

Argonaut Gold Announces Record Annual Production of 244,156 Gold Equivalent Ounces

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Leading to Record Annual Revenue of \$437 Million and Record Annual Cash Flow(1) of \$125 Million

TORONTO, March 1, 2022 - [Argonaut Gold Inc.](#) (TSX: AR) (the "Company", "Argonaut Gold" or "Argonaut") is pleased to announce its operating and financial results for the fourth quarter and year ended December 31, 2021. For 2021, the Company reports record annual production of 244,156 gold equivalent ounces² ("GEO" or "GEOs"), record annual revenue of \$436.9 million and record annual cash flow from operating activities before changes in non-cash operating working capital and other items of \$124.9 million, net income of \$26.5 million or earnings per basic share of \$0.09 and adjusted net income³ of \$57.1 million or adjusted earnings per basic share³ of \$0.19. For the fourth quarter 2021, the Company reports production of 61,926 GEOs, revenue of \$102.9 million, cash flow from operating activities before changes in non-cash operating working capital and other items of \$18.3 million, net loss of \$37.3 million or loss per share of \$0.12, and adjusted net income³ of \$10.2 million or adjusted earning per basic share³ of \$0.03. All dollar amounts are expressed in United States dollars, unless otherwise specified (C\$ refers to Canadian dollars).

Dan Symons, Vice President, Corporate Development & Investor Relations stated: "2022 was a solid year operationally, as we achieved record annual production, which led to record annual revenue and record annual cash flow. We achieved above our production guidance at La Colorada, near the top of production guidance at El Castillo and San Agustin and near the mid-point of our production guidance at Florida Canyon. On a consolidated basis, we achieved near the mid-point of our cost guidance. At the Magino construction project, we continue to make good progress and remain on schedule. We anticipate having secured the required financing, primarily in the form of debt financing, by the second quarter of 2022 to fund the remainder of the Magino construction capital."

The table below outlines the Company's performance compared to 2021 guidance. Capital guidance was revised concurrent with the publication of second quarter 2021 results on August 10, 2021 and Magino construction capital was revised in the December 14, 2021 press release. Full year 2021 capital is reported as incurred capital.

	Full Year 2021	2021 Guidance
GEO production ²	244,156	210,000 - 250,000
Cash cost per gold ounce sold ³	\$1,006	\$950 - \$1,050
AISC per gold ounce sold ³	\$1,311	\$1,250 - \$1,350
Capital (including exploration but excluding Magino construction capital)	\$73.3 million	\$65 million - \$75 million
Magino construction capital	\$236.8 million	\$245 million - \$255 million

¹ "Cash Flow" refers to "Cash flow from operating activities before changes in non-cash operating working capital and other items".

² GEOs are based on a conversation ratio of 80:1 for silver to gold for 2022, 85:1 for 2021 and 80:1 for 2020. The silver to gold conversation ratio is based on the three-year trailing average silver to gold ratios. These are the referenced ratios for each year throughout the press release.

³ This is a Non-IFRS Measure. Please refer to the section entitled "Non-IFRS Measures" for a discussion of these Non-IFRS Measures.

Key operating and financial statistics for the fourth quarter and year ended December 31, 2021 are outlined

in the following table:

	3 Months Ended			12 Months Ended		
	December 31			December 31		
	2021	2020	Change	2021	2020	Change
Financial Data (in millions except for earning per share)						
Revenue	\$102.9	\$100.8	2%	\$436.9	\$319.7	37%
Gross profit	\$17.8	\$32.8	(46%)	\$114.4	\$96.0	19%
Net income (loss)	\$(37.3)	\$18.0	(307%)	\$26.5	\$14.2	87%
Earnings (loss) per share - basic	\$(0.12)	\$0.06	(300%)	\$0.09	\$0.06	50%
Adjusted net income ¹	\$10.2	\$18.6	(45%)	\$57.1	\$44.6	28%
Adjusted earnings per share - basic ¹	\$0.03	\$0.06	(50%)	\$0.19	\$0.19	-%
Cash flow from operating activities before changes in non-cash operating working capital and other items	\$18.3	\$39.5	(54%)	\$124.9	\$95.0	31%
Cash and cash equivalents	\$199.2	\$214.2	(7%)	\$199.2	\$214.2	(7%)
Net cash	\$119.2	\$214.2	(44%)	\$119.2	\$214.2	(44%)
Gold Production and Cost Data						
GEOs loaded to the pads ²	102,524	113,463	(10%)	458,342	371,344	23%
GEOs projected recoverable ^{2,3}	59,386	65,426	(9%)	258,474	191,039	35%
GEOs produced ^{2,4}	61,926	56,985	9%	244,156	179,003	36%
GEOs sold ²	56,961	53,478	7%	242,333	179,168	35%
Average realized sales price	\$1,799	\$1,882	(4%)	\$1,791	\$1,789	-%
Cash cost per gold ounce sold ¹	\$1,172	\$913	28%	\$1,006	\$946	6%
All-in sustaining cost per gold ounce sold ¹	\$1,514	\$1,200	26%	\$1,311	\$1,261	4%

