and concrete structures and reclamation of the land to similar or better conditions as the original configuration without sharp slopes.

The MIA (EIS) was authorized for a period of 10 years which may be extended upon fulfillment of the terms and conditions and by simple application submitted a minimum of 30 days prior to the its deadline. Upon presentation of the first semi-annual report by FMS a Mine Closure plan must be submitted including estimated costs, however, due to a delay after 2009 for Project Development, this deadline was postponed by about one year. FMS has scheduled in accordance with SEMARNAT to present the Mine Closure Plan by the end of May 2012.

Uso de Cambio de Suelo (Change of Use of Soil). Approved on January 15, 2010 under document No. DFZ152-201/10/0078.

FMS at Del Toro was registered as generator of dangerous substance residues. It was registered on August 30, 2011 under No. NRA:FMRR63200911 and No. 32/EV-0052/08/11.

Solicitud de Autorización Uso Cambio de Suelo para Obras de Crecimiento, Infraestructura y Amortiguamiento del Proyecto ya Autorizado (Application for authorization of change of the use of soil for growth workings, infrastructure, and control of the previously authorized project). It was approved under document No. DFZ152-201/11/1520 on November 24, 2011.

Solicitud de Autorización de MIA para Ampliación del Proyecto Del Toro (Planta de Cianuración, Planta de Tratamiento de Aguas Residuales y Tuberías), (Application for authorization of the MIA for enlargement of Del Toro including cyanidation plant, plant for treatment of residual waters and pipelines). It was applied on September 6, 2011 under registration No. 32/DM-0093/09/11. Approval is pending.

Apart from pending approval for enlargement of the processing plant with inclusion of the cyanidation plant, PAH is not aware of any other environmental liabilities in Del Toro project area. Most of the surrounding area to Del Toro project is prospective land within the Chalchihuites mining district.

1.9 Market Studies and Contracts

Three products will be produced by Del Toro: doré bullion, lead-silver concentrate, and zinc concentrate. The doré should be easily marketable. Lead-silver and zinc concentrates may contain sufficient quantities of impurities that could make them subject to smelter penalties. The mine should closely identify the

areas in the mine that has these impurities and determine methods for blending of ores and/or concentrates when marketing to reduce the impacts of smelter penalties.

1.10 *Mine Closure, Remediation and Reclamation*

On January 15, 2010, the Ministry of Environment (Secretaría del Medio Ambiente y Recursos Naturales) through its "Federal Delegación" in the State of Zacatecas issued resolution NRA: FMRR63200911 authorizing the change of use of land for the 9.88 hectares to be affected by FMS from forest use to development of the project "Unidad Minera Del Toro" located in the municipality of Chalchihuites, State of Zacatecas. This authorization also required the estimated cost for re-forestation of the affected land to be deposited, in the "Forestal Mexicano" fund for the amount of Pesos \$314,416.58 to cover compensation for reforestation and maintenance of the affected eco-system for a total of 34.58 hectares.

On November 24, 2011 an authorization was issued for re-forestation of additional surface for Project Expansion and Infrastructure for a total of 119.7148 hectares including a deposit in the "Forestal Mexicano" fund for \$7,364,913.40 pesos for reforestation of 442.9448 hectares. These two deposits were made before the authorization was issued. The authorizations included lists and number of different species to be re-established within the affected land.

Due to the revised MIA required for enlargement of Del Toro, and to the fact that there was no significant activity in the Project after approval of the MIA in 2009 until about 2011, the presentation of the Mine Closure Plan was also postponed by about one year. This time extension for presentation of the Mine Closure Plan was approved by both SEMARNAT and PROFEPA. This is under preparation by FMS for presentation during the month of May 2012.

1.11 *Community Relations*

To March 31, 2012 FMS has invested on behalf of Del Toro over \$1.0 million in benefits for the Chalchihuites village community, including:

- Design and construction of a water treatment plant with capacity to treat 11 liters per second (39.6 m³ per hour). FMS purchased the land where the plant has been built. The plant is in the process of testing. It is expected to be fully operational by June 2012.
- Support to the Chalchihuites school with computers and internet communications.
- Refurbishing a sport center for the community.
- Del Toro will hire about 600 direct employees and workers and it will generate about 1,800 indirect jobs.

1.12 *Conclusions*

FMS has carried out comprehensive investigation programs with significant investment in exploration to determine Mineral Resources and Reserves for Del Toro project which have proven successful by estimating up to March 31, 2012 at total of 9.4 million tonnes at an average grade of Ag – 146 g/t; Pb – 2.2 percent; Zn – 2.82 percent, with traces of Au of Measured and Indicated Mineral Resources including oxides and sulfides mineralization at a cutoff grade of 118 grams/tonne – Ag equivalent. These Mineral Resources are inclusive of the estimated Mineral Reserves, which have resulted in 8.0 million tonnes at an average grade of Ag – 170 g/tonne (5.4 oz/tonne), and in sulfides only Pb – 2.45 percent, and Zn – 2.5 percent, with minor content of Au – 0.07 g/tonne. These Mineral Reserves do not include all the Mineral Resources estimated for Del Toro, such as Cuerpo Zinc of the San Juan mine because no mine plan or metallurgical test work have been completed for this mineral deposit.

Mine preparation and development is in progress for the San Juan, Perseverancia, Dolores, and San Nicolás mines. A new ore hoisting shaft, the San Francisco, is currently in development for the San Juan Mine. During the exploration phase of Del Toro Project, the mines had been developed through major exploration accesses and haulage declines and a great amount of drifting on the ore structures has been accomplished. Currently, the four mines are being prepared for stoping. Planned mine and mill production in 2014, when both the sulfide and oxide sections of Del Toro mill and process plant are in full operation is 4,000 tonnes per day or 2,000 tonnes of sulfide ore and 2,000 tonnes of oxide ore. Annual production, based on 330 working days per year, is projected at 1,320,000 tonnes. The Life of the mines will be about 6.5 years.

Pre-feasibility level metallurgical testing, process plant flow diagrams, equipment lists and general site drawings were provided for review.

Capital expenditures for Del Toro are estimated at \$124.2 million including 5 percent for contingencies, in addition to \$17.4 million for sustaining capital for the 6.5-year projected mine life and \$2.0 million for mine closure. Details of capital costs are found in the Table 22-1.

A Pre Feasibility economic analysis for Del Toro was prepared by FMS including Mineral Reserves which were estimated from Measured and Indicated Mineral Resources including the estimated mine and processing recoveries resulting in a NPV of \$147.1 million at a discounted rate of 5 percent. This analysis results in an IRR of 43 percent under the assumptions considered for Capex, Opex, Mineral Reserves, Mine and Plant recoveries, metal prices, and other parameters as shown in Section 22.0 of this TR. A sensitivity analysis shows that the project is most sensitive to silver prices and capital investments. Table 1- 5 shows FMS results of Del Toro Economic Analysis.

In PAH's opinion FMS's Del Toro results in an economically feasible project under the assumptions and parameters considered. Preparation and development of the mines and plant construction are well advanced, and on schedule for initiating operations with the flotation plant by year end 2012. In PAH's opinion Del Toro project appears reasonable and achievable as programmed and scheduled by FMS. Del Toro project's positive economics confirm the Mineral Reserve statement for this Technical Report.

TABLE 1-5
First Majestic Silver Corp.
Del Toro Silver Mine
Economic Analysis

Projection to 8-Year Mine Life*	Discount Rate %	NPV (US\$)
NPV	0	205,523,396
	5	147,145,828
	10	105,089,912
	15	74,320,769
	20	51,503,569
IRR	43	
PAYBACK	3.6	

(*) It includes the Project Development period

1.13 Recommendations

PAH recommends that a capable and competent geotechnical engineering firm assess the ground conditions in the Del Toro mines, and recommend the minimum ground control measures needed for stoping and ore development, especially in the oxide zones and areas of poor ground conditions in the sulfide orebodies of the San Juan Mine. PAH estimates a cost of \$150,000 to \$250,000 for the aforementioned study.

PAH also recommends that the engineers should focus a great deal of engineering effort on employing mill tailings, especially flotation tailings, as stope backfill. The tailings could be used as either hydraulic fill or even as a cemented "paste." Backfilling in this manner will be slightly more costly, but will add a substantial measure of stability in the stoping operations, especially those in the San Juan and Perseverancia areas. In addition, it will reduce the amount of space on surface needed for tailings disposal. The cost of a backfill preparation plant will be in the range of \$5.0-\$20.0 million, depending on whether hydraulic fill or paste fill is selected. The operating cost using the backfilling as described above will be about \$1.00 to \$4.00 per tonne mined in addition to the average cost of \$19.88 per tonne as calculated by the FMS project engineers.

PAH recommends that a thorough metallurgical assessment, using both FMS and external engineers and laboratories, be conducted in the following areas (PAH estimated cost: \$300,000):

- Full locked-cycle tests on a minimum of six samples that are determined to be representative of San Juan Ore Body No. 3, done in parallel by both the FMS laboratory and an external laboratory.
- Multi-element analyses of the final lead-silver and zinc concentrates produced by the locked-cycle tests of both the FMS and external laboratory.

PAH recommends that, for each phase of the operation of the ore-processing facility, the following documents be generated, ensuring that they are consistent with each other and are thorough and accurate (PAH estimated cost (\$250,000; time):

- Flow diagrams
- Material balances
- Process design criteria
- Equipment lists
- General arrangement drawings

PAH recommends generating appropriate stand-alone reports, including geotechnical studies, drawings, tables and text, for both the oxide and sulfide tailings storage areas (PAH estimated cost: \$200,000).

2.0 INTRODUCTION

First Majestic Silver Corp. (FMS) retained Pincock, Allen and Holt (PAH) to prepare a Technical Report covering the Del Toro Silver Mine (Del Toro) located in the Municipality of Chalchihuites, Zacatecas State, México. FMS exploration programs within Del Toro are focused on development of the San Juan, Perseverancia, Dolores areas, and the newly discovered San Nicolás mineral deposit. Other exploration targets have been identified and will be further investigated in accordance to FMS's program of priorities for Del Toro, including La Esmeralda, Tayoltita, Las Cotorras, La Nueva India, and La Verdiosa.

2.1 *Technical Report*

This Technical Report includes FMS's exploration results and pre-feasibility studies for Del Toro development property including the San Juan, Perseverancia, San Nicolás, and Dolores mine plans, construction of processing and ancillary facilities for operating initially at a rate of 1,000 tonnes per day (tpd) by the fourth quarter of 2012, with ramp up projections to 4,000 tpd by mid-2014.

2.2 *Purpose of the Technical Report*

The purpose of this Technical Report (TR) is to provide FMS with a Pre-Feasibility Technical Report that will follow existing regulations in Canada. This TR meets the requirements for NI 43-101 and conforms to form 43-101F1 for Technical Reports.

2.3 *Sources of Information*

The source documents for this report are summarized in Section 27 of this TR.

2.4 *Participants in the Preparation of This Technical Report*

The principal author of this report is Leonel López, a Certified Professional Geologist (AIPG-C.P.G.-08359), Registered Professional Geologist in the State of Wyoming (PG-2407), a Founder Registered Professional Member of The Society of Mining Engineers (No. 1943910), Qualified Person (QP). Mr. López is responsible for the preparation of this TR. Mr. López has visited the site during the periods of November 13-18, 2007, July 15-18, 2008, and November 18, 2011, while Mr. Addison visited the property on November 17-18, 2011, to review current status of the property. Mr. López reviewed available information on Del Toro and has assembled the location, tenure, history, environmental considerations, and all aspects of the geology, and has reviewed the sampling, data verification, drilling, project resources, and economic analysis.

Other PAH members collaborated in the review of mining methods, metallurgical, recovery methods, and marketing review, operating costs, capital costs and mineral reserves. Table 2-1 shows PAH personnel that collaborated in the preparation of this TR.

TABLE 2-1
First Majestic Silver Corp.
Del Toro Silver Mine
List of Contributors to this Technical Report

QP or Other Qualified Professionals	TR Sections
Nelson King , PAH VP, Process Engineering and Environmental Services	1, 13, 17, 18, 19, 21, 22, 25, 26
Richard Addison , PAH Principal Process Engineer	1, 17, 18, 19, 21, 22, 25, 26
Raymond R. Hyypa , P.E. Metallurgical Engineering	13
Jack Haptonstall , PAH Principal Mine Engineer	1, 15, 16, 21, 22, 25, 26
Leonel López , PAH Principal Geologist	1, 2 - 12, 14, 20, 22 - 27
Richard Kehmeier , C.P.G., PAH Chief Geologist	TR QA/QC

2.5 Terms and Definitions

Some of the known deposits within FMS's holdings for Del Toro are the following:

- El Zinc,
- Carmen,
- Lourdes,
- Las Cotorras,
- La Nueva India,
- Tayoltita,
- San Nicolás,
- Huitrón,
- La Verdiosa,
- San Nicolás, a newly discovered vein deposit, and
- Numerous other targets for exploration located along the skarn outcroppings, and in geochemical and geophysical anomalous areas.

In this TR:

- FMS refers to First Majestic Silver Corp.
- CFM refers to Corporación First Majestic, S.A. de C.V. a wholly-owned subsidiary of FMS and holder of FMPlata.
- Del Toro refers to the Del Toro Silver Mine which consists of a "Development Property."
- FMPlata refers to First Majestic Plata, S.A. de C.V. a wholly-owned subsidiary of CFM.
- PAH refers to Pincock, Allen & Holt, Inc., a Division of Runge, Inc., and its representatives.

- Chalchihuites refers to the village of Chalchihuites in the State of Zacatecas, or to the Chalchihuites mining district which encloses the Del Toro Silver Mine under exploration by FMS through its wholly-owned subsidiary FMPlata located within the NW portion of the State of Zacatecas, México.
- San Juan silver mineral deposit (San Juan) consists of a mineral concentration held by FMS within the Del Toro Silver Mine's properties.
- Perseverancia silver mineral deposit (Perseverancia) consists of a mineral concentration held by FMS within the Del Toro Silver Mine properties.
- La Parrilla Silver Mine, La Parrilla mine, La Parrilla district or La Parrilla refers to the operating underground mines, processing plants and infrastructure facilities that form this industrial complex and all the surrounding ground owned by CFM, a wholly-owned subsidiary of FMS.
- Grupo México refers to the corporation that holds ownership of ASARCO, former ASARCO Mexicana, and a group of Mexican Companies, subsidiaries of Industrial Minera México, S.A. de C.V., including Minera Montana, S. de R.L. de C.V., Mexicana del Arco, S.A. de C.V. and Minerales Metálicos del Norte, S.A. de C.V., from which FMS has purchased mining concessions and properties within La Parrilla area.
- Mineral Resource and Mineral Reserve definitions are as set forth in the CIM Definitions Standards as approved by CIM Council on August 20, 2000, which became effective February 1, 2001.
- Resource definitions are as set forth in an appendix to Companion Policy 43-101CP, "Canadian Institute of Mining, Metallurgy and Petroleum – Definitions Adopted by CIM Council, August 20, 2000 and modifications adopted on June 30, 2011."
- CFM refers to Comisión de Fomento Minero, a Mexican Federal Entity responsible for support and promoting mining activities, including financing and exploration, mining and processing through contracting by small-scale miners (gambusinos). It was shut down by the Mexican Federal Government.

2.6 *Units*

All units are carried in metric units, also unless otherwise noted. Grades are described in terms of percent (%) or grams per metric tonne (gptonne or g/tonne), with tonnages stated in metric tonnes. Saleable metals are described in terms of tonnes, or troy ounces (precious metals) and percent weight.

Unless otherwise stated, Dollars are US Dollars. The following abbreviations are used in this report:

<u>Abbreviation</u>	<u>Unit or Term</u>
Al ₂ O ₃	Alumina
ANFO	Ammonium nitrate/fuel oil

ASTM	American Society for Testing and Materials
Ag	Silver
As	Arsenic
Au	Gold
Bi	Bismuth
Cd	Cadmium
Cu	Copper
Fe	Iron
g/tonne (g/t)	Grams per tonne
ha	Hectare (10,000 m ²)
Hg	Mercury
kcal	Kilocalories
kg	Kilograms
km(s)	Kilometer(s)
k	Thousands
LOM	Life of Mine
M\$	Mexican Pesos
Mn	Manganese
m	Meters
masl	Meters Above Sea Level
mm	Millimeters
M	Million
Mt	Million Tonnes
mtpd	Metric tonnes per day
Mtpy	Million tonnes per year
NPV	Net Present Value
Oz (oz/t)	Ounces (ounce/tonne)
Pb	Lead
%	Percent by weight
Sb	Antimony
SiO	Silica
T or t	Metric Tonne (2,204 lbs)
tpa	Tonnes per annum
tpy	Tonnes per year
tpd	Tonnes per day
ug	Underground
Zn	Zinc
\$	United States Dollars
\$NP	New Mexican Pesos
C\$	Canadian Dollars

3.0 RELIANCE ON OTHER EXPERTS

This report was prepared for First Majestic Silver Corp. (FMS) by the independent consulting firm Pincock, Allen & Holt, Inc. ("PAH") and is based in part on information prepared by other parties who may not have met the standards of a QP. PAH has relied primarily on information provided as part of the following reports, investigations and operating results:

- Resource Estimates by FMS's geological staff for the San Juan and Perseverancia silver deposits of Del Toro. Prepared by FMS staff and reviewed by PAH in November 2011 and April 2012.
- Informe de Reconocimiento Geológico Efectuado Hasta la Fecha en el Distrito Minero de Chalchihuites, Estado de Zacatecas. Por Jorge Solis Vorrath and Ignacio Herrera Mendieta, Departamento de Exploración, Zona Norte, Residencia Zacatecas, Consejo de Recursos Naturales No Renovables. October 1970.
- Reconocimiento a la Mina San Juan, Situada en el Municipio de Chalchihuites, Estado de Zacatecas. Por Jorge Solis Vorrath and Ignacio Herrera Mendieta, Departamento de Exploración, Zona Norte, Residencia Zacatecas, Consejo de Recursos No Renovables. September 1971.
- Chalchihuites Geologic report, Zacatecas, México. On behalf of First Majestic Resource Corp. (now First Majestic Silver Corp.). Prepared by the consulting firm of Exploraciones Geológico-Mineras de Occidente, S.A. de C.V., Ing. Florentino Muñoz Cabral, October 2004.
- Legal Opinion – Prepared by the México City-based legal firm of Todd y Asociados, S.C., Mr. Fernando Todd Dip, legal advisers for First Majestic Silver Corp. and its Mexican operating subsidiaries including First Majestic Plata, S.A. de C.V. holder of the Del Toro Silver Mine mineral concessions, prepared on November 17, 2011.
- Proyecto Del Toro – Environmental Declaration, dated November 17, 2011. Prepared by Ing. José Luis Hernández Santibañez, FMS Corporate Advisor for Environment and Permitting in México.
- Proyecto Del Toro – List of Environmental Permits and Authorizations for Del Toro according to current Mexican Laws and Regulations dated April 4, 2012. Prepared by Ing. José Luis Hernández Santibañez, FMS Corporate Advisor for Environment and Permitting in México.
- Information provided by FMS as owners and operators of the Del Toro Silver Mine properties, including data from 2008 to March 31, 2012.

PAH believes that this information and documents are reliable for use in this report.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 *Property Description*

The Del Toro Silver Mine consists of a “development property” which includes two main mineral deposits under exploration, development and preparation for mining, the San Juan and the Perseverancia mineral deposits plus two new areas of focus the Dolores and San Nicolás mineral deposits which are currently being defined by drilling. A processing plant is under construction including the necessary infrastructure for operating at a rate of 1,000 tonnes per day (tpd) with ramp-up projections for operating at a capacity of 4,000 tpd by mid-2014. Investigation of these deposits to determine mineral resources and reserves included direct exploration methods by underground development and diamond drilling both from underground and surface sites.

The underground development generated production of some mineralized material which was shipped to FMS’s La Parrilla plant for processing, metallurgical testing, and concentrates shipping to Peñoles smelter and refinery at Torreón, Coahuila.

4.2 *Location*

The Del Toro Silver Mine is located in the municipality of Chalchihuites within the Chalchihuites mining district in the north-western part of the State of Zacatecas, México.

Location coordinates of the quadrangle that encloses the Del Toro properties are as follows:

<u>UTM</u>	<u>Geographic</u>
North 2,593,500 - 2,597,500	Longitude – 1,035,254
East 614,500 - 619,000	Latitude – 232,828

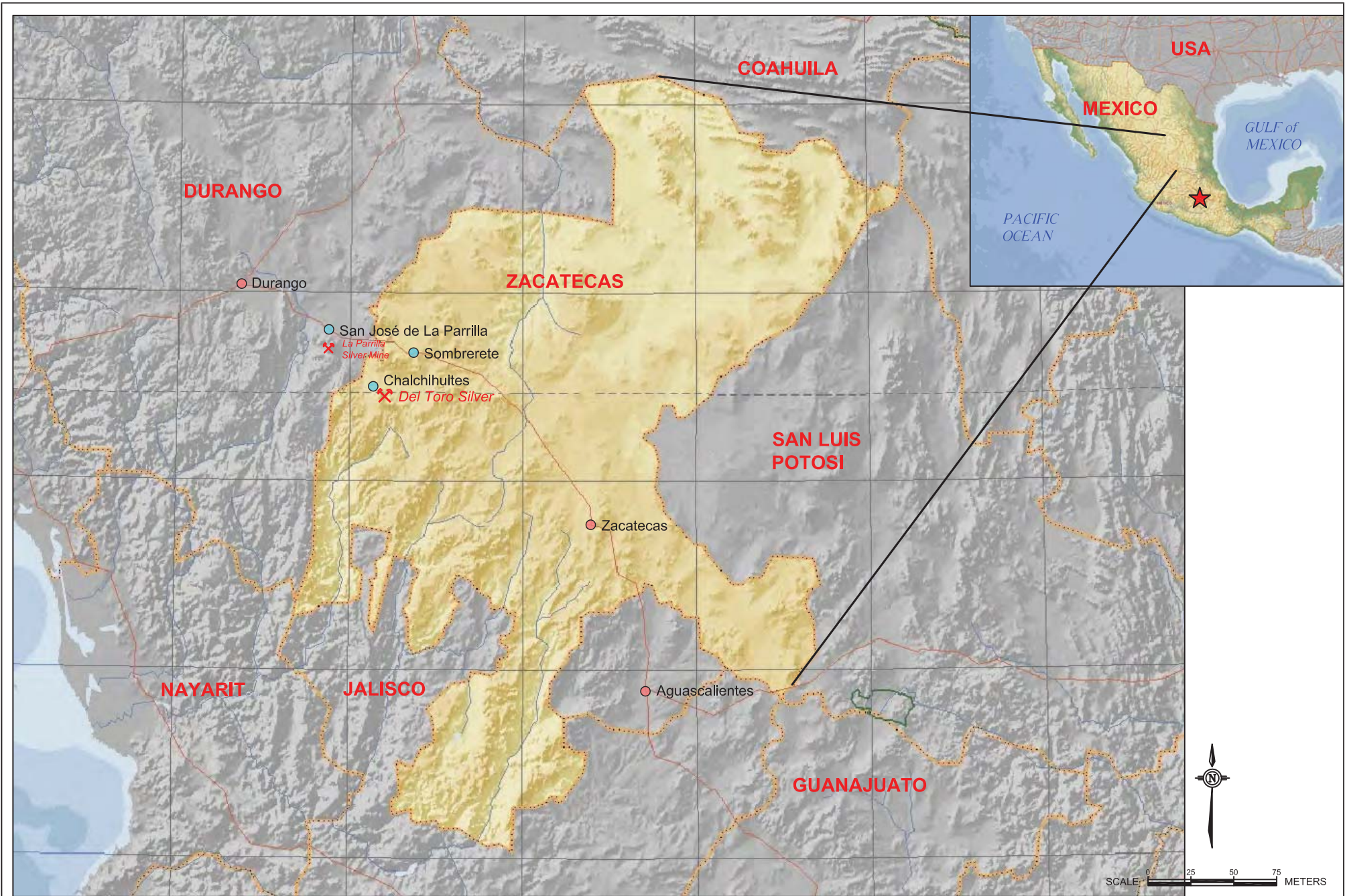
The Del Toro property is located at elevations from 2,300 to 2,900 meters above sea level. The village of Chalchihuites is located at an elevation of 2,270 m. Figure 4-1 is a general location map.


4.3 *Property Coverage*

This Technical Report describes FMS exploration results on the San Juan, Perseverancia, Dolores and San Nicolás mineral deposits to March 31, 2012.

The Del Toro mining rights are owned by First Majestic Plata, S.A. de C.V. (FMPlata) a corporation owned by the Mexican holding company Corporación First Majestic, S.A. de C.V. which consolidates all shares and ownership of the Mexican operations by First Majestic Silver Corp. of Vancouver, BC.

Del Toro consists of 22 mining concessions including 19 contiguous concessions, two concessions in a neighboring area, and another concession that has been acquired by FMS and is under registration for



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Drawing Provided by/Prepared for
First Majestic Silver Corp.

Project Name
 Del Toro Silver Mine

Project No.
 DE-00248

FIGURE 4-1
Location Map

Date of Issue
 April 2012

Drawing Name
 Fig.4-1.dwg

change of ownership, and all are located within the Chalchihuites mining district covering mineral rights for 399 hectares (986 acres). These mining concessions include exploitation rights. Mexican mining concessions include mineral rights for a renewable period of 50 years from the date of the title. The earliest dates of renewal of FMS's concessions at Del Toro are for the Perseverancia concession which title's fiftieth anniversary is April 23, 2021. At this date, this claim's right may be renewed for additional 50 years. Table 4-1 presents a list of Del Toro Silver Mine's concessions.

