



Argonaut Gold's Growing Production Profile Guides for 88,000-97,500 Oz. from 2 Mexican Operations

+3,000 Gold Ounces of Q1 Production at the Second Mine, La Colorada

At Argonaut Gold Inc. (TSX: AR & AR.WT), the company's leaders are first and foremost business people who are exceptionally focused on creating sustainable revenues and maximizing return on investment for their shareholders. Argonaut is Creating Value Beyond Gold; providing exposure to the gold price thru a company backed by experienced management focused on meeting operational goals and establishing improvements at the properties.

Argonaut shares trade on the world's premier investment market for the resource sector – the Toronto Stock Exchange. That move has been ratified by the Company's addition to 4 indexes during the last year, including: the S&P/TSX Small Cap the S&P/TSX Global Gold Index, the Global Mining Index, and the S&P/TSX Composite Index.

Argonaut's core asset is the El Castillo Mine in Durango, Mexico. Acquiring El Castillo in 2009 enabled the company to immediately jump into the ranks of gold producers and subsequently generate the significant revenues needed for reinvestment and growth. Since 2009, Argonaut improved output at El Castillo producing 72,000 ounces of gold in 2011. Argonaut ended the year with \$35 million in cash in the bank, a gold mine producing 72,000 ounces in 2011, and a growing measured and indicated resource asset base that has reached 6.2 million ounces of gold.

El Castillo 2012 Guidance to Provide Gold Production Growth over 2011

Argonaut Gold's flagship, 100%-owned El Castillo Mine is an open pit, heap leach operation. El

Castillo is located in Mexico's Durango State, about 100 km north of the city of Durango. Access to the project is almost entirely via paved roads. The landscape is relatively flat, semi-dry with limited rainfall and a temperate climate. The 1,400-hectare property was initially explored by Battle Mountain Gold in the 1990s and later brought into production by Castle Gold, which was acquired by Argonaut Gold in 2009. The company now has over 400 contract employees working at the mine.

Upon acquiring the property, Argonaut Gold set to work improving the mine's infrastructure, increasing the mine's production, and increasing the project gold reserves. Improvements contributing to increased production rates include a new contractor mining fleet, additional leach pad capacity, a new crushing circuit and 2 new processing plants on the west and east side of the facility. A centralized

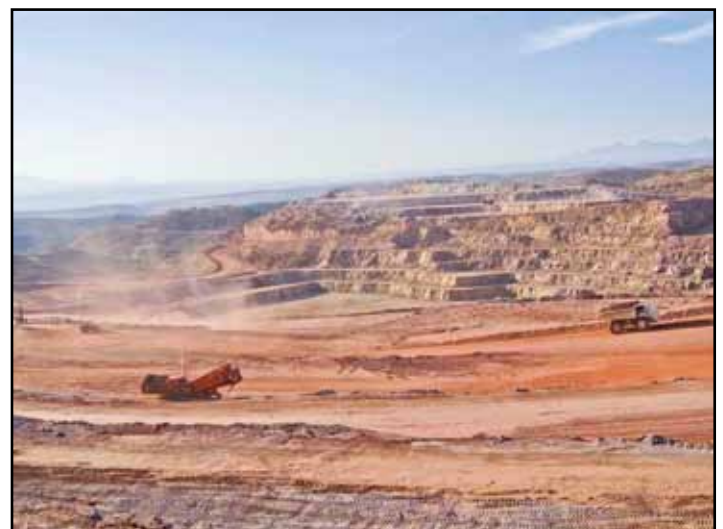
crushing circuit will now run at a designed annualized rate of 6,000,000 tonnes.

Exploration on the property has provided strong return. In January of 2011, reserves increased from less than 600,000 ounces to 1.2 million ounces of gold in oxide and transition material (for a total 1.73 million measured and indicated gold ounces) and another 1.54 million ounces of gold in sulphides.

2012 Production of 13,500-17,000 Gold Oz. from Second Mine, La Colorada

La Colorada is a 100% owned project which came to Argonaut with the 2011 acquisition of Pediment Gold. Since acquiring the La Colorada project the Company has reported an increase in the Measured & Indicated gold resource from 605,000 oz. to 1,067,000 oz (A 76% increase

Open pit gold production at Argonaut Gold's El Castillo Mine is generating millions of dollars in revenues each quarter – money the company plans to invest in advancing its large portfolio of Mexico gold properties.



over the previous (pre-Argonaut) technical report). Argonaut received an updated NI-43-101 compliant mineral resource estimation from SRK Consulting in Denver, CO for the project. The updated resource is based on historical drilling plus an additional 206 drill holes totaling 31,744 meters completed this year. The resource is contained within 50 million tonnes of mineralized material at an average grade of 0.664 grams/tonne gold and 8.7 grams/tonne silver.