¹ This is a Non-IFRS Measure. Please refer to the section below entitled "Non-IFRS Measures" for a discussion of these Non-IFRS Measures.

²GEOs are based on a conversion ratio of 85:1 for silver to gold for 2021 and 80:1 for 2020. The silver to gold conversion ratio is based on the three-year trailing average silver to gold ratio.

³Expected recoverable GEOs are based on the assumptions and parameters as set forth in the El Castillo Gold Mine Technical Report dated February 14, 2022, the San Agustin Gold/Silver Mine Technical Report dated February 14, 2022, the La Colorada Gold/Silver Mine Technical Report dated February 14, 2022 and the Florida Canyon Technical Report dated July 8, 2020. In periods where the Company mines and processes material not specifically defined in a technical report (for example: low grade stockpile material or run-of-mine ore), management uses its best estimate of recovery based on the information available.

⁴Produced ounces are calculated as ounces loaded to carbon.

2021 and Recent Company Highlights:

- Corporate Highlights:
 - Full year 2021:
 - Record annual production of 244,156 GEOs.
 - Record annual revenue of \$437 million.
 - Record annual cash flow before changes in working capital and other items of \$125 million.
 - Year-over-year lost time injury frequency rate ("LTIFR") reduction of 7%.
 - Fourth quarter 2021:
 - Acquired key mineral concessions surrounding the San Agustin mine for \$5.75 million that more than quadruples the mineral tenure in the San Agustin district (see press release dated October 12, 2021).
 - Strengthened the management team in Mexico with the appointment of Alfredo Phillips as Vice President, Corporate Affairs & Country Manager. In this role, Mr. Phillips will be responsible for leading government relations and ESG strategy and execution in Mexico.
 - Departure of President and CEO, Pete Dougherty, and engagement of Korn Ferry, a leading executive recruitment firm, to conduct an immediate search for a replacement.
 - Subsequent to year end 2021:
 - Announced the promotion of Lowe Billingsley to Chief Operating Officer.
 - Launched a C\$45 million flow through equity financing to fund 2022 eligible Canadian Development Expenditures and Canadian Exploration Expenditures at Magino.
- Social and Environmental Responsibility
 - Received nationally awarded Environmental Socially Responsible Company recognition for the 10th consecutive year for its Mexican operations.
 - Installation of solar panels to power pumps for water wells for a school in the community near San Agustin.
 - Donation of school and craft supplies to children and youth in the community near El Castillo.
 - Sponsored the Minnovacion event in the municipality of La Colorada, which included an innovative collaboration with a well known local photographer showcasing the La Colorada mine in contrast to dancers in a project called "Contrastes", an exhibit inaugurated by the Governor of Sonora.
 - Assisted in road repairs for the local community church in Cerro del Gallo.
 - Continued meetings and monthly updates for the Magino construction project with the Indigenous community leaders.
- El Castillo
 - Production of 48,861 GEOs for the year, an increase of 6% compared to 2020.
- San Agustin
 - Production of 74,116 GEOs for the year, an increase of 16% compared to 2020.
 - Declared initial sulphide inferred Mineral Resource, which has the potential to extend mine life by six to ten years with further drilling and metallurgical work.
 - Zero lost time accidents in 2021.
- La Colorada
 - Production of 66,964 GEOs for the year, an increase of 44% compared to 2020.
 - Reduction in cash cost per gold ounce sold of 22% in 2021 compared to 2020 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).
 - Discovered high-grade gold mineralization below the El Crestón pit.
 - Year-over-year 68% reduction in LTIFR annual rate.
- Florida Canyon
 - Production of 54,215 GEOs for the year.
 - Received Air Quality permit modification and installed new conveying and stacking system.
- Magino