TABLE 4-1
First Majestic Silver Corp.
Del Toro Silver Mine
List of Mining Concessions

Name	Title No.	Surface, Has	Status
Carmen	166,017	12.5724	Valid
Fanny	189,876	63.7259	Valid
Gabi	169,659	1.9525	Valid
Lupita	170,279	16.0000	Valid
Lourdes	185,185	13.0020	Valid
La Güera	214,855	4.5745	Valid
María de la Paz	207,132	61.1046	Valid
Ricardo	171,191	5.3271	Valid
Violeta	189,682	3.6123	Valid
Socorro	201,174	21.9712	Valid
Perseverancia	154,546	23.6771	Valid
Perseverancia Uno	163,916	7.2841	Valid
Perseverancia Cuatro	185,186	23.2383	Valid
Ampliación Las Cotorras	168,738	14.2157	Valid
Las Cotorras	171,331	8.6238	Valid
Perseverancia Dos	203,243	11.8022	Valid
Fatima	228,623	46.3830	Valid
La Esperanza	164,001	20.0000	Valid
San Rafael	166,911	9.0000	Valid
Dolores	172,133	7.9430	Valid
Dolores Dos	172,138	4.0000	Valid
Tayoltita*	186,876	19.0000	Valid
Total Surface	22	399.0097	Valid

(*) Under registration. It has been acquired by FMS.

4.4 Mineral Tenure

FMS acquisition rights of the Del Toro properties consisted of purchasing mining claims from different owners, as well as applying for new mining claims to cover free land adjacent and around the areas of interest within the mining district.

Two main groups of concessions were acquired from different owners; the San Juan group, and the Perseverancia group. These two options have been executed and FMPlata owns all mineral rights in those concessions. There are no other encumbrances on the Del Toro mining concessions.

Surface rights in México are either owned by communities (“Ejidros”) or by private owners. Chalchihuites mining district land is mainly owned by private owners and to a lesser degree by “ejidatarios” (community owners). In either case the mining concessions include “right of way” rights, although in many cases it is necessary to negotiate access to the land. Federal or State roads allow permission to access State or Federal lands without other requirements. At Del Toro the access to San Juan, Perseverancia and most other mining prospects is open due to historical works and developments. The Mining Law includes provisions to facilitate purchasing the land required for mining activities, installations and development.

FMS has acquired five parcels of surface rights covering 216.31 hectares (534.5 acres) from private owners for plant installations, tailings storage, and other project’s requirements. Table 4-2 shows Del Toro’s Mining Concessions and Land Holdings.

TABLE 4-2
First Majestic Silver Corp.
Del Toro Silver Mine
List of Land Holdings

Acquired from	Title No.	Surface, Has	Date of Acquisition
Mr. Pedro Pérez López	9,831	100.001096	23-Nov-07
Mr. Rubén Godoy Canales	11,530	0.008150	9-Nov-09
Mr. Pedro Pérez López	13,376	29.593704	16-May-11
Mr. Othón Ricardo Andrade García	13,532	0.710000	13-Jul-11
Mrs. Socorro Castillo	14,397	86.0000	9-May-12
Total	5 lots	216.312950	

4.5 Mining Concessions

The Mining Concessions legal status was provided by legal opinion, dated November 24, 2011 from the México City based firm of Todd y Asociados, S.C., Mr. Fernando Todd Dip, corporate legal advisers for FMS in México. PAH also requested and received an updated review by legal advisers of the mining concessions current status showing that all the Del Toro mining claims owned by FMS are current in meeting the legal obligations and requirements by Mexican Mining and Environmental Laws and Regulations including assessment works, property taxes and operating permits for the period that covers to June 30, 2012. Figure 4-2 shows Del Toro mining concessions map.

4.6 Claim Boundaries and Mineralized Zones

The Chalchihuites Mining district consists of an area of approximately 15 km by 10 km enclosing numerous silver/gold/lead/zinc underground mines such as San Juan, Perseverancia, La Esmeralda, Magistral, El Zinc, Carmen, Lourdes, Las Cotorras, La Nueva India, Tayoltita, and other small workings.

FMS has consolidated part of the district into the Del Toro’s properties for mineral exploration and mining purposes.

4.7 *Royalties, Back-in Rights, Agreements, and Other Encumbrances*

According to FMS no royalties, back-in rights, agreements, and other encumbrances are owned covering any of the Del Toro mining concessions.

4.8 *Environmental Status*

All mining and environmental activities in México are regulated by the Dirección General de Minas and by the Secretaría de Medio Ambiente, Recursos Naturales y Pesca (SEMARNAT) from México City, under the corresponding Laws and Regulations. All minerals below surface rights lie with the State; while surface rights are owned by "ejidos" (communities) or private individuals, allowing them the right of access and use of their land.

Environmental regulations in effect for exploration activities are established within the "Norma Oficial Mexicana" NOM-120-ECOL-1997 (NOM-120). Under NOM-120 all exploration programs are required to be reported to the corresponding regional SEMARNAT office. The exploration programs are required to state dates of initiation and completion. NOM-120 includes guidelines, requirements and allowance for surface disturbance during the exploration developments and reclamation upon completion of the programs, including dimensions and characteristics for the roads of access, drilling sites, mine workings, etc. It establishes area of disturbance allowed per mining concession hectare.

The Chalchihuites mining district is located, within the municipality of Chalchihuites. Surface rights within FMS's holdings are owned by Ejido Chalchihuites and private landholders including Pedro Pérez López, Mr. Otón Ricardo Andrade García, Rubén Godoy Canales, and others. FMS has exercised Agreements to purchase 130.31 hectares of private land for plant installations within the area. The Mexican Mining Law includes provisions that permit the use of surface rights for development of projects that are of general economic interest, including mining operations.

PAH is not aware of any environmental liabilities affecting the Del Toro Silver Mine.

4.9 *Permitting*

Mr. José Luis Hernández Santibañez, FMS Corporate Environmental Manager as of November 17, 2011, issued a list of permits currently in force for the Del Toro Silver Mine:

- Manifestación de Impacto Ambiental (EIA), approved on December 4, 2009, under document No. DFZ152-203/09/1734.
- Uso de Cambio de Suelo (Change of Use of Soil), approved on January 15, 2010, under document No. DFZ152-201/10/0078.
- Concesión de Aprovechamiento de Agua Subterránea (Concession for the use of underground water), on December 3, 2009 application for permit to use 500,000 cubic meters per year was presented to

the authorities. The permit was rejected due to over extraction of water from the aquifer for farming purposes. FMS has installed a treatment plant for used waters from the village of Chalchihuites and is now under testing. If the results are positive then FMS estimates enough water available for Del Toro processing plant.

- FMS at Del Toro was registered as generator of dangerous substance residues. It was registered on August 30, 2011 under No. NRA:FMRR63200911 and No. 32/EV-0052/08/11.
- Solicitud de Autorización de Uso y Cambio de Suelo para Obras de Crecimiento, Infraestructura y Amortiguamiento del Proyecto ya Autorizado (Application for authorization of change of the use of soil for growth workings, infrastructure, and control of the previously authorized project). It covers an authorized area of 119.7148 hectares. It was applied for on August 31, 2011, under registration No. 32/DS-0103/08/11. It was approved under document No. DFZ152-201/11/1520 on November 24, 2011.
- Solicitud de Autorización de MIA para Ampliación del Proyecto Del Toro (Planta de Cianuración, Planta de Tratamiento de Aguas Residuales y Tuberías). (Application for authorization of the MIA for enlargement of the Del Toro operation (Cyanidation plant, plant for treatment of residual waters and pipelines). It was applied on September 6, 2011, under registration No. 32/DM-0093/09/11. Additional information and some clarifications were requested by SEMERNAT and these will be presented by FMS by April 27, 2012. Approval is pending.

4.10 Factors or Risks That May Affect the Property

Del Toro is operated by FMS and is located near the village of Chalchihuites, which is a traditional mining community. FMS has purchased the surface rights for construction of processing plant facilities and established a security area around the property. FMS exploration office for Del Toro is established in rented facilities within the village of Chalchihuites.

Excerpts of Business News América's Intelligence Series of March 2011 are presented to indicate México's country risk, as follows:

"According to the most recent Frazer Institute's Survey of Mining Companies 2010 – 2011, México ranks 15 out of 79 jurisdictions for its current mineral potential, assuming the land-use regulations and restrictions in effect today."

"In 2010 México ranked 4th in the world, and 1st in Latin América with the largest exploration budget according to Metals Economics Group's (MEG) World Exploration Trends 2011 report."

"The companies surveyed by The Frazer Institute favourably noted a good level of certainty in México regarding environmental regulations and the strengthening of existing mining regulations in the country. In contrast, they thought that the increasing lack of security due to drug trafficking, trade union membership and uncertainty over territorial disputes are factors that are limiting investment."

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Del Toro Silver Mine is located in the northwestern part of the state of Zacatecas, at about 150 km to the northwest from the capital city of Zacatecas. It is located at about 40 kms to the southeast of FMS La Parrilla Silver Mine and approximately 120 km to the southeast from the capital city of Durango. It is located in the municipality of Chalchihuites, at about 1 km to the East of the village of Chalchihuites.

5.1 *Accessibility*

Access to Del Toro is by highway I-45 from Durango City 120 kms to the southeast past the La Parrilla Silver Mine. Driving time from Durango to Chalchihuites is about 2 ½ hours. The property boundary is located approximately 1 km to the East of the village of Chalchihuites while the mill is located approximately 3 km away and can be accessed by all-weather dirt roads.

Another route of access to Chalchihuites is from the city of Zacatecas by highway I-45 to the northwest for 170 kms; from the city of Sombrerete a 50 km highway leads west to the village of Chalchihuites. Driving time from Zacatecas to Chalchihuites is about 3 hours.

5.2 *Climate and Vegetation*

The Del Toro Silver Mine climate is moderate with average annual temperatures of 16°C to 18°C and semi-wet with total rainfall of 600 mm to 700 mm. The main rainy season occurs in the Del Toro area during the months of July to October.

Vegetation in the area consists of xerophile plants in the lower elevations, including cactuses (maguey, nopal and biznaga) and grasslands, while in the higher elevations the predominant vegetation consists of coniferous or evergreen oak forests (pine and oak trees). Most farming (corn, beans, chiles, wheat and some fruit trees such as apples and peaches) in the area takes place in the valleys and lower elevation zones.

5.3 *Local Resources*

The Chalchihuites region's main economic activities are agriculture, cattle and mining. Electric power is provided by the national grid. Potable water is available to all the towns from water wells. The Gualterio railroad station is located 5 km from Chalchihuites with connections to the rest of the country.

All basic facilities such as hotels, restaurants, telephone, including cellular, banking and postal service are available in most major population communities within the region. Elementary and secondary schools are available in all medium to major cities within the region. Higher education institutions are established in Durango and Zacatecas cities.

Airports with service for international flights are available at Durango and Zacatecas cities, at 2 ½ hours and 3 hours driving distance respectively from Del Toro. An access map is shown in Figure 5-1.

5.4 *Infrastructure*

The Del Toro Silver Mine is accessible by paved highways in the states of Zacatecas and Durango. Local roads connect the mining district to various population centers within the region. The towns of Vicente Guerrero in the state of Durango (21,000 inhabitants sits at an elevation of 1,960 m) and Sombrerete in the state of Zacatecas (58,000 inhabitants at an elevation of 2,300 m) are located within 50 kms from the Del Toro area.

Approximately 4,000 inhabitants live in the village of Chalchihuites. Numerous other villages and towns are located within the mining district, such as José María Morelos (about 1,000 inhabitants), San José de Buena Vista (700 inhabitants), El Mineral de La Colorada (500 inhabitants), La Candelaria (500 inhabitants), Piedras Azules (400 inhabitants) and El Hormiguero (300 inhabitants). A labor force including miners is readily available from these communities.

5.5 *Physiography and Hydrology*

The Chalchihuites mining district is located in the bordering zone between the Sierra Madre Occidental and Mesa Central provinces. It is located at elevations of 2,300 m to 2,900 m while the adjacent Sierra Negra and Sierra Chalchihuites reach elevations of 3,000 m.

The Sierra Madre Occidental consists of a north-to-northwest trending range with mountains that reach elevations above 3,000 m. It comprises peaks, plateaus and elongated valleys along the range which merges into the mountains to the northwest. Deep canyons carved by drainage cross the Sierra with increasing depth in the northwest portion of the range.

The Mesa Central province includes a great portion of the north-central part of México. It comprises a large plateau composed of Mesozoic sedimentary rocks at elevations of 1,500 m to 2,300 m covering parts of the states of Zacatecas, Durango, San Luis Potosí, Coahuila and Chihuahua. Occasional ranges originated by folding or igneous activity break the flat extensions of the Mesa Central.

The Chalchihuites mining district is enclosed by the Huaynamota river basin in the western part of the state of Zacatecas near the border with the state of Durango. The Huaynamota River drains into the Santiago River about 40 km to the northeast of the capital city of Tepic in Nayarit State. It drains about 5,250 km² of the Chalchihuites region within the state of Zacatecas.



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Drawing Provided by/Prepared for
First Majestic Silver Corp.
 Project Name
 Del Toro Silver Mine

FIGURE 5-1
 General Location and Access Map

Date of Issue
 April 2012
 Drawing Name
 Fig.5-1.dwg

6.0 HISTORY

The village of Chalchihuites was founded in 1,556 AD during the Spanish Colonial Times of the 16th century, right after the foundation of the city of Zacatecas by Mr. Nuño de Guzmán and Mr. Martín Pérez Uganda. According to historical references during the period of 1554 – 1558 the Spanish captains Martín Pérez and Francisco Ibarra carried out expeditions to explore the Sombrerete, Chalchihuites and San Martín mineral zones.

Numerous small mining operations have been developed within the District from which high grade silver oxidized minerals were extracted at times of favorable prices. Mining districts that are still in operation within this region include mines at Fresnillo, San Martín, Sombrerete, La Colorada, La Parrilla, Cerro del Mercado, and others.

Mineral deposits of the Chalchihuites mining district consist of underground silver-gold-lead-copper mines. The Chalchihuites district comprises numerous small mine developments located around a regional granodioritic intrusive within metasomatic rocks at the contact with Cretaceous limestones. Mineralized structures include: vein-type, manto replacement, and breccia pipe deposits.

Most mine workings within the district are superficial developments with exceptions at the San Juan silver mine where a 90 m deep shaft was developed to extract some of the high grade silver minerals, and at the Perseverancia silver mine where two shafts were developed following two adjacent breccia pipe deposits to a depth of about 200 m.

No official records exist of mineral production from the Chalchihuites mines; however, according to FMS historical production by surveying volumes of old stopes within the San Juan and Perseverancia mine workings suggest that approximately 4 million ounces of silver were extracted from these mines at an estimated grade of about 700 g/t Ag, 10 percent to 35 percent Pb and 2 to 3 percent Zn. The Perseverancia mine was operated by Mr. Raúl Mazatán for a period of 23 years until 1997 shipping 150 to 300 hand-sorted ore tonnes per month to Peñoles smelter in Torreón city. The ore was reported to contain 1,500 to 3,000 g/t Ag and 20 to 40 percent Pb in sulfides. Additional historical production from major mines within the region, including Grupo México's San Martín; Peñoles' Sabinas; and Pan American Silver's La Colorada is currently estimated by FMS at about 500 million ounces of silver.

Unofficial estimates suggest historical production of about 7 million ounces of silver equivalent including Pb and Zn from the San Juan and the Perseverancia mines.

FMS initiated investigations in the Chalchihuites area in late 2004. Option agreements were negotiated to acquire three groups of mining claims, the San Juan group, the Perseverancia group and the La Esmeralda group. As of this date FMS has purchased 100 percent of the San Juan and the Perseverancia groups of claims. Table 6-1 summarizes the Chalchihuites district's silver historical production.

TABLE 6-1
First Majestic Silver Corp.
Del Toro Silver Mine
Estimated Historical Production

Mine	Estimated Tonnes	Grade Range
San Juan	100,000	300 - 500 g/t Ag
Perseverancia	100,000	500 - 1,500 g/t Ag; 10 - 35% Pb/Zn
La Esmeralda	80,000	2 - 6% Cu
Magistral	50,000	2 - 6% Cu; 2 - 8 g/t Au
San Nicolás	15,000	200 - 500 g/t Ag
Dolores	80,000	350 g/t Ag; 4.5% Pb/Zn; 2.0 g/t Au
Total Ag oz	425,000	4,501,104
FMS Estimate		7.0 M oz-eq

Historical production of silver from major mines located in Chalchihuites vicinity including San Martín operated by Grupo México (400 million ounces Ag), Sabinas operated by Peñoles (47 million ounces Ag), and La Colorada under operation by Pan American Silver (25 million ounces) is estimated in about 500 million ounces. Reference: First Majestic Silver Corp. 2007.

First Majestic Silver Corp. has consolidated ownership of a group of properties in Del Toro area including twenty one concessions and land holdings under First Majestic Plata, SA de CV. This group of properties includes the San Juan and Perseverancia silver deposits under exploration and development in preparation for mining. The newly discovered San Nicolás mineralization is located within the Perseverancia group of properties. In addition, the Dolores property which consists of 11.9 hectares was purchased in 2011.

FMS has developed an aggressive exploration program in the areas of San Juan and Perseverancia mines by diamond drilling and underground exploration workings. FMS's exploration programs are primarily focused in development of mineral resources/reserves through diamond drilling and underground mine preparation and development.

7.0 GEOLOGICAL SETTING

The Del Toro Silver Mine is located within the Chalchihuites mining district in the State of Zacatecas, México. The District consists of multiple mineral occurrences enclosed by skarns which surround a regional intrusive and various satellite stocks of granodioritic composition intruding Cretaceous limestone rocks of the Cuesta del Cura and Indidura Formations.

The Chalchihuites mineral occurrences generally consist of silver/lead/zinc/copper in oxidized and sulfide mineral concentrations. At present, FMS's exploration in the Del Toro area is focused in the San Juan, Perseverancia, Dolores, and San Nicolás mineral deposits.

The San Juan deposit comprises three silver/lead/zinc mineral concentrations identified by underground workings and drilling. These mineral concentrations consist of mineralization in sulfides with oxides in the upper parts.

The Perseverancia deposit comprises two high grade breccia pipes with silver/lead/zinc in sulfides.

The Dolores and San Nicolás consist of vein deposits and are under preliminary exploration investigations.

This TR summarizes FMS's pre-feasibility investigations, resource and reserve estimates, mine plans, and processing plant developments for extraction and processing of the San Juan and Perseverancia mineralization as of March 31, 2012.

7.1 *Regional Geology, Structural*

Regional geology of the Chalchihuites mining district is dominated by a 15 km-long N60°W anticline. This structure is composed of an uplifted sedimentary calcareous sequence of Cretaceous rocks intruded by a granodiorite intrusive about 7 km by 1 km.

The sedimentary sequence consists of Cretaceous calcareous rocks. These rocks are represented by the Cuesta del Cura (Albian – Cenomanian age) which is the oldest outcropping sedimentary rock formation in the area. Its thickness is estimated to be 500 m at the neighboring San Martín mine owned by Grupo Mexico. It is composed of dark-gray re-crystallized fine to medium-grained limestone strata of 10 cm to 90 cm thick beds. The Cuesta del Cura rocks show occasional dissemination of Pb/Zn sulfides and copper carbonate stains.

Overlying the Cuesta del Cura Formation is the Indidura Formation (Upper Cretaceous) consists of intercalated clay limestone and calcareous shale. The Indidura formation rocks are generally dark-gray in color with beds 10 cm to 30 cm in thickness. Limonite coloring is common within these rocks.

The sedimentary rocks occur in anticlines and synclines with axis orientation of the N40°W along the Chalchihuites range.

The upper parts of the Chalchihuites range are covered with Tertiary rocks including agglomerate (Ahuichila Formation) and lava flows.

The regional intrusive stock consists of granodiorite composed of plagioclase and hornblende with holocrystalline phaneritic texture. It shows disseminated quartz crystals and mineralization by pyrite, chalcopyrite and copper staining within fractures. This intrusive metamorphosed the sediments along its contacts and has influenced the mineralizing events within the area. The skarn zone associated to the geologic contact between the sedimentary and intrusive rocks occurs in perpendicular extensions from 100 m to 550 m from the contacts and in lengths of up to 3,800 m. Figure 7-1 shows the Del Toro Silver Mine area into a mining Regional Geologic Map.

Dominant geologic structure within the Del Toro area is represented by a 15 km by 7 km anticline with an axial trace oriented N60°W dipping to the SW. The anticline's axis is occupied by an igneous stock of granodioritic composition (4 km by 1 km), and overlain by a volcanic flow of trachytic rocks.

The sedimentary rocks general strike is N20° - 60°E dipping to the NW from about 10° to vertical.

Two principal structural systems occur within the Chalchihuites mining district, one is parallel to the anticline's axis and the other crosses the anticline's axis in a N60°E orientation.

Other secondary local systems related to mineralization have been identified as follows:

- San Juan – Zaragoza system is oriented to the N45°W. It encloses about ten different veins within a 200 m to 300 m wide area along an extension of about 1,500 m. Its general dip is 70° to the NE.
- Dos de Marzo – Tayoltita system strikes to the N 35° - 70°W dipping 50° to 80° to the NE.
- San Marcos – Esmeralda system is oriented to the N20° - 60°E and dipping to the NW 50° - 70°.

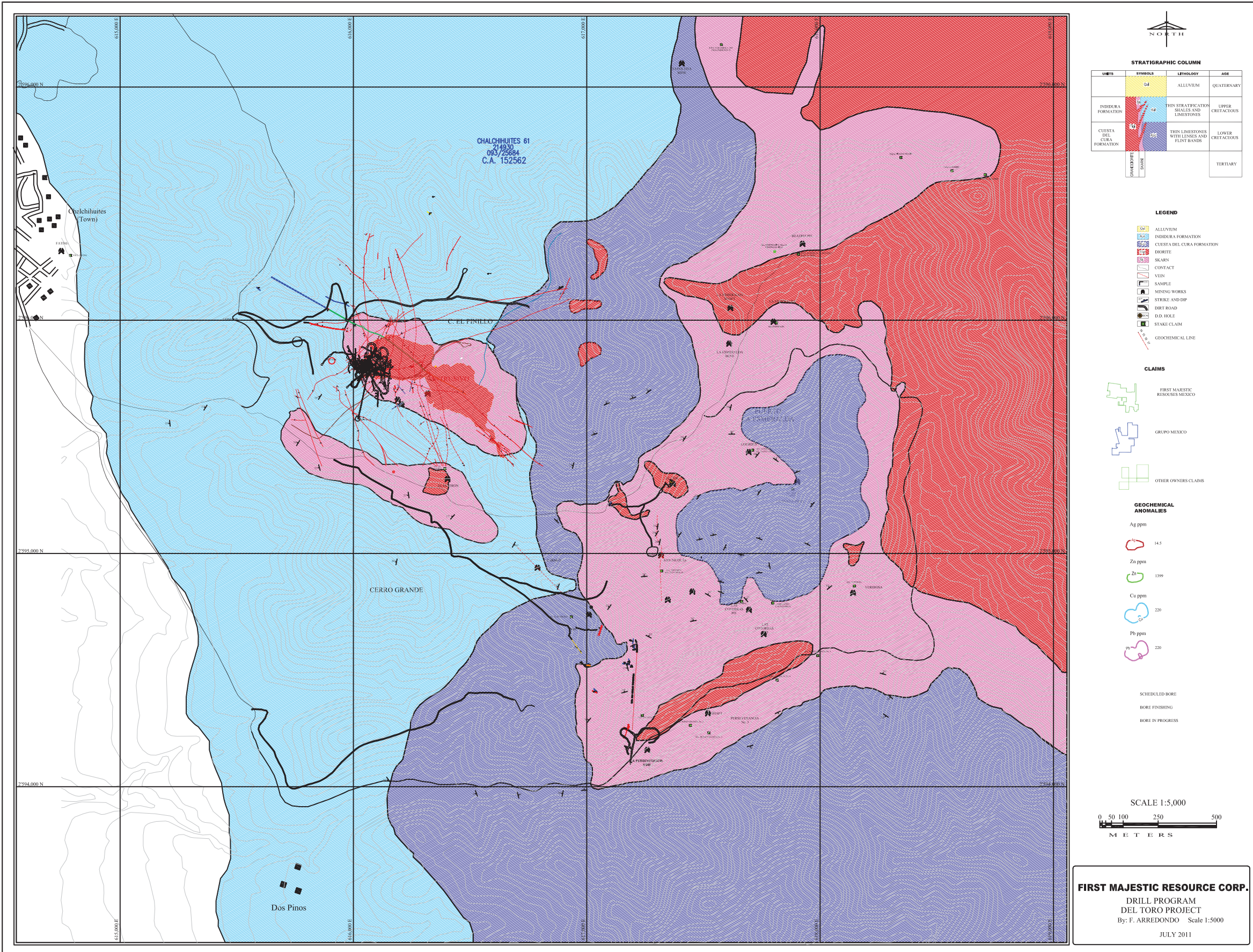
These structural systems are represented by 1 m to 2 m wide veins enclosed by the metasomatic zone.

7.2 Local Geology

The FMS exploration area is located in the northwestern flank of the Chalchihuites anticline while Pan American Silver's La Colorada mine is located in the southeastern flank of the same regional structure.

The Del Toro mineral deposit's geology consists of mineralized structures within skarn and granodiorite along the contact zone between the intrusive stock and sedimentary rocks of the Indidura and Cuesta del Cura Formations.

The main FMS exploration targets in the area are the San Juan, Perseverancia, Dolores, and the newly discovered San Nicolás mineral deposits.