Given the significantly expanded resource base, the Company embarked on a multi-phased development approach to the La Colorada project. Significant strides have been made at the property since the acquisition, new leach pads are under construction, a new crushing circuit is operational at site, the absorption plant has been completed and the desorption and recovery portion of the processing plant is expected for completion in Q2 of 2012. Now underway, stage one of this phased development plan will involve processing material from the existing run of mine leach pad, 2.7 million tonnes with a grade of 0.43 grams/tonne of gold. The 2012 capital budget at La Colorada is \$15-\$20 million.

Stage two of the development plan at La Colorada focuses on expanding operations into full-scale mining of the La Colorada pit. Permit applications to expand the existing mine footprint, which requires extra overburden storage, the expansion of the pit limits and additional heap-leach pad construction have been submitted. The average permit processing in Mexico runs between 3-9 months.

Advanced Projects Lead Extensive Property Portfolio

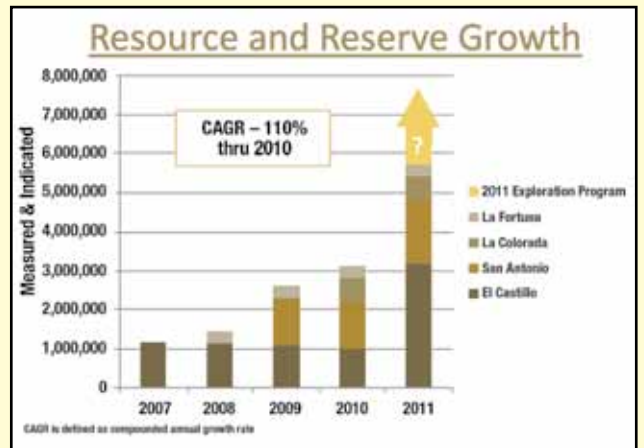
In addition to the El Castillo and La Colorada Mines, Argonaut Gold's Mexico-based property holdings include the San Antonio advanced exploration project, the La Fortuna exploration project and 9 exploration-stage projects. Here is a brief overview of the most advanced of these properties:

- **San Antonio** (Baja Sur California) – An NI 43-101 resource update released in May 2011 puts the project resource at 1.6 million ounces of gold, a 33% increase over the previous NI 43-101 estimate. A prior preliminary economic assessment indicates the project could produce 82,500 ounces of gold a year for eight years at a cash cost of \$513. The increased resource estimate could change the property's profile.

Argonaut Gold... Mexico Focus

Properties include the El Castillo Mine, the San Antonio development-stage project, the former producing La Colorada Mine, and 11 exploration projects in Mexico

- **70-75,000 oz gold production in 2011 at El Castillo Mine**



- **Production profile projected to double by 2013**
- **5.8 mm gold ounces Measured/Indicated**

"The preliminary results continue to support the economics of San Antonio as an open pit heap leach operation," says Argonaut President and CEO Peter Dougherty. "The company has made advancements on water acquisition and land purchases, as well as progress on engineering studies necessary to move the project into production."

• **La Fortuna** (Durango) – A 2008 NI 43-101 estimate put the project's measured and indicated resource at 308,000 ounces of gold. Argonaut is considering six distinct areas for future drilling.

"The merger with Pediment provided Argonaut with an early stage development project, an advance stage exploration project and several exploration holdings in the prolific Sonora Mojave Megashear" says Dougherty.

Management Team Has Strong Track Record

Argonaut Gold was created by an experienced executive management team led by President and CEO Peter Dougherty and Chairman Brian Kennedy. Both previously served as part of Meridian Gold's top management team. That company was bought out in 2007 by Yamana Gold for C\$3.8 billion.

Tom Burkhart, the company's V.P. of Exploration, contributes vital exploration and mining experience to a team that has a strong history of creating shareholder value. Burkhart has 30 years experience in exploration and project management in Mexico, South and Central America, Canada, Alaska, Australia and the Western U.S. Operational expertise is provided by Chief Operational Officer, Richard Rhoades. The company's Chief Financial Officer, Barry Dahl and the Corporate Development Officer, Curtis Turner round out the management team and provide additional mining expertise and experience.

First Quarter 2012 Shows Production on Track for Guidance

Production at the El Castillo mine provided strong performance for Q1 of 2012– 5.9 million tonnes mined (25% increase), 3.0 million ore tonnes mined (20% increase), and 838,378 tonnes crushed (a 15% increase). Gold production at El Castillo totaled 35,283 ounces of gold loaded onto the pad and 17,799 ounces produced.