- ● Construction
 - ● Commenced construction and provided monthly newsletter updates detailing construction highlights. Major milestones included:
 - Placed orders on long lead time components;
 - Logged project area;
 - Constructed camp facilities;
 - Made significant progress at process facility site;
 - Made significant progress at Tailings Management Facility;
 - Commenced open pit mining to generate waste rock;
 - Made significant progress at Water Quality Control Pond;
 - Commenced fish habitat work; and
 - Continued operational readiness preparation.
 - During the fourth quarter and year ended December 31, 2021, Argonaut incurred \$65.6 million and \$236.8 million in capital costs, respectively, related to construction of the Magino project. Of this amount incurred, the majority was for securing long lead time components for the mineral processing plant and for site development, camp construction and earthworks.
- Exploration
 - Continue to discover high-grade gold mineralization in six distinct zones below and adjacent to the planned pit: Elbow, Central, Scotland, #42, Sandy and South.
- Announced updated technical report results (see press release dated February 14, 2022).

Financial Results - Fourth Quarter 2021

Revenue for the fourth quarter of 2021 was \$102.9 million, an increase from \$100.8 million for the fourth quarter of 2020. During the fourth quarter of 2021, the Company sold 55,094 gold ounces at an average realized price per ounce of \$1,799, compared to 51,497 gold ounces sold at an average realized price per ounce of \$1,882 during the same period of 2020. Gold ounces sold for the fourth quarter of 2021 increased 7% compared to the same period in 2020 primarily due to increases in gold ounces produced at all four mines, including higher gold grades at El Castillo, La Colorada and Florida Canyon.

Net loss for the fourth quarter of 2021 was \$37.3 million or loss per share of \$0.12, compared with net income of \$18.0 million or earnings per basic share of \$0.07 for the fourth quarter of 2020 due to a non-cash impairment of mineral properties, plant and equipment of \$64.9 million, primarily due to non-cash impairments of \$57.5 million related to the Florida Canyon mine and \$7.3 million related to the Ana Paula project.

Adjusted net income for the fourth quarter of 2021 was \$10.2 million or \$0.03 per basic share, a decrease from adjusted net income of \$18.6 million or \$0.06 per basic share for the fourth quarter of 2020, primarily due to higher operating costs and a lower realized gold price. (This is a Non-IFRS Measure. Please see "Non-IFRS Measure" section).

Cash flows from operating activities before changes in non-cash operating working capital and other items totaled \$18.3 million during the fourth quarter of 2021, a decrease from \$39.5 million in the fourth quarter of 2020, primarily due to higher operating costs and a lower realized gold price.

Financial Results - 2021

Argonaut achieved record annual revenue for 2021 of \$436.9 million, an increase from \$319.7 million in 2020. During 2021, gold ounces sold totaled 233,349 at an average realized price per ounce of \$1,791, compared to 172,024 gold ounces sold at an average realized price per ounce of \$1,789 during 2020. Gold ounces sold for 2021 increased compared to the same period in 2020 primarily due to the addition of the gold ounces sold from the Florida Canyon mine (acquired July 1, 2020), higher gold grade at the La Colorada mine, increases in gold ounces produced at the Mexican mines due to the temporary suspension in mining activities during the second quarter of 2020 at the onset of the global pandemic.

Net income for 2021 was \$26.5 million or earnings of \$0.09 per basic share, an increase from net income of \$14.2 million or \$0.06 per basic for 2020, representing an 87% increase in net income primarily as a result of increased GEOs sold.

Adjusted net income for 2021 was \$57.1 million or \$0.19 per basic share, an increase from adjusted net income of \$44.6 million or \$0.19 per basic share for 2020, representing an 41% increase in adjusted net

income primarily as a result of increased GEOs sold (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).

Cash flows from operating activities before changes in non-cash operating working capital and other items totaled \$124.9 million during 2021, an increase from \$95.0 million in 2020, primarily due to a 35% increase in GEOs sold.

