

# Argonaut Gold Announces Updated Technical Reports, 2021 Production, 2022 Guidance and Provides Exploration Update

14.02.2022 | [CNW](#)

TORONTO, Feb. 14, 2022 - [Argonaut Gold Inc.](#) (TSX: AR) (the "Company", "Argonaut Gold" or "Argonaut") is pleased to announce updated information to be included in a new Magino technical report, 2021 production, 2022 production and 2022 guidance, an exploration update and the filing of updated technical reports for its Mexican operating assets. All dollar amounts are expressed in United States dollars, unless specified. "C\$" refers to Canadian dollars.

## Magino Technical Report Highlights

- After-tax net present value of current 10,000 tonne per day project at a 5% discount rate ("NPV5%") of \$421 million; and internal rate of return ("IRR") at a gold price of \$1,600/oz and USD:CAD exchange rate of 0.80 (from January 1, 2022);
- After-tax NPV5% of current 10,000 tonne per day project of \$622 million, 26% IRR at the current gold price of \$1,600/oz and USD:CAD exchange rate of 0.80 (from January 1, 2022);
- Average annual production of 142,000 gold ounces during the first five years following ramp up to full run rate;
- Mine life of 19 years;
- Life-of-mine average cash cost of \$888/oz and all-in sustaining costs ("AISC") of \$963/oz; and
- Other opportunities:
  - Processing expansion: The current 10,000 tonnes per day project was chosen to manage initial capital costs. Studies have been conducted that contemplate an expansion of the processing facility to 20,000 tonnes per day; and
  - Underground Potential: An exploration target has been identified, primarily consisting of the upper portions of the Elbow and Central Zones between the bottom of the current Mineral Reserve pit and approximately 500m vertical distance below surface, where there is the highest drill density on deeper, high-grade gold targets and excluding the Scotia, Sandy and South Zones. This exploration target ranges from 1.8 million to 2.5 million tonnes at gold grades of 6.0 g/t to 7.0 g/t for 400,000 to 500,000 contained gold ounces (see "Other Opportunities" section below for more details).

## Fourth Quarter and Full Year 2021 Gold Equivalent Ounce ("GEO" or "GEOs")<sup>1</sup> Production

- Record annual production of 244,156 GEOs; and
- Fourth quarter 2021 of 61,926 GEOs.

## Exploration Update Highlights

- Recent Magino drill results include:
  - MA21-088 intersected 4.0m at 26.7 g/t Au, including 2.0m at 53.2 g/t Au within the #42 Zone; and
  - MA21-102 intersected 3.0m at 11.1 g/t Au, including 1.0m at 30.0 g/t Au within the Elbow Zone.
- Recent La Colorada drill results include:
  - 21-LCRC-675 intersected 27.4m at 5.2 g/t Au and 12.5 g/t Ag, including 7.6m at 16.8 g/t Au and 29.3 g/t Ag within the South vein;
  - 21-LCRC-678 intersected 47.2m at 2.5 g/t Au and 6.6 g/t Ag, including 1.5m at 66.2 g/t Au and 47.4 g/t Ag within the North vein; and
  - 21-LCRC-680 intersected 56.4m at 2.3 g/t Au and 16.6 g/t Ag, including 4.6m at 16.5 g/t Au and 17.1 g/t Ag within the South vein.
- Recent Florida Canyon drill results targeting gold mineralization in sulphides below the oxide cap include:
  - FCM-0124 intersected 73.2m at 8.8 g/t Au below the Main pit; and
  - FCM-0115 intersected 68.6m at 2.8 g/t Au, including 47.2m at 3.9 g/t Au below the Radio Tower pit.

## Mexican Mines Technical Report Highlights

- Significant increase in San Agustín Inferred Mineral Resource to 86.9 million tonnes at 0.48 g/t Au and 14.7 g/t Ag and 1.1 million contained gold ounces and 41.0 million contained silver ounces, which includes 84.8 million tonnes in initial Inferred Mineral Resource;

- ● Potential to add between six and ten years to San Agustin mine life with further drilling and metallurgical work.
- La Colorada mine life extended to 2027.

#### Magino Updated Technical Report

Argonaut Gold reports results to be incorporated in a new technical report prepared by Independent Mining Consultants ("IMC") in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Properties ("NI 43-101"), which confirms Magino as a robust, long-life project in a tier one jurisdiction.

Dan Symons, Vice President, Corporate Development & Investor Relations stated: "These reported results, which will be incorporated into a Technical Report, demonstrate the robust economics of a long-life asset in the attractive mining jurisdiction of Ontario, Canada. When you consider Argonaut's entire portfolio of assets and that the results for Magino alone demonstrate an NPV5% of \$622 million at \$1,800/oz gold - excluding any of the exciting upside opportunities such as potential future production expansion or underground mining of high-grade gold - you can clearly see today's value proposition. Under our Environmental Assessment, Magino is authorized to permit for up to 35,000 tonnes per day. We are approximately half way through the construction of a 10,000 tonne per day project, and we continue to believe that an expansion, including the existing high-grade underground exploration targets, has the potential to meaningfully increase production. We view Magino as the flagship asset of the Company and look forward to unlocking its value potential, as we continue with our strategy of transitioning from a high-cost junior producer to a lower cost, intermediate producer with long life assets."

The reported results assumed a gold price of \$1,600/oz, a 0.80 United States dollar to Canadian dollar exchange rate and considered capital invested in the project up to December 31, 2021 as sunk costs.

#### Magino Reported Economic Results

Parameter	Unit	
Gold Price	US \$/oz	1,600
Exchange Rate	USD:CAD	0.80
Production		
Mine Life (from commercial production)	Years	19
Payable Gold	LOM k oz	2,225
Net Sales Revenue (after royalties)	LOM US\$M	3,519
Operating Costs		
Mining, Processing and G&A	US\$M	1,977
Mining, Processing and G&A	US\$/t processed	30.16
Cash Cost	US\$/oz	888
AISC	US\$/oz	963
Capital Costs		
Pre-Production	US\$M	331
Sustaining Capital & Closure	US\$M	125
Contingency	US\$M	35
Total Capital Costs	US\$M	492
Economic Results		
Net Operating Cash Flow	US\$M	1,542
Cumulative After-Tax Free Cash Flow	US\$M	824
After-Tax NPV5%	US\$M	421
After-Tax IRR	%	19.3
After-Tax Payback	Years	4.6

Note:  
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Argonaut has evaluated the after-tax NPV5% and IRR of the Magino project at various sensitivities, including gold price. As illustrated in the table below, every \$100/oz change in the gold price impacts the after-tax NPV5% by approximately \$100 million and IRR by approximately 3.2%. At the base case assumption of \$1,600 gold/oz and a USD:CAD exchange rate of 0.80, the after-tax NPV5% is \$421M and IRR is 19.3%. At the current gold price of \$1,800/oz, the after-tax NPV5% of the Magino project is \$622 million and IRR is

26.1%.