STRATIGRAPHIC COLUMN

UNITS	SYMBOLS	LITHOLOGY	AGE
	Qa	ALLUVIUM	QUATERNARY
INDIDURA FORMATION	I	THIN STRATIFICATION SHALES AND LIMESTONES	UPPER CRETACEOUS
CUESTA DEL CURA FORMATION	C	THIN LIMESTONES WITH LENS AND FLINT BANDS	LOWER CRETACEOUS
			TERTIARY

LEGEND

- ALLUVIUM
- INDIDURA FORMATION
- CUESTA DEL CURA FORMATION
- DIORITE
- SKARN
- CONTACT
- VEIN
- SAMPLE
- MINING WORKS
- STRIKE AND DIP
- DIRT ROAD
- D.D. HOLE
- STAKE CLAIM
- GEOCHEMICAL LINE

CLAIMS

- FIRST MAJESTIC RESOURCES MEXICO
- GRUPO MEXICO
- OTHER OWNERS CLAIMS

GEOCHEMICAL ANOMALIES

- Ag ppm 14.5
- Zn ppm 1399
- Cu ppm 220
- Pb ppm 220

SCHEDULED BORE

- BORE FINISHING
- BORE IN PROGRESS



FIRST MAJESTIC RESOURCE CORP.
 DRILL PROGRAM
 DEL TORO PROJECT
 By: F. ARREDONDO Scale 1:5000
 JULY 2011

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FIGURE 7-1
 Regional Geology

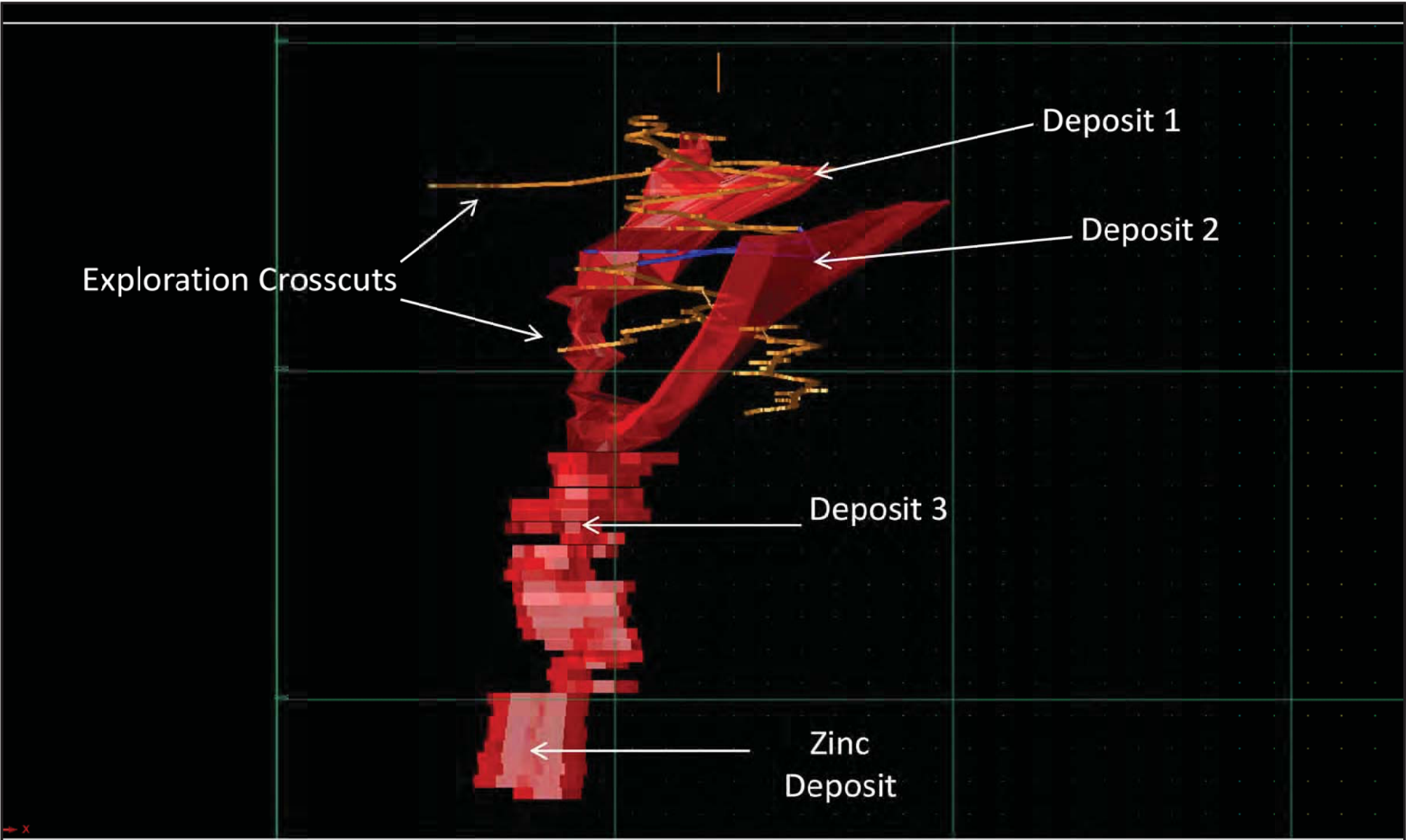
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 Fig.7-1.dwg

7.3 *Deposit Geology*

San Juan mine: It is located to the east of the Chalchihuites village at about 1,500 m. It is one of the oldest mines known in the area. Estimated production from this mine is, by volume, about 100,000 tonnes of silver ore. The San Juan mine consists of a stockwork zone controlled by local structures trending N45°E-75°NW, with a longitudinal extension known as 120 m and 20-40 m in width. The observed mineralization is FeOx as limonite and hematite with veinlets containing lead and zinc sulfides. FMS has intersected primary sulfides mineralization in some of these veins at depths greater than 150 m. Stockwork zones with mineralization have been discovered in some of the areas located between the veins. These stockwork zones show strong alteration with disseminated mineralization and mineralized veinlets, for instance the "Cuerpo Uno" under investigation by FMS. Three mineral concentrations have been identified within the San Juan mine; these deposits appear to be independent of each other and are described below:

1. **Cuerpo 1 (Deposit 1).** It consists of mineralization contained in stockwork with oxides including limonite and hematite associated with lead and zinc sulfides in veinlets within hornfels of 10 m to 70 m in thickness. This deposit has been defined from surface at 2,450 meters above sea level (masl) to a depth of 2,200 m. The stockwork appears to be controlled by local structures with the general strike oriented N 45°E dipping 75° to the NW. It occurs along a length of about 120 m showing a width that varies from 10 m to 40 m. Its average grade is Ag-141 g/t; Pb-1.8 percent; Zn-2.12 percent.
2. **Cuerpo 2 (Deposit 2).** It is located at elevations between 2,220 masl and 2,180 masl occurring with tabular morphology and orientation to the N-S and dipping 45° - 55° W with a length of about 300 meters and thickness that varies from 4 to 14 m. Its average grade is Ag-173 g/t; Pb-1.9 percent; Zn-1.6 percent. It is enclosed by hornfels and the mineralization is composed of limonite/hematite with Pb-Zn sulfides.
3. **Cuerpo 3 (Deposit 3).** It is a vertical breccia-pipe like concentration with an extension from the 2,180 masl elevation to 2,000 masl and a thickness of 30 m to 80 m. Its mineralization consists mainly of sulfides, galena, sphalerite, pyrite, pyrrhotite with some Pb and Zn oxides. Its average grade is Ag-164 g/t; Pb-2.70 percent; Zn-3.80 percent. Figure 7-2 shows the San Juan deposits.

Perseverancia mine: It is located at about 4 km to the SE of the Chalchihuites village in the Ermitaño creek. This mine was operated by the previous owner for 23 years shipping high-grade sulfide ore with mineral content of 1.5 - 3.0 kg Ag and 20 to 40 percent Pb. Estimates by volume indicate a historical production of about 100,000 tonnes from this mine and about 100,000 lbs of contained Pb. The Perseverancia deposit consists of two mineral breccia pipes or chimneys located along a N60° - 85°E trending structure. The breccia pipes consist of massive sulfides in elongated concentrations of 6 to 10 m in width by about 15 to 30 m along the structure. The mineral concentrations are composed of sulfides with partial oxidation in the upper parts of the chimneys. FMS drilling has intersected one of the breccia pipes at about 50 m below the old mine workings which represents a depth of about 250 m below the surface. Figure 7-3 shows interpretation of Perseverancia Deposits.

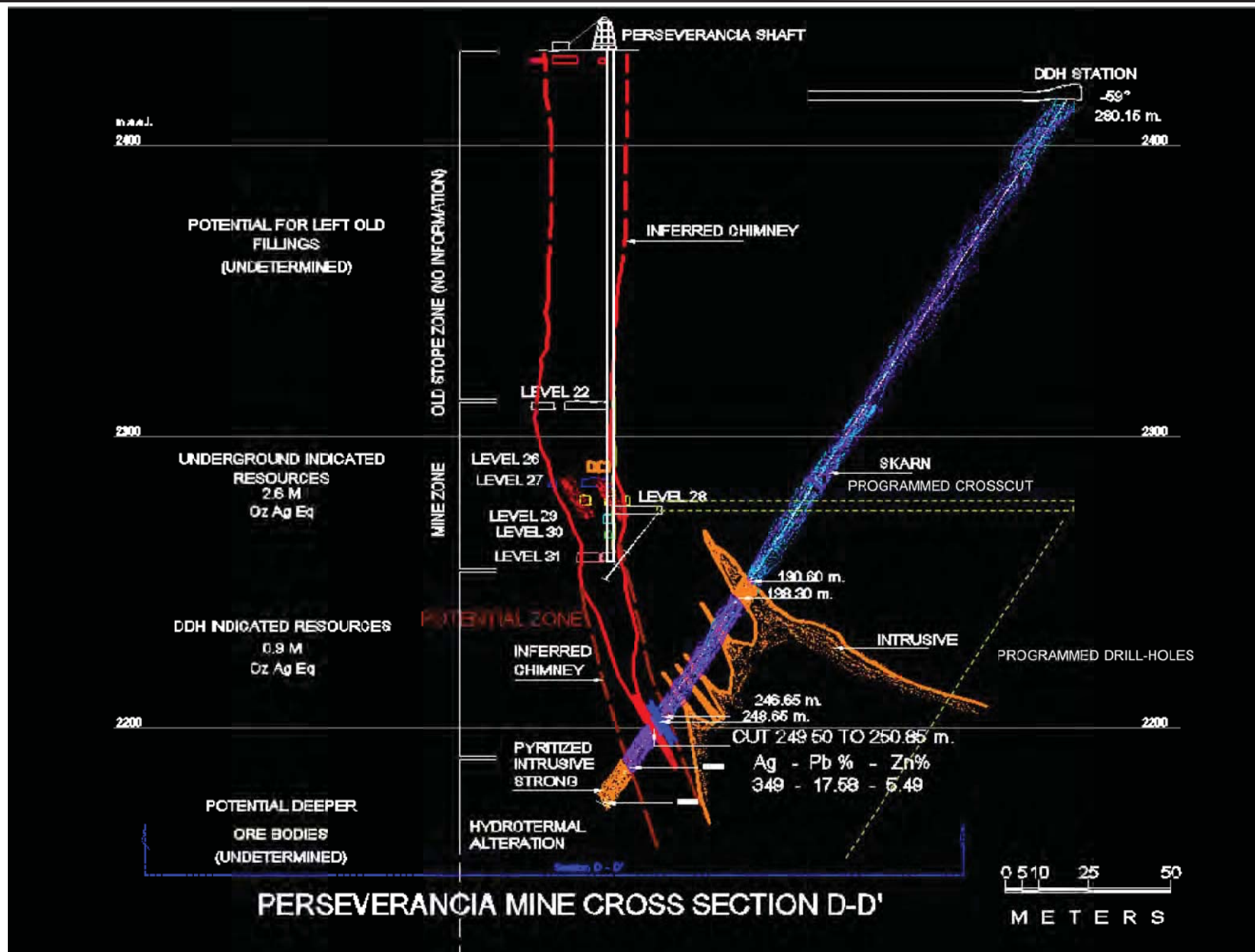


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FIGURE 7-2
 Modelled San Juan Deposits

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FIGURE 7-3
 Interpretation of Perseverancia Deposits

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San Nicolás: This vein deposit was recently discovered by underground workings development for the Perseverancia deposit. Two stope developments are currently in progress along the vein, the San Nicolás Stope with an actual development of 35 m averaging 3 m in width, grading; 160 g/t Ag, 3.0 percent Pb, 8.8 percent Zn. The mineralization occurs in sulfides and oxides. The Cargadero Stope is located 16 m below the San Nicolás mine level showing preliminary assays in the range of 120 g/t Ag, 1.5 percent Pb, 2.8 percent Zn. In general, San Nicolás resource grades are 183 g/t Ag, 4.7 percent Pb and 3.9 percent Zn. The San Nicolás vein occurs with a North-South orientation and variable dip from 75° to 85° to the West. Its width varies from 1.0 m to 3.0 m along an outcropping extension of about 1,000 m which shows occasional shallow mine workings including the old San Nicolás shaft.

Dolores Vein: The Dolores shaft is located at about 2.7 kms from the village of Chalchihuites. It consists of a mineralized structure that crops out with N 10°-15°e orientation dipping 70°NW with variable thickness of 0.20 m to 1.00 m. Occasionally, the vein branches to the hanging wall that may reach up to 3 m in thickness. It occurs enclosed by sedimentary and intrusive rocks. Its mineralization contains galena and sphalerite associated with gangue minerals, quartz, fluorite, stibinite, limonite, pyrite and some arsenopyrite. FMS resource estimates average 153 g/t-Ag, 0.4 percent-Pb and 0.10 percent-Zn.

Underground development for the Dolores vein consists of an access drift with development to the NE and 3 shafts (Dolores, San Francisco, and Santo Domingo) which contain 10 underground mine levels at 10 m vertical separation. Reportedly, Mr. E.W. Jarvis in 1973 mined out about 80,000 tonnes of mineralized material from the SW extension of the vein. Currently FMS is developing an access ramp to reach the lowest mine level. The ramp development to March 31, 2012 was 707 m.


7.4 Mineralization

Mineralization at the Chalchihuites mining district is a typical assemblage of metasomatic deposits and hydrothermal vein deposits with high silver content. These mineral assemblages have been affected by oxidation and secondary enrichment processes. The assemblages mainly consist of pyrite, sphalerite, galena, some chalcocopyrite, argentite and other silver sulfosalts associated with calcite and quartz as gangue minerals. Oxidation and secondary enrichment of these sulfides makes up the mineral concentrations in the upper parts of the deposits, such as the Cuerpo Uno at the San Juan deposit, which contains sulfosalts (cerargyrite, pyrargyrite, stephanite) carbonates (cerussite, hydrozincite, hemimorphite, malachite, azurite), sulfates (anglesite, willemite), and iron oxides, hematite, limonite, etc. Figure 7-4 shows oxide mineralization at the San Juan deposit.

Silver mineralization occurs as argentite and native silver. Lead mineralization is present as carbonates (cerussite) and sulfates (anglesite) and other oxides. Figure 7-5 shows sulfides mineralization at San Juan Deposit 2. Figure 7-6 shows intercept of massive sulfides in San Juan Deposit 3 – DH-27.

The Del Toro Silver Mine mineralization occurs along a known vertical range of 250 m in vertical extension (Perseverancia deposit). This extension is known through underground development and drill holes and it is still open to depth. Known longitudinal extensions vary from about 700 meters at the



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FIGURE 7-4
San Juan Deposit 1 Oxides

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FIGURE 7-5
San Juan Deposit 2 Sulfides

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FIGURE 7-6
San Juan Deposit 3 Intercept

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Magistral vein system, 500 meters at the Las Cotorras system, 100 meters at the San Juan vein system which is only known in underground development, and about 200 meters at the Perseverancia structure which encloses two 30 m long breccia pipes. Figure 7-7 shows San Juan Deposit 1 - DH-28 sulfides mineralization intercept.

Mineral characterization studies were performed in representative samples of the San Juan and Perseverancia deposits. These studies indicated the presence of the following mineral species:

7.4.1 Mineralization at the San Juan Deposit

Lead: Anglesite (Pb, SO_4), approximately 80 percent in free particles (50%), 30 percent in galena and 20 percent associated with other iron oxides. Galena (PbS), approximately 10 percent in free particles (80%) and the rest associated with anglesite and other minerals. The rest of the lead mineralization is represented by lead silicates and oxides, such as larsenite (Pb, ZnSiO_4) and clausthalite (PbSe) in free particles (50%) and the rest associated with anglesite and galena.

Silver: This mineral occurs in Eukairite ($\text{Cu}_2\text{Se, Ag}_2\text{Se}$), and as solid solution in plumboferrite ($\text{PbO.2Fe}_2\text{O}_3$), associated with Zn.

Zinc: Occurs in Sphalerite (ZnS), approximately 50 percent in particles of less than 70 microns; zincite (ZnO), about 15 percent associated to galena, anglesite, feldspars and copper minerals with silver; willemite (Zn_2SiO_4), approximately 15 percent in free particles (30%) and the rest associated to silica, fluorite and galena; zinc associated to plumboferrite and iron oxides in free particles (30%) and the rest associated to lead and iron oxides; Larsenite (Pb,Zn, SiO_4), and iron and zinc oxides.

Copper: This element occurs as covellite (CuS), berzelianite (Cu_2Se), and eucairite ($\text{Cu}_2\text{Se, Ag}_2\text{Se}$). These three mineral species also contain silver minerals.

Iron: It occurs as iron oxides and pyrite (FeS_2). Iron oxides are abundant and occur as free particles (30%) and associated with other minerals. Pyrite is not common and it occurs as free particles.


Non Metallic Minerals: Quartz (SiO_2), Anhydrite (CaSO_4), Fluorite (CaF_2), and Potash Feldspar.

7.4.2 Mineralization at the Perseverancia Deposit

Lead: Anglesite (Pb, SO_4), is the main mineral species and it occurs associated to galena, magnetoplumbite, zinc oxides, manganese oxides, zinc and iron oxides, silica and feldspar. Galena (PbS), occurs associated with the same suite of minerals as the anglesite.

Silver: This mineral occurs in solid solution within other mineral species. It was not identified as free species.



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FIGURE 7-7
San Juan DH-28 Deposit 1 Sulfides Intercept

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Zinc: Zincite (ZnO) occurs as the main mineral species as free particles (90%) in sizes that reach 120 microns; it occurs associated with galena and non-metallic minerals. Zinc also occurs in oxides such as the franklinite (Fe, Zn, MnO_x), and to other oxidized minerals which are commonly associated with lead minerals. There is minor occurrence of sphalerite (ZnS), in small free particles (<75 microns).

Iron: It occurs as oxides (FeO), marcasite (FeS₂), and native Fe. These mineral species are common within the mineral assemblage and in association to lead and zinc minerals.

Other Minerals: Other mineral species identified in the sample are alabandite (MnS), which occurs in small particles (<20 microns) associated with lead minerals; Ca and Ti silicates occur associated with FeO_x as thin veinlets.

Non Metallic Minerals: Potash Feldspar and Quartz (SiO₂) are abundant within the mineral assemblage; Sodium Feldspar occurs in minor proportion.

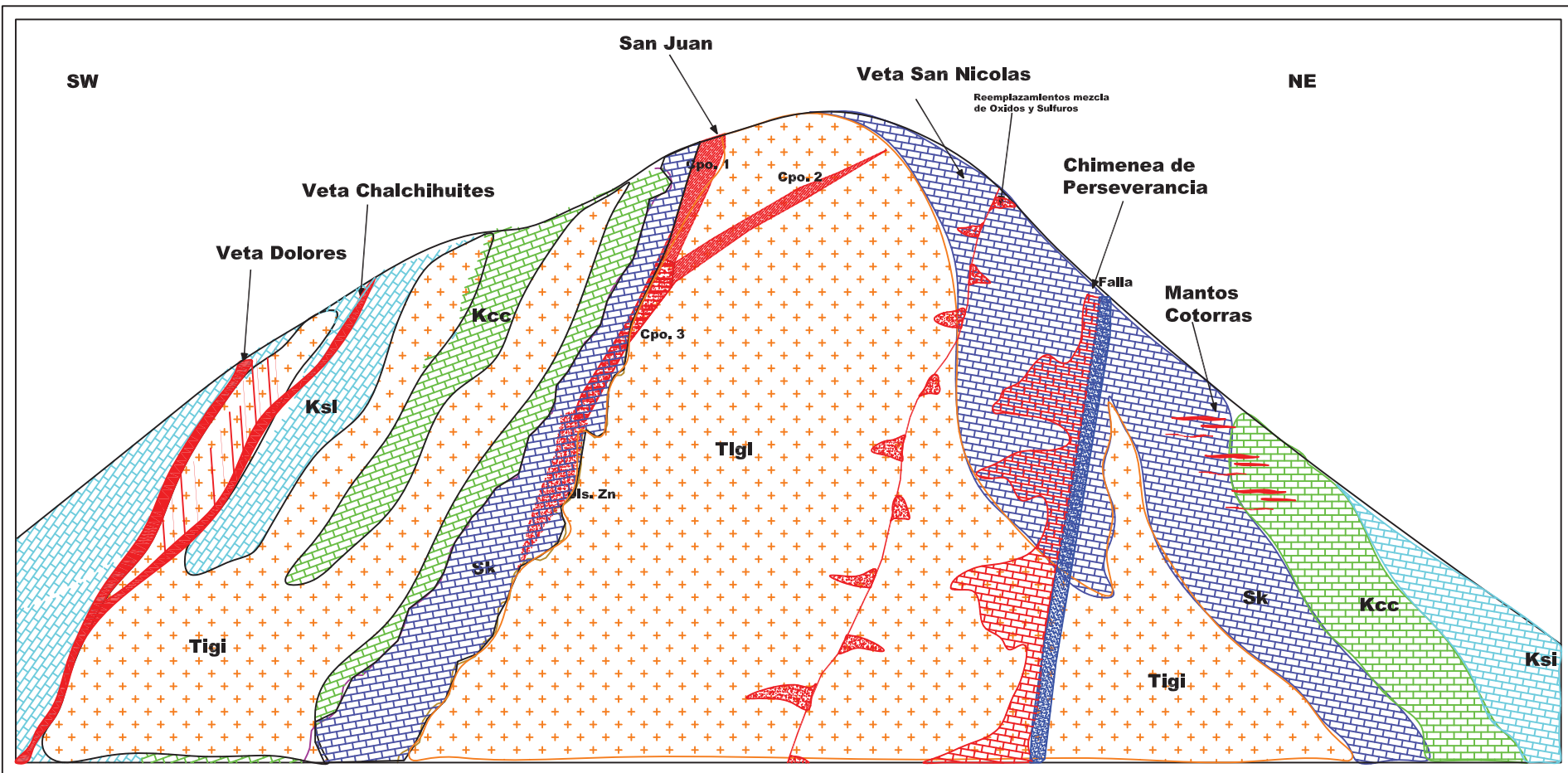
8.0 DEPOSIT TYPES

The Chalchihuites district deposits consist of structurally controlled mineral concentrations containing silver, gold, lead, zinc, copper and other secondary minerals. These deposits occur associated and partly enclosed by the metamorphic zone created by a stock of granodioritic composition intruding a sequence of calcareous rocks of Cretaceous age.

The plutonic cycle originated uplifting and intense faulting and fracturing of pre-existing sedimentary rocks. A broad zone of metasomatic alteration was developed around the outer zone of the intrusive and into the sedimentary rocks. This zone may reach up to about 550 m in thickness and extend along the contact zone up to 3,800 m in the Chalchihuites anticline. Figure 8-1 shows a FMS sketch of the Chalchihuites mining district typical skarn deposits.

Three different types of mineral deposits occur in the Del Toro area; veins, breccia pipes and mantos. The veins vary in thickness from few centimeters up to about three meters with extensions from 50 m in outcroppings at La Verdiosa to 700 m at Magistral. The mantos may vary in thickness from 20 cm at Las Cotorras to 1.5 m at Magistral. Breccia pipes may show lateral extensions of about 30 m with extensions to a depth greater than 200 m such as the Perseverancia chimneys.

The Chalchihuites deposit types consist of fissure-filled (veins), metasomatic replacement (mantos) and cavity-filled (breccia pipes, chimneys and stockwork zones). These deposits have originated from hydrothermal solutions related to igneous activity.



	Tigi INTRUSIVO GRANODIORITICO		Ksi CALIZA INDIDURA		VETAS		FALLA
	Kcc CALIZA CUESTA DEL CURA		REEMPLAZAMIENTOS		CUERPOS		CHIMENEAS
	Sk SKARN		MANTOS				

		FIRST MAJESTIC PROYECTO DEL TORO MODELO GEOLOGICO	
Fecha	14-Nov-2011	Revisó:	Ing. J. Antonio Guevara Peregrino
		Aprobó:	Ing. Eduardo Garcia A.
		Dibujó:	Geologia

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FIGURE 8-1
Typical Chalchihuites Deposits Interpretation FMS

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9.0 EXPLORATION

9.1 *Introduction*

FMS exploration programs for the Del Toro Silver Mine are designed to investigate and prepare development of the two principal deposits within the property:

- San Juan Resource/Reserve base. This program includes underground workings and drilling for confirmation of blocks and areas in the identified three mineral concentrations. FMS has identified lateral extensions and depth of the "Cuerpo Uno" through crosscutting and drilling, depth extension of the "Cuerpo Dos" and discovered an unknown concentration as the "Cuerpo Tres" through deep drilling. The mine preparation has been advanced with ramp access to reach the Cuerpo Tres at depth. Crosscutting has been developed at various elevations for deep drilling.
- Perseverancia Resource/Reserve base. This program includes development of the two known high-grade breccia pipes, crosscutting in preparation for deeper drilling, investigation of lateral and depth extensions of the structural trend holding the two known breccia pipes. This exploration and development program includes underground access by ramp to reach the bottom of the Perseverancia shaft and old workings areas as well as preparation of strategic sites to drill deeper extensions.
- Dolores and San Nicolás. Define the mineralization extent and quality of these two vein deposits. Preliminary investigations include underground development for mapping and channel sampling to determine magnitude and quality of the mineral deposits.
- To investigate geophysical and geochemical targets that may indicate other significant concentrations of minerals. These target areas may represent large volume exploration targets. These areas are generally associated with the contact zone between the regional intrusive stock and sedimentary formations, within the skarn zones or with dykes and sills that may indicate favorable zones for mineral deposition.

FMS has developed a significant budget for investment in exploration drilling and geophysical studies for the Del Toro property. This budget for 2012, \$4.0 million, includes programs of exploration that have already shown positive results by indicating important estimated Resources/Reserves for the San Juan and Perseverancia mines.

9.2 *Exploration Programs*

9.2.1 Geophysical Exploration

FMS has carried out geophysical investigations to confirm previous studies within the Del Toro property. These investigations have confirmed the presence of a significant skarn zone with IP, resistivity and

magnetic anomalies which will be further investigated by direct methods, such as drilling and underground access where possible. Figure 9-1 shows geophysical anomalies for further investigation.

FMS has included in 2012 additional exploration programs for IP, resistivity and magnetic surveying at the San Juan area. Total estimated 2012 budget for geophysical surveying is \$0.5 million.