Operational Results - Fourth Quarter 2021

During the fourth quarter 2021, the Company achieved production of 61,926 GEOs at a cash cost of \$1,172 per gold ounce sold and all-in sustaining cost of \$1,514 per gold ounce sold compared to 56,985 GEOs at a cash cost of \$913 per gold ounce sold and an all-in sustaining cost of \$1,200 per gold ounce sold ("AISC") during the fourth quarter 2020 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). The 9% increase in GEO production was primarily related to higher gold grades processed at El Castillo, La Colorada and Florida Canyon. Higher costs were primarily related to a year-to-date production adjustment at Florida Canyon (discussed further in the Florida Canyon operating statistics section) and inflationary pressures on consumables and reagents.

FOURTH QUARTER 2021 EL CASTILLO COMPLEX OPERATING STATISTICS

	3 Months Ended			12 Months Ended		
	December 31			December 31		
	2021	2020	% Change	2021	2020	% Change
Mining (in 000s except waste/ore ratio)						
Tonnes ore El Castillo	2,116	2,910	(27%)	9,159	8,608	6%
Tonnes ore San Agustin	2,815	2,807	-%	11,001	9,261	19%
Tonnes ore	4,931	5,717	(14%)	20,160	17,869	13%
Tonnes waste El Castillo	2,752	3,107	(11%)	10,220	9,531	7%
Tonnes waste San Agustin	1,834	1,904	(4%)	6,865	6,171	11%
Tonnes waste	4,586	5,011	(8%)	17,085	15,702	9%
Tonnes mined El Castillo	4,868	6,017	(19%)	19,379	18,139	7%
Tonnes mined San Agustin	4,649	4,711	(1%)	17,866	15,432	16%
Tonnes mined	9,517	10,728	(11%)	37,245	33,571	11%
Tonnes per day El Castillo	53	65	(18%)	53	50	7%
Tonnes per day San Agustin	51	51	-%	49	42	17%
Tonnes per day	105	116	(10%)	103	92	12%
Waste/ore ratio El Castillo	1.30	1.07	21%	1.12	1.11	1%
Waste/ore ratio San Agustin	0.65	0.68	(4%)	0.62	0.67	(7%)
Waste/ore ratio	0.93	0.88	6%	0.85	0.88	(4%)
Leach Pads (in 000s)						
Tonnes crushed to East leach pads El Castillo	0	0	-%	0	337	(100%)
Tonnes crushed to West leach pads El Castillo	0	0	-%	0	3	(100%)
Tonnes direct to leach pads El Castillo	2,125	2,911	(27%)	9,168	8,420	9%
Tonnes crushed to leach pads San Agustin	2,627	2,888	(9%)	11,210	9,428	19%
Tonnes to leach pads	4,752	5,799	(18%)	20,378	18,188	12%
Production						
Gold grade loaded to leach pads El Castillo (g/t) ¹						

0.32	0.25	28%	0.28	0.37	(24%)
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Gold grade loaded to leach pads San Agustin (g/t) ¹	0.30	0.31	(3%)	0.30	0.32	(6%)
Gold grade loaded to leach pads (g/t) ¹	0.31	0.28	11%	0.29	0.35	(17%)
Gold loaded to leach pads El Castillo (oz) ²	22,034	23,148	(5%)	83,638	105,286	(21%)
Gold loaded to leach pads San Agustin (oz) ²	25,485	28,778	(11%)	106,783	98,431	8%
Gold loaded to leach pads (oz) ²	47,519	51,926	(8%)	190,421	203,717	(7%)
Projected recoverable GEOs loaded El Castillo ⁴	12,405	11,852	5%	43,261	43,731	(1%)
Projected recoverable GEOs loaded San Agustin ⁴	18,134	21,349	(15%)	76,873	72,430	6%
Projected recoverable GEOs loaded ⁴	30,538	33,201	(8%)	120,134	116,161	3%
Gold produced El Castillo (oz) ^{2,3}	12,313	12,390	(1%)	48,131	45,305	6%
Gold produced San Agustin (oz) ^{2,3}	16,498	17,265	(4%)	68,132	59,695	14%
Gold produced (oz) ²	28,811	29,655	(3%)	116,263	105,000	11%
Silver produced El Castillo (oz) ^{2,3}	12,369	14,213	(13%)	62,057	70,180	(12%)
Silver produced San Agustin (oz) ^{2,3}	111,451	108,553	3%	508,661	333,713	52%
Silver produced (oz) ^{2,3}	123,820	122,766	1%	570,718	403,893	41%
GEOs produced El Castillo ³	12,458	12,568	(1%)	48,861	46,183	6%
GEOs produced San Agustin ³	17,809	18,621	(4%)	74,116	63,866	16%
GEOs produced ³	30,267	31,189	(3%)	122,977	110,049	12%
Gold sold El Castillo (oz) ²	11,066	9,863	12%	47,755	43,815	9%
Gold sold San Agustin (oz) ²	15,672	16,124	(3%)	68,778	58,189	18%
Gold sold (oz) ²	26,738	25,987	3%	116,533	102,004	14%
Silver sold El Castillo (oz) ²	10,394	14,213	(27%)	62,440	70,180	(11%)
Silver sold San Agustin (oz) ²	103,585	98,029	6%	499,366	324,576	54%
Silver sold (oz) ²	113,979	112,242	2%	561,806	394,755	42%
GEOs sold El Castillo	11,189	10,041	11%	48,490	44,692	8%
GEOs sold San Agustin	16,891	17,349	(3%)	74,653	62,246	20%
GEOs sold	28,080	27,390	3%	123,143	106,938	15%
Cash cost per gold ounce sold El Castillo ⁵	\$ 1,081	\$ 891	21%	\$ 1,099	\$ 946	16%