Magino After-Tax NPV5% and IRR Sensitivities to Gold Price at a USD:CAD Exchange Rate of 0.80

Gold Price/oz	\$1,500	\$1,600	\$1,700	\$1,800	\$1,900	\$2,000
NPV5% (US\$M)	\$321	\$421	\$522	\$622	\$722	\$821
IRR	15.9%	19.3%	22.7%	26.1%	29.4%	32.6%

#### Mineral Resource Estimate

A conceptual pit was generated in order to constrain the tabulation of Mineral Resources. A gold price of \$1,800/oz was used, along with other cost, recovery and slope parameters. The table below tabulates undiluted Measured and Indicated Mineral Resources and Inferred Mineral Resources at a 0.28 g/t Au cut-off grade.

#### Magino Mineral Resource Estimate

Mineral Resource Category	Tonnes (000s)	Grade (g/t Au)	Contained Au oz (000s)
Measured	43,558	0.98	1,367
Indicated	88,849	0.93	2,652
Measured & Indicated	132,407	0.94	4,019
Inferred	20,919	0.78	526

Notes to accompany Magino Mineral Resource table:

- The Mineral Resources have an effective date of 31 January 2022 and the estimate was prepared using the definition of CIM Definition Standards (10 May 2014).
- All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Mineral Resources are based on a gold price of US\$ 1800/oz and an estimated gold recovery of 92%.
- The Mineral Resources are reported at a gold cutoff grade of 0.28 g/t. This cutoff grade is based on unit mining cost of 2.60 per tonne and unit processing + G&A costs of US\$ 14.80/t.
- The Mineral Resources are inclusive of Mineral Reserves.
- It is reasonably expected that the majority of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- Mineral Resources are reported in relation to a conceptual constraining pit shell in order to demonstrate reasonable prospects of eventual economic extraction, as required by the definition of Mineral Resource in NI 43-101; mineral resources lying outside the pit shell is excluded from the Mineral Resource.

#### Mineral Reserve Estimate

The Mineral Reserve estimate for the Magino open pit was constrained with estimates of gold price, mining dilution, process recovery, operating costs, pit slope angles and refining/transport costs.

The Mineral Resource block model for the Magino deposit was then used to determine optimal mining shells and pit phasing. Measured and Indicated Resources were included in the pit optimization process. Inferred Mineral Resources within the designed open pit are treated as waste.

Detailed pit and phase designs were created based on the pit optimization results. These designs

incorporated geotechnical parameters as well as ramp accesses and formed the basis of the Mineral Reserve estimate.

A gold price of \$1,600/oz was used and gold cut-off grades varied from between 0.38 g/t Au to 0.70 g/t Au.

#### Magino Mineral Reserve Estimate

Mineral Reserve Category	Tonnes (000s)	Grade (g/t Au)	Contained Au oz (000s)
Proven	26,286	1.24	1,044
Probable	39,238	1.10	1,383
Proven & Probable	65,526	1.15	2,427

Notes to accompany Magino Mineral Reserve table:

- The Mineral Reserve estimate has an effective date of January 31, 2022 and was prepared using CIM Definition (May 10, 2014).
- Numbers may not sum due to rounding.
- The Mineral Reserve is based on estimated dilution of 16% and ore loss of 4.8% for direct feed material and an estimated dilution of 15% and ore loss of 30% for lower grade stockpile material.
- The Mineral Reserve is based on an estimated plant recovery of 92%.

#### Capital Costs

From January 1, 2022, the pre-commercial production capital is estimated at \$367 million, including contingency. Sustaining and closure capital is estimated at \$125 million. From December 2020 to December 2021, Argonaut invested \$273 million in capital that is considered sunk costs.

#### Magino Capital Costs (US\$M)

CAPEX	US\$M
Ausenco EPC	\$88
Mining	\$51
Site Development	\$66
On-Site Infrastructure	\$18
Off-Site Infrastructure	\$30
Project Indirects	\$36
Engineering & Project Management	\$14
Owner Costs	\$29
Subtotal	\$331
Contingency	\$35
Sustaining Capital	\$88
Closure	\$37
Total	\$492

Note: Numbers may not sum due to rounding.

#### Operating Costs

On-site operating costs are estimated at \$30.16 per tonne processed or \$888 per payable gold ounce, and AISC is estimated at \$32.71 per tonne processed or \$963 per payable gold ounce.

#### Magino Operating and Unit Costs

OPEX	LOM US\$M	US\$/tonne material	US\$/tonne processed	US\$/oz
Mining	\$959	\$2.55	\$14.64	\$431
Equipment Lease	\$81	\$0.22	\$1.24	\$36
Processing	\$683		\$10.42	\$307
G&A	\$254		\$3.87	\$114
Subtotal - On-site OPEX	\$1,977		\$30.16	\$888
Refinement	\$11		\$0.17	\$5
Royalties	\$30		\$0.46	\$14
All-in OPEX	\$2,018		\$30.80	\$907
Sustaining Capital	\$125		\$1.91	\$56
AISC	\$2,143		\$32.71	\$963

Note: Numbers may not sum due to rounding.

#### Other Opportunities

**Processing Expansion:** The Environmental Assessment at Magino authorizes permitting a processing facility up to 35,000 tonnes per day. Argonaut is currently constructing a 10,000 tonne per day processing facility and envisions a potential expansion to 20,000 tonnes per day or greater early in Magino's mine life. The 10,000 tonne per day project was chosen to begin development of the property to manage initial capital costs. Studies have been conducted that contemplate an expansion of the processing facility to 20,000 tonnes per day. The plant expansion requires further study and ultimately will become a capital allocation decision in the future. There is no guarantee that a plant expansion will be undertaken.

**Underground Mining:** As an alternative to open pit mining below the current reserve pit, an underground mining scenario is being evaluated. Deep exploration target areas include the Elbow, Central, Scotland, #42, Sandy and South Zones, which all remain open at depth. The upper portion of the Elbow and Central Zones, between the Mineral Reserve pit and approximately 500m vertical below surface, are drilled to approximately 40m spacing. The deeper portions of the Elbow and Central Zones below 500m, as well as the Scotland, #42, Sandy and South Zones below the Mineral Reserve pit, are being tested with focused drilling campaigns to build drill density, high-grade gold mineralization continuity and confidence.