9.2.2 Geochemical Exploration

FMS geochemical exploration program for the Del Toro Silver Mine included investigations to complement exploration by geophysical methods within the mining district. This program included a total of 254 rock chip samples to confirm or evaluate some of the areas of interest. The anomalous areas would be further investigated by geophysical methods.

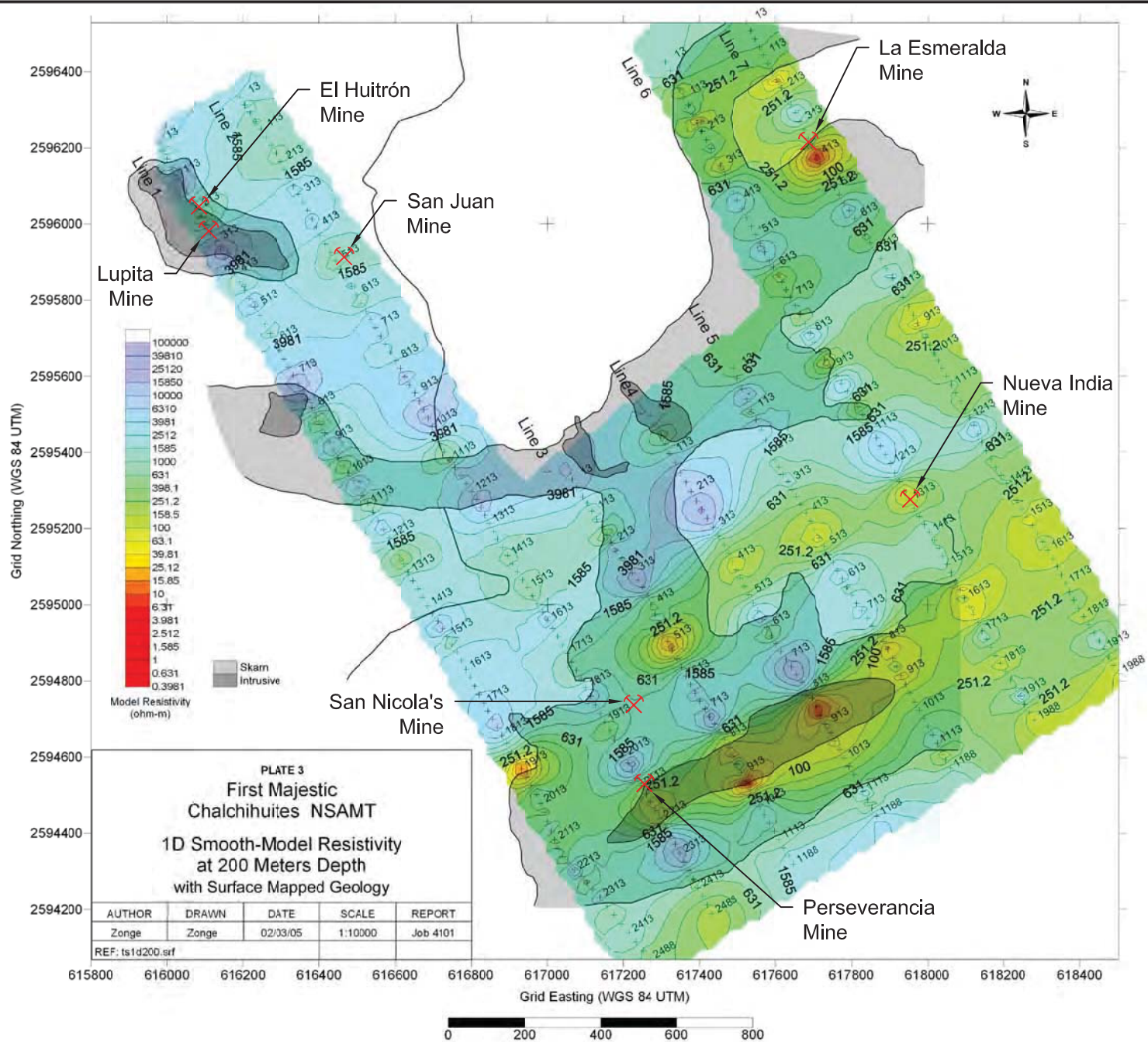
The geochemical program included 7 lines at a 250 m spacing (from the West A, B, C, D, E, F and G) with samples at 50 meter intervals along the lines. The lines length was from 2,500 meters to 1,200 meters for a total sampled length of 13,000 meters. Each sampling site was located by GPS and UTM coordinates. Each sample was collected from an area of 2 m by 2 m and consisted of 3 kg to 5 kg of rock chips. The samples were shipped to GM LACME Labs in Guadalajara city for pulp preparation and sent to ACME Analytical Laboratories Ltd. in Vancouver, BC. All geochemical samples were analyzed by ICP including determination of 22 elements in addition to gold/silver by fire assay.

FMS did not include duplicate samples. The most significant geochemical anomalies resulting from this survey were defined for lead, zinc, copper and silver.

The lead anomalies are widespread along the northern part of lines A and B; in the middle and southern portion of line B; along line C and in the northern part of line D. These anomalies cover the San Juan, El Huitrón, Mina de la Paz, Perseverancia, San Nicolás and part of Las Cotorras areas. Anomalous values were determined by statistical analysis and resulted in up to 220 ppm for threshold range and low anomalies above 220 ppm. The highest lead values reported was 29,300 ppm, equivalent to 2.93 percent. Figure 9-2 shows geochemical lead anomalies.

The zinc anomalies are more localized around the known area of interest. The San Nicolás, La Nueva India and part of Las Cotorras are indicated by the northern, central and southern parts of lines A and B, and by the northern part of lines C and D. The Zn anomalies appear to outline closer areas near the known mineral deposits of Perseverancia, San Nicolás and Las Cotorras, and in the southern part of the lines in the Perseverancia area. Zinc values reported included assays from 50 ppm to 11,300 ppm with threshold defined at 999 ppm. Low anomalies were determined from above 999 ppm. Figure 9-3 shows geochemical zinc anomalies.

Localized copper anomalies were defined in the north-central part of line A and southern part of lines A, B and C. A widespread copper anomaly was determined along the northern part of lines from D to G. The localized anomalies cover the San Juan and Perseverancia areas, while an extensive copper anomaly



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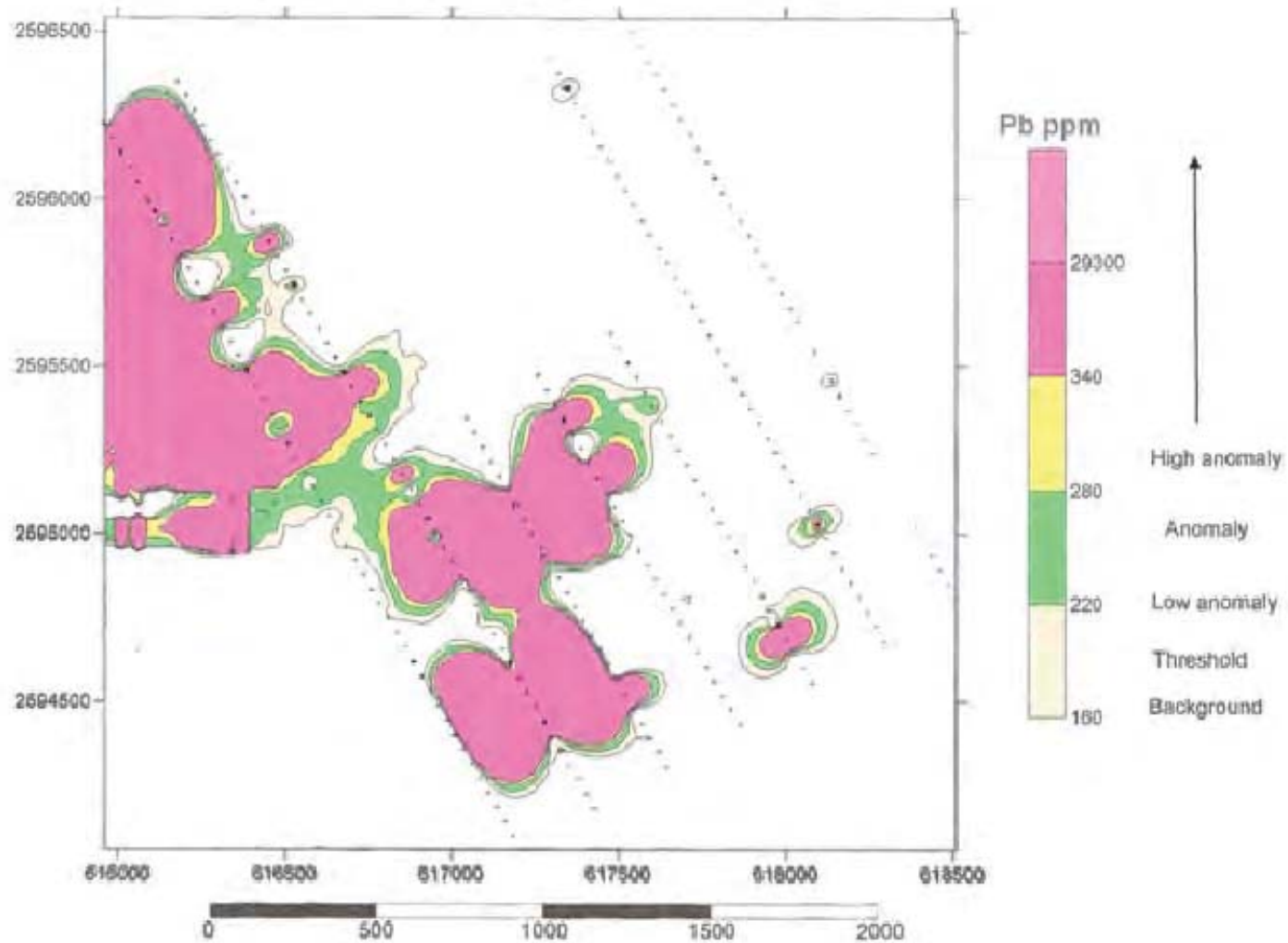
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FIGURE 9-1
Geophysical Outline of Skarn Zone

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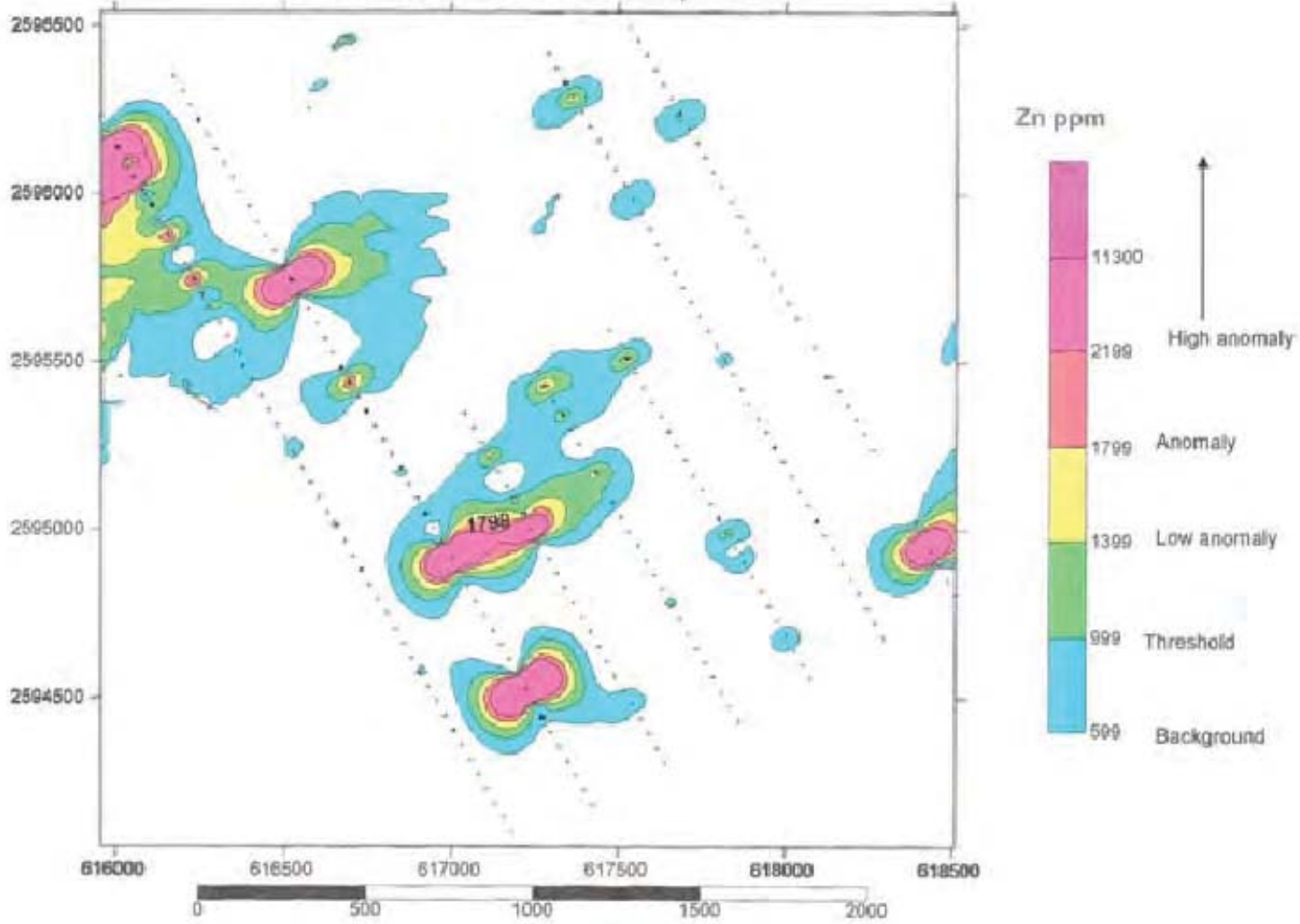
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FIGURE 9-2
 Geochemical Anomalies
 Lead

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FIGURE 9-3
 Geochemical Anomalies Zinc

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covers the Esmeralda area extending to the East. The geochemical copper threshold was defined at 160 ppm. The copper geochemical assays range in values from 5 ppm to 3,160 ppm. Figure 9-4 shows geochemical copper anomalies.

The silver geochemical survey shows limited and localized anomalies within the areas of the San Nicolás to Las Cotorras and San Juan area with small showings around the Huitrón and Mina de la Paz areas. Silver values are low from 0 to 28 ppm. Threshold value was defined at about 10 ppm.

PAH notes that the geochemical and geophysical anomalies are coincident and show particular strength within the Perseverancia zone. These anomalies also appear to show NE-SW trend at the middle section of the district, in the areas of San Nicolás to Las Cotorras. The geochemical anomalies are strong at San Juan, while the geophysical anomaly appears to be deep-seated in this area.

In PAH's opinion, the geophysical and geochemical investigations carried out at Del Toro have resulted in significant anomalies. These appear to be related to previously known mineral outcroppings, to old workings or to known mineral deposits. PAH agrees with FMS and recommends following investigations with direct methods to determine the significance of these anomalies.

9.3 *Drilling*

Drilling programs at the Del Toro mining district have been limited by past operators, since the best exploration results may have been obtained through underground development. However, FMS has obtained positive results by increasing drilling to define the extent of known deposits and to evaluate new mineralized zones, as well as to investigate continuity of ore shoots along strike and to depth for development.

FMS initiated an aggressive drilling program to explore the various areas of interest within the Del Toro holdings in 2004. The entire program through to March 31, 2012, has consisted of 117 diamond drill holes, for a total drilled depth of 35,230 m from surface and from underground sites.

Drilling at Del Toro is performed by the following contractors:

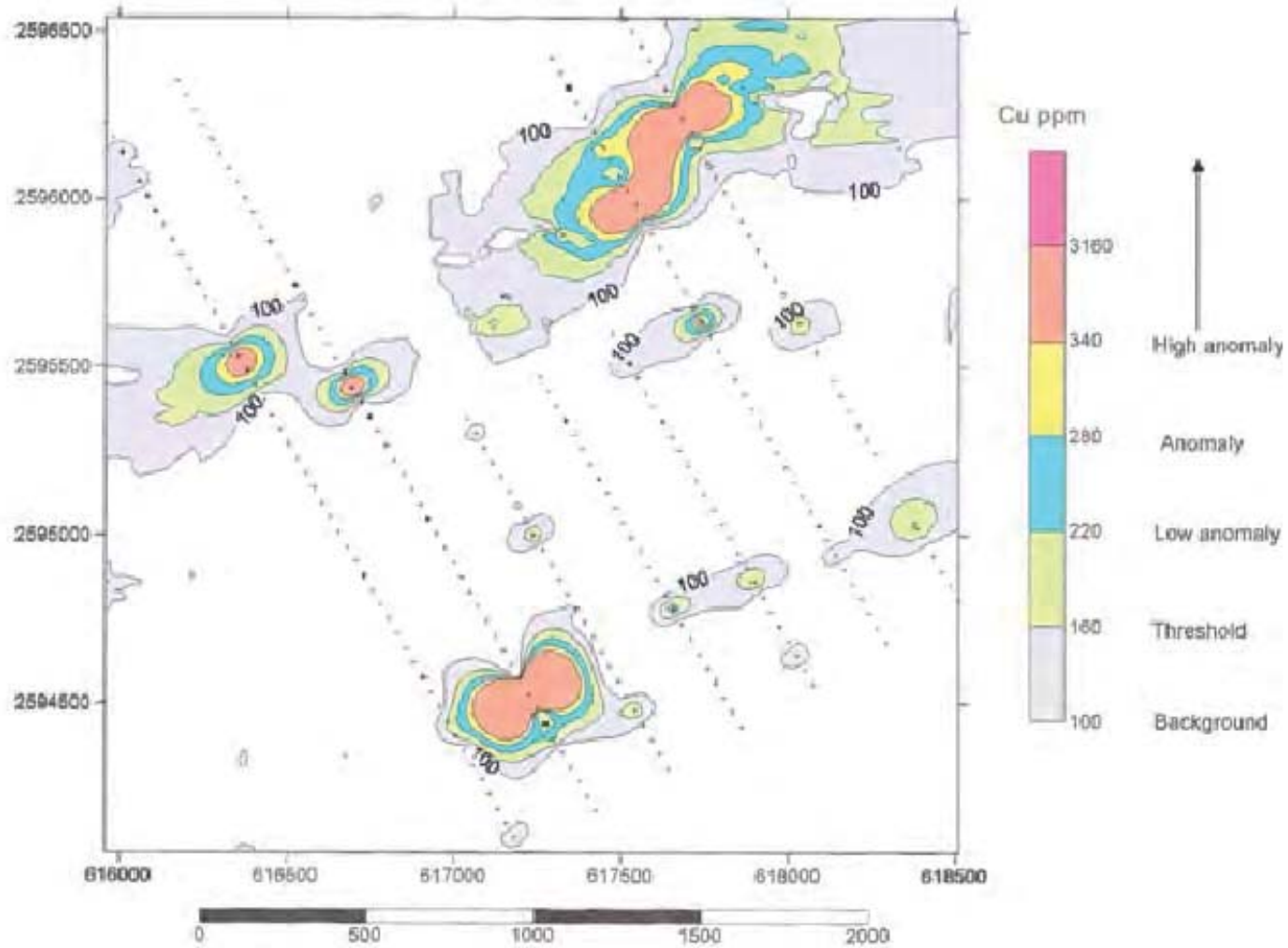
- CAUSA, based on the city of Gómez Palacio, Durango State
- TECMIN, based on the city of Fresnillo, Zacatecas State
- Servicios de Perforaciones México, S.A. de C.V., and
- R&R Drilling, based on the city of Hermosillo, Sonora State.


Table 9-1 shows completed drilling at Del Toro by FMS through March 31, 2012.

Figure 9-5 shows the surface drilling map.

Figure 9-6 shows the underground drilling map.

CHALCHIHUITES PROJECT, MEXICO



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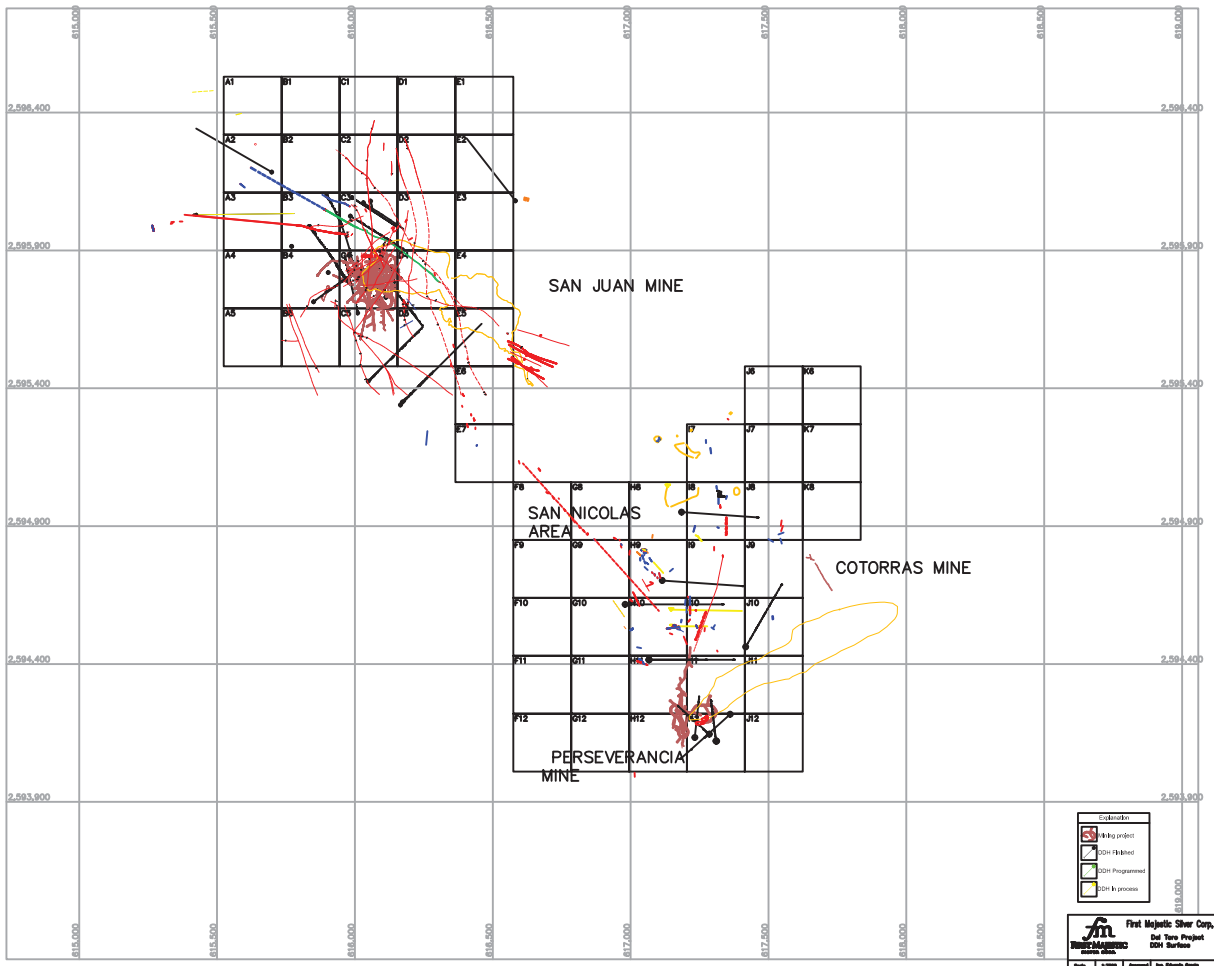
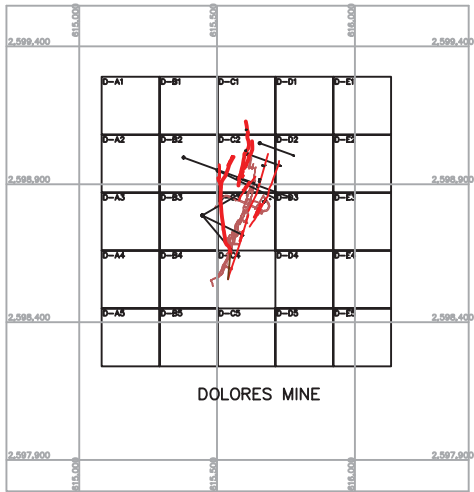
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FIGURE 9-4
 Geochemical Anomalies Copper

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Legend	
	Drill to Project
	Drill Filled
	Drill Programmed
	Drill Suspended

First Majestic Silver Corp. SA de CV

Del Toro Project
DGM Surface

Scale: 1:5000	Approved: [Signature]	No. Sheets: 5000
Date: March 2012	Author: [Name]	No. Sheets Issued: [Number]
Drawn: [Name]	Check: [Name]	Year: 2012

