



La Parrilla Silver Mine

Overview

The La Parrilla Silver Mine is 100% owned by First Majestic Silver Corp. It is comprised of mining concessions that total 69,440 hectares, which makes it the Company's single largest land package. The property has known mineralization throughout, with a complex of five underground mines surrounding the mill including Los Rosarios, La Rosa, San Jose, Quebradillas and San Marcos.

The property began operations in October 2004 at a rate of 180 tpd. It recently underwent a fifth major development project that further expanded the mill to 2,000 tpd (from the previous 850 tpd). The expansion was deemed commercially effective on March 1, 2012 and the new parallel 1,000 tpd flotation and 1,000 tpd cyanidation circuits became fully operational. At the newly designed run rate of 2,000 tpd, La Parrilla will produce in the range of 3.3 to 3.4 million ounces of silver equivalent annually.

Location

The La Parrilla Silver Mine is conveniently located 65 km southeast of Durango in the western part of the Mexican Altiplano at 23 degrees 44'16" north latitude and 104 degrees 06'26" west longitude. Nearby towns include San Jose de La Parrilla, 1.5 km to the north of the property, and the larger Vicente Guerrero, which is 16 km to the southeast. Strong infrastructure also exists in the area as the mine is in close proximity (4 km) to the main highway linking Durango and Zacatecas.

Mining & Milling Operations

Production at the La Parrilla Silver Mine consists of three separate products: silver doré bars and lead concentrate, which can also contain silver and zinc concentrate.

As a continuation of the expansion program at La Parrilla, an intensive underground development program is also under construction. This includes a new ramp system and a new production shaft.

We have now completed 2,249 metres in length of the underground development towards the underground rail haulage and rail system. We anticipate to achieve a 5,000 metre tunnel, but due to budget cuts it is now going to be completed by end of 2016.

Upon completion, all underground mining areas will be connected and ore haulage will be done via underground trains that will tram the ore from the ore passes to the new shaft. This investment is expected to dramatically improve efficiencies and mine logistics and reduce cash costs.

Operating Highlights

La Parrilla Production Results	2014	2013	2012
Ore Processed/Tonnes Milled	711,915	788,335	679,788
Average Silver Grade (g/tonne)	158	162	170
Recovery (%)	79%	76%	77%
Total Silver Ounces Produced	2,876,452	3,115,997	2,876,810
Gold Ounces Produced	982	1,051	923
Pounds of Lead Produced	21,259,559	18,503,451	13,240,889
Pounds of Zinc Produced	12,619,352	6,723,878	4,952,899
Total Production - Ounces Silver Equivalent	4,673,186	4,219,374	3,487,392
Underground Development (m)	8,981	12,004	20,606
Diamond Drilling (m)	5,789	10,974	26,204

Local Geology, Mineralization & Ore Types

Among the several large vein systems located within the La Parrilla property boundaries, the Company has historically focused its exploration efforts on the Quebradillas, Vacas, San Marcos, La Blanca mines and the Cerro Santiago, Viboras, San Nicolás and Sacramento areas.

The region surrounding Durango and Zacatecas is known for its world-class silver deposits, hence its designation as the 'Mexico Silver Belt'; however, large tonnages of lead, zinc, copper and gold have also been mined in the region.

For more detailed geological information readers are encouraged to review the Company's most recent [NI 43-101 Technical Report](#) (PDF).

The Reserves/Resources inventories are reported in NI 43-101 Technical Reports published periodically by the Company. The complete report can be viewed in the [Reserves/Resources section](#) or on [SEDAR](#)

Producing Mines

Overview

Producing Mines Exploration & Development