This preliminary work has identified an exploration target, primarily in the upper portions of the Elbow and Central Zones where drill density is the greatest, that ranges from 1.8 million to 2.5 million tonnes at gold grades ranging from 6.0 g/t to 7.0 g/t for 400,000 to 500,000 contained gold ounces. More drill density will be needed to properly outline the extent of the exploration targets for the lower portions of the Elbow and Central Zones, as well as the Scotland, #42, Sandy and South Zones. Approximately 50% of the identified material pulls into the \$1,800 gold resource cone and is included in the open pit Mineral Resource estimate. However, Argonaut will be conducting future trade-off studies to determine if an underground mining operation of this material would ultimately provide stronger economics, as the higher-grade material would be available earlier than an exclusive open pit mining scenario.

The potential tonnages and grades outlined are currently conceptual in nature. The available drilling defines the approximate length, thickness, depth and grade of the target material, but additional drilling, geology, and engineering studies need to be conducted to determine if any of the material can be classified as Mineral Resource that is amenable to underground mining. While Argonaut is encouraged by the underground exploration target potential, no economics or mine design have been completed at this point and further exploration and studies may or may not result in the delineation of a current Mineral Resource that is

amenable to underground mining.

Plan View Map Showing Locations for Cross Sections and Long Sections

Cross Section 'A' Showing Elbow Zone and Targets for Future Infill and Step Out Drilling at Depth

Cross Section 'B' Showing South Zone and Targets for Future Step Out Drilling at Depth

Long Section 'C' Showing Elbow Zone and Targets for Future Infill and Step Out Drilling at Depth

2021 Gold Equivalent Ounce Production and 2022 Production and Cost Guidance

Argonaut Gold is pleased to announce record annual production of 244,156 GEOs, representing a 20% increase over 2020 GEO production. During the fourth quarter of 2021, Argonaut produced of 61,926 GEOs, representing a 9% increase over the same period last year. The table below details fourth quarter and full year 2021 GEO production results. Argonaut exceeded its 2021 GEO production guidance at La Colorada, achieved near the upper end of its guidance at El Castillo and San Agustin and achieved near the midpoint of its guidance at Florida Canyon.

Fourth Quarter and Full Year 2021 GEO Production

Mine	Fourth Quarter 2021	Full Year 2021	2021 Production Guidance
El Castillo	12,458	48,861	40,000 - 50,000
San Agustin	17,809	74,116	65,000 - 75,000
La Colorada	17,358	66,964	55,000 - 65,000
Florida Canyon	14,301	54,215	50,000 - 60,000
Consolidated	61,926	244,156	210,000 - 250,000

Dan Symons, Vice President, Corporate Development & Investor Relations stated: "2021 was a strong year across our operating portfolio, as we achieved near the upper end of our GEO production guidance range and record annual GEO production for the Company. We set a goal at the beginning of 2021 to deliver \$100 million of cash flow from our operating portfolio, which is critical as we re-invest into the growth of our business. We surpassed this goal with \$107 million of cash flow<sup>2</sup> generated through the first nine months of 2021, and we expect to show record annual cash flow for 2021 when we complete and announce our year end financial statements."

Argonaut is undertaking an impairment evaluation for the year ended December 31, 2021 and believes there is potential for an impairment to certain mineral properties, plant and equipment. Early analysis suggests a potential impairment totaling between \$50 million and \$100 million. This impairment analysis will be finalized and reported in the Company's fourth quarter and year-ended 2021 financial statements.

Argonaut's net cash position at December 31, 2021 was \$119.2 million (see "Non-IFRS Measures" section).

2022 Production and Cost Guidance

Argonaut anticipates it will produce between 200,000 and 230,000 GEOs during 2022 at a cash cost of between \$1,100 and \$1,190 per gold ounce sold and an AISC of between \$1,415 and \$1,525 per gold ounce sold (see "Non-IFRS Measures" section). The Company also anticipates higher cash taxes will impact cash flow in 2022 as a result of Argonaut's highly profitable operations in 2021 combined with the exhaustion of



net operating losses at its Mexican subsidiaries.

## 2022 GEO Production and Cost Guidance

		El Castillo	San Agustin	La Colorada	Florida Canyon	Consolidated
GEO production	In 000s	38 - 45	62 - 70	48 - 55	52 - 60	200 - 230
Cash costs <sup>1</sup>	\$ per oz Au	1,400 - 1,475	1,000 - 1,075	950 - 1,050	1,150 - 1,250	1,100 - 1,190
AISC <sup>1</sup>	\$ per oz Au	1,500 - 1,600	1,050 - 1,150	1,200 - 1,300	1,700 - 1,800	1,415 - 1,525

<sup>1</sup> See "Non-IFRS Measures" section.

Lower GEO production and higher AISC in 2022 are primarily driven by lower expected GEO production at La Colorada due to a higher strip ratio and lower grade and recovery, as mining transitions from the El Crestón pit to the Veta Madre pit. Lower GEO production and higher cost at El Castillo is primarily related to processing less oxide ore and more transition and sulphide ore as El Castillo enters its final full year of mining operations. Both GEO production and costs are also impacted by higher costs for consumables and reagents across all operations due to the current inflationary environment.

As Argonaut is currently evaluating several viable financing options to fund the remainder of the Magino construction project, it intends to provide full year 2022 capital guidance after achieving financing. The largest component of the projected 2022 capital spend will be the Magino construction project where Argonaut forecasts it will invest approximately \$340 million (C\$424 million) during 2022.

## Exploration Update at Magino, La Colorada and Florida Canyon

Argonaut Gold is pleased to provide an exploration update at its Magino project and its La Colorada and Florida Canyon mines.

Recent Magino drill result highlights include:

- MA21-088 intersected 4.0m at 26.7 g/t Au, including 2.0m at 53.2 g/t Au within the #42 Zone; and
- MA21-102 intersected 3.0m at 11.1 g/t Au, including 1.0m at 30.0 g/t Au within the Elbow Zone.

Recent La Colorada drill result highlights below the El Crestón open pit include:

- 21-LCRC-675 intersected 27.4m at 5.2 g/t Au and 12.5 g/t Ag, including 7.6m at 16.8 g/t Au and 29.3 g/t Ag within vein;
- 21-LCRC-678 intersected 47.2m at 2.5 g/t Au and 6.6 g/t Ag, including 1.5m at 66.2 g/t Au and 47.4 g/t Ag within vein;
- 21-LCRC-680 intersected 56.4m at 2.3 g/t Au and 16.6 g/t Ag, including 4.6m at 16.5 g/t Au and 17.1 g/t Ag within vein.