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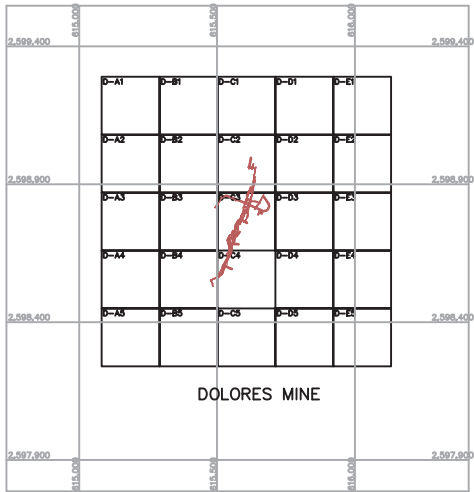
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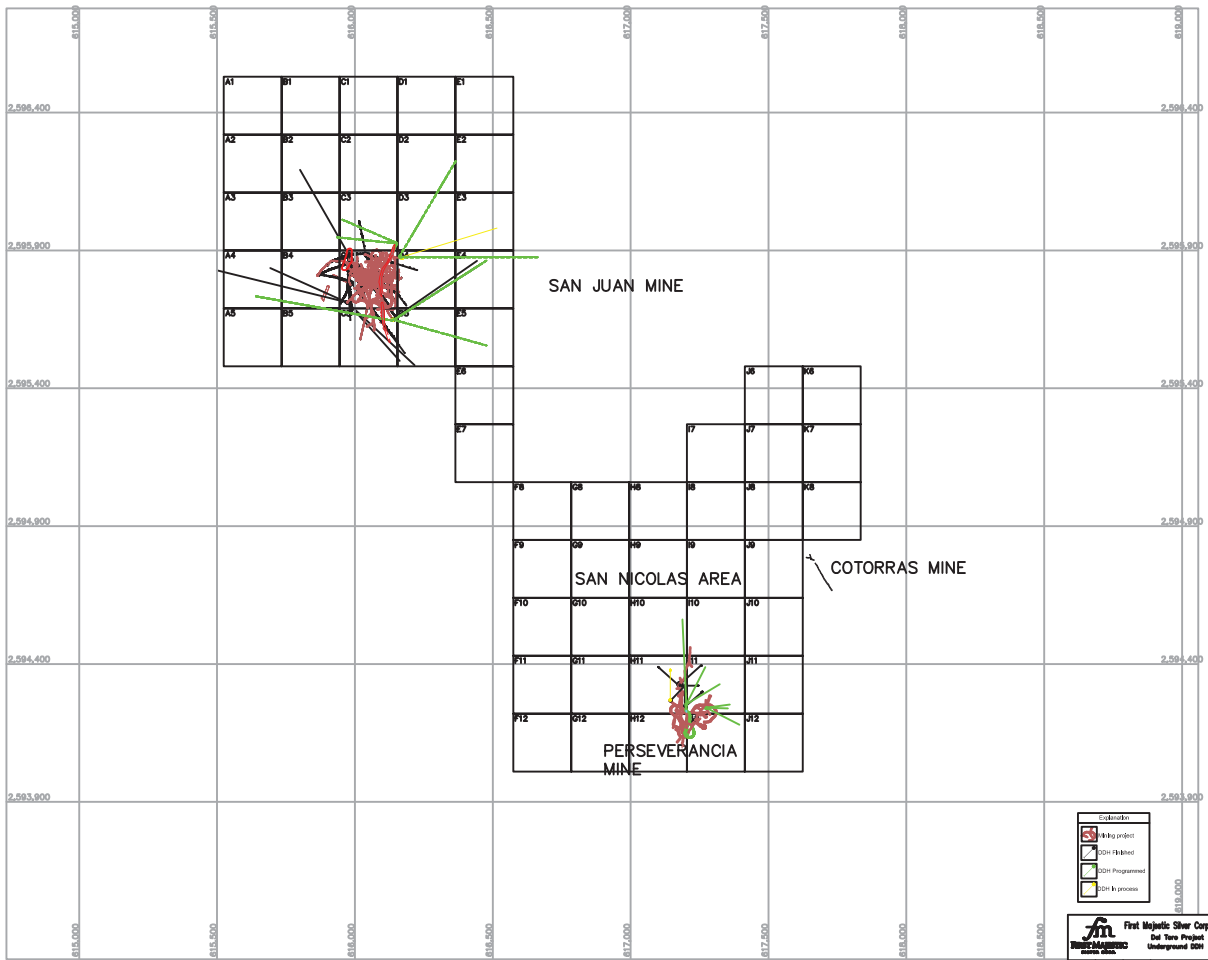
FIGURE 9-5 Surface Drilling Map

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 Fig.9-5.dwg



DOLORES MINE



SAN JUAN MINE

SAN NICOLAS AREA

COTORRAS MINE

PERSEVERANCIA MINE

Legend	
	Drift
	Planned
	Programmed
	Executed

First Majestic Silver Corp., S.A. de CV
 Del Toro Project
 Underground DSH

Scale	1:5000	Author	J. Garcia
Date	2012-04-01	Checker	J. Garcia
Drawn	J. Garcia	Plot	J. Garcia

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Project Name
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FIGURE 9-6
 Underground Drilling Map

Date of Issue
 April 2012

Drawing Name
 Fig.9-6.dwg

TABLE 9-1
First Silver Majestic Corp.
Del Toro Silver Mine
Drilling Programs Completed to March 31, 2012

Mine Area	No. UG DH	Meters	No. Surface DH	Meters
San Juan	56	15,593	23	9,301
Perseverancia	4	633	12	3,221
San Nicolás	7	871	7	2,843
Dolores	0	0	8	2,768
Sub-Total	67	17,097	50	18,133
Total	117	35,230		

FMS contracted drilling is currently operating seven drill rigs at Del Toro to carry out the 2012 program that includes a total of 28,000 m of drilling in about 100 drill holes at the San Juan, Perseverancia, Dolores, and San Nicolás areas from surface (about 52 drill holes) and underground (about 48 drill holes) sites.

9.4 *Opinion*

In PAH's opinion, the exploration programs developed by FMS at the Del Toro Silver Mine in the state of Zacatecas, México, have been successful in defining and testing exploration targets, increasing the mine's Resource/Reserve base and indicating new targets of exploration within the property boundaries. FMS has assembled an experienced and enthusiastic team of exploration professionals to cover all facets of the exploration requirements. Table 9-2 presents a list of FMS's drilling program at Del Toro for 2012.

TABLE 9-2
First Silver Majestic Corp.
Del Toro Silver Mine
Exploration Program 2012

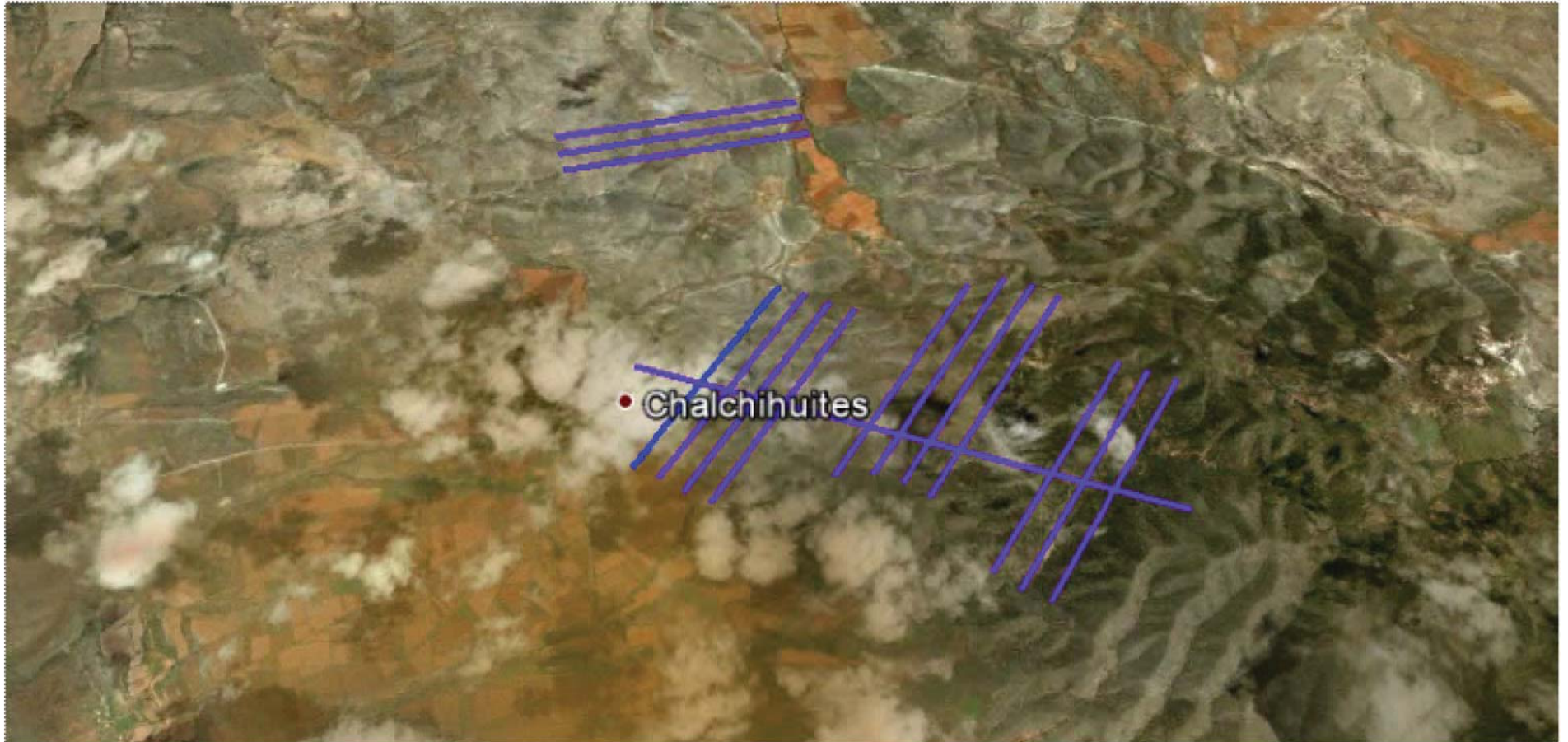
Drilling Program	Mine Area	Mine Level	No. DH	Meters	Cost /m	Total Cost US\$
DH Underground	San Juan	8 Y 9	25	4,000	125	500,000
DH Underground	Dolores	4 Y 10	5	1,000	125	125,000
DH Underground	Perseverancia	22 Y 30	18	3,000	125	375,000
Surface Drilling	Surface		52	20,000	125	2,500,000
Total Drilling			100	28,000		3,500,000
Geophysics (TITAN)	Surface			10 km		500,000
Total Program				10 km		4,000,000

In PAH's opinion, FMS exploration programs have established a significant Resource/Reserve base for Del Toro Silver Mine. FMS has increased the Resource/Reserve base for projected operations at a ramp up plant capacity from 1000 to 4,000 tpd for an estimated period of minimum six and one half years of mine life. These drilling exploration programs with a general average of core recovery estimated in about 93 percent and underground development programs with 7,133 m to March 31, 2012, including 3,837 m of

access ramps, 3,199 m of cross cuts and drifts, and 97 m of raises have been developed according to industry standards.

Underground mines similar to Del Toro Silver Mine generally carry Reserves for periods of 3 to 5 years, while FMS has developed Resources and Reserves for a LOM estimated for the period of 2012 to 2019.

Figure 9-7 shows the planned lines to run Titan 24 Geophysical Exploration Program 2012.



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FIGURE 9-7
Geophysics Exploration

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Project No.
DE-00248

10.0 DRILLING

10.1 *Drilling Methods*

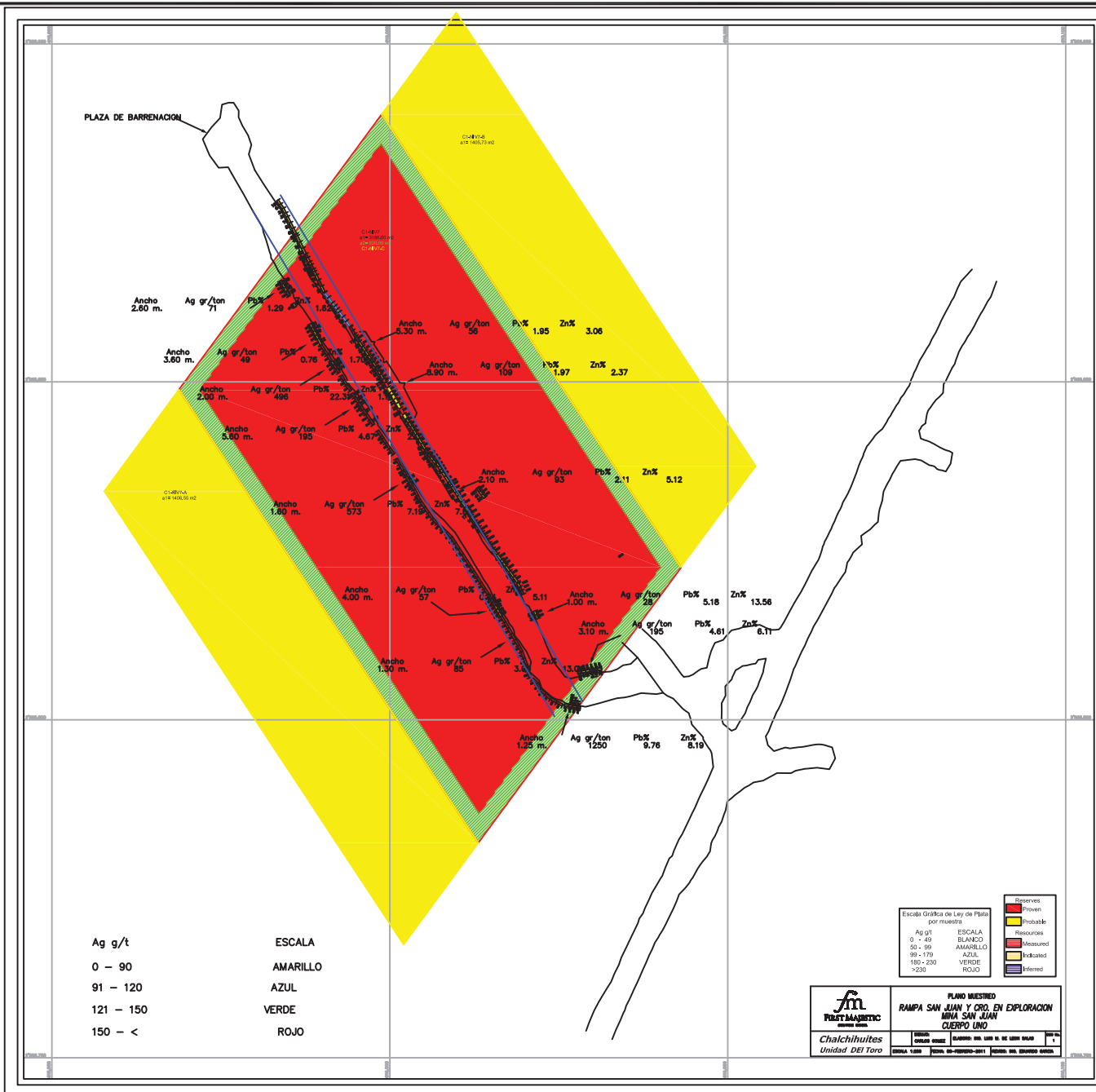
FMS has been drilling at Del Toro since November 2005, shortly after executing an option agreement to acquire the Perseverancia group of properties. FMS is currently drilling with seven drill rigs from surface and underground drill sites. Two surface and one underground drill rigs under contract with Hermosillo, Sonora – based Servicios de Perforaciones México, S.A. de C.V. (SPM S.A. de C.V.) and three underground and one surface drill rigs owned and operated by Tecmin Services, S.A. de C.V. (TECMIN) a Fresnillo city, State of Zacatecas based drilling company.

FMS's exploration drilling program at Del Toro up to March 31, 2012 includes a total of 117 holes for a total drilled depth of 35,230 m distributed for exploration within the following areas: San Juan (56 + 23), Perseverancia (4 + 12), Dolores (0 + 8), and San Nicolás (7 + 7) from underground and surface sites respectively. For the period in 2012, FMS's program includes 28,000 m of additional drilling for the San Juan underground (25 drill holes), Perseverancia underground (15 drill holes) and Dolores underground (8 drill holes) in addition to 52 drill holes programmed from surface, making a total of 100 drill holes for 2012. This program has been outlined in previous Section 9.0 of this TR. Figure 10-1 shows Channel Sampling San Juan Deposit 1.

FMS's drill hole database is compiled in electronic format, which contains collar, assay intervals, lithology, and assay information with gold, silver, lead and zinc values. Most of the holes are drilled at an angle to intersect vein or mineralized structures that generally dip at near vertical angles. According to FMS, based on geologic interpretations, no apparent deviations have been detected in drill holes. FMS has established a surveying procedure which is performed during the drilling due to the fact that most of the holes are now longer than 150 meters. Deviation is defined with one survey reading at the bottom for holes of 150 meters in depth and 2 survey readings for holes longer than 150 meters; one reading at the middle and one reading at the bottom of the hole.

Based on the Del Toro's database a total of 35,230 m have been drilled in 117 drill holes including 5 in progress. A total of 21,533 m have been measured for core recovery at a total of 19,963 m resulting in about 93 percent core recovery including surface and underground drilling. A total of 6,295 sample intervals have been taken from the core for assaying with a median of 0.85 m per interval. The database includes 6,119 sample assays. The sample database does not include the mine channel samples.

Logging is performed by Del Toro's geologist in each of the areas being investigated. The geologist also determines the sample intervals. Samples are generally taken according to geologic features generally at less than 1.50 m sample intervals. Trained assistants are in charge of core measuring to determine recoveries, splitting and sampling as per the geologist's indications. All exploration samples are sent for assaying to Inspectorate Lab including sample preparation at the Durango based Inspectorate Lab and the pulps are sent to Inspectorate Lab in Reno, Nevada for assaying. Duplicate samples are taken from the remaining half part of the core as one quarter of the core.



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FIGURE 10-1
Channel Sampling Cpo 1 San Juan

Date of Issue
 April 2012

Drawing Name
 Fig.10-1.dwg

PAH believes that FMS's drilling program from surface and underground sites, in combination with underground development, is appropriate and well designed to explore promising targets and ore deposits continuity.

Geologic potential exists to discover additional mineralized zones along the development workings.

10.2 *Interpretation*

Geologic interpretation is carried out by FMS geologists on site, based on cross sections at 30 m spacing along the mineralized structures strike for vertical interpretations including drill intercepts and underground mine workings projections. Plan view interpretations are prepared at about 10 m elevation spacing. These sections and plan view maps are the basis for mineral resource estimates.

Resource/Reserve grades are based on projected averages from channel samples along drifts and crosscuts in underground workings at projected distances of 15 m from the sampled areas. Drill hole intercepts are applied for geologic continuity interpretations and resource grade estimates. Figure 10-2 shows channel sampling of Perseverancia Mine level 25.

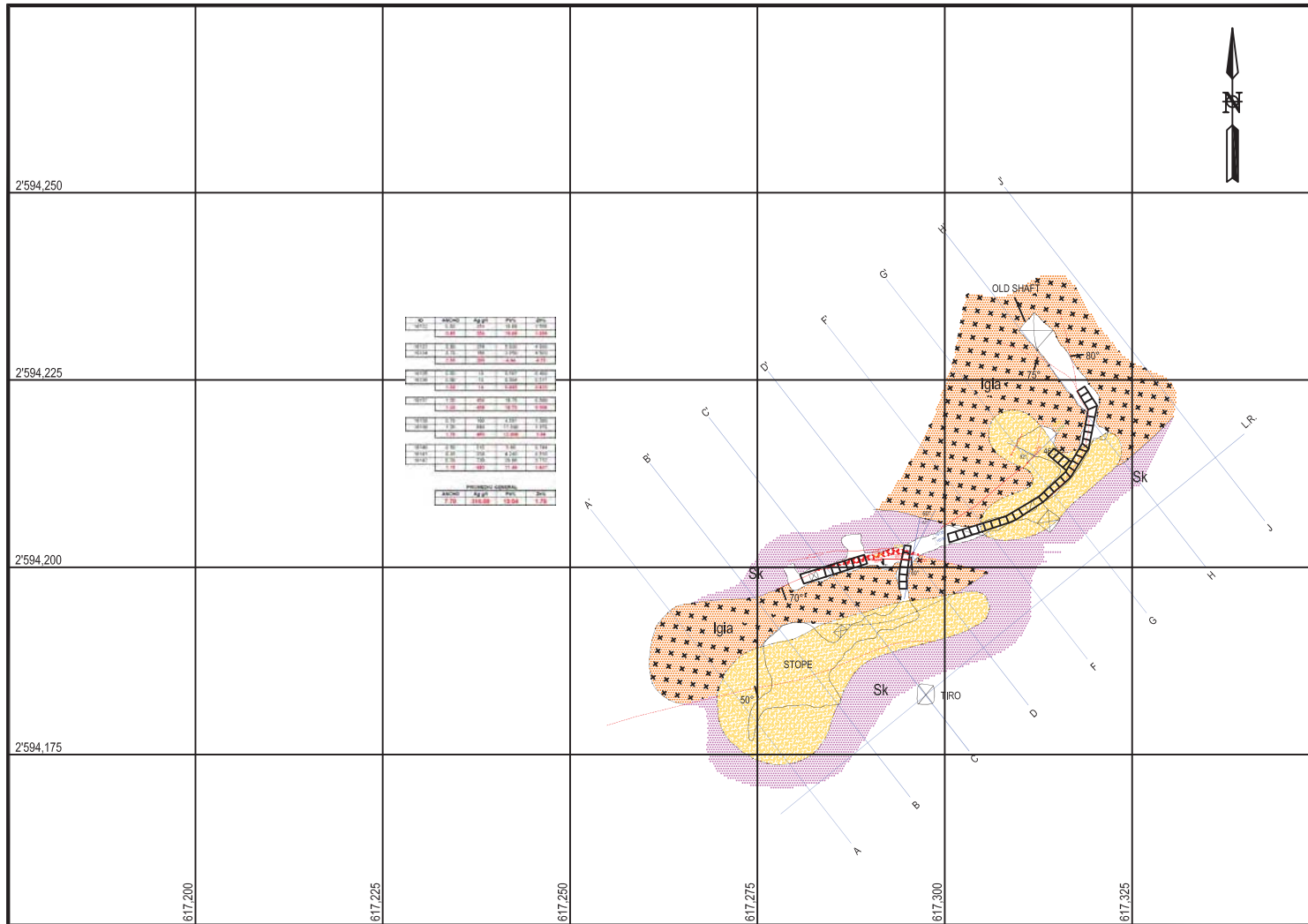
10.3 *Sampling Intervals, True Thickness*

The Del Toro mineralized structures consist of structurally controlled deposits with tabular morphology. Underground development of these types of structures is along drifts with systematic crosscuts to review the structures true width. The mineral deposits are sampled by channel samples that cross the width of the vein or mineralized structure at regular intervals. Each channel consists of several continuous samples which depend on the structure's width. Generally each channel sample is limited to 1.0 m to 1.5 m in length and are controlled by geologic features or mineral concentrations. At Del Toro, the channel samples are taken at about 3 m intervals along the drifts and the number of samples in each channel may vary from 1 to 7 samples as per the deposits width, of about 3 m to 4 m. Channel samples represent more significant values for reserve estimates.

Drill intercepts at projected distances from the underground workings are sampled in similar fashion by splitting the drill core in half and taking one of the half core portions for assaying, while the remaining half of the core is stored for future references. Samples are taken at 1 m to 1.5 m intervals along the drill intercept. Assay and geologic data are projected to the mine workings and to other drill intercepts for interpretation and Mineral Resource estimates. Figure 10-3 shows channel sampling San Juan mine stope 050.

10.4 *PAH Opinion*

In PAH's opinion, FMS's exploration drilling program at Del Toro is well designed and is justified as an investment as it has consistently developed additional Resources/Reserves for Del Toro. The estimated budget for the 2012 program is included in Section 22 of this Report - Recommendations.



- LEYENDA**
- Fm, Cuesta del Cura
 - Skam
 - Intrusivo
 - Mineralización
 - Fallas
 - Velas
 - Línea de sección
 - Línea de muestreo

Escala Gráfica de Ley de Plata por muestra

Ag g/t ESCALA
 0 - 100 AZUL
 100 - 200 VERDE
 200 - 300 AMARILLO
 300 - < ROJO



FIRST MAJESTIC PLATA S.A. DE C.V. CHALCHIHUITES, ZAC.		
MINA PERSEVERANCIA NIVEL 25		
SECCION:	REVISOR:	APROBADO:
PROYECTO: MUESTREO	ING. JUAN CARLOS	ING. JUAN CARLOS
ESCALA:	FECHA:	BOLETIN:
1:250	AUGUSTO	MINA PERSEVERANCIA

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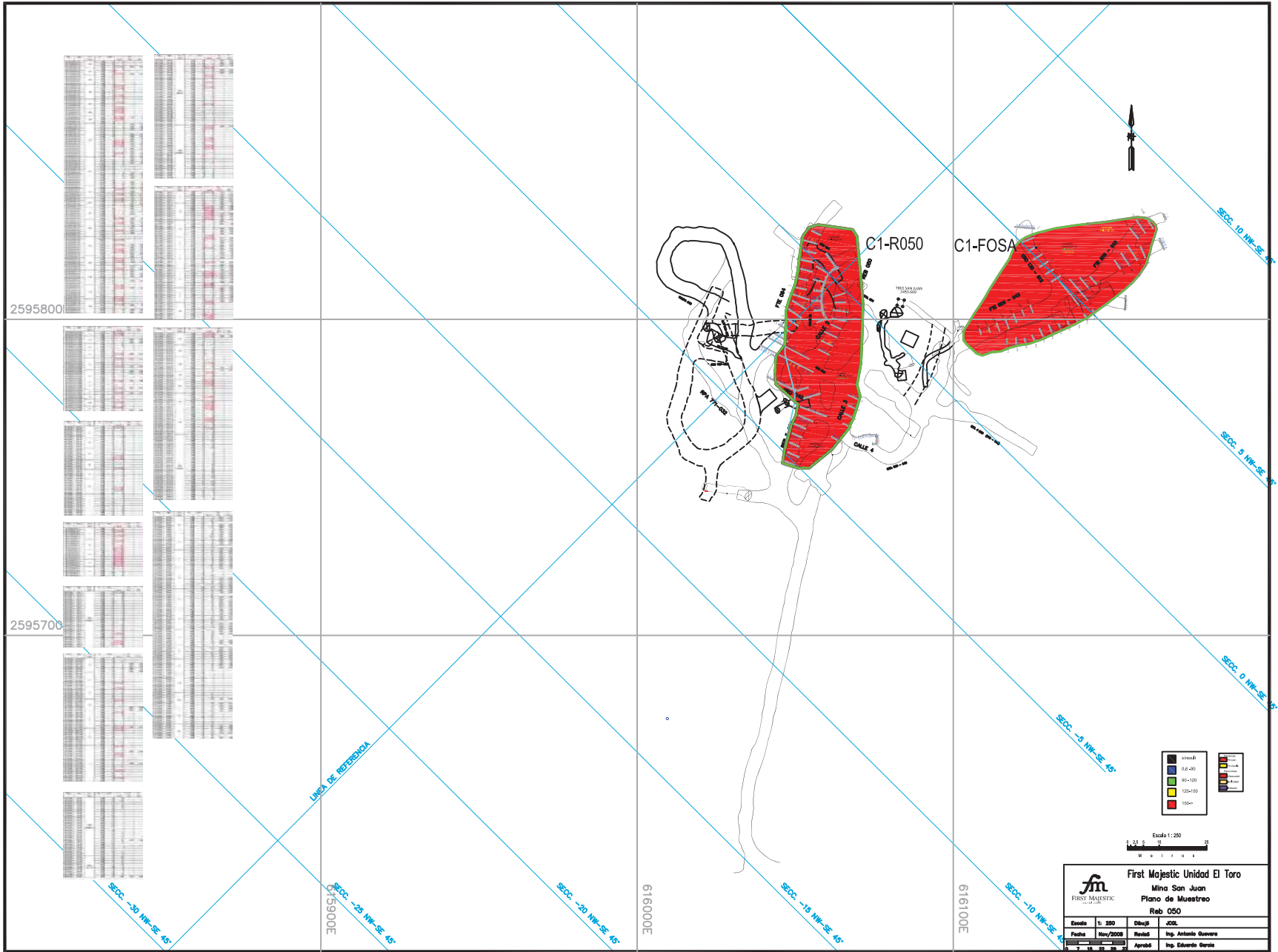
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Project Name
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FIGURE 10-2
Channel Sampling Perseverancia Mine Level 25

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 Fig.10-2.dwg



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FIGURE 10-3
Channel Sampling San Juan Mine Stope 050

Date of Issue
 April 2012
 Drawing Name
 Fig.10-3.dwg

11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

PAH reviewed the Del Toro sampling program for the preparation of this TR. Del Toro's current sampling team consists of three sampling crews with three employees each for underground and channel sampling, one sampler for drill core, and one sampling supervisor. This process is managed by two project geologists.

