



TSX:AR

CORPORATE PRESENTATION

First Quarter 2018 Conference Call

May 1, 2018



FORWARD LOOKING INFORMATION

This presentation contains certain “forward-looking statements” and “forward-looking information” under applicable Canadian securities laws concerning the proposed transaction and the business, operations and financial performance and condition of Argonaut Gold Inc. (“Argonaut” or “Argonaut Gold”). Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to estimated production and mine life of the various mineral projects of Argonaut; expectations with respect to future cash flows from operations, net debt and financial results; the successful completion of proposed acquisitions; metal or mineral recoveries; synergies and financial impact of completed acquisitions; the benefits of the development potential of the properties of Argonaut; the future price of gold, copper, and silver; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; success of exploration activities; and currency exchange rate fluctuations. Except for statements of historical fact relating to Argonaut, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as “plan,” “expect,” “project,” “intend,” “believe,” “anticipate,” “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of Argonaut and there is no assurance they will prove to be correct.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, changes in market conditions, variations in ore grade or recovery rates, risks relating to international operations, fluctuating metal prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses and labour disputes.

These factors are discussed in greater detail in Argonaut's (i) most recent Annual Information Form, and (ii) most recent Management Discussion and Analysis, which are each filed on SEDAR and provide additional general assumptions in connection with these statements. Argonaut cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Argonaut believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this presentation should not be unduly relied upon. These statements speak only as of the date of this presentation.

Although Argonaut has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Argonaut undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if the property is developed. Comparative market information is as of a date prior to the date of this document.

References to dollars or “\$” are to U.S. dollars unless specified otherwise.



2018 Focus



Ramp production



Build balance sheet



De-risk development projects

**2017 was an investment year.
2018 is the harvest year.**



Achieving Our Objectives and Delivering Value



Solid Q1 2018 Financial Performance

- Net income of \$12.2 million
- Earnings per share – basic of \$0.07
- **Added \$7 million net cash¹** to the balance sheet



Short Term Growth Initiatives

- San Agustin ramp-up
- El Castillo throughput enhancement
- Increased El Castillo Mineral Reserves by 74%
- Reported maiden Mineral Reserves at San Agustin and La Colorada



40,853 Production GEOs²

- At cash cost of \$650/oz Au sold & AISC of \$781/oz Au sold¹
- Higher production, lower costs compared to Q1 2017



Long Term Growth Initiatives

- Magino
 - Advanced EA process and permitting
 - Advanced Indigenous agreements
- Cerro del Gallo
 - Re-logged drill core and updated geologic model

¹ Please refer to section on slide 25 entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

² Gold equivalent ounces (“GEO” or “GEOs”) are based on a conversion ratio of 70:1 for silver to gold.

Q1 2018 - Financial Performance

	First Quarter	
	2018	2017
Production (GEO) ²	40,853	37,707
Sales (GEO) ²	40,046	36,173
Revenue (\$M)	\$52.9	\$44.5
Earnings per Share – Basic	\$0.07	\$0.07
Cash Flow from Operations [before changes in Working Capital (\$M)]	\$21.0	\$14.9
Cash and Cash Equivalents (\$M)	\$21.3	\$55.2
Net Cash ¹ (\$M)	\$13.3	\$54.7

¹ Please refer to section on slide 25 entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

² Gold equivalent ounces (“GEO” or “GEOs”) are based on a conversion ratio of 70:1 for silver to gold.



Q1 2018 Capital Spending, Cash Flow & Liquidity (\$M)

Investing in the future

Cash Flow Reconciliation

Opening balance cash	14.1	
Cash flow from ops excl. working capital	21.0	
Changes in working capital	(3.1)	
Cash before investment & financing		32.0
Capital spending	(10.7)	
Net cash increase		7.2
Ending Balance Cash		\$21.3

Liquidity

Cash	21.3
Corporate Revolver (with accordion to \$75M)	50.0
Current draw on corporate revolver	(8.0)
Total Liquidity	\$63.3

Capital Spend

	Sustaining	Expansion	Stripping
El Castillo	0.4	2.1	2.0
La Colorada	0.4	1.0	1.5
Magino	-	1.1	-
San Agustin	1.1	0.1	-
San Antonio	-	0.2	-
Exploration	-	0.5	-
Corp & Other	0.1	0.2	-
	2.0	5.2	3.5
Total Spending			\$10.7



Q1 2018 - Operations Overview

Production (GEOs) ²	First Quarter	
	2018	2017
El Castillo Complex	25,737	22,226
El Castillo	8,765	22,226
San Agustin	16,972	-
La Colorada	15,116	15,481
TOTAL	40,853	37,707
Cash Costs¹		
El Castillo Complex	\$600	\$885
El Castillo	\$1,020	\$885
San Agustin	\$365	-
La Colorada	\$726	\$570
Consolidated	\$650	\$751
All-In Sustaining Costs¹		
Consolidated	\$781	\$870

¹ Please refer to section on slide 25 entitled "Non-IFRS Measures" for a discussion of these Non-IFRS Measures.