Recent Florida Canyon drill results targeting gold mineralization in sulphides below the oxide cap include:

- FCM-0124 intersected 73.2m at 8.8 g/t Au below the Main pit;
- FCM-0115 intersected 68.6m at 2.8 g/t Au, including 47.2m at 3.9 g/t Au below the Radio Tower pit.

Brian Arkell, Vice President, Exploration and Mine Technical Services, stated: "We continue to have meaningful exploration success across multiple assets within our portfolio. At Magino, we continue to intersect high-grade gold mineralization at depth below and adjacent to the planned open pit in multiple zones. At La Colorada, each of the three distinct veins below the El Crestón pit show between 20 and 30 metres of true width at grades that we believe support bulk tonnage underground targets and within these same veins, between three and 12 metre true widths of a much higher-grade core that could point to more

selective underground mining methods. At Florida Canyon, we have always known there was good potential for meaningful widths and grades in the sulphides below the oxide cap, and these initial results have exceeded our expectations. Combined, these exploration results point to potential second phases across three of our key mineral properties beyond what is in our current life-of-mine plans."

#### Select Results from Magino Drill Program Targeting High-Grade Gold Mineralization at Depth

Hole	Zone	Azimuth	Dip	From (metres)	To (metres)	Length (metres)	Grade* (Au g/t)	Estimated True Width (metres)
MA21-080W3	Central	167	-80	1,126.0	1,127.0	1.0	16.0	0.7
MA21-089	Central	180	-60	589.3	591.0	1.7	10.5	1.2
including				589.8	590.3	0.5	34.1	0.4
and				616.0	617.0	1.0	15.1	0.7
MA21-088	#42	157	-55	817.0	821.0	4.0	23.7	2.8
including				817.0	819.0	2.0	53.2	1.4
MA21-102	Elbow	154	-57	351.0	354.0	3.0	11.1	2.1
including				351.0	352.0	1.0	30.0	0.7
and	South			818.3	819.9	1.6	4.6	1.1
including				818.3	819.0	0.7	9.8	0.5
MA21-104	Central	154	-58	413.0	418.0	5.0	2.6	3.5
including				413.0	414.0	1.0	7.8	0.7
and	Scotland			569.0	572.0	3.0	4.6	2.1
including				570.0	571.0	1.1	12.2	0.8
and	#42			594.0	598.0	4.0	3.8	2.8
including				596.0	598.0	2.0	6.7	1.4
and	Sandy			632.0	634.0	2.0	9.4	1.4
including				632.0	633.0	1.0	18.6	0.7
MA21-085W2	Central	144	-83	1,003.0	1,023.0	20.0	1.8	14.0
including				1,012.0	1,023.0	11.0	2.5	7.7

\*Grade uncut

Argonaut has completed its initial infill drilling program on the Elbow and Central Zones to 40m spacing between the bottom of the planned open pit and 500m vertical below surface, with wider spaced drilling in these zones to approximately 1,000m vertical below surface. Resource modeling and preliminary mine design is now in progress. Drilling has now shifted to testing the Scotland, #42, Sandy and South Zones,

where in many cases multiple zones can be intersected with a single drill hole due to the parallel nature of these structures.

Figure 1 - Plan Map of Magino Showing the Locations of Drill Holes in this Press Release

The drill plan will continue to test higher-grade gold zones below the planned pit for both expansion and with infill holes to test continuity. These higher-grade gold zones are associated with mafic and felsic dykes, which have been emplaced along the main structural controls for gold mineralization.

Figure 2 - Drill holes MA21-088 and MA21-102

Brian Arkell, Vice President of Exploration & Mine Technical Services commented: "We have now drilled approximately 67,000 metres into the Elbow and Central Zones, and our model shows good continuity and impressive gold grades extending well below the planned ultimate pit. We currently have four drill rigs following up on some of the other high-grade gold zones discovered in 2021: Scotland, #42, Sandy and South. Based on results encountered in these zones to date, we believe we have good potential to repeat the success we have experienced within the Elbow and Central Zones."

Select Results From La Colorada Drill Program Targeting High-Grade Gold Mineralization Below the El Crestón Pit

Hole	From (metres)	To (metres)	Length (metres)	Grade* (Au g/t)	Grade* (Ag g/t)	Estimated True Width (metres)
Vein	Azimuth	Dip				
21-LCRC-675 Central	180	-45	15.2	21.3	6.1	1.5
including			15.2	16.8	1.5	4.7
and			59.4	65.5	6.1	4.1
including			59.4	61.0	1.5	14.5
and South			97.5	125.0	27.4	5.2
including			109.7	117.3	7.6	16.8
21-LCRC-676 North	180	-68	192.0	225.6	33.5	2.0
including			192.0	193.5	1.5	5.5
21-LCRC-678 North	180	-80	150.9	198.1	47.2	2.5
including			179.8	181.4	1.5	66.2
21-LCRC-680 Central	180	-61	6.1	10.7	4.6	0.6
and			13.7	21.3	7.6	0.7
and			39.6	53.3	13.7	1.0
including			51.8	53.3	1.5	6.8
and			68.6	70.1	1.5	4.7
and			106.7	163.1	56.4	2.3
including			144.8	149.4	4.6	16.5
21-LCRC-683 North	180	-73	192.0	214.0	22.9	1.3
including			198.1	202.7	4.6	4.9

\*Grade uncut

Figure 3 - Plan Map of La Colorada's El Crestón Pit Showing the Locations of Drill Holes from the El Crestón Deep Drill Program

At the El Crestón deep target, final assay results have been received from the 2021 drilling program. These latest results continue to show higher grade gold and silver mineralization extending beyond the current pit plan. Continuous mineralization can be seen in all three veins, with strike lengths of at least 700m, continuing to depths of between 100m to 300m below the planned ultimate pit. Argonaut is initiating an underground mining study and planning further metallurgical testing of the El Crestón deep target, as well as preparing to conduct further structural study and drilling.

Figure 4 - Drill hole 21-LCRC-675

Brian Arkell, Vice President of Exploration & Mine Technical Services commented: "When you look at the entire La Colorada district, in all cases these veins continue below our planned pits. There is some offset by faults, but we are at the top of the system and there is potential to go deeper in all these pits. At El Crestón specifically, we are seeing that grade increases at depth and gold-silver mineralization continues well below our planned ultimate pit. This district contains a very large, low-sulphidation system that stretches over four kilometres along strike, and we are confident there is still very good potential for future discovery."