All samples are placed in pre-numbered bags which are sealed including sample number inside and outside of the bags. The individual sample bags are collected in bigger bags that contain all the samples of one drill hole or one mine stope.

All the sealed big bags including individual drill hole or mine stope samples are collected by a representative person of the lab. All exploration samples are sent to Inspectorate Lab in Durango City for preparation and the pulps are sent to Reno, Nevada for assaying. Custody of the samples remains with the FMS project Geologist until delivered to the representative person of the external lab.

11.1 *Channel Sampling*

Exploration sampling for Resource delineation at Del Toro is conducted by drifting, crosscutting and ramps construction for access to the mineralized zones so that channel samples can be taken. Channel samples are the primary means of sampling in the mine workings and are taken perpendicular to the vein structures, across the back of the drift and across the drifts and workings, generally from the footwall towards the hanging wall of the mineralized structure. Sampling crews take channel samples at regular intervals of 2 m to 3 m, typically with several samples along every sampling channel on new openings (drifts, crosscuts, ramps, stopes, etc.). Channel samples are taken in consecutive lengths of less than 1.50 m along the channel, depending on geologic features. Channel samples are taken with chisel and hammer, collected in a canvas tarp and deposited in numbered bags for transportation to the laboratory.

A channel "line" typically consists of two or more individual samples taken to reflect changes in geology and/or mineralogy across the mineralized structural zone. Each sample weighs approximately 4 kg. All channels for sampling are painted by the geologist and numbered on the drift's walls for proper orientation and identification. FMS has implemented this channel sampling procedure in all its operations and exploration projects. All Del Toro channel samples are sent to Inspectorate Lab for assaying.

The Del Toro sampling quality control program consists of checking the assays of one duplicate sample for about every 20 regular samples, including pulp samples. PAH recommends that the sampling procedures include field duplicate samples (for instance, 1 duplicate for every 20 samples) at the mine workings, and duplicate pulp samples to confirm the sample preparation and assaying methods. PAH recommends that samples be duplicated at about 5 percent for each case, field duplicates and pulp duplicates.

Del Toro's channel sampling program for this period included 138 duplicate samples from exploration underground workings and exploration areas within Del Toro. A total of 110 samples corresponded to the San Juan mine area, 27 samples from the Dolores deposit area, and 1 sample was taken from the Perseverancia mine area.

All samples including duplicate samples are sent to Inspectorate Laboratory a US lab located in Reno, Nevada with representation and sampling preparation facilities in Durango City, México.

11.2 *Drill Core Samples*

FMS exploration drilling is performed by the contractor firms of CAUSA, TECMIN, and Servicios de Perforaciones México, S.A. de C.V. (SPM). These companies are based in the cities of Gómez Palacio, Durango State, and Hermosillo, Sonora State, México respectively and presently are operating seven drilling rigs at Del Toro.

Sampling of the drill core is done after the core has been logged by the project geologists. The geologist marks the core on the basis of geologic and mineralization features. Then the sampling crew splits the core with diamond saw, as indicated by the geologist and one half of the core is placed in a numbered bag and sent to Inspectorate Lab in Durango City. Generally the samples represent core lengths of less than 1.50 m. All the core samples are sent for assaying by Inspectorate Lab. The core samples are crushed and pulverized at Inspectorate Lab in Durango City and 250 g pulp samples are sent to Reno, Nevada for assaying.

Duplicate core samples are taken by Del Toro crew from the remaining half of the core, by again splitting the core to a one quarter size. Therefore, one quarter of the core still remains in the box for future reference. Duplicate samples are taken at a rate of approximately one duplicate sample from every twenty regular samples. During this period 75 duplicate samples were taken from the San Juan drilling core.

Drill hole data are included in the Resource calculations, and are generally applied at Del Toro in the resource projections. Drilling results are applied in the grade calculations giving more weight to the larger-size channel sample data.

No geochemical or channel sampling was done during the PAH site visits in July 15-18, 2008, and November 17-18, 2011.

11.3 *Opinion*

PAH's opinion regarding the channel and core sampling applied by Del Toro's exploration crews, is that it is done carefully and responsibly by well trained samplers. The channel and core samples appear to properly represent the mineralization of Del Toro's deposits; therefore, they are acceptable for Resource estimates.

12.0 DATA VERIFICATION

PAH has not taken independent samples from the surface or underground exposures of the mineral concentrations at Del Toro as other Qualified Persons have previously sampled the mineralization as discussed in this report including FMS technical personnel.

FMS has established a systematic procedure to verify data and quality control which has proven effective and accurate in other Company's operations and exploration properties. Assay data is transmitted by electronic means from the lab and the entire trail is accessible and available for inspection.

FMS initiated an effective control of Del Toro since November 2004 when exploration activities and drilling in the area were started.

Del Toro maintains an active program of assay checks for all channel samples assayed at the La Parrilla mine's lab and at external labs. Del Toro core and channel samples are sent to Inspectorate lab in the city of Durango for sample preparation. Core sample pulps are sent for assaying to the Inspectorate Lab in Reno, Nevada.

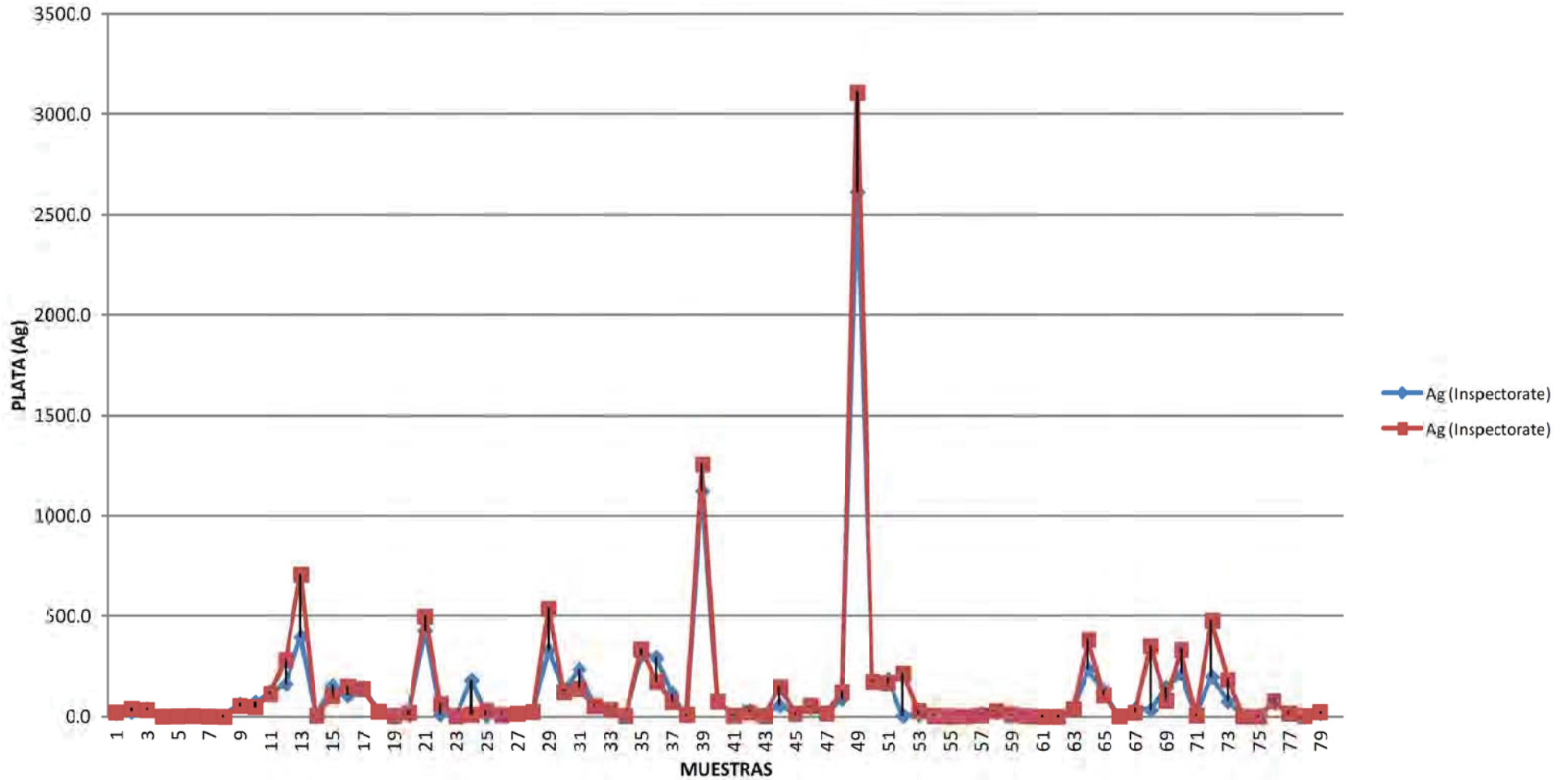
Duplicate samples for both, channel and core are inserted in the sample series for sample preparation and assay checks. During the exploration period up to March 31, 2012, the duplicate samples checks have resulted in coefficient of correlation for silver of 86 percent, for lead 82 percent, and for zinc 96 percent. This correlation includes a broad range of assays from very low-grade to high-grade, which results in the above stated correlation; however, when comparing the assays of individual samples the general results show better precision. Figure 12-1 shows San Juan mine silver assays comparison for mine samples and duplicates. Figure 12-2 shows San Juan mine lead assays comparison for mine samples and duplicates. Figure 12-3 shows Dolores mine silver assays comparison for mine samples and duplicates.


12.1 *Production – Bulk Samples*

Mineralized material extracted from the San Juan area during the course of exploration developments was shipped and processed at La Parrilla mill. A total of about 25,537 tonnes at average grades of 218 g/t Ag and 2.5 percent Pb have been trucked from the mine to La Parrilla of which 22,660 tonnes have been milled and processed. Metal production from the San Juan oxidized ore was about 3,065 kg Ag and 259 tonnes of Pb, for average mill recoveries of 61 percent of the silver and 50 percent of the lead.

A limited ore recovery program from the large mine dumps at Perseverancia has been conducted. About 244 tonnes of direct-shipping ore, which averaged 1,086 g/t Ag, 23.0 percent Pb and 9.0 percent Zn have been recovered from the mine's dumps. No smelter returns on this production have been available for PAH's review.

COMPARATIVO ENSAYES INSPECTORATE & INSPECTORATE
 Inspectorate (Muestras mina) Vs Inspectorate (Duplicados)
 MINA SAN JUAN



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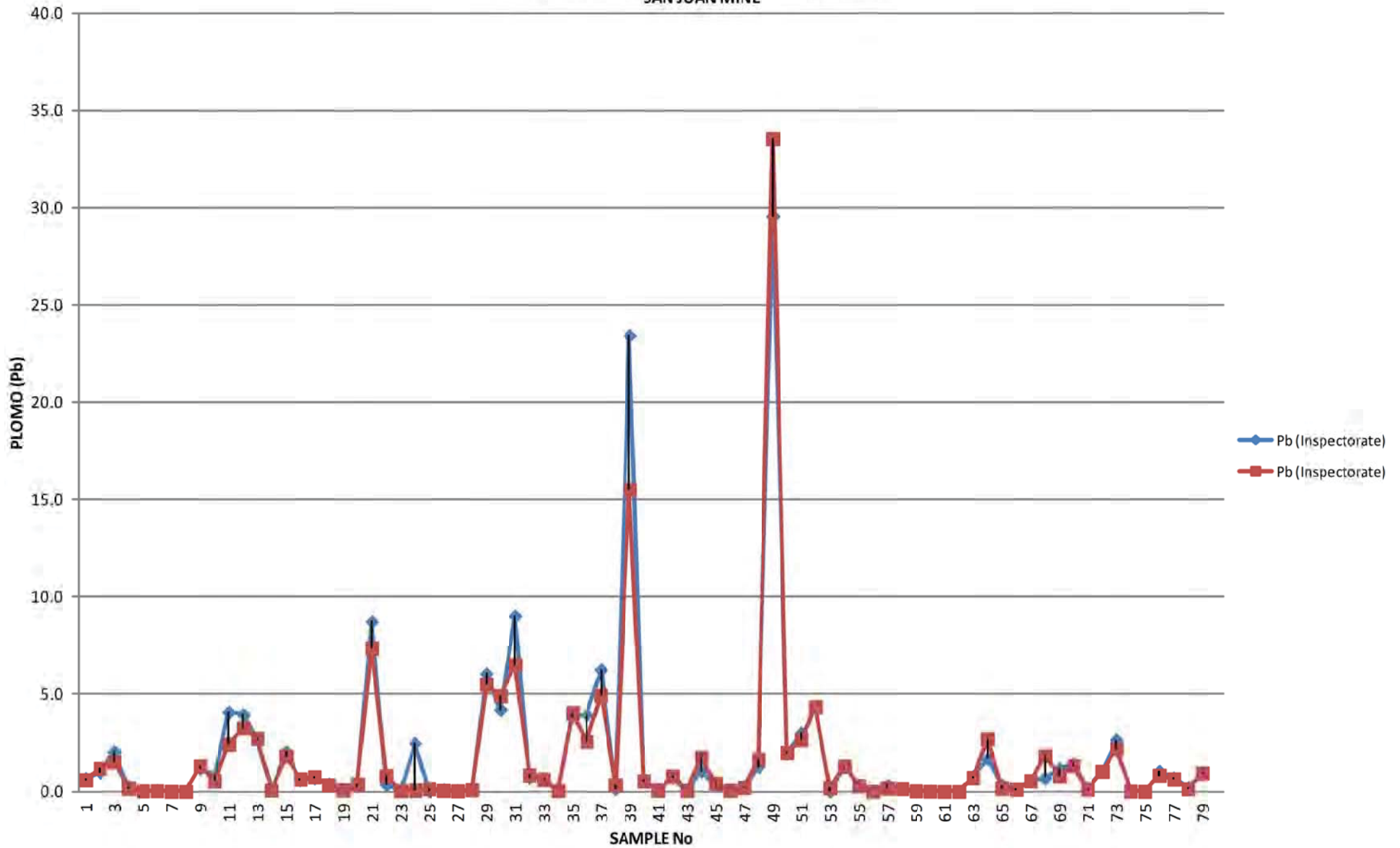
FIGURE 12-1
 Silver Assays Comparison Channel Samples vs. Duplicates


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Drawing Name
 Fig.12-1.dwg

Project No.
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Pb ASSAYS COMPARISON
Mine Samples Inspectorate Vs Duplicates Inspectorate
SAN JUAN MINE



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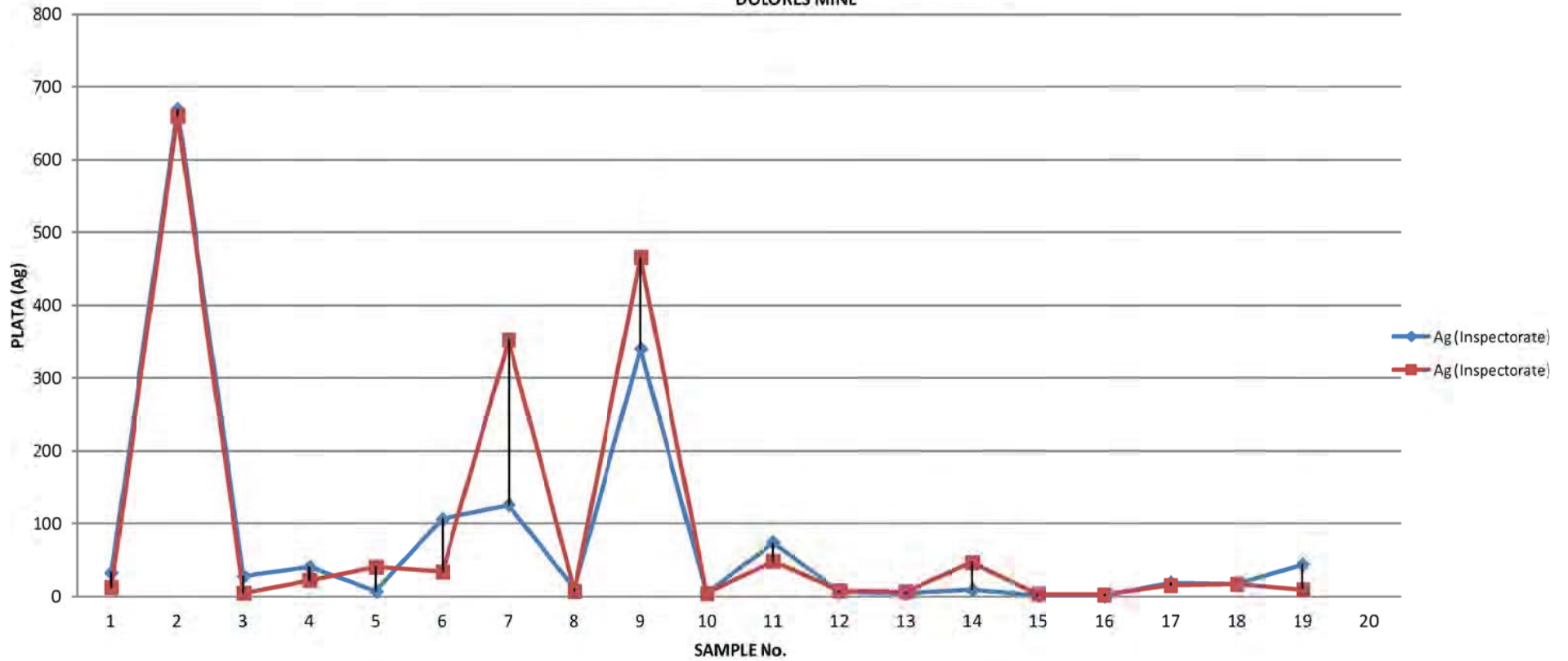
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FIGURE 12-2
 Lead Assay Comparison Channel Samples vs. Duplicates

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Drawing Name
 Fig.12-2.dwg

SILVER ASSAYS COMPARISON
Mine Samples Inspectorate Vs Duplicates Inspectorate
DOLORES MINE



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Project Name
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FIGURE 12-3
 Silver Assays Comparison Channel Samples vs. Duplicates

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 April 2012

Drawing Name
 Fig.12-3.dwg

It appears evident that the grades represented by this bulk sample program are in accordance with grades estimated for the San Juan and Perseverancia "in situ" deeper parts of the deposits. A total of about 26,000 tonnes of material representing the Bulk samples from Perseverancia and San Juan areas have been shipped to FMS's La Parrilla Silver Mine. The Perseverancia sulfides mineralization has been crushed and shipped to Met-Mex Peñoles Smelter in Torreón, Coahuila as "high-grade" ore, while the San Juan silver mineralization stored at La Parrilla patios was used for metallurgical testwork.

12.2 PAH Opinion

PAH's conclusion is that the assay results from duplicated check samples are reasonable, including appropriate preparation procedures; that the sampling results appear to be reasonably representative of the Del Toro deposits mineralization, and should be usable with acceptable confidence in the estimation of mineral resources.

During PAH's site visit, two drill holes, from the San Juan mine (SJ DH-27 and DH-28) were selected for core and sampling procedures review.

The San Juan drill hole DH-27 intercepted the Deposit No. 1 represented by sample No. 70494 taken at 150.85 m to 151.75 m depth showing disseminated oxides and mineralization within fractures assaying 164 g/t Ag; while at a depth of 229.95 m to 230.80 m in sample No. 76066, intercepted the Deposit No. 2 with massive sulfides including high-grade, 400 g/t Ag, 0.61 g/t Au and crystallized Pb at 23.2 percent and 2.35 percent Zn; and at a depth of 292 m the Deposit No. 3 was intercepted showing massive sulfides with strong oxidation at the transition zone between the deposits 2 and 3 in representative sample No. 76077 assaying 226 g/t Ag and 5.9 percent Pb.

The San Juan drill hole DH-28 intercepted the Deposit No. 1 at a depth of 123.7 m to 124.2 m with oxidized mineralization. Sample No. 76154 assayed 4,400 g/t Ag, while the samples Nos. 76196 and 76197 assaying 186 g/t Ag and 1,020 g/t Ag in sulfides respectively.

The Perseverancia drill holes show mineralization associated to the Breccia pipe No. 2.

PAH notes that the core is kept in boxes with clear markings of samples, drill intercepts and depth. The core has been split in half and occasionally in one quarter for check assaying. The mineralization intercepts have been sampled and FMS provided scanned electronic copies of the assay certificates. PAH reviewed some of the original certificates, which are kept at FMS's office in the city of Durango.

PAH believes that an adequate amount of checking has been performed at Del Toro, and that the results are representative of the intercepted deposits' mineralization.

13.0 METALLURGICAL TESTING

13.1 *Summary*

Two ore types will be processed for the Del Toro project: oxides and sulfides. The oxides will only come from San Juan Ore Bodies 1 and 2; the sulfides will be predominantly from San Juan Ore Body 3 (about 80 percent) with the remainder from a combination of Perseverancia, San Nicolás, and Dolores. The oxide ore will be subjected to cyanide leaching to produce doré; the sulfide ore will be subjected to two-stage differential flotation to produce a lead-silver concentrate and a zinc concentrate.

Test data indicates that cyanide leaching of the oxide ore will result in a silver recovery of about 77 percent with a grind of 80 percent passing 200 mesh, 96 hours leach time, and a cyanide concentration of 3 grams per liter.

Test data indicates that differential flotation of the sulfide ore with a primary grind of 80 percent passing 200 mesh and regrinding the lead-rougher-concentrate to 95 percent passing 20 microns, will result in the following recoveries and concentrate grades:

	<u>Lead Concentrate</u>		<u>Zinc Concentrate</u>	
	Recovery	Grade	Recovery	Grade
Silver	76%	3.2 kg/tonne	3%	0.3 kg/tonne
Lead	52%	38%		
Zinc			40%	50%

The sulfide ore contains varying amounts of arsenic and other deleterious constituents that can report to the concentrates and result in smelter penalties. Several tests of the sulfide ore from deeper in the deposit indicate that the concentrates will contain sufficient arsenic, such that they will be subject to penalty. The levels of other critical impurities in the concentrates, such as antimony, mercury and cadmium have also been reported at sufficient levels to result in minor smelter penalties. The levels of deleterious elements in the sulfide ores will need to be followed closely during mining to assure that adequate blending strategies are applied to minimize smelter penalty impacts.

The one comminution test conducted thus far indicated a Ball Mill Work Index of 12.4 kilowatts per short ton on a sulfide ore sample.

There have been no tests of concentrate or of tailings thickening and filtration. A filtration testing report was sent later to PAH.

13.2 *General*

Metallurgical testwork conducted on the Del Toro project is summarized in the following two documents:

- Metallurgical Testing Report "Del Toro Project," dated April 19, 2012.
- Report de la prueba industrial de Cianuración efectuada con una muestra de San Juan en la Unidad La Parrilla, Proyecto del Toro, dated October 25, 2011.

The first listed report summarized the test results from 14 samples that were tested by First Majestic Silver Corp. Metallurgical Research Central Laboratory ("the lab") located at the First Majestic La Parrilla Mine, and on one sample (No. 14) that contained high arsenic (+5%) that was tested by SGS Mineral Services, Durango.

The second listed report provides the test results on a bulk sample of oxide ore that was tested in the ore-processing plant at La Parrilla.

The head analyses of the samples tested and the optimal processing methods determined for each sample are shown in Table 13-1. All of the testwork for the samples, with the exception of that for Sample No. 5a, is reported in the report of April 19, 2012. The testwork for Sample 5a is reported in the report of October 25, 2011.

TABLE 13-1
First Majestic Silver Corp.
Del Toro Silver Mine
Metallurgical Testing, Head Assays of Test Samples and Optimal Treatment Method

Sample ID	Sample Origin	Head Grades				Treatment Method*
		g/t Ag	% Pb	% Zn	% Fe	
1	San Juan Ore Bodies 1 & 2	199	2.9	3.0	4.0	Cyanidation
2	San Juan XRO4NE Patio 2	169	3.1	3.3	4.3	Cyanidation
3	San Juan Level 8	143	1.7	2.3	5.5	Cyanidation
4	San Juan Ore Bodies 1 & 2 Dolores/Perseverancia	376	4.0	1.3	6.5	Cyanidation
5	San Juan Ore Bodies 1 & 2	138	1.1	1.1	3.3	Cyanidation
5a	San Juan Ore Bodies 1 & 2	157	1.3	1.2		Cyanidation
6	San Juan Ore Bodies 1 & 2	163	2.5	1.9	3.9	Flotation
7	San Nicolas - First Sample	161	6.5	7.5	4.3	Cyanidation
8	San Nicolas - Second Sample	382	10.8	7.3	16.0	Cyanidation
9	San Nicolas - Third Sample	467	9.5	7.2	6.2	Flotation
10	San Juan Ore Body 3 Oxides 1st Sample	254	3.7	2.1	9.5	Cyanidation
11	San Juan Ore Body 3 Sulphides 1st Sample	133	2.5	1.4	3.6	Flotation
12	San Juan Ore Body 3 Oxides 2nd Sample	174	4.4	1.7	5.7	Cyanidation
13	San Juan Ore Body 3 Sulphides 2nd Sample	225	7.3	4.1	7.6	Flotation
14	San Juan Ore Body 3 Sulphides 3rd Sample	335	6.4	7.5	14.3	Flotation

* Optimal treatment method

Oxide samples were tested by whole-ore cyanide-leaching. Mixed zone samples were tested by both whole-ore cyanide leaching and by bulk flotation to recover sulfides followed by cyanide leaching of the flotation tailings. Basic test parameters such as grind size, cyanide concentration, and cyanide leach time were investigated during testing cyanide leaching.