² Gold equivalent ounces ('GEO' or "GEOs") are based on a conversion ratio of 70:1 for silver to gold.



El Castillo Mine - Opportunities & Challenges

Q1 CHALLENGES

- Ore placed on upper lifts of leach pads resulting in slower recovery due to solution time to reach the liner
- Hematitic oxide ore indicating 54% recovery versus historical recoveries of ~70% for general oxide ore

OPPORTUNITIES

- Increased crushing capacity following CR2 expansion
- La Victoria leach pad construction complete
- Maintenance measures to improve East crusher throughput
- Ounces stacked on top lifts of the heap leach pads should flow to the bottom of the pads in time



La Colorada – Explosives Permit Update

CURRENT CHALLENGES

- Announced April 12, 2018 that the explosives permit at La Colorada had been temporarily suspended due to a legal action by four individuals brought against the Secretary of National Security and the Municipality of La Colorada
- Current impact to operations:
 - Mine – only blasting
 - Crushing – no impact
 - Process – no impact
 - Production – no impact

PLAN UNTIL ISSUE RESOLVED

- Previously blasted ore in the pits
- Stockpiled ore
- Mine areas that do not require blasting
- Sufficient ore to maintain budgeted crusher throughput of 12,000 tonnes per day until the end of July



2018 Focus



Ramp production



Build balance sheet



De-risk development projects

**2017 was an investment year.
2018 is the harvest year.**



Re-iterating 2018 GEO Production and Guidance (000s)

		El Castillo/ San Agustin ¹ Complex	La Colorada	Consolidated	Q1 2018 Actual Consolidated
GEO Production³	In 000s	105 - 115	60 - 65	165 - 180	40.6
Cash costs^{2,4}	\$ per ounce Au	700 - 800	700 - 800	700 - 800	650
AISC^{2,4}	\$ per ounce Au			850 - 950	781

Production H2 2018 weighted due to San Agustin ramp up and El Castillo crusher expansion

¹ Anticipated production from El Castillo and San Agustin is between 60,000 to 65,000 GEOs at a cash cost of \$850 to \$950 per gold ounce sold and 45,000 to 50,000 GEOs at a cash cost of \$500 to \$600 per gold ounce sold, respectively.

² Assumes a MXN:USD exchange rate of 18:1.

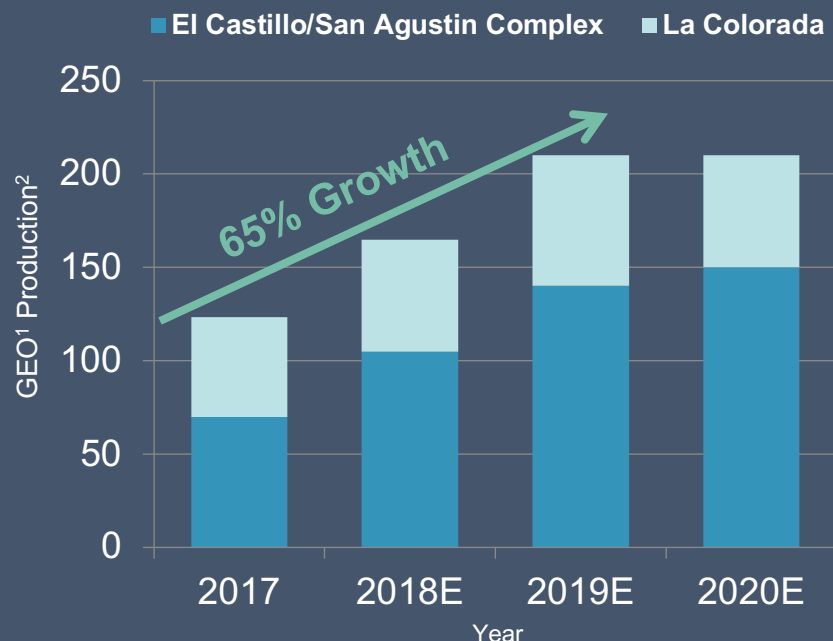
³ Gold equivalent ounces ("GEO" or "GEOs") are based on a conversion ratio of 70:1 for silver to gold.

⁴ Please refer to section on slide 25 entitled "Non-IFRS Measures" for a discussion of these Non-IFRS Measures.



Achieving Our Objectives and Delivering Value

Three Year Production Outlook



Year

2017
Actual

2018E

2019E

2020E

El Castillo / San
Agustin
Complex
GEO Production⁴
(000s)

La Colorada
GEO Production
(000s)

Consolidated
GEO Production
(000s)

73.4

53.3

126.7

105 - 115

60 - 65

165 - 180

140 - 150

70 - 75

210 - 225

150 - 160

60 - 65

210 - 225



**Unparalleled Production
Growth**



**Argonaut Goal:
Annual AISC³ at or below
\$950 per gold ounce sold**

¹ Gold equivalent ounces ("GEO" or "GEOs") are based on a conversion ratio of 70:1 for silver to gold.