#### Select Results From Florida Canyon Drill Program Targeting Gold Mineralization in Sulphides Below the Oxide Cap

Hole			From (metres)	To (metres)	Length (metres)	Grade*	Estimated True	
	Zone	Azimuth	Dip			(Au g/t)	Width (metres)	
FCM-0123	Main	270	-53	140.2	198.1	57.9	2.0	43.4
FCM-0124	Main	270	-49	128.0	201.2	73.2	8.8	54.9
FCM-0115	Radio Tower	270	-65	91.4	160.0	68.6	2.8	51.4
including				103.6	150.9	47.2	3.9	35.4
FCM-0118	Radio Tower	270	-75	71.6	164.6	93.0	0.9	69.7
including				76.2	93.0	16.8	2.8	12.6
and				172.2	263.7	91.4	0.8	68.6
including				231.6	242.3	10.7	2.3	8.0

Figure 3 - Plan Map of Florida Canyon Showing the Locations of Drill Holes in this Press Release

The Florida Canyon mine has been in production on and off since 1986 and has produced over two million gold ounces from oxide gold mineralization hosted in sedimentary rocks. Beneath the oxide, mineralization continues in a large sulphide body. Argonaut drilled four reverse-circulation drill holes to confirm and expand gold mineralization in the sulphide zone. Results confirmed that sulphide mineralization underpins the entire oxide zone, contains similar or higher gold grades than the overlying oxide zone and in places reaches over 100m in thickness. Argonaut intends to follow up on these results with metallurgical testing and further drilling specifically targeting the mineralized sulphide body.

Figure 4 - Drill Holes FCM-0124 and FCM-0115 Targeting the Sulphide Body in Relation to the Oxide Cap Boundary

Brian Arkell, Vice President of Exploration & Mine Technical Services commented: "We've always known there is potential for a large sulphide mineral resource below the Florida Canyon oxide zone. The recent drilling confirmed this, and the high gold grades encountered exceeded our expectations. When we consider the results we are seeing in the Main and the Radio Tower Zones, along with what we know from previous drill results, it appears the sulphide body is continuous for over a kilometre."

Argonaut Gold Files Updated Technical Reports for its El Castillo, San Agustin and La Colorada Mines

Argonaut Gold announces that it has filed updated National Instrument ("NI") 43-101 Technical Reports for its three operating mines in Mexico: El Castillo, San Agustin and La Colorada. These reports were updated

based on drilling data, geotechnical and metallurgical information acquired since the former reports were published. The reports are available on [www.sedar.com](http://www.sedar.com) and Argonaut's website [www.argonautgold.com](http://www.argonautgold.com). All dollar amounts are expressed in United States dollars, unless otherwise specified.

## El Castillo

El Castillo Measured and Indicated ("M&I") Mineral Resources totalled 30.8 million tonnes at 0.34 g/t Au for 340,000 contained M&I gold ounces. Inferred Mineral Resources totalled 1.7 million tonnes at 0.33 g/t Au for 18,000 contained gold ounces. The El Castillo Mineral Resource estimate assumed an \$1,800 gold price and has an effective date of October 1, 2021.

El Castillo Proven and Probable ("P&P") Mineral Reserves totalled 11.3 million tonnes at 0.39 g/t Au for 142,000 contained gold ounces. The El Castillo Mineral Reserves assumed a \$1,650 gold price and has an effective date of October 1, 2021.

The El Castillo life-of-mine ("LOM") plan contemplates 6.8 million ore tonnes mined in 2022 and 2.6 million ore tonnes mined in 2023, using open pit methods, before the operation transitions to residual leaching of any remaining gold in the leach pads. It is estimated that the residual leaching will conclude in March 2024 followed by closure and reclamation. The total costs for closure and reclamation, including a 9% contingency, were estimated at \$9.3 million.

## El Castillo Mineral Resources at October 1, 2021

Mineral Resource Category	Tonnes (000s)	Grade (g/t Au)	Contained Au oz (000s)
Measured	1,192	0.45	17
Indicated	29,631	0.34	322
M&I	30,823	0.34	340
Inferred	1,705	0.33	18

Notes to accompany El Castillo Mineral Resource table:

- Mineral Resources are reported using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Arkell, RM SME.
- Mineral Resource estimates have an effective date of October 1, 2021 as defined by end of month September 2021 topography.
- Mineral Resources are constrained by a conceptual pit shell using the following assumptions: a gold price of \$1,800/oz; mining cost of \$1.58/t mined; hauling cost to East Leach Pad of \$0.12/ore t ROM; hauling cost to West Heap Leach Pad of \$0.22/ore t ROM; process and leaching cost for oxides and transitional material of \$1.95/t processed; process and leaching cost for sulphides of \$2.20/t processed; G&A cost of \$0.51/t processed; selling cost of \$0.15/t processed; oxide metallurgical recoveries from 38-66%; transitional metallurgical recovery of 41%; sulphide metallurgical recoveries from 11-24%; slope angles from 35-50°.
- Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves have not demonstrated economic viability.
- Mineral Resource estimates do not account for mineability, selectivity, mining loss or dilution.
- Totals may not add up due to rounding.

## El Castillo Mineral Reserves at October 1, 2021

Mineral Reserve Category	Tonnes (000s)	Grade (g/t Au)	Contained Au oz (000s)
Proven	205	0.51	3
Probable	11,085	0.39	139
P&P	11,290	0.39	142

## Notes to accompany El Castillo Mineral Reserves table

- Mineral Reserves are reported using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Arkell, RM SME.
- Mineral Reserves have an effective date of October 1, 2021 as defined by end of month September 2021 topography.
- Mineral Reserves are reported inside an optimized pit shell using the following assumptions: a gold price of US\$1,800/ounce; mining cost of US\$1.58/t mined; hauling cost to East Leach Pad of US\$0.12/ore t ROM; hauling cost to West Leach Pad of US\$0.22/ore t ROM; process and leaching cost for oxides and transitional material of US\$1.95/t processed; process and leaching cost for sulphides of US\$2.20/t processed; G&A cost of US\$0.51/t processed; selling cost of US\$0.10/ounce processed; oxide metallurgical recoveries from 38-66%; transitional metallurgical recovery of 41%; sulphide metallurgical recoveries from 11-24%; and pit slope angles from 35-50°.
- Mineral Reserves do not have additional dilution. Full mine recovery is assumed.
- The selective mining unit was sized at 10 m x 10 m x 6 m.
- Totals may not add up due to rounding.

