

Argonaut Gold Extends El Castillo Mine Life with Zero-Cost Collar Gold Price Protection Program

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(All amounts expressed in U.S. Dollars unless otherwise stated)

TORONTO, Aug. 26, 2019 - [Argonaut Gold Inc.](#) (the "Company", "Argonaut" or "Argonaut Gold") (TSX: AR) announces the Company has entered into a series of zero-cost collar option contracts, which were approved by the Board of Directors. The contracts cover a total of 145,500 ounces of gold through mid-2022. The floor price of the monthly gold collars has been set at \$1,450/oz with the ceiling price of the collars ranging from \$1,630/oz in the fourth quarter ("Q4") of 2019 to \$1,760/oz for the first half ("H1") of 2022. The Company will realize the actual gold sales price if the price of gold remains within the range of the collars.

Pete Dougherty, President and CEO stated: "By initiating a zero-cost collar gold price protection program on a portion of El Castillo's estimated remaining life-of-mine production, we ensure profitability and are able to extend the mine life at our highest cost operation. Through either exploration success or a higher gold price, there may be potential to continue to extend the life of the El Castillo mine beyond mid-2022. With a strong portfolio of development assets, we felt prudent to lock in cash flow certainty at the El Castillo mine to help fund our development projects while also continuing to maintain exposure to an increasing gold price for our shareholders. This is an opportunity to ensure cash flow at an attractive price protection point. When looking at the total amount of Argonaut's mineral resource base, this zero-cost collar program represents a very small percentage of total gold ounces."

The contracts cover a total of 145,500 ounces of gold between Q4 2019 and the first half of 2022 at an average floor price of \$1,450/oz and a weighted average ceiling price of \$1,706/oz.

Summary of gold price collars (Q4 2019 through H1 2022)

Period	Gold Sales (ounces)	Floor Price (\$ per ounce)	Ceiling Price (\$ per ounce)
Q4 2019	17,100	\$1,450	\$1,630
2020	58,800	\$1,450	\$1,693
2021	51,600	\$1,450	\$1,728
H1 2022	18,000	\$1,450	\$1,760
Total ⁽¹⁾	145,500	\$1,450	\$1,706

(1) Represents total gold ounces covered by options contracts to date as well as weighted average floor and ceiling gold prices.

Cautionary Note Regarding Forward-looking Statements

This press release contains certain "forward-looking statements" and "forward-looking information" under applicable Canadian securities laws concerning 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 free cash flow estimates; mine life of the various mineral projects of Argonaut; the ability to obtain permits for operations; synergies; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; 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; 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," "should" 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 access to water to meet planned solution flow rates, estimates of future capital and operating costs, variations in ore grade or recovery rates, changes in market conditions, risks relating to the availability and timeliness of permitting and governmental approvals, 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, labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated.

These factors are discussed in greater detail in Argonaut's most recent Annual Information Form and in the most recent Management's Discussion and Analysis filed on SEDAR, which also 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 press release should not be unduly relied upon. These statements speak only as of the date of this press release.

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.

Qualified Person, Technical Information and Mineral Properties Reports

Technical information included in this release was supervised and approved by Brian Arkell, Argonaut's Vice President, Exploration and a Qualified Person under National Instrument 43-101 ("NI 43-101"). For further information on the Company's material properties, please see the reports as listed below on the Company's website or on www.sedar.com:

El Castillo Complex	NI 43-101 Technical Report on Resources and Reserves, El Castillo Complex, Durango State, Mexico dated March 27, 2018 (effective date of March 7, 2018)
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La Colorada Mine	NI 43-101 Technical Report on Resources and Reserve, La Colorada Gold/Silver Mine, Hermosillo, Mexico dated March 27, 2018 (effective date of December 8, 2017)
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Magino Gold Project	Feasibility Study Technical Report on the Magino Project, Ontario, Canada dated December 21, 2017 (effective date November 8, 2017)
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San Antonio Gold Project	NI 43-101 Technical Report on Resources, San Antonio Project, Baja California Sur, Mexico dated October 10, 2012 (effective date of September 1, 2012)
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About Argonaut Gold

Argonaut Gold is a Canadian gold company engaged in exploration, mine development and production. Its primary assets are the El Castillo mine and San Agustin mine, which together form the El Castillo Complex in Durango, Mexico and the La Colorada mine in Sonora, Mexico. Advanced exploration 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.

SOURCE [Argonaut Gold Inc.](#)

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