² Assumes mid-point of production guidance.

³ Please refer to section on slide 25 entitled "Non-IFRS Measures" for a discussion of these Non-IFRS Measures.

⁴ Actual 2017 GEO Production includes 2,932 pre-commercial production GEOs from San Agustin.



Investing to the Future – 2018 Plans & Capital Estimate¹

EL CASTILLO COMPLEX	2018E	\$26 - \$28M
	Q1 SPEND	~\$6M
	REMAINING	\$20 - \$22M

El Castillo

- CR2 crusher enhancement:
20,000 tpd to 29,000 tpd
by the end of the first quarter of 2018
- Construction of the Victoria leach pad and extension of the West leach pad

San Agustin

- Continued optimization of the crushing and conveying circuit may allow for an increase in throughput
- **15,000 metre exploration program** along strike to the northwest

LA COLORADA	2018E	\$17 - \$18M
	Q1 SPEND	~\$3M
	REMAINING	\$14 - \$15M

La Colorada

- Expansion of the Northeast leach pad
- Transition all mining to El Creston pit

DEVELOPMENT ASSETS	2018E	\$7 - \$9M
	Q1 SPEND	~\$2M
	REMAINING	\$5 - \$7M

Magino

- **Complete Environmental Assessment process**
- Submit Closure Plan and Schedule 2 permit applications

Cerro del Gallo

- Metallurgical test work
- Evaluate future exploration targets

2018 CAPITAL ESTIMATE: \$50 – \$55M

Less than 50% of the capital spend during 2017

~20% of 2018 CAPITAL ESTIMATE SPENT IN Q1: \$10.7M

¹ Assumes exchange rates of MXN:USD of 18.1 and CAD:USD of 1.3:1.



Leach Pad Construction

EL CASTILLO
La Victoria Leach Pad



EL CASTILLO
Phase 8A Leach Pad



SAN AGUSTIN
Leach Pad Expansion



LA COLORADA
NE Phase 2 Expansion



Operations & Actions

El Castillo Crushing Capacity Changes



West CR2 Crusher Expansion

	RECOVERY (in general oxides)	
	2017	Q2 2018
4" Crush Size	50%	N/A
1 1/2" Crush Size	68 - 70 %	68 - 70%
Throughput	5,000 tpd	<u>14,000 tpd</u>

 Increased throughput in 2018

2016

- East crusher 15,000 TPD
- West Crusher 15,000 TPD
- Mid-year installed the portable CR2 5,000 TPD

2017

- East crusher 15,000 TPD
- West crusher 15,000 TPD relocated to San Agustin during Q1
- Portable CR2 5,000 TPD

2018

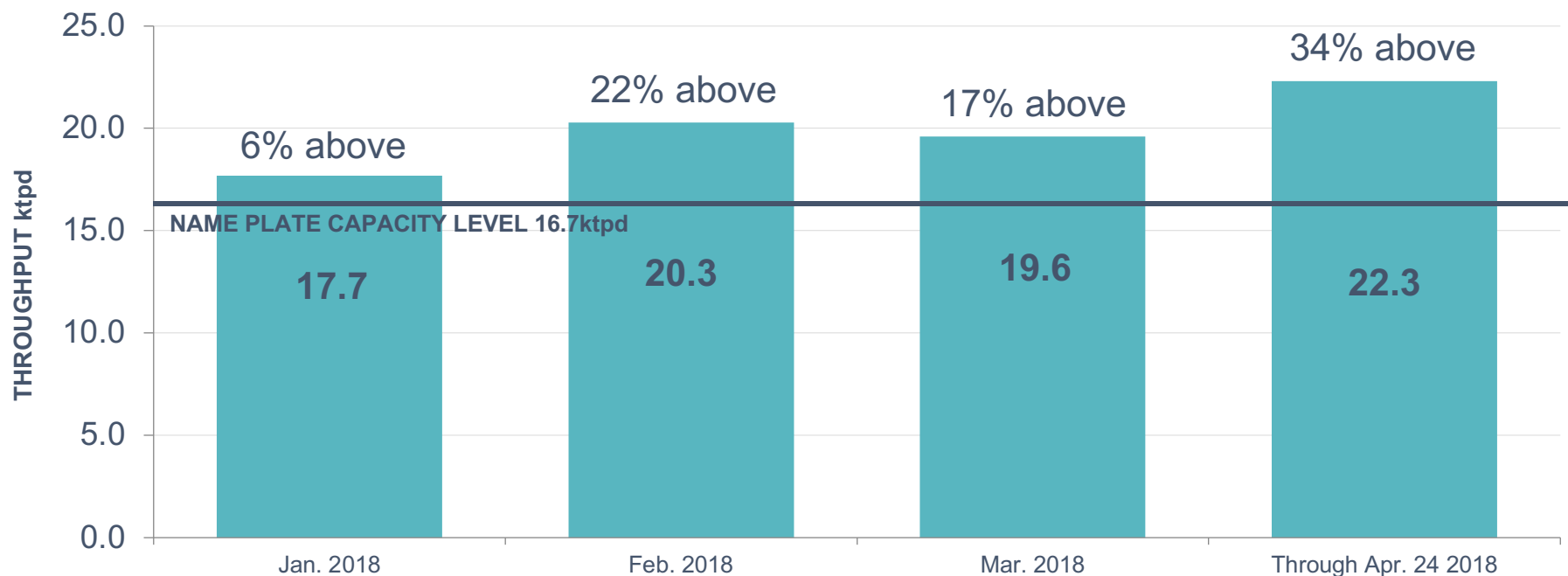
- East Crusher 15,000 TPD
- Portable CR2 4,000 TPD until end of Q1 2018
- CR2 expansion to 14,000 TPD start during Q2 2018