## San Agustin

San Agustin Indicated Mineral Resources totalled 60.9 million tonnes at 0.28 g/t Au and 8.3 g/t Ag for 541,000 contained gold ounces and 16.2 million contained silver ounces. Inferred Mineral Resources totalled 86.9 million tonnes at 0.48 g/t Au and 14.7 g/t Ag for 1.3 million contained gold ounces and 41.0 million contained silver ounces. Of the Inferred Mineral Resource, 84.8 million tonnes are within an initial sulphide Inferred Mineral Resource. The Company has conducted metallurgical testing on San Agustin sulphide mineralized material below the oxide cap and test work has shown similar recoveries to the sulphide ores currently processed at El Castillo. The San Agustin Mineral Resource estimate assumed an \$1,800 gold price, a \$24.00 silver price and has an effective date of August 1, 2021.

San Agustin P&P Mineral Reserves totalled 35.2 million tonnes at 0.31 g/t Au and 9.9 g/t Ag for 355,000 contained gold ounces and 11.2 million contained silver ounces. The San Agustin Mineral Reserves assumed a \$1,500 gold price, a \$20.00 silver price and has an effective date of August 1, 2021.

The San Agustin LOM plan contemplates 32.1 million ore tonnes mined, using open pit methods, between 2022 and 2024, after which active mining would cease and the operation would transition to residual leaching of any gold and silver remaining in the leach pads. However, Argonaut believes there is good potential to extend San Agustin's mine life beyond 2024 by drilling on the mineral concessions acquired in October 2021 (see press release dated October 12, 2021) and with more drilling and metallurgical work to potentially convert the newly declared sulphide Inferred Mineral Resource to Mineral Reserves. These programs are currently underway and if successful, Argonaut sees the potential to add between six and ten years to San Agustin's mine life solely based on the information currently available and not including additional exploration discovery success within the San Agustin district.

## San Agustin Mineral Resources at August 1, 2021

Mineral Resource Category	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Au oz (000s)	Contained Ag oz (000s)
Indicated	60,938	0.28	8.3	541	16,191
Inferred	86,909	0.48	14.7	1,345	40,975

## Notes to accompany Mineral Resources table:

- Mineral Resources are reported using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Arkell, SM RME.
- Mineral Resource estimates have an effective date of August 1, 2021 as defined by end of month July 2021 topography.
- Mineral Resources are constrained by a conceptual pit shell using the following assumptions: a gold price of US\$1,800/oz Au; a silver price of US\$24.00/oz Ag; mining cost of US\$1.66/t mined; crushing and conveying cost of US\$1.04/t processed; and leaching cost of US\$2.33/t processed; G&A cost of US\$0.49/t processed; selling cost of US\$0.30/t processed; variable gold metallurgical recoveries from 17-66%; silver metallurgical recoveries from 14-16%; and pit slope angles of 45°.
- Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves have not demonstrated economic viability.
- Mineral Resource estimates do not account for mineability, selectivity, mining loss or dilution.
- Totals may not add up due to rounding.

#### San Agustin Mineral Reserves at August 1, 2021

Mineral Reserve Category	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Au oz (000s)	Contained Ag oz (000s)
Probable	35,230	0.31	9.9	355	11,211

#### Notes to accompany Mineral Reserves table:

- Mineral Reserves are reported using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Arkell, RM SME.
- Mineral Reserves have an effective date of August 1, 2021 as defined by end of month July 2021 topography.
- Mineral Reserves are reported inside an optimized pit shell using the following assumptions: a gold price of US\$1,800/oz Au; a silver price of US\$24.00/oz Ag; mining cost of US\$1.66/t mined; crushing and conveying cost of US\$1.04/t processed; and leaching cost of US\$2.33/t processed; G&A cost of US\$0.49/t processed; selling cost of US\$0.30/t processed; variable gold metallurgical recoveries from 17-66%; silver metallurgical recoveries from 14-16%; and pit slope angles of 45°.
- Mineral Reserves are reported using a cut-off grade of 0.16 g/t AuEq, except for material scheduled for mining in 2023 reported using a cut-off grade of 0.13 g/t AuEq.
- Mineral Reserves do not have additional dilution. Full mine recovery is assumed.
- The selective mining unit was sized at 6 m x 6 m x 6 m.
- Totals may not add up due to rounding.

#### La Colorada

La Colorada Indicated Mineral Resources totalled 38.9 million tonnes at 0.57 g/t Au and 7.9 g/t Ag for 658,000 contained gold ounces and 9.1 million contained silver ounces. Inferred Mineral Resources totalled 3.4 million tonnes at 0.57 g/t Au and 12.6 g/t Ag for 62,000 contained gold ounces and 1.4 million contained silver ounces. The La Colorada Mineral Resource estimated assumed an \$1,800 gold price, a \$24.00 silver price and has an effective date of October 1, 2021.

La Colorada Probable Mineral Reserves totalled 19.5 million tonnes at 0.61 g/t Au and 8.2 g/t Ag for 383,000 contained gold ounces and 5.1 million contained silver ounces. The La Colorada Mineral Reserves assumed a \$1,500 gold price, a \$20.00 silver price and has an effective date of October 1, 2021.

The La Colorada LOM plan contemplates 18.9 million ore tonnes, using open pit methods, mined between 2022 and 2027, after which active mining would cease and the operation would transition to residual leaching of any gold and silver remaining in the leach pads. However, the current LOM assumes El Crestón ore will be completely mined via open pit methods and does not contemplate potential future underground operations below the El Crestón pit. In the current LOM, there are 36.4 million tonnes of waste to be mined in the El Crestón pit in years 2024 and 2025 and 20.0 million tonnes of waste to be mined in the Veta Madre pit in year 2023. Argonaut is evaluating options to optimize the LOM, which include:

- bringing in larger equipment to accelerate waste stripping;
- a trade off study to determine the optimal timeframe in which to transition mining of the El Crestón deposit from open pit methods to underground methods;
- metallurgical testing on the high-grade gold and silver mineralization below the El Crestón pit to determine the appropriate process flow sheet to maximize metal recoveries and cash flow; and
- the potential to add additional gold and silver ounces through La Colorada satellite targets and district exploration.