Cash cost per gold ounce sold San Agustin ⁵	\$	1,060	\$	765	39%	\$	915	\$	780	17%
Cash cost per gold ounce sold ⁵	\$	1,069	\$	806	33%	\$	991	\$	835	19%

¹ "g/t" refers to grams per tonne.

² "oz" refers to troy ounce.

³ Produced ounces are calculated as ounces loaded to carbon.

⁴ Expected recoverable GEOs are based on the assumptions and parameters as set forth in the El Castillo Gold Mine Technical Report dated February 14, 2022 and the San Agustin Gold/Silver Mine Technical Report dated February 14, 2022. In periods where the Company mines and processes material not specifically defined in a technical report (for example: run-of-mine ore), management uses its best estimate of recovery based on the information available.

⁵ Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure. Summary of Production Results at the El Castillo Complex

During the fourth quarter of 2021, the El Castillo Complex produced 3% fewer GEOs at a cash cost per gold ounce sold 33% higher than during the fourth quarter of 2020 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). GEO production at the El Castillo mine was relatively in line with the same period in 2020. GEO production at the San Agustin mine was 4% lower, primarily due to a 3% decrease in gold grade processed compared to the same period in 2020. Cash cost per gold ounce sold were higher, primarily due to a higher mobile maintenance costs and higher strip ratio at El Castillo and inflationary pressures on key consumables and reagents.

During 2021, the El Castillo Complex produced 12% more GEOs at a cash cost per gold ounce sold 19% higher than during 2020 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). GEO production at the El Castillo mine was 6% higher and costs were 16% higher than 2020 due to an 11% increase in total tonnes mined, a 9% increase in ore tonnes loaded to the leach pads and higher recoveries, offset by a 28% reduction in gold grade. GEO production at the San Agustin mine was 16% higher and costs were 17% higher than 2020 due to a 16% increase in total tonnes mined, a 19% increase in ore tonnes loaded to the leach pads and higher recoveries, offset by a 6% reduction in gold grade.

FOURTH QUARTER 2021 LA COLORADA OPERATING STATISTICS

	3 Months Ended			12 Months Ended		
	December 31			December 31		
	2021	2020	% Change	2021	2020	% Change
Mining (in 000s except for waste/ore ratio)						
Tonnes ore	1,233	1,363	(10%)	4,834	4,019	20%
Tonnes waste	3,228	3,974	(19%)	11,389	14,303	(20%)
Tonnes mined	4,461	5,337	(16%)	16,223	18,322	(11%)
Tonnes per day	49	58	(15%)	45	50	(11%)
Waste/ore ratio	2.62	2.92	(10%)	2.36	3.56	(34%)
Leach Pads (in 000s)						
Tonnes crushed to leach pads	1,246	1,332	(6%)	5,014	4,058	24%
Production						
Gold loaded to leach pads (g/t) ¹	0.54	0.45	20%	0.63	0.43	47%
Gold loaded to leach pads (oz) ²	21,726	19,872	9%	101,146	56,274	80%
Projected recoverable GEOs loaded ⁴	16,480	16,929	(3%)	80,281	45,514	76%
Gold produced (oz) ^{2,3}	16,885	14,045	20%	64,860	44,340	46%
Silver produced (oz) ^{2,3}	40,174	36,570	10%	178,821	162,499	10%
GEOs produced ³	17,358	14,502	20%	66,964	46,371	44%
Gold sold (oz) ²	15,825	14,049	13%	62,486	44,820	39%
Silver sold (oz) ²	36,635	39,105	(6%)	169,634	161,644	5%
GEOs sold	16,256	14,538	12%	64,482	46,841	38%
Cash cost per gold ounce sold ⁵	\$ 869	\$ 756	15%	\$ 730	\$ 937	(22%)