Keys:

- Throughput increase
- Recovery gain
- Lower cost

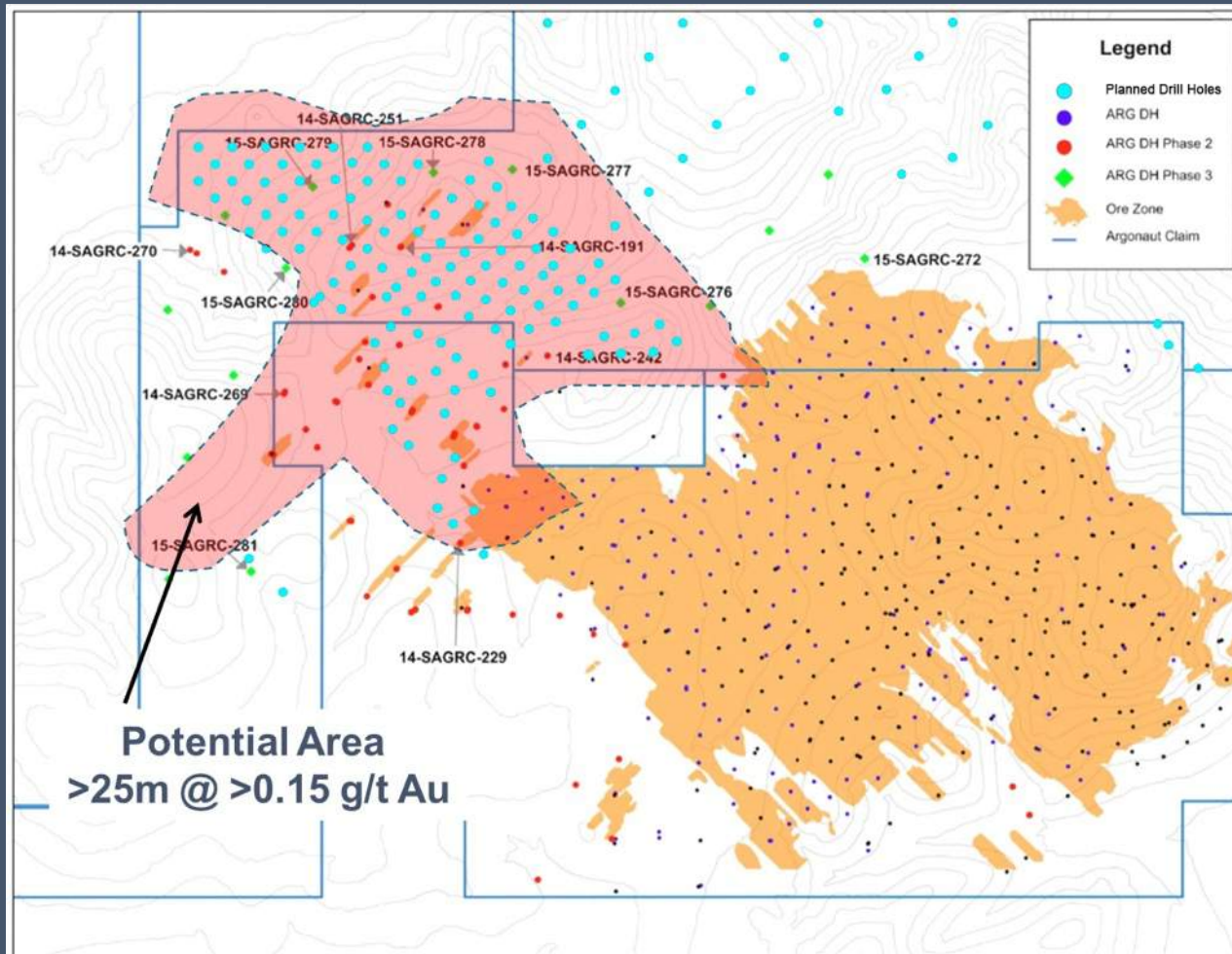


San Agustin Crusher Throughput by Month



2018 Exploration

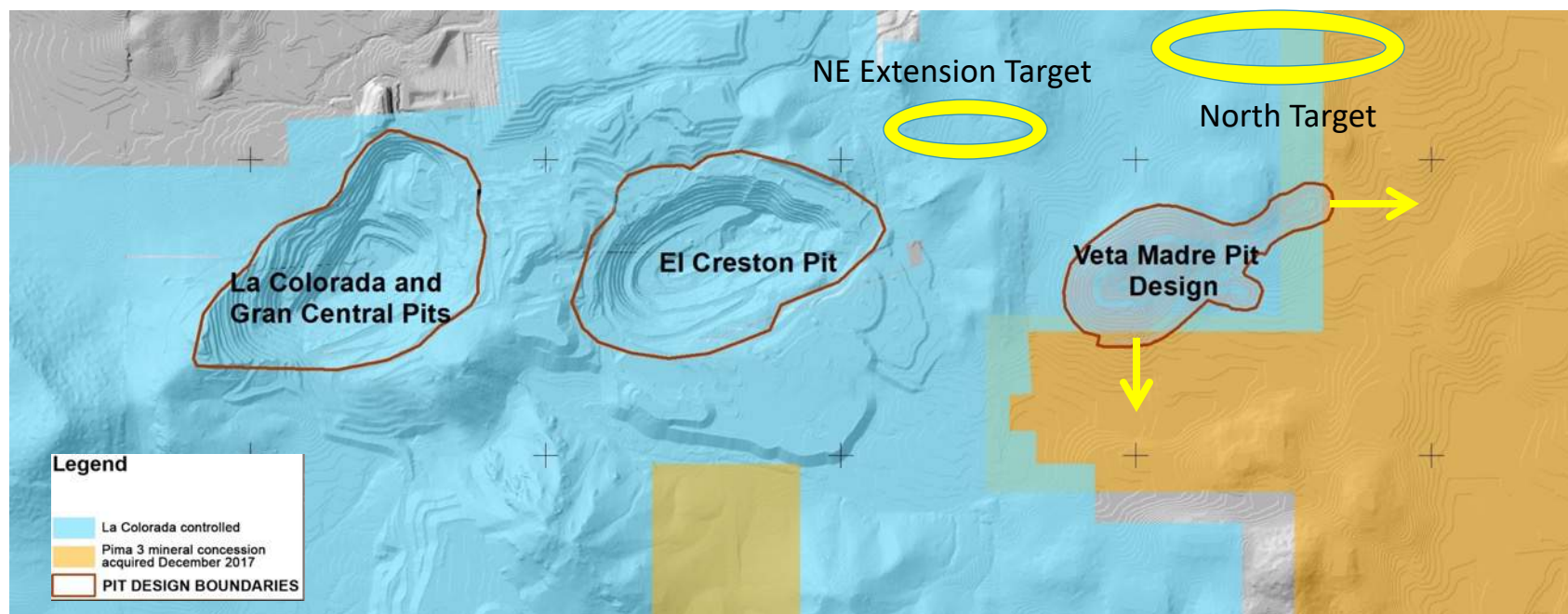
San Agustin 2018 Drill Program



Results of 2018 drill program will determine scale of 2019 second crushing, conveying and stacking system.

Operations and Actions – La Colorada Mine

		Grade Driven Increase			
Production Guidance		2017	2018	2019	2020
GEO ¹ Production	In 000s	53.3	60 - 65	70 - 75	60 - 65



¹ Gold equivalent ounces ("GEO" or "GEOs") are based on a conversion ratio of 70:1 for silver to gold.