Pete Dougherty, noted: "Gold production for the first quarter was in line with our 2012 guidance; cash cost guidance is anticipated to be \$625-\$650 per ounce at both operations. Non-commercial production of 3,085 gold ounces and 17,182 silver ounces at La Colorada began this quarter. While reprocessing material at La Colorada is anticipated to provide limited production during 2012, this cash flow will be used for continued infrastructure construction at the project. The Company is now producing from two gold mining operations, diversifying the Company's production portfolio and providing cash for capital expenditures and funding exploration. The capital expansions planned at El Castillo and La Colorada set the stage for production growth in 2012 and beyond."

Investment Considerations

Argonaut Gold's vision is to Create the Next Quality Mid-Tier Gold Producer in the America's. Since inception, the Company has seen a strong production profile increase at El Castillo, rapid project construction and production at La Colorada and continued exploration and development of the Company's advanced and grass roots projects. The Company is committed to an internal growth and development strategy, as well as assessing potential

acquisitions that bring value to our shareholders.

Last year, Argonaut Gold increased its resources and reserves to 6.2 million ounces. More than 50,000 meters of drilling were completed at La Colorada of which 32,000 meters have been released. In addition, 18,000 meters were drilled at San Antonio last year. That trend is anticipated to continue this year with a continued commitment to exploration within the company. For 2012, the company has budgeted 20,000 meters at La Colorada, 10,500 at San Antonio and 1,000 at La Fortuna, as well as additional grass roots work to take place on Argonaut's 9 other grass roots exploration properties, with exploration ground totaling more than 115,000 hectares of land, including a large land package along the Sonora Mojave Megashear.

Today, the company's fully diluted market cap stands at almost \$1 billion. Its shareholder base is primarily institutional with less than 15% of stock held by retail investors.

"These company milestones saw shareholders rewarded in our share price performance. In 2011 the price of gold increased 9%, Argonaut's shares climbed 50%, from \$4.62 per share to \$6.95 per share, and our trading volume increased nearly 400%. As we reflect back on the year, it was one like no other. We are starting to harvest the seeds we had sown earlier, with new projects emerging, and production enhancements taking effect," says Dougherty. "Argonaut Gold is focused on expanding our resources, increasing annual gold production rates, decreasing cash costs and increasing cash flow. Our ultimate goal is to produce between 300,000 and 500,000 ounces of gold a year. We are very thankful for our shareholders who have supported us from the beginning and our dream of building value beyond gold".

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Quick **FACTS**

Argonaut Gold: Building Towards the Future

- **El Castillo Mine Generating Cash** – 70-75,000 ounce run rate on West Side Plant; East Side Expansion nearing completion
- **Near Term Potential** – La Colorada Past Producing Mine with 1.73 million M&I ounces of gold in oxide and transition material, and another 1.5 million ounces of gold in sulphides
- **2nd Producing Mine in 2012:** La Colorada
- **Exploration Potential** – La Fortuna with +300,000 ounces of gold in M&I; 11 projects in the Sonora Mojave Megashear
- **Mission:** Growth through aggressive consolidation in the junior gold sector; exploration and expansion of existing asset base; Maintaining stakeholder involvement in a productive manner; Delivering on operational targets, in a safe, cost efficient manner, while honoring commitments to the environment and communities where Argonaut Gold operates.
- **Vision:** Creating the Next Quality Mid-Tier Gold Producer in the Americas

ARGONAUT GOLD INC.

TSX: AR & AR.WT

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Shares Outstanding: 92.4 million
Active Float: 80 million

52 Week Trading Range:
Hi: C\$9.87 Low: C\$4.51

Argonaut Gold is a new Canadian gold producer with a strong management team, a strategic financial position, and exploration and production expansion. The company owns 100% of the operating El Castillo mine, the San Antonio development stage project and two advanced stage exploration properties including La Fortuna and La Colorada. Argonaut Gold also holds 11 exploration properties in the state of Sonora, Mexico. El Castillo is an open pit, heap leach gold mine located one hour north of the state capital Durango. El Castillo hosts 1.23 million ounces of Proven and Probable Gold Reserves and 1.73 million ounces of Measured and Indicated Resources (including P&P).

Argonaut Gold was created by former executive management team members of Meridian Gold, Inc. The team has extensive operational experience and a strong history of creating value and was able to generate extraordinary returns for shareholders of their prior companies.

Argonaut Gold is currently evaluating additional mining projects that would benefit from skilled management, consolidation and access to capital with upside potential such as that seen in El Castillo and San Antonio. Under Argonaut's leadership, the combination of these assets and new capital could allow for operational synergies, expansion of production and an increase in overall precious metals resources, resulting in a major increase in their combined values. Argonaut Gold pledges to deliver on operational targets, in a safe, cost efficient manner, while honoring commitments to the environment and communities where the company operates.

Growth through exploration and expansion is the foundation for Argonaut Gold as assets in the company's portfolio are combined to create the next quality mid-tier gold producer in the Americas.



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Argonaut Gold
Corporate
Presentation