## La Colorada Mineral Resources at October 1, 2021

Mineral Resource Category	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Au oz (000s)	Contained Ag oz (000s)
Indicated	38,858	0.57	7.9	658	9,088
Inferred	3,414	0.57	12.6	62	1,384

## Notes to accompany Mineral Resource table:

- Mineral Resources are reported using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Arkell, SM RME.
- Mineral Resource estimates have an effective date of October 1, 2021 as defined by end of month September 2021 topography.
- Mineral Resources are constrained by conceptual pit shells using the following assumptions: a gold price of US\$1,800/oz; silver price of US\$24/oz; rock mining cost of US\$1.82/t mined; backfill mining cost of US\$1.49/t mined; crushing and conveying cost of US\$1.68/t processed; process and leaching cost of US\$1.30/t processed; G&A cost of US\$0.54/t processed; capital cost allocation of \$0.25/t processed; selling cost of US\$0.19/t processed; gold metallurgical recoveries from 53-89% for La Colorada/Gran Central, 79% for El Crestón, and 81-84% for Veta Madre; silver metallurgical recoveries from 11-53% for La Colorada/Gran Central, 13% for El Crestón, and 10-31% for Veta Madre; and pit slope angles from 30-47° for La Colorada/Gran Central, 35-51° for El Crestón, and 46-51° for Veta Madre.
- Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves have not demonstrated economic viability.
- Mineral Resource estimates do not account for mineability, selectivity, mining loss or dilution.
- Totals may not add up due to rounding.

## La Colorada Mineral Reserves at October 1, 2021

Mineral Reserve Category	Tonnes (000s)	Grade (g/t Au)	Grade (g/t Ag)	Contained Au oz (000s)	Contained Ag oz (000s)
Probable	19,459	0.61	8.2	383	5,123

## Notes to accompany Mineral Reserves table

- Mineral Reserves are reported using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Arkell, RM SME.
- Mineral Reserves have an effective date of October 1, 2021 as defined by end of month September 2021 topography.
- Mineral Reserves are reported inside an optimized pit shell using the following assumptions: a gold price of US\$1,800/oz; silver price of US\$20/oz; rock mining cost of US\$1.79/t mined; backfill mining cost of US\$1.49/t mined; crushing and conveying cost of US\$1.48/t processed; process cost of US\$2.33/t processed; G&A cost of US\$0.82/t processed; capital cost allocation of US\$0.23/t processed; selling cost of US\$0.23/t processed; gold metallurgical recoveries from 79-84%; silver metallurgical recoveries from 10-31%; and pit slope angles from 22-50°.
- Mineral Reserves do not have additional dilution. Full mine recovery is assumed.
- The selective mining unit was sized at 5 m x 5 m x 5 m.
- Totals may not add up due to rounding.

Lowe Billingsley, Chief Operating Officer, stated: "Argonaut Gold was originally launched on the back of the El Castillo acquisition at the beginning of 2010. Since that time, we have successfully extended its mine life nearly a decade longer than was originally contemplated when the mine began production in 2007, and we are now running out of opportunities to continue to economically extend its life. We are, however, very encouraged with the possibility of significantly extending San Agustín's mine life through potential exploration success in the recently acquired mineral concessions and the potential to process sulphide mineralized material. At La Colorada, the mine life currently runs through 2027. While we see good potential to extend this further, particularly at depth, we are currently focused on optimizing the existing LOM plan by accelerating waste stripping and/or eliminating certain waste stripping by transitioning to underground mining sooner on the El Crestón deposit. This LOM optimization work will be a major focus of the La Colorada team this year."

## Promotion of Lowe Billingsley to Chief Operating Officer

Argonaut announces that Mr. Lowe Billingsley has been promoted to the role of Chief Operating Officer. Mr. Billingsley previously held the role of Senior Vice President, Operations since joining the Company in April 2021. Mr. Billingsley has 33 years of industry experience spanning executive leadership, multi-cultural engagement, operations, project management and technical expertise. He was previously the Mine Manager of the Stillwater East Mining Complex for Sibanye-Stillwater. Prior to, Mr. Billingsley spent 27 years with AngloGold Ashanti in various roles increasing in responsibility, seniority and leadership with the most recent being Senior Vice President, Americas. In this role with AngloGold Ashanti, Mr. Billingsley was responsible for managing the Americas Region, comprising four operations in Brazil and Argentina with annual production of 850,000 gold ounces and a workforce of approximately 5,000 employees and 4,000 contractors. Mr. Billingsley holds a B.A. in Geology from The Colorado College, in Colorado Springs.

Lowe Billingsley, Chief Operating Officer, commented: "Despite the recent turbulence due to the revised Magino capital estimate, I continue to view Argonaut as an exceptional opportunity within the precious metals mining sector. Argonaut is generating positive cash flow through its existing operating portfolio, holds an enviable portfolio of growth assets and, once Magino comes on line next year, has the opportunity to transition from a higher cost, junior producer to a lower cost, intermediate producer with a more diversified jurisdictional profile. In terms of our 2022 GEO production and cost guidance, we felt it prudent to take a hard look at the operating portfolio, as is often done during a period of a leadership change, and have put forth guidance in which we have a high degree of confidence it can be achieved."

#### Leadership Update

The Company has engaged Korn Ferry, a leading executive recruitment firm, to assist with the Chief Executive Officer search and is encouraged with the strong level of interest from highly respected mining executives. While the process continues to put permanent leadership in place, on an interim basis, Argonaut has divided its leadership roles between two of its Directors.

James Kofman, Chairman of the Board, is dedicating significant time to Argonaut until a permanent Chief Executive Officer is appointed. Mr. Kofman is primarily focused on the evaluation of Argonaut's financing and strategic alternatives with Dave Ponczoch, Chief Financial Officer and Dan Symons, Vice President, Corporate Development & Investor Relations. Mr. Kofman has over three decades of experience in the mergers and acquisitions and corporate finance sectors.

Peter Mordaunt, Director, is focused on assisting Lowe Billingsley, Chief Operating Officer, Bob Rose, Vice President of Technical Services and Brian Arkell, Vice President of Exploration and Mine Technical Services in the execution of operations, projects and exploration. He has also assumed the title of interim Chief Executive Officer for regulatory purposes. Mr. Mordaunt is a Registered Professional Geoscientist with over 35 years of experience in mining, mine development and advanced exploration, including 18 years of experience in Mexico.

James Kofman, Chairman, stated: "The entire Board of Directors is extremely encouraged by the high quality professionals that have expressed a serious interest in Argonaut's leadership position. Several candidates view the current environment as a terrific entry point to take Argonaut firmly into the intermediate producer class with the completion of the Magino construction project. In the interim, the management team has stepped up and we are leaning on the entire Board's wealth of experience and areas of expertise where we have four Directors who are former or active mining CEOs. Our goal is to have fully evaluated our options and make decisions on the best path to maximize shareholder value by the end of the first quarter 2022."