De-Risking Development Projects

SAN ANTONIO

RECENT ACTIVITIES

- Held technical sessions with Mexican Environmental Authority, DGIRA

FUTURE PLANS

- Preparation of new MIA application

CERRO DEL GALLO

RECENT ACTIVITIES

- Re-logged all drill core
- Developed geologic model

FUTURE PLANS

- Metallurgical test work
- Internal scoping study

MAGINO

RECENT ACTIVITIES

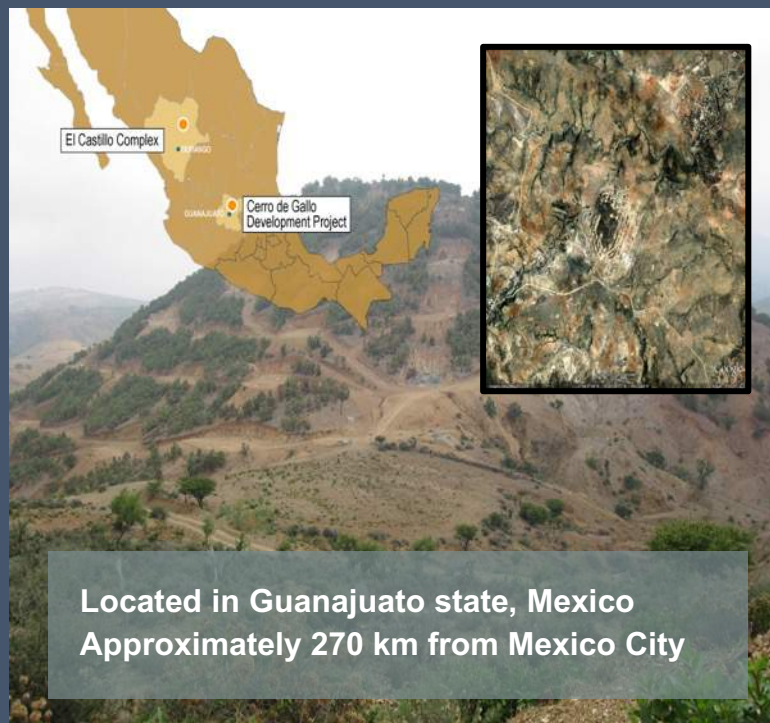
- Advanced Environmental Assessment
- Signed the Community Engagement Agreement with the Métis Nation of Ontario

FUTURE PLANS

- EA approval
- File closure plan and Schedule 2 permit applications
- Continue Indigenous consultation



Cerro del Gallo Acquisition – Advanced Exploration Project



El Castillo Complex vs Cerro del Gallo Contiguous Mineral Concession Area

El Castillo Mine
620 ha



40x area

Cerro del Gallo
25,269 ha



	El Castillo Mine	Cerro del Gallo
Grade	0.36	0.60
Strip Ratio	1.0:1	0.9:1
Waste to Ore		



Advanced project in our backyard

- Ability to leverage existing operations team's skill sets
- Excellent infrastructure



