

# Argonaut Gold Inc. – Pre-Feasibility Studies

## Magino Project, Dubreuville, Ontario

JDS Energy & Mining Inc.

### OVERVIEW

The Magino mine property is a past producing underground gold mine located 40 kilometres northeast of Wawa, Ontario, 100% owned by Argonaut Gold. The property consists of seven patented mining claims, four leased mining claims and 69 unpatented mining claims totaling 2,204.495 hectares. Magino is being evaluated by Argonaut as an open-pit mining opportunity with the potential for deeper, higher grade gold production.

### SCOPE

In 2013, Argonaut Gold retained JDS to produce a prefeasibility study (“PFS”) for the Magino property. The PFS was completed based on a December 2013 mineral resource estimate. JDS improved the overall economics of the project by processing higher grade material in the first years of the mine life and stockpiling lower grade material for processing later in the mine life. In 2016, JDS completed and authored an updated Pre-Feasibility Study based on an updated resource estimate. The updated PFS more fully utilizes the resource and builds upon the study completed in 2013. Economics highlights of the Updated PFS include an a 153% increase in Pre-Tax NPV<sub>5%</sub> to US\$610M and a 52% increase in Pre-Tax IRR to 27.6% - all based on adjusted comparable 2014 economic results.

**Project Value \$1.2M**