Sulfide samples were tested by either bulk flotation to produce a concentrate containing a mixture of silver, lead, and zinc, or by differential flotation in which silver, lead, and zinc were recovered in separate lead-silver and zinc concentrates. Parameters such as grind size, reagent type and concentration, and flotation time were investigated during flotation testing.

PAH understands that, because of environmental regulations, the Del Toro metallurgical treatment plants must be either designated for cyanidation or for flotation. A combination treatment option of flotation followed by cyanidation of flotation tailings is not possible at this time. Hence, the treatment of mixed ores will need to be by either process but not sequential.

The only information available for the comminution parameters such as Bond Rod Mill Work Index (RWi), Bond Ball Mill Work Index (BWi), Bond Abrasion Index (Ai), and Bond Crushing Work Index (CWi) tests is one BWi test conducted on the one sample tested by SGS Mineral Services. No test reports are available to determine requirements for tailings or for flotation-concentrate thickening and filtration.

13.3 Cyanidation Testing

Testwork results at the FMS Laboratory on whole-cyanidation are presented in Table 13-2. For the sake of brevity, this section presents the testing data and silver extractions that were achieved for oxide and mixed zone samples only, and only data for the tests that achieved the highest silver extractions.

TABLE 13-2
First Majestic Silver Corp.
Del Toro Silver Mine
Metallurgical Testwork, Best Treatment Conditions & Ag Extractions for the Cyanidation of Oxide and Mixed Zone Samples

Sample ID	Head Grades				Grind minus 200 m %	NaCN Conc. ppm	Leach Time Hours	Leach Ag Extraction %
	g/t Ag	% Pb	% Zn	%Fe				
1	199	2.9	3.0	4.0	80	3,000	96	87.3
2	169	3.1	3.3	4.3	70	3,000	96	64.0
3	143	1.7	2.3	5.5	64	1,500	96	62.6
4	376	4.0	1.3	6.5	80	1,500	96	77.1
5	138	1.1	1.1	3.3	80	3,000	72	84.0
5a	157	1.3	1.2		64	3,000	50	68.0
7	161	6.5	7.5	4.3	80	3,000	96	44.1
8	382	10.8	7.3	16.0	90	3,000	96	48.1
10	254	3.7	2.1	9.5	90	3,000	96	81.4
12	174	4.4	1.7	5.7	90	3,000	96	87.7
Average	215	4.0	3.1	6.6	90	3,000	96	70.4
Maximum	382	10.8	7.5	16	90	3,000	96	87.7
Minimum	138	1.1	1.1	3.3	64	1,500	50	44.1
Average*	238	2.8	2.0	5.5	90	3,000	96	76.5
Maximum*	254	4.4	3.3	5.7	90	3,000	96	87.7
Minimum*	138	1.1	1.1	3.3	64	1,500	50	62.6

*Excluding Samples 7 and 8

Samples No. 7 and No. 8 gave poor cyanide leach test results, but the flotation results were even worse. It was evident that these samples are mixed-zone samples.

The data indicates that the best cyanidation test results were achieved at a grind size of 90 percent passing 200 mesh, a cyanide concentration of 3,000 parts per million NaCN (3.0 grams per liter) and a 96-hour leach time. Average silver extraction for the samples, excluding Sample Nos. 7 and 8, was 77 percent. The most representative samples of the San Juan Deposit No. 3 were numbers 10 and 12, as they were taken from drill holes composite. The average silver extraction for these samples was 84.5 percent.

13.4 Flotation Testing

Five of the samples tested are amenable to metal recovery of silver, lead, and zinc into flotation concentrates. One of the five samples (Sample No. 6) was tested to generate a bulk flotation concentrate; the other four samples (Sample Nos. 9, 11, 13, and 14) were subjected to locked-cycle differential flotation tests to produce separate lead-silver and zinc concentrates.

Results of the testing of Sample No. 6 are presented in Table 13-3. As seen in the table the recoveries and concentrate grade of lead and zinc in the bulk concentrate are low (14 and 9 percent for lead and zinc, respectively) while the silver recovery (61 percent) and concentrate grade (1.6 kilograms per tonne) are modest.

TABLE 13-3
First Majestic Silver Corp.
Del Toro Silver Mine
Metallurgical Testwork, Bulk Flotation of San Juan Ore Bodies 1 and 2, Sample # 6

Head Grade, Sample # 6									
g/t Ag	% Pb	% Zn	% Fe						
163	2.5	1.9	3.9						
Grind Size - 200 Mesh %	Conc. Weight %	Bulk Rougher Concentrate							
		Grade				Recovery			
		g/t Ag	% Pb	% Zn	% Fe	% Ag	% Pb	% Zn	% Fe
60	5.3	1,736	5.2	4.8	7.7	51.6	10.1	14.3	93.4
70	5.6	1,705	5.1	3.1	7.7	54.0	9.5	8.7	6.1
80	6.8	1,616	6.4	2.8	8.4	60.8	14.1	9.3	7.9

Results of testing Sample Nos. 9, 11, 13, and 14 are presented in Table 13-4. As seen in the table, average base-metal recoveries are poor (52 and 40 percent for lead and zinc, respectively) while the average silver recovery (76 percent into the lead concentrate) is reasonable. The average lead grade in the lead concentrate is poor (38 percent) while the average zinc grade in the zinc concentrate (50 percent) is acceptable.

TABLE 13-4

First Majestic Silver Corp.

Del Toro Silver Mine

Metallurgical Testwork, Locked-Cycle Tests on Four Sulfide Samples

Sample ID	Head Grades					
	Sulphide Sample Description	g/t Ag	% Pb	% Zn	% As	% Fe
9	San Nicolas - Third Sample	467	9.5	7.2		6.2
11	San Juan Ore Body 3 Sulphides 1st Sample	133	2.5	1.4		3.6
13	San Juan Ore Body 3 Sulphides 2nd Sample	225	7.3	4.1		7.6
14	San Juan Ore Body 3 Sulphides 3rd Sample	335	6.4	7.5	5.7	14.3
Average		290	6.4	5.1		7.9

Sample ID	Sulphide Sample Description	Lead Concentrates							
		Metal Grade				Metal Recovery			
		g/t Ag	% Pb	% Zn	% As	% Ag	% Pb	% Zn	% As
9	San Nicolas - Third Sample	2,000	37.0	11.0		87.6	83.4	31.1	
11	San Juan Ore Body 3 Sulphides 1st Sample	4,010	38.0	8.0		73.3	29.9	7.6	
13	San Juan Ore Body 3 Sulphides 2nd Sample	3,405	41.1	11.8		64.3	46.3	14.9	
14	San Juan Ore Body 3 Sulphides 3rd Sample	3,514	34.8	14.1	6.3	80.2	48.8	16.4	11.4
Average		3,232	37.7	11.2		76.4	52.1	17.5	

Sample ID	Sulphide Sample Description	Zinc Concentrates							
		Metal Grade				Metal Recovery			
		g/t Ag	% Pb	% Zn	% As	% Ag	% Pb	% Zn	% As
9	San Nicolas - Third Sample	300	4.0	48.8		5.9	4.0	61.5	
11	San Juan Ore Body 3 Sulphides 1st Sample	600	10.0	47.9		3.8	2.7	15.9	
13	San Juan Ore Body 3 Sulphides 2nd Sample	162	2.7	49.7		1.1	1.1	22.7	
14	San Juan Ore Body 3 Sulphides 3rd Sample	128	1.5	53.5	1.6	2.7	1.9	58.0	2.7
Average		298	4.6	50.0		3.4	2.4	39.5	

The sample 14 which was tested in 2009 at SGS-Durango (from drill hole No. 4 in the #3 orebody at about 450 m in depth) has very high arsenic content in the ore (5.7 percent) and in both lead and zinc concentrates (6.3 and 1.6 percent respectively) indicating that it can occur in sufficient quantities to result in a smelter penalty. Multi-element analyses of several concentrate samples indicate that the levels of other critical impurities such as antimony, mercury, and cadmium can be of sufficient levels to result in minor smelter penalties. It is anticipated from drill core assays that the overall content of arsenic in orebody #3 will be less than 1 percent which would result in sufficient levels of arsenic in the concentrates (1% to 2%) to result in moderate smelter penalties.

14.0 MINERAL RESOURCE ESTIMATES

14.1 *Introduction*

FMS initiated exploration activities at Del Toro in November 2004. Diamond drilling and underground development works were focused in exploring projections at depth of the Perseverancia breccia pipes and San Juan mineral deposit. No other significant exploration studies had been carried out at Del Toro area until FMS initiated these investigations.

FMS exploration programs were based on drifting and channel sampling in old workings and accessible areas within the San Juan and Perseverancia mines as a primary target for confirmation and further exploration of these known deposits, as well as other promising areas of resources.

Exploration studies at Del Toro from 2004 to March 31, 2012, add up to 117 drill holes (including 5 drill holes in progress at the cutoff time of March 31, 2012) from underground and surface sites with a total drilled depth of 35,230 m excluding the drill holes in progress; 15 km of geophysical surveying (IP/RA), program covering 2.325 million sq. m of aeromagnetic investigations; and 254 rock chip samples for geochemical research taken at a 50 m spacing along 7 lines at 250 m apart, in addition to 7,133 m underground development in ramps of access, drifts and crosscuts, and drilling sites preparation, including 3,934 m at San Juan, 1,467 m at Perseverancia, 195 m at San Nicolás, and 1,440 m at Dolores and 97 m in raises at San Juan (75 m), at Perseverancia (17 m), and at Dolores (5 m) for preparations and ventilation workings.

FMS continues with an aggressive exploration program in the area to increase volume and certainty to the estimated Resources. At March 31, 2012, FMS had developed at San Juan, Perseverancia, Dolores, and San Nicolás a total of 6.5 million tonnes in Mineral Sulfides Measured and Indicated Resources in addition to 2.9 million tonnes in Mineral Oxides Measured and Indicated Resources. At Del Toro, Mineral Inferred Resources including sulfides and oxides have been delineated for about 10.0 million tonnes. These Mineral Resources have included mining recovery estimated at about 88 percent.

Geologic projections of the San Juan deposit have indicated three different mineral concentrations, while drilling at Perseverancia shows continuity to depth of the known two "high-grade" breccia pipes, indicating with these results significant silver/lead/zinc deposits within the Del Toro area remain open for further development.

During the Perseverancia ramp development a new mineral deposit was discovered in November 2011, the San Nicolás vein deposit whose continuity has been mapped on outcroppings and small old workings for an extension of over 1.0 km. Drifting is now in progress for channel sampling and direct investigation of the mineralized structure.

14.2 *Methodology*

The Del Toro Silver Mine actual resource blocks are primarily located in the San Juan and Perseverancia deposits. This mineralization appears controlled by regional and local structures and it is associated or enclosed by intrusive stocks, dikes and the metasomatic zone that surrounds the main regional Chalchihuites granodiorite stock.

Regional and local geologic features appear to indicate that the main mineral concentrations are emplaced in the surrounding area adjacent to deep granodiorite stocks. These stocks are well defined by magnetic anomalies. Geologic structures are located and oriented around the boundaries of the deep igneous bodies, which probably have originated them during the tectonic events when the Chalchihuites regional anticline was uplifted. Breccia zones and intense fracturing of some areas were also originated by the igneous events. Chemically and structurally favorable enclosing rocks allow deposition and replacement of the economic mineralization in the area.

Under this propitious geologic environment, the resource blocks have been defined at the various mineralized structures, veins, veinlets, intersections and stockwork zones at drift levels along the San Juan and Perseverancia systems, where sampling has found mineralization of economic interest. Three different mineral concentrations, Deposits No. 1, 2 and 3 have been identified at the San Juan area, while the projected continuity of the two known breccia pipes at Perseverancia has been intercepted at depth.

Geophysical anomalies at the Del Toro area appear to represent significant continuity of the mineral concentrations identified in old workings and by drill holes; these may indicate geological features that appear appropriate for finding other mineral concentrations. Geochemical sampling also appears to be a useful tool to qualify these anomalies. FMS is utilizing all these techniques to investigate the Del Toro coverage for investigation of other probable mineral deposits.

In PAH's opinion, the Del Toro resource blocks estimation is in accordance to acceptable engineering practices and appropriate for the geologic characteristics of the mineral deposits within the Del Toro properties.

To estimate the average grade and thickness for each Resource Block, composites of all channel sample grades that occur on either side within the block's drifts are taken in consideration. The total length of samples in the composite is then divided by the total number of composites, giving the average width of the mineralization in the drift at that section. Similarly, the average grade of the samples, weighted by length, gives the average grade for the drift at that section.

The tonnes and grade for each Resource Block are then determined by combining the tonnes and grade results obtained for each section that crosses the block. The Resource Block tonnes and grade are tabulated on a series of spreadsheet summaries.

PAH notes that the sampling conducted across the mineralized zones for use in the resource estimate is done with geologic and width considerations, at a minimum mining width of 2 m. This minimum width

typically includes zones of high grade within the structures, as well as some low grade mineralization, which may be eliminated when possible.

PAH also notes that in a few local areas, the drift is wholly enclosed by the mineralized structures and, unless there are some additional cross cuts or drilling, the vein width is taken as that measured across the confines of the drift opening. PAH recommends that the true structure widths, measured by cross cuts and/or drill holes, be used as much as possible in the blocks of resource estimation.

Del Toro is an exploration project under development at Pre-Feasibility level; therefore, reserve blocks based only on the Measured and Indicated Resource categories have been estimated.

In PAH's opinion, the Resource Block estimates carried out at Del Toro have been reasonably prepared and conform to acceptable engineering standards for reporting of Resources.

14.3 *Density Determinations*

The density factor (specific gravity) is then input into the calculation and tonnage is calculated based on the formula; Length (in meters) X Width (in meters) X Height (in meters) X s.g. = metric tonnes of material.

The average density factors used (2.94 for oxides mineralization and 3.0 for sulfides of the San Juan and the Perseverancia areas) to convert resource block volumes into tonnes has been determined as a weighted average from mineral samples representative of the various deposit areas. The density tests were performed by Mr. Manuel Yañez Escareño, Manager of the La Parrilla Silver Mine lab and by Inspectorate Lab in Durango City. Table 14-1 shows density determinations for sulfides and oxide representative samples prepared by SGS under work order 15-08.

PAH believes that on average the density for mineralization is conservative since the results indicate general average in accordance to the type of mineralization within regional mines and other mineral deposits located in surrounding areas of Zacatecas and Durango States. PAH recommends that a program of systematic sampling be implemented within the exploration as checks of density determinations for lithological and various grades of mineralization to ensure the application of appropriate density factors.

14.4 *Cutoff Grade Calculations*

To test the reasonable prospect for economic extraction of Del Toro mineral Resources, PAH estimated basic parameters applicable to cutoff grade calculations for underground mining operations.

PAH has independently calculated cutoff grades for both oxide and sulfide ores. The breakeven cutoff calculation for each ore type is shown as follows.

TABLE 14-1
First Majestic Silver Corp.
Del Toro Silver Mine
Density Determinations by SGS 15-08

SAN JUAN MINE		
Sample No.	Description	Density t/m³
16624	Sulfides in Intrusive rock	2.74
16625	Sulfides in Intrusive rock	3.25
16626	Sulfides in Intrusive rock	2.99
16627	Sulfides in Intrusive rock	3.01
16628	Sulfides in Intrusive rock	3.17
16634	Sulfides in Skarn rock	2.98
16635	Sulfides in Skarn rock	3.04
16636	Sulfides in Skarn rock	2.96
16637	Sulfides in Skarn rock	2.92
16638	Sulfides in Skarn rock	2.96
Average Sulfides		3.00
16629	Oxides in Intrusive rock	2.58
16630	Oxides in Intrusive rock	2.98
16631	Oxides in Intrusive rock	3.52
16632	Oxides in Intrusive rock	3.01
16633	Oxides in Intrusive rock	2.95
16639	Oxides in Skarn rock	2.74
16640	Oxides in Skarn rock	2.89
16641	Oxides in Skarn rock	2.92
16642	Oxides in Skarn rock	2.95
16643	Oxides in Skarn rock	2.89
Average Oxides		2.94

14.4.1 Oxides

The breakeven cutoff grade for silver-only contained in oxide ore is as follows:

Revenues = Operating Costs, where operating costs = \$40.47 per tonne milled, mill recoveries are 81.0 percent and payable metal is an average of 99.5 percent.

$$\text{Cutoff} = \$40.47 / (\$25.00 \times 0.81 \times 0.995) = 2.015 \text{ opt Ag or } 62.5 \text{ gpt Ag}$$

14.4.2 Sulfides

The breakeven cutoff grade for silver only contained in sulfide ores is as follows:

Revenues = Operating Costs, where operating costs = \$70.09 per tonne milled, mill recoveries for silver = an average of 77 percent, and payable metal from smelting and refining averages 96.4 percent.

$$\text{Cutoff Ag only} = \$70.09 / (\$25.00 \times 0.77 \times 0.964) = 3.78 \text{ opt Ag or } 117.0 \text{ gpt Ag}$$

Del Toro sulfide ore is polymetallic, and the payable lead from the smelter and refinery is about 91.5 percent, while the payable zinc from the smelter and refinery is about 83.2 percent. PAH has elected to calculate a "stand-alone" cutoff grade for each of the important economic components of the Del Toro sulfide ores; i.e. lead and zinc.

Cutoff Pb only= \$70.09/(\$0.90 X 0.54 X 0.915) = 158 lbs/tonne or 71.5 kg/tonne or 7.15 percent Pb

Cutoff Zn only = \$70.09/ (0.90 X 0.37 X 0.832) = 253 lbs/tonne or 114.7 kg/tonne or 11.47 percent Zn.

Gold provides a small source of revenue for both oxide and sulfide ore, but it is negligible, and is not considered in the cutoff calculations. The cutoff grades for Del Toro sulfide are shown in summary Table 14-2.

TABLE 14-2
First Majestic Silver Corp.
Del Toro Silver Mine
Summary of Mine Cutoff Grades & NSR Value

Sulfides	Ag Cutoff (gpt)	Pb Cutoff (%)	Zn Cutoff (%)	NSR Ore Value (\$/tonne)	Operating Cost (\$/tonne)
Silver Only	117.6	0	0	\$70.17	\$70.09
Lead Only	0	7.15		\$70.10	\$70.09
Zinc Only	0	0	11.47	\$70.06	\$70.09
OXIDES					
Silver Only	62.5	NA	NA	\$40.49	\$40.47
Mineable Reserves	Ag Grade (gpt)	Pb Grade (% Pb)	Zn Grade (% Zn)	NSR Ore (\$/tonne)	Margin (per tonne)
*SULFIDES	174	2.72	2.73	\$147.25	\$77.16
OXIDES	142	NA	NA	\$92.00	\$51.53

*Gold not considered in calculations

14.5 Resource Estimation

The Del Toro mineral resource estimates include mineralization within the mine and projected blocks based on mine workings and drill holes information. The mineral blocks' grades are determined by systematic channel sampling in underground workings and on outcroppings of mineralized structures, as well as in assays of drill core intercepts. The mineral Resources include only those blocks of mineralized material which average grade is equal or higher than the estimated cutoff grades. For the Del Toro Silver Mine, the estimated cutoff grade is an economic value of \$70.09 per tonne of Mineral Resource, which is estimated based on conservative metal prices slightly below the current three-year rolling average at: Ag - \$25/oz; Pb - \$0.90/lb; and Zn - \$0.90/lb, while Au was not considered for cutoff estimates.

For resource estimation, the cross sectional area of mineralization is drawn on each of the blocks using AutoCAD software and the assayed sample lengths. The resource tonnage and grade are based largely on channel samples and by diamond drilling. Resource blocks range in length according to variable extensions of the ore shoots along the veins and breccia or mineralized zones. The vertical extension of the resource blocks is projected at half distance between contiguous drift levels. Vertical extension is generally projected to 25 m for Measured and Indicated, and up to 50 m beyond for Inferred resources in accordance to geologic projections. Estimates for Indicated resources based on drilling are projected at half distance between drill holes up to 25 m from the intercept and up to 50 m beyond this distance for inferred in accordance to geologic and structural projections.

Grade dilution is added by sampling beyond the mineralized structures at distances that may vary from about 0.50 m to 1.00 m or longer depending in access to account for mine dilution. The mine recovery is estimated to average 88 percent of the Mineral Resource estimates.

Resource calculations at Del Toro are based on projections of the mineralized zones in the underground mine workings, 25 m beyond the areas for accessible measured resources, and another 25 m beyond the boundaries of the Measured resources for the blocks of Indicated resources. Inferred resources are estimated by projecting up to 50 m beyond the indicated resource block boundaries along mineralized structures, and another 25 m beyond the blocks' width according to geologic constrains. The estimated resource blocks may be limited by underground levels and previous mining extraction. Longitudinal projections depend on the drift development along the mineralized zones and ore shoots projections.

Del Toro mineral resource estimates were applied mostly to accessible underground workings and diamond drilling intercepts, as well as to some adjacent blocks from the estimated resource blocks. Additional sampling is taken beyond the mineralized zones at both walls of the mineralized structures to account for dilution with real low grade. This low grade dilution adds up to about 15 percent to the grade with mine recovery estimated in about 88 percent.

The grade for these blocks is determined from the grade estimated for the drill hole intercepted grade, from the adjacent resource blocks, sampling results in mine workings, and drill holes located within the block area.

FMS' estimate of Measured and Indicated resource blocks for sulfides and oxides mineralization as reviewed by PAH is shown in Tables 14-3 and 14-4. These resource blocks are defined by geology and sampling of underground workings and diamond drilling. The Measured and Indicated resources, including oxides and sulfides mineralization, consist of 9.5 million tonnes averaging 146 g/t Ag (4.69 oz), for a total content of 44 million ounces of silver only and 74 million ounces of silver equivalent including gold, lead, and zinc contained. The resource grade has been estimated "in situ," including internal mining dilution but no mine or metallurgical recovery was considered. The silver equivalent content includes considerations of lead and zinc recovery from sulfides mineralization only, while the oxides include small amounts of gold. This estimate is based on the following prices: Au - \$1,600/oz, Ag - \$25.00/oz, Pb - \$0.90/lb and Zn - \$0.90/lb.