Pipeline project at a reasonable price

- Low risk/high reward investment at price paid for asset

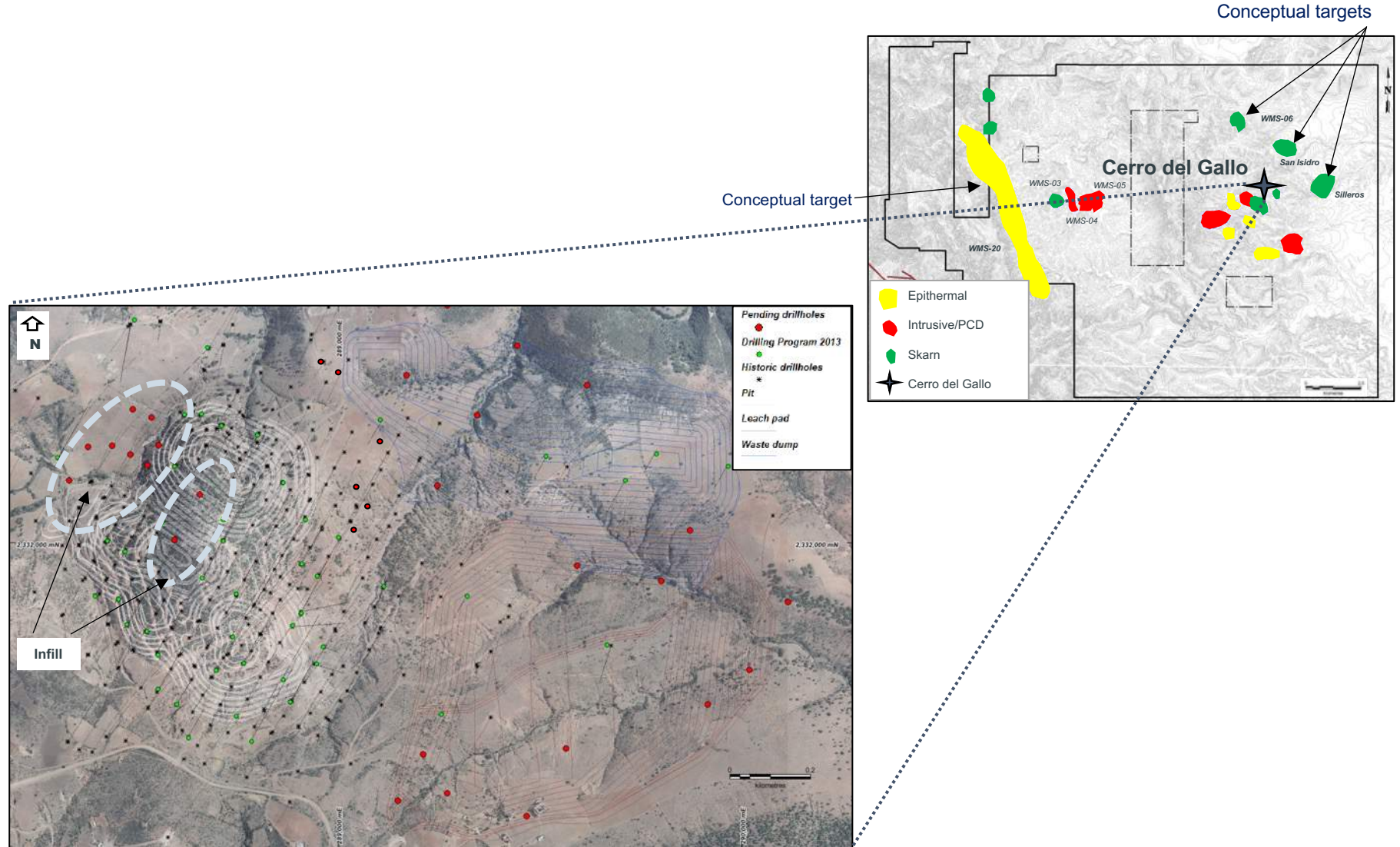
Mineral Resources & Mineral Reserves¹

	K tonnes	Au g/t	k Ozs Au	Ag g/t	K Ozs Ag	Cu %	K lbs Cu
M&I	47,878	0.60	923	13.3	20,546	0.10	103,398
P&P	32,219	0.69	712	14.82	15,335	0.08	56,443

¹ For further information on the Cerro del Gallo project, please see historical estimates disclosed in the technical report titled "First Stage Heap Leach Feasibility Study Cerro del Gallo Gold Silver Project Guanajuato, Mexico" dated June 29, 2012 and available Primero Mining Corp. ("Primero") at www.sedar.com. See slide 26 for additional notes.



Cerro del Gallo – Exploration Targets



Summary of Investment Case



Strong balance sheet with flexibility

- \$21M cash¹
- \$50M revolver
 - \$8M drawn¹
 - Accordion feature to increase to \$75M, if desired
- \$22M VAT¹
- \$90M inventory¹ (72k oz @ \$1,250 Au)



Defensive gold stock

- Long track record of adding cash to the balance sheet through operations
- Goal of AISC² at or below \$950 per gold ounce sold



Highly leveraged to upside in gold

- De-risking of development assets provides tremendous leverage



Proven Operator

- Track record of profitable production from low grade mines
- Expected ~65% annual production growth 2017 to 2019



Production & FCF Growth

- More than 50% reduction in capital spending in 2018 vs. 2017
- Solid FCF during 2018



Consolidated Mineral Resources & Mineral Reserves³

	Tonnes (millions)	Au Grade (g/t)	Contained Au Ounces (000s)	Ag Grade (g/t)	Contained Ag Ounces (000s)
P&P	193.0	0.61	3,783	10.4	32,530
M&I	392.5	0.64	8,060	9.7	39,121
Inferred	53.7	0.63	1,091	9.2	3,802

¹ At March 31, 2018.

² Please refer to section on slide 25 entitled "Non-IFRS Measures" for a discussion of these Non-IFRS Measures.

³ Please refer Mineral Reserve and Mineral Resource disclosure on slide 26.



Our Focus In 2018



Build balance sheet



De-risk development projects



**Prepare for 200k+ GEO¹
production in 2019**