Peter Mordaunt, Director and interim CEO, commented: "Argonaut has a strong and experienced management team already in place and I'm mainly focused on assisting with core business decisions in the areas of operations, projects and exploration. We as a Board believe that Lowe has demonstrated his capability over the last several months and are pleased to announce his well-deserved promotion to Chief Operating Officer."

#### Qualified Persons Responsible for Technical Reports

The Qualified Persons responsible for the Magino Technical Report are John M. Marek, P. Eng., IMC,

Christos Marais, P. Geo., Chief Mine Geologist, Magino, Argonaut Gold, Philip Addis, P. Eng., SLR, Tommaso.Roberto Raponi, P. Eng., T.R. Raponi Consulting Ltd., and Kyle L. Stanfield, P. Eng., Director, Environment & Permitting, Argonaut Gold.

The Qualified Persons responsible for the El Castillo, San Agustin and La Colorada Technical Reports are Brian Arkell, RM SME, Vice President, Exploration and Mine Technical Services, Argonaut Gold, Josh Carron, RM SME, Senior Modeler, Argonaut Gold and Carl DeFilii, RM SME, Project Manager, Kappes, Cassidy and Associates.

For further information regarding the Company's material properties, please see the reports as listed below on the Company's website or on [www.sedar.com](http://www.sedar.com):

El Castillo Gold Mine	El Castillo Gold Mine, Durango, Mexico NI 43-101 Technical Report dated February 14, 2021 (effective date of October 1, 2021)
San Agustin Gold/Silver Mine	San Agustin Gold/Silver Mine, Durango, Mexico, NI 43-101 Technical Report dated February 14, 2021 (effective date of August 1, 2022)
La Colorada Gold/Silver Mine	La Colorada Gold/Silver Mine, Sonora, Mexico, NI 43-101 Technical Report dated February 14, 2021 (effective date of October 1, 2021)
Florida Canyon Gold Mine	NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Florida Canyon (Cerro del Gallo) Project, Elko County, Nevada, USA dated July 8, 2020 (effective date June 1, 2020)
Cerro del Gallo Project	Pre-Feasibility Study Technical Report on the Cerro del Gallo Project, Guanajuato, Mexico dated October 24, 2019 (effective date of October 24, 2019)

The key assumptions, parameters and methods used in the Magino technical report described in this press release will be further described in the full technical report being prepared for the Magino Project pursuant to NI 43-101 and will be available on [www.sedar.com](http://www.sedar.com) under Argonaut's issuer profile within 45 days from today. The Company is not aware of any known legal, political, environmental or other risks that could materially affect the potential development of the Mineral Resources or Mineral Reserves beyond those contemplated in the prior technical report for Magino, as will be updated in the report to be filed.

#### Qualified Person Comments / Quality Control Procedures

The preparation of this press release was supervised and approved by Brian Arkell, Argonaut Gold's Vice President Exploration and Mine Technical Services and a Qualified Person under NI 43-101. Mr. Arkell also reviewed the diamond drilling, RC drilling, sampling, and on-site sample preparation procedures at Magino, La Colorada, and Florida Canyon. Full results of the drilling programs are presented on the Company's website at [www.argonautgold.com](http://www.argonautgold.com).

For sample analysis, the Company utilizes a system of Quality Assurance/Quality Control (QA/QC) that includes insertion and verification of standards, blanks, and duplicates consistent with industry standards.

The Company has implemented a QA/QC program to ensure sampling and analysis of all exploration work is conducted in accordance with the CIM Exploration Best Practices Guidelines. The entire drill hole is sampled and tagged by geologic personnel. Cores are then photographed and sawn in half by experienced geo-technicians, placed in numbered plastic bags, and gathered in rice bags which are sealed with tamper-proof security tags under the supervision of the project geologists. The other half of the core is retained for future assay verification and/or metallurgical testing. Other QA/QC procedures include the insertion of coarse blanks and Canadian Reference Standards for every tenth sample in the sample stream. Samples are bagged, sealed with numbered security tags and shipped to the Activation Laboratories facility, Thunder Bay, Ontario, for sample preparation and assaying. The laboratory has its own QA/QC protocols, running standards, blanks, and duplicate samples in each batch stream. Gold analysis is conducted by lead collection, fire assay with an atomic absorption finish (FAAA) on a 50-gram sample. When gold FAAA is greater than 3 ppm, an additional fire assay with a gravimetric finish (FAGRAV) on a 50-gram sample is analyzed. When gold FAGRAV is greater than 10 ppm or when a sample contains visible gold, a metallic screen fire assay is performed using a 1.0 kg sample. All material from the +100-mesh fraction is pulverized and fire assayed with a gravimetric finish. Two 50-gram samples from the -100-mesh fraction are pulverized

and fire assayed with a gravimetric finish. Check assays are conducted at a secondary ISO certified laboratory applying the same analytical methods and triggers as the primary laboratory.

Please see below under the heading "Cautionary note regarding forward-looking statements" for further details regarding risks.

#### 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" and "Net cash" in this press release, 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, exploration, accretion and other expenses and sustaining capital expenditures divided by gold ounces sold. Net cash is calculated as the sum of the cash and cash equivalents balance net of debt as at the statement of financial position date. 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.

#### 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 statements with respect to the Magino project, the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; estimated production and mine life of the various mineral projects of Argonaut; timing of approval for modifications to existing permits; permitting and legal processes in relation to mining permitting and approval; 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 the possibility of project cost overruns or unanticipated costs and expenses; 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; 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.

#### 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, the La Colorada mine in Sonora, Mexico and the Florida Canyon mine in Nevada, USA. The Company also holds the construction stage Magino project, the advanced exploration stage Cerro del Gallo project and several other exploration stage projects, all of which are located in North America.

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<sup>1</sup> GEOs are based on a conversion ratio of 80:1 silver to gold in 2022 and 85:1 in 2021. The silver to gold ratio is based on the three-year trailing average silver to gold ratio. This is the silver to gold ratio throughout this press release. Dan Symons, Vice President, Corporate Development & Investor Relations, Phone: 416-915-3107, Email: dan.symons@argonautgold.com

<sup>2</sup> "Cash Flow" refers to "Cash flow from operating activities before changes in non-cash operating working capital and other items"

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/407003--Argonaut-Gold-Announces-Updated-Technical-Reports-2021-Production-2022-Guidance-and-Provides-Exploration>

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