TABLE 14-3

First Majestic Silver Corp.
Del Toro Silver Mine

Mineral Resources "In Situ" Measured + Indicated for Sulfides, Prepared by FMS, Reviewed by PAH, As of March 31, 2012

Deposit	Block No.	M Tonnes	Width m	Au g/t	Ag g/t	Pb %	Zn %	Ag (only) oz	Ag oz eq	Total Ag oz eq
Measured Resources Sulfides										
Perseverancia	21 A	945	>2.5	0.00	453	10.40	5.70	13,763	12,072	25,835
Perseverancia	22 A	3,960	>2.5	0.00	383	8.57	6.40	48,762	47,036	95,798
Perseverancia	23 A	2,474	>2.5	0.00	364	9.45	6.77	28,953	31,839	60,792
Perseverancia	25 A	5,335	>2.5	0.00	424	13.04	4.49	72,726	74,205	146,931
Perseverancia	26 A	2,245	>2.5	0.00	339	8.50	2.94	24,468	20,378	44,846
Perseverancia	26 B	2,251	>2.5	0.00	339	8.50	2.94	24,534	20,432	44,966
Perseverancia	26 C	1,718	>2.5	0.00	339	8.50	2.94	18,725	15,594	34,319
Perseverancia	CHP-01	12,546	>2.5	0.00	421	6.80	2.40	169,816	91,581	261,397
Perseverancia	CHP-02	13,976	>2.5	0.00	421	6.80	2.40	189,172	102,020	291,192
	CHP-MED-01	15,683	>2.5	0.00	421	6.83	2.40	212,510	114,821	327,331
Sub-total		61,133	2.50	0.00	409	7.80	3.12	803,429	529,979	1,333,408
Dolores	D4-01	6,816	3.11	0.00	194	0.70	0.17	42,500	4,681	47,181
Dolores	D4-02	11,935	3.34	0.00	210	0.73	0.16	80,557	8,387	88,945
Dolores	D4-03	1,121	2.75	0.00	81	0.35	0.03	2,917	339	3,256
Dolores	D4-04	3,788	2.75	0.00	81	0.35	0.03	9,855	1,147	11,002
Dolores	M_DOL_01	19,086	3.04	0.00	153	0.56	0.10	93,657	9,963	103,620
Sub-total		42,747	3.10	0.00	167	0.60	0.12	229,487	24,517	254,004
San Nicolas	SN-01	6,328	3.85	0.00	152	4.45	7.78	30,854	61,428	92,282
San Nicolas	SN-02	6,202	3.85	0.00	152	4.45	7.78	30,237	60,199	90,435
San Nicolas	SN-03	5,179	3.03	0.00	93	2.10	5.58	15,440	31,566	47,007
San Nicolas	SN-04	5,179	3.03	0.00	93	2.10	5.58	15,440	31,566	47,007
San Nicolas	SN-05	3,392	2.83	0.00	82	3.40	5.33	8,891	23,501	32,392
San Nicolas	SN-06	3,392	2.83	0.00	82	3.40	5.33	8,891	23,501	32,392
San Nicolas	CHSN-01	9,240	4.95	0.00	289	7.30	6.53	85,840	101,323	187,163
San Nicolas	CHSN-02	10,237	6.49	0.00	273	6.03	5.29	89,749	91,966	181,715
San Nicolas	CHSN-03	4,795	13.49	0.00	218	3.39	3.91	33,574	27,774	61,348
San Nicolas	CHSN-04	4,320	11.26	0.00	207	3.41	4.89	28,754	28,450	57,203
San Nicolas	SN-07	3,464	3.11	0.00	173	4.29	0.83	19,247	14,071	33,318
San Nicolas	SN-08	3,528	3.18	0.00	172	3.94	0.85	19,559	13,409	32,968
San Nicolas	SN-09	3,995	0.84	0.00	159	2.84	5.43	20,385	26,218	46,603
San Nicolas	SN-10	1,715	0.52	0.00	183	0.85	1.61	10,105	3,342	13,447
San Nicolas	SN-11	2,606	0.67	0.00	112	1.64	3.91	9,345	11,481	20,825
San Nicolas	SN-MED-01	122,674	4.43	0.00	188	3.51	4.82	741,901	810,377	1,552,278
San Nicolas	CHSN-MED-01	47,219	8.62	0.00	236	2.54	2.22	358,783	178,615	537,398
San Nicolas	BNO STSN1205	23,936	3.19	0.00	140	6.09	1.83	107,586	150,339	257,924
San Nicolas	BNO STSN1206	9,210	2.55	0.00	104	4.30	0.25	30,734	33,282	64,017
San Nicolas	SN-MED-02	11,030	8.05	0.00	204	0.55	0.01	72,319	4,898	77,217
San Nicolas	SN-MED-03	11,030	8.05	0.00	204	0.55	0.01	72,319	4,898	77,217
Sub-total		298,671	5.29	0.00	188	3.53	3.78	1,809,951	1,732,204	3,542,155
San Juan Cpo Zn	BLOCK 1924	40,289	3.65	0.00	0	0.01	1.60	136	51,255	51,391
San Juan Cpo Zn	BLOCK 1933	55,715	8.88	0.00	1	0.01	1.92	983	85,546	86,530
San Juan Cpo Zn	BLOCK 1942	59,658	8.90	0.00	1	0.03	1.88	2,287	90,181	92,469
San Juan Cpo Zn	BLOCK 1951	64,816	9.06	0.00	1	0.03	3.93	2,519	203,745	206,264
San Juan Cpo Zn	BLOCK 1960	57,505	9.29	0.00	1	0.04	3.11	1,496	143,794	145,290
San Juan Cpo Zn	BLOCK 1969	54,374	8.50	0.00	1	0.05	1.84	2,175	81,761	83,936
San Juan Cpo Zn	BLOCK 1978	53,732	8.79	0.00	6	0.14	2.34	10,524	105,404	115,929
San Juan Cpo Zn	BLOCK 1987	52,063	8.83	0.00	1	0.03	7.01	1,755	290,699	292,455
San Juan Cpo Zn	BLOCK 1996	54,497	8.81	0.00	2	0.10	7.84	4,351	343,300	347,652
San Juan Cpo Zn	BLOCK 2005	64,769	4.68	0.00	10	0.27	3.38	20,740	187,671	208,411
San Juan Cpo Zn	BLOCK 2014	21,873	4.50	0.00	36	1.26	6.06	25,622	126,932	152,555
San Juan Cpo Zn	BLOCK 2023	60,863	9.64	0.00	54	1.69	7.67	106,471	451,827	558,298
Sub-total		640,154	8.06	0.00	9	0.27	3.99	179,060	2,162,116	2,341,177
Total Measured Resources		1,042,705	6.73	0.00	90	1.66	3.72	3,021,927	4,448,816	7,470,744
Mineral Indicated Resources Sulfides										
Perseverancia	21 B	1,384	>2.5	0.00	453	10.40	5.70	20,157	17,680	37,837
Perseverancia	21 C	1,154	>2.5	0.00	453	10.40	5.70	16,807	14,742	31,549
Perseverancia	22 B	1,154	>2.5	0.00	339	7.67	5.99	12,578	12,508	25,085
Perseverancia	23 B	891	>2.5	0.00	364	9.45	6.77	10,427	11,467	21,894
Perseverancia	23 C	668	>2.5	0.00	364	9.45	6.77	7,818	8,597	16,414
Perseverancia	25 B	1,896	>2.5	0.00	424	13.04	4.49	25,846	26,371	52,218
Perseverancia	25 C	1,422	>2.5	0.00	424	13.04	4.49	19,385	19,779	39,163
Perseverancia	26 B	923	>2.5	0.00	339	8.50	2.94	10,060	8,378	18,438
Perseverancia	A	16,370	>2.5	0.00	339	8.50	2.94	178,418	148,590	327,008
Perseverancia	B	16,370	>2.5	0.00	339	8.50	2.94	178,418	148,590	327,008
Perseverancia	CHP-01A	12,546	>2.5	0.00	421	6.80	2.40	169,816	91,581	261,397
Perseverancia	CHP-IND01	15,683	>2.5	0.00	421	6.83	2.40	212,510	114,821	327,331
Sub-total		70,461	2.50	0.00	381	8.12	3.03	862,239	623,103	1,485,342
San Juan Cpo 3	C3-2028	148,088	9.56	0.17	88	2.11	7.96	417,911	1,233,752	1,651,663
San Juan Cpo 3	C3-2037	161,829	9.17	0.55	111	1.57	7.27	580,085	1,317,592	1,897,676
San Juan Cpo 3	C3-2045	198,909	9.35	0.62	316	5.18	7.99	2,019,923	2,329,937	4,349,860
San Juan Cpo 3	C3-2054	203,489	9.73	0.38	491	9.50	7.41	3,211,806	2,889,567	6,101,373
San Juan Cpo 3	C3-2063	223,269	9.75	0.10	378	5.51	2.77	2,712,490	1,511,251	4,223,741
San Juan Cpo 3	C3-2072	197,785	9.92	0.07	242	4.05	2.74	1,536,031	1,093,302	2,629,333
San Juan Cpo 3	C3-2081	205,013	10.48	0.13	152	3.94	2.51	999,270	1,102,686	2,101,956
San Juan Cpo 3	C3-2090	248,692	9.74	0.09	120	2.39	2.15	956,862	942,459	1,899,320
San Juan Cpo 3	C3-2099	249,826	9.70	0.13	146	2.31	1.74	1,171,972	871,494	2,043,467
San Juan Cpo 3	C3-2108	293,057	9.36	0.06	106	1.42	1.89	999,564	808,492	1,808,056
San Juan Cpo 3	C3-2118	135,801	9.93	0.07	217	3.18	1.96	946,018	572,517	1,518,535
San Juan Cpo 3	C3-2126	236,221	9.21	0.04	112	1.51	2.04	847,599	682,042	1,529,641
San Juan Cpo 3	C3-2136	326,071	8.53	0.07	169	2.04	2.62	1,770,772	1,251,234	3,022,006
San Juan Cpo 3	C3-2144	329,346	9.04	0.10	114	1.35	1.33	1,211,230	766,204	1,977,435
San Juan Cpo 3	C3-2152	288,071	9.72	0.07	96	1.16	1.85	888,851	727,715	1,616,565
San Juan Cpo 3	C3-2162	254,874	9.76	0.03	137	0.91	1.85	1,122,589	573,636	1,696,225
San Juan Cpo 3	C3-2171	239,257	9.89	0.04	187	2.73	1.53	1,438,342	830,357	2,268,698
San Juan Cpo 3	C3-2179	280,160	10.30	0.07	109	1.55	1.57	985,434	732,646	1,718,080
San Juan Cpo Zn	BLOCK 1924	55,823	3.65	0.00	0	0.01	1.60	188	71,016	71,204
San Juan Cpo Zn	BLOCK 1933	48,395	8.88	0.00	1	0.01	1.92	854	74,308	75,162
San Juan Cpo Zn	BLOCK 1942	89,427	8.90	0.00	1	0.03	1.88	3,429	135,181	138,610
San Juan Cpo Zn	BLOCK 1951	87,612	9.06	0.00	1	0.03	3.93	3,404	275,404	278,808
San Juan Cpo Zn	BLOCK 1960	80,000	9.29	0.00	1	0.04	3.11	2,081	200,043	202,124
San Juan Cpo Zn	BLOCK 1969	101,687	8.50	0.00	1	0.05	1.84	4,068	152,904	156,972
San Juan Cpo Zn	BLOCK 1978	53,733	8.79	0.00	6	0.14	2.34	10,525	105,406	115,931
San Juan Cpo Zn	BLOCK 1987	58,016	8.83	0.00	1	0.03	7.01	1,956	323,935	325,891
San Juan Cpo Zn	BLOCK 1996	53,850	8.81	0.00	2	0.10	7.84	4,300	339,222	343,521
San Juan Cpo Zn	BLOCK 2005	72,223	4.68	0.00	10	0.27	3.			

TABLE 14-4

First Majestic Silver Corp.

Del Toro Silver Mine

Mineral Resources "In Situ" for Measured + Indicated Oxides, Prepared by FMS, Reviewed by PAH, As of March 31, 2012

Deposit	Block No.	M Tonnes	Width m	Au g/t	Ag g/t	Pb %	Zn %	Ag (only) oz	Ag oz eq	Total Ag oz eq
Measured Resources Oxides										
San Juan Cpo 1	C1-C049	35,119	7.31	0.00	126	0.55	0.43	142,263	0	142,263
San Juan Cpo 1	C1-R050	36,975	5.09	0.00	110	0.51	0.58	131,095	0	131,095
San Juan Cpo 1	C1-FOSA	91,138	3.49	0.00	109	1.13	1.36	318,303	0	318,303
San Juan Cpo 1	C1-FRAGUA	36,025	8.60	0.00	98	0.45	0.52	113,557	0	113,557
San Juan Cpo 1	C1-CROS-1234	181,165	6.88	0.00	121	0.85	1.34	707,562	0	707,562
San Juan Cpo 1	C1-CRO5	122,674	6.45	0.00	139	1.00	1.91	547,197	296	547,493
San Juan Cpo 1	C1-C080	184,528	5.61	0.00	128	0.90	1.82	762,112	127	762,239
San Juan Cpo 1	C1-NIV7	224,304	25.03	0.00	159	2.77	3.12	1,146,452	0	1,146,452
San Juan Cpo 1	C1-8-067-01	8,188	16.50	0.00	205	2.89	1.21	54,091	0	54,091
San Juan Cpo 1	C1-8-067-02	8,188	16.50	0.00	205	2.89	1.21	54,091	0	54,091
San Juan Cpo 1	C1-067-03	3,819	7.78	0.01	111	2.40	0.85	13,634	92	13,726
San Juan Cpo 1	C1-067-04	3,819	8.25	0.00	115	2.76	1.24	14,169	10	14,179
San Juan Cpo 1	C1-8-858-01	1,653	3.33	0.00	136	0.00	0.00	7,215	0	7,215
San Juan Cpo 1	C1-8-858-02	1,653	3.33	0.00	136	0.00	0.00	7,215	0	7,215
San Juan Cpo 2	BLOCK CP2-1A	8,288	3.20	0.00	101	0.02	0.04	26,937	0	26,937
San Juan Cpo 2	BLOCK CP2-2A	8,656	3.35	0.00	114	0.25	0.48	31,813	0	31,813
San Juan Cpo 2	CP2-3A	20,705	4.46	0.00	166	2.36	0.94	110,617	0	110,617
San Juan Cpo 2	CP2-4A	19,665	4.23	0.00	169	2.33	0.91	107,099	0	107,099
San Juan Cpo 2	CP2S-5A	9,165	3.80	0.00	160	3.36	3.11	47,154	0	47,154
San Juan Cpo 2	CP2S-6A	9,922	4.12	0.00	166	4.23	3.40	53,110	0	53,110
San Juan Cpo 2	CP2S-7	48,084	7.80	0.00	157	0.84	1.19	243,401	0	243,401
San Juan Cpo 2	CP2S-8	47,705	7.74	0.00	149	0.64	1.14	227,904	0	227,904
Total Measured		1,111,441	10.03	0.00	136	1.38	1.74	4,866,988	526	4,867,514
Indicated Resources Oxides										
San Juan Cpo 1	C1-C049	35,119	7.31	0.00	126	0.55	0.43	142,263	0	142,263
San Juan Cpo 1	C1-R050A	14,138	5.09	0.00	110	0.51	0.58	50,125	0	50,125
San Juan Cpo 1	C1-R050B	15,748	5.09	0.00	110	0.51	0.58	55,835	0	55,835
San Juan Cpo 1	C1-C080-A	60,901	7.63	0.00	113	2.09	4.62	220,533	158	220,691
San Juan Cpo 1	C1-NIV7-A	82,705	25.03	0.00	159	2.77	3.12	422,719	0	422,719
San Juan Cpo 1	C1-NIV7-B	82,657	25.03	0.00	159	2.77	3.12	422,473	0	422,473
San Juan Cpo 1	C1-NIV7-C	224,304	25.03	0.00	159	2.77	3.12	1,146,452	0	1,146,452
San Juan Cpo 1	C1-FOSA-A	91,138	3.49	0.00	109	1.11	1.36	318,303	0	318,303
San Juan Cpo 1	C1-FOSA-B	12,781	3.41	0.00	108	1.15	1.36	44,461	0	44,461
San Juan Cpo 1	C1-CROS-1234-A	74,878	7.20	0.00	122	0.85	1.33	293,926	0	293,926
San Juan Cpo 1	C1-SJM-02	3,352	2.06	0.00	180	2.89	0.93	19,409	0	19,409
San Juan Cpo 1	C1-SJM-02	3,352	2.06	0.00	180	2.89	0.93	19,409	0	19,409
San Juan Cpo 1	C1-SJI-32-27-28-SJM06A	20,866	7.48	0.03	129	2.72	1.63	86,830	1,275	88,105
San Juan Cpo 1	C1-SJI-27A	69,229	13.34	0.07	168	2.29	1.54	373,148	10,443	383,591
San Juan Cpo 1	C1-D-01	264,695	10.41	0.01	159	1.85	2.04	1,349,379	5,283	1,354,662
San Juan Cpo 1	C1-E-02	260,126	11.06	0.01	149	2.35	2.40	1,244,930	7,262	1,252,192
San Juan Cpo 1	C1-8-067-01A	8,188	16.50	0.00	205	2.89	1.21	54,091	0	54,091
San Juan Cpo 1	C1-8-067-02A	8,188	16.50	0.00	205	2.89	1.21	54,091	0	54,091
San Juan Cpo 1	C1-067-04A	3,819	9.38	0.00	112	2.63	0.93	13,706	0	13,706
San Juan Cpo 1	C1-8-858-02A	1,653	3.33	0.00	136	0.00	0.00	7,215	0	7,215
San Juan Cpo 2	CP2-1B	8,177	3.16	0.00	101	0.02	0.04	26,559	0	26,559
San Juan Cpo 2	CP2-2B	15,517	4.23	0.00	169	2.33	0.91	84,511	0	84,511
San Juan Cpo 2	CP2-3B	19,226	4.14	0.00	171	2.31	0.95	105,665	0	105,665
San Juan Cpo 2	CP2S-4B	9,165	3.80	0.00	160	3.36	3.07	47,154	0	47,154
San Juan Cpo 2	CP2S-5B	9,165	3.80	0.00	160	3.36	3.05	47,154	0	47,154
San Juan Cpo 2	CP2S-7A	31,357	7.80	0.00	157	0.84	1.19	158,732	0	158,732
San Juan Cpo 2	CP2S-8A	47,705	7.74	0.00	149	0.64	1.14	227,904	0	227,904
San Juan Cpo 2	C2-SJI-12	14,579	2.13	0.00	45	1.20	2.18	21,295	0	21,295
San Juan Cpo 2	C2-SJI-09A	13,818	2.00	0.00	100	2.89	3.97	44,288	0	44,288
San Juan Cpo 2	C2-SJM-05 B	6,884	2.72	0.00	121	1.68	2.56	26,713	0	26,713
San Juan Cpo 2	C2-SJI-15	30,356	4.21	0.00	399	3.94	3.76	389,469	0	389,469
San Juan Cpo 2	CPO 2-01PROB	92,005	3.81	0.00	162	2.39	1.25	478,210	0	478,210
San Juan Cpo 2	CPO 2-02 PROB	128,833	6.30	0.00	189	0.46	0.48	782,804	0	782,804
San Juan Cpo 2	CPO 2-03 PROB	73,132	5.82	0.00	188	2.07	2.03	442,640	0	442,640
Total Indicated		1,837,759	11.54	0.01	156	1.98	2.08	9,222,395	24,421	9,246,816
Total Measured + Indicated		2,949,200	10.97	0.00	149	1.75	1.95	14,089,383	24,947	14,114,330
Metal Prices										
Au = \$1,600/oz										
Ag = \$25/oz										

PAH review = Mineral Resources "In Situ", including mine dilution, but no mine and metallurgical recoveries.

Resource estimate based on cutoff grade of Ag eq = Sulfides 118 g/tonne; Oxides 63 g/tonne. Metal prices at = Ag-25/oz, Au-\$1,600/oz, Pb-\$0.90/lb, Zn-\$0.90/lb.

FMS has estimated additional sulfides and oxides mineral Inferred Resources at a distance beyond the Measured and Indicated Resources. These Inferred Resources are estimated at 9.3 million tonnes at an average grade of 124 g/t Ag (4.0 oz), representing a content of about 37.0 million ounces of silver only contained and about 79 million ounces of silver equivalent containing gold in oxides, and lead and zinc in sulfides at the above indicated metal prices. These additional Resources lack sufficient drifting, raising, sampling, drill holes or old workings and are estimated at a lower degree of confidence than the Measured and Indicated Resource categories. PAH considers these additional Resources to be of an Inferred category and they are based on projections of presumed vein continuity ahead, above, and below current mining; and are based on widely-spaced drill holes, surface sampling or old surface workings. PAH notes that *"due to the uncertainty that may be attached to Mineral Inferred Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure."*

The Inferred Resources need considerable grade and tonnage information before they can be considered at a Measured or Indicated category. To date, the San Juan mine has demonstrated presence of three different mineralized structures at a continuity of about 200 m in underground strike length and down dip projections to about 300 m, while the Perseverancia "high-grade" breccia pipes have been intercepted with preliminary drilling at about 50 m below known depths; so it is reasonable to assume that in the future, Inferred Resources may continue to be converted to Measured and Indicated as additional ramp access, drifting, crosscutting and raising define the deposits configurations, and sampling and assaying determine the grade, while diamond drilling confirms the deposits extensions and fills in data gaps. Inferred Resources for Del Toro are presented in the Table 14-5.

14.6 Additional Geologic Potential

FMS continues to verify Resource blocks indicated by drilling, and exploring additional areas. The estimated mineral Resources are considered conservative, since only adjacent blocks are projected from the underground mine workings blocks. Mineralization within the metasomatic zone in the contact between the intrusive stock and the carbonaceous Cuesta del Cura formation has shown high probability of occurrence as skarn deposits.

Additional geologic potential exists in the Chalchihuites mining district and the surrounding areas to Del Toro to investigate targets that may result in significant resource development for the operation. Direct exploration of induced polarization geophysical and geochemical anomaly areas may result in significant target zones for further exploration and drilling.

Other areas representing interesting geologic potential within the Del Toro holdings are the following:

- Tayoltita
- Las Cotorras
- San Nicolás

TABLE 14-5

First Majestic Silver Corp.

Del Toro Silver Mine

Inferred Mineral Resources "In Situ" for Sulfides and Oxides, Prepared by FMS, Reviewed by PAH, as of March 31, 2012

Deposit	Block No.	M Tonnes	Width m	Au g/t	Ag g/t	Pb %	Zn %	Ag (only) oz	Ag oz eq	Total Ag oz eq
Inferred Resources Sulfides										
Perseverancia	BLOCK C	157,500	2.50	0.00	339	8.50	2.90	1,716,609	1,424,622	3,141,230
Perseverancia	CHP-INF-01	11,455	2.50	0.00	421	6.83	2.40	155,219	83,890	239,109
Mina Dolores	INF_DOL_01	207,288	2.99	0.00	147	0.52	0.09	981,670	101,669	1,083,339
San Nicolas	SN-INF-01	350,206	7.26	0.00	216	1.96	2.19	2,426,633	1,150,607	3,577,240
San Nicolas	CHSN-INF-01	23,160	8.62	0.00	236	2.54	2.22	175,977	87,608	263,585
San Nicolas	SN-INF-02	14,419	8.05	0.00	204	0.55	0.01	94,537	6,403	100,940
San Nicolas	SN-INF-03	22,061	8.05	0.00	204	0.55	0.01	144,638	9,796	154,434
San Nicolas	SN-INF-04	287,517	3.19	0.00	140	6.09	1.83	1,292,319	1,805,867	3,098,185
San Nicolas	SN-INF-05	82,727	1.07	0.00	142	3.93	3.17	377,736	466,090	843,826
San Juan Cpo 3	C3-2028-INF	145,173	9.56	0.17	88	2.11	7.96	409,685	1,209,468	1,619,153
San Juan Cpo 3	C3-2037-INF	150,676	9.17	0.55	111	1.57	7.27	540,104	1,226,780	1,766,884
San Juan Cpo 3	C3-2045-INF	168,737	9.35	0.62	316	5.18	7.99	1,713,521	1,976,509	3,690,030
San Juan Cpo 3	C3-2054-INF	206,576	9.73	0.38	491	9.50	7.41	3,260,529	2,933,402	6,193,931
San Juan Cpo 3	C3-2063-INF	186,778	9.75	0.10	378	5.51	2.77	2,269,163	1,264,253	3,533,415
San Juan Cpo 3	C3-2072-INF	212,313	9.92	0.07	242	4.05	2.74	1,648,857	1,173,609	2,822,465
San Juan Cpo 3	C3-2081-INF	135,276	10.48	0.13	152	3.94	2.51	659,360	727,598	1,386,958
San Juan Cpo 3	C3-2090-INF	323,982	9.74	0.09	120	2.39	2.15	1,246,549	1,227,785	2,474,333
San Juan Cpo 3	C3-2099-INF	324,034	9.70	0.13	146	2.31	1.74	1,520,091	1,130,360	2,650,451
San Juan Cpo 3	C3-2108-INF	374,708	9.36	0.06	106	1.42	1.89	1,278,060	1,033,752	2,311,811
San Juan Cpo 3	C3-2118-INF	63,086	9.93	0.07	217	3.18	1.96	439,474	265,963	705,437
San Juan Cpo 3	C3-2126-INF	213,819	9.21	0.04	112	1.51	2.04	767,218	617,362	1,384,581
San Juan Cpo 3	C3-2136-INF	255,257	8.53	0.07	169	2.04	2.62	1,386,211	979,502	2,365,713
San Juan Cpo 3	C3-2144-INF	245,395	9.04	0.10	114	1.35	1.33	902,485	570,897	1,473,382
San Juan Cpo 3	C3-2152-INF	67,410	9.72	0.07	96	1.16	1.85	207,995	170,289	378,284
San Juan Cpo 3	C3-2162-INF	217,436	9.76	0.03	137	0.91	1.85	957,693	489,375	1,447,069
San Juan Cpo 3	C3-2171-INF	208,612	9.89	0.04	187	2.73	1.53	1,254,113	724,001	1,978,114
San Juan Cpo 3	C3-2180-INF	187,865	9.65	0.07	150	2.05	1.83	908,830	603,148	1,511,978
San Juan Cpo 3	C3-1-INF	1,441,920	9.56	0.17	88	2.11	7.96	4,069,155	12,012,920	16,082,075
San Juan Cpo Zn	BLOCK 1924	232,775	3.65	0.00	0	0.01	1.60	784	296,130	296,914
San Juan Cpo Zn	BLOCK 1933	266,576	8.88	0.00	1	0.01	1.92	4,705	409,311	414,016
San Juan Cpo Zn	BLOCK 1942	232,189	8.90	0.00	1	0.03	1.88	8,902	350,984	359,886
San Juan Cpo Zn	BLOCK 1951	367,513	9.06	0.00	1	0.03	3.93	14,281	1,155,260	1,169,541
San Juan Cpo Zn	BLOCK 1960	208,173	9.29	0.00	1	0.04	3.11	5,415	520,544	525,959
San Juan Cpo Zn	BLOCK 1969	216,279	8.50	0.00	1	0.05	1.84	8,653	325,211	333,864
San Juan Cpo Zn	BLOCK 1978	143,538	8.79	0.00	6	0.14	2.34	28,115	281,575	309,690
San Juan Cpo Zn	BLOCK 1987	139,723	8.83	0.00	1	0.03	7.01	4,711	780,153	784,864
San Juan Cpo Zn	BLOCK 1996	126,610	8.81	0.00	2	0.10	7.84	10,109	797,569	807,678
San Juan Cpo Zn	BLOCK 2005	239,384	4.68	0.00	10	0.27	3.38	76,654	693,628	770,282
San Juan Cpo Zn	BLOCK 2014	21,873	4.50	0.00	36	1.26	6.06	25,622	126,932	152,555
San Juan Cpo Zn	BLOCK 2023	137,946	9.64	0.00	54	1.69	7.67	241,315	1,024,060	1,265,375
Total Inferred Resources Sulfides		8,617,965	8.42	0.09	120	2.12	3.83	33,233,695	42,234,881	75,468,576
Inferred Resources Oxides										
San Juan	Cpo 2-01-INF	641,136	6.49	0.00	173	2.33	1.86	3,573,464	0	3,573,464
Total Inferred Oxides		641,136	6.49	0.00	173	2.33	1.86	3,573,464	0	3,573,464
Total Inferred Sulfides + Oxides		9,259,101	8.29	0.08	124	2.12	3.83	36,807,159	42,234,881	79,042,040
Metal Prices										
Au = \$1,600/oz	Pb = \$0.90/lb									
Ag = \$25/oz	Zn = \$0.90/lb									

PAH Review: Inferred Resources "In Situ" including internal mine dilution. No mine and metallurgical recoveries are included.

Ag Inferred Oxides do not include Pb/Zn equivalent ounces. Estimated at Cutoff Ag equivalent = Sulfides 118 g/tonne; Oxides 63 g/tonne.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.

Inferred Mineral Resources do not have economic value and these have not been included in this TR as part of the economic analysis.