¹ Gold equivalent ounces ("GEO" or "GEOs") are based on a conversion ratio of 70:1 for silver to gold.



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ADDITIONAL INFORMATION

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Notes and Disclosures

Argonaut Gold is a Canadian gold company engaged in exploration, mine development and production activities. Its primary assets are the production stage El Castillo mine and San Agustin mine, which together form the El Castillo Complex in Durango, Mexico and the production stage La Colorada mine in Sonora, Mexico. Advanced exploration stage projects include the San Antonio project in Baja California Sur, Mexico, the Cerro del Gallo project in Guanajuato, Mexico and the Magino project in Ontario, Canada. The Company also has several exploration stage projects, all of which are located in North America.

QUALIFIED PERSON

Technical information included in this presentation was supervised and approved by Brian Arkell, Argonaut Gold's Vice President of Exploration, and a Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. ("NI 43-101").

NATIONAL INSTRUMENT 43-101

Brian Arkell, Argonaut Gold's Vice-President of Exploration and a Qualified Person under NI 43-101, has read and approved the scientific and technical information in this presentation as it relates to Argonaut. This presentation contains information regarding mineral resources that are not mineral reserves and do not have demonstrated economic viability.

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

This presentation uses the terms "Measured", "Indicated" and "Inferred" Resources as defined in accordance with NI 43-101. United States readers are advised that while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve calculation is made. United States readers are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into reserves. In addition, "Inferred Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resource will ever be upgraded to a higher category. United States readers are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable.

NON-IFRS MEASURES

The Company has included certain non-IFRS measures including "Cash cost per gold ounce sold", "All-in sustaining cost per gold ounce sold", "Adjusted net income", "Adjusted earnings per share – basic" and "Net cash" in this presentation to supplement its financial statements which are presented in accordance with International Financial Reporting Standards ("IFRS"). Cash cost per gold ounce sold is equal to production costs less silver sales divided by gold ounces sold. All-in sustaining cost per gold ounce sold is equal to production costs less silver sales plus general and administrative expenses, exploration expenses, accretion of reclamation provision and sustaining capital expenditures divided by gold ounces sold. Adjusted net income is equal to net income less foreign exchange impacts on deferred income taxes, foreign exchange losses and recognition of previously unrecognized Mexican deferred tax assets. Adjusted earnings per share – basic is equal to adjusted net income divided by the basic weighted average number of common shares outstanding. Net cash is calculated as the sum of the cash and cash equivalents balance net of debt as at the statement of financial position. The Company believes that these measures provide investors with an alternative view to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Please see the most recent management's discussion and analysis ("MD&A") for full disclosure on non-IFRS measures available on the Company's website, www.argonautgold.com or SEDAR at www.sedar.com.



Mineral Reserves and Mineral Resource Notes and Disclosures

All Mineral Resources have been estimated in accordance with Canadian Institute of Mining Standards. Mineral Resources are not known with the same degree of certainty as Mineral Reserves and do not have demonstrated economic viability. In addition, the quantity and grade of reported inferred mineral resources shown above are uncertain in nature and there is insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

Mineral Resources are presented inclusive of Mineral Reserves. Numbers may not sum due to rounding.

The Mineral Reserves for El Castillo and San Agustin, which together form the El Castillo Complex were taken from the El Castillo Complex Technical Report, including depletion from July 1, 2017 to December 31, 2017 through mining activities, are valid as of January 1, 2018 and used a gold price of \$1,200 per ounce and silver price of \$17 per ounce. Cut-off grades, depending on rock and ore type, varied from 0.14 g/t AuEq for oxide to 0.57 g/t Au for silicified sulphide.

The Mineral Reserves for La Colorada were taken from the La Colorada Technical Report, including depletion from July 1, 2017 to December 31, 2017 through mining activities, are valid as of January 1, 2018 and used a gold price of \$1,200 per ounce and silver price of \$17 per ounce. Cut-off grades, depending on deposit, varied from 0.10 g/t AuEq to 0.16 g/t AuEq.

The Mineral Reserves for Magino were taken from the Magino Technical Report. The Mineral Reserve was estimated at a gold price of \$1,200 per ounce. The Mineral Reserve used a gold cutoff of 0.41 g/t.

The M&I Mineral Resources and Inferred Mineral Resources for El Castillo and San Agustin, which together form the El Castillo Complex were taken from the El Castillo Complex Technical Report, including depletion from July 1, 2017 to December 31, 2017 through mining activities, are valid as of January 1, 2018 and used a gold price of \$1,400 per ounce and silver price of \$20 per ounce. Cut-off grades, depending on rock and ore type, varied from 0.09 g/t AuEq for oxide to 0.47 g/t Au for silicified sulphide.

The M&I Resource and Inferred Resource were taken from the La Colorada Technical Report, including depletion through mining activities from July 1, 2017 to December 31, 2017, are valid as of January 1, 2018 and used a gold price of \$1,400 per ounce and silver price of \$20 per ounce. Cut-off grades, depending on deposit, varied from 0.09 g/t AuEq to 0.12 g/t AuEq.

The M&I Mineral Resources and Inferred Mineral Resource for the Magino Project were taken from the Magino Technical Report. The Mineral Resource was estimated at a gold price of \$1,300 per ounce. The Mineral Resource used a gold cutoff of 0.25 g/t.

The Mineral Resources for the San Antonio Project were taken from the San Antonio Technical Report. The gold resource was estimated at a gold price of \$1,500 per ounce using a cutoff grade of 0.11 g/t Au for oxide and transition and 0.15 g/t Au for sulphide.

For further information on the Cerro del Gallo project, please see historical estimates disclosed in the technical report titled "First Stage Heap Leach Feasibility Study Cerro del Gallo Gold Silver Project Guanajuato, Mexico" dated June 29, 2012 and available Primero Mining Corp. ("Primero") at www.sedar.com. Per Primero, the historical Mineral Reserves estimate was completed by Thomas Dyer, P.E., a Qualified Person and the historical Mineral Resources estimate was completed by Timothy Carew, P. Geo, a Qualified Person pursuant to National Instrument ("NI") 43-101, in a technical report completed by Sedgman Ltd, Reserva International and Mine Development Associates. The report was reviewed by Brian Arkell on behalf of Argonaut Gold Inc. ("Argonaut"), who has concluded that it continues to be relevant and reliable as a basis for understanding the potential Mineral Reserves and Resources at the property. To the best of Argonaut's knowledge, information and belief, there is no new material, scientific or technical information that would make the disclosure of the Mineral Reserves and Resources inaccurate or misleading. Argonaut has not done sufficient work to classify the historical estimate as current Mineral Reserves and Resources and is not treating the historical estimate as current Mineral Reserves and Resources. Argonaut plans to complete metallurgical test work and re-log the available drill core to update the Mineral Resource model and verify or update the historical work to support the development of a current estimate.