¹ "g/t" refers to grams per tonne.

² "oz" refers to troy ounce.

³ Produced ounces are calculated as ounces loaded to carbon.

⁴ Expected recoverable GEOs are based on the assumptions and parameters as set forth in the La Colorada Gold/Silver Mine Technical Report dated February 14, 2022. In periods where the Company mines material not specifically defined in a technical report (for example: low grade stockpile material), management uses its best estimate of recovery based on the information available.

⁵ Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure.

Summary of Production Results at La Colorada

During the fourth quarter of 2021, the La Colorada mine produced 20% more GEOs at a cash cost per gold ounce sold 15% more than during the fourth quarter of 2020 (This is a Non-IFRS Measure. Please see

"Non-IFRS Measures" section). Higher GEO production was primarily due to a 20% increase in gold grade processed compared to the same period in 2020. Higher costs were primarily related to a lower tax credit on diesel consumption and inflationary pressures on key consumables and reagents, partially offset by the higher grade processed and a 10% reduction in strip ratio.

During 2021, the La Colorada mine produced 44% more GEOs at a cash cost per gold ounce sold 22% lower than 2020 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). Higher GEO production was primarily due to a 47% increase in gold grade and a 34% reduction in strip ratio, partially offset by lower recoveries.

FOURTH QUARTER 2021 FLORIDA CANYON OPERATING STATISTICS

	3 Months Ended			12 Months Ended
	December 31			December 31
	2021	2020	% Change	2021
Mining (in 000s except for waste/ore ratio)				
Tonnes ore	1,845	2,251	(18%)	8,475
Tonnes waste	2,687	3,060	(12%)	12,274
Tonnes mined	4,532	5,311	(15%)	20,749
Tonnes per day	49	57	(15%)	56
Waste/ore ratio	1.46	1.36	7%	1.45
Leach Pads (in 000s)				
Tonnes direct to leach pads	181	302	(40%)	1,574
Tonnes crushed to leach pads	1,522	1,965	(23%)	6,786
Production				
Gold grade loaded to leach pads (g/t) ¹	0.35	0.29	21%	0.33
Gold loaded to leach pads (oz) ²	18,947	21,484	(12%)	89,584
Projected recoverable GEOs loaded ⁴	12,367	15,296	(19%)	58,058
Gold produced (oz) ^{2,3}	14,205	11,202	27%	53,889
Silver produced (oz) ^{2,3}	8,159	7,356	11%	27,681
GEOs produced ³	14,301	11,294	27%	54,215
Gold sold (oz) ²	12,531	11,461	9%	54,330
Silver sold (oz) ²	8,040	7,109	13%	32,147
GEOs sold	12,625	11,550	9%	54,708
Cash cost per gold ounce sold ⁵				

\$1,774

\$1,335

33%

\$1,356

¹ "g/t" refers to grams per tonne.

² "oz" refers to troy ounce.

³ Produced ounces are calculated as ounces loaded to carbon.

⁴ Expected recoverable GEOs are based on the assumptions and parameters as set forth in the Florida Canyon Mine Technical Report dated July 8, 2020. In periods where the Company mines material not specifically defined in a technical report (for example: run-of-mine or low grade stockpile material), management uses its best estimate of recovery based on the information available.

⁵ Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure.

Summary of Production Results at Florida Canyon

As Argonaut did not own nor operate the Florida Canyon mine until July 1, 2020, it is only making comparisons between the three months ended December 31, 2021 and 2020 periods and is not making comparisons between the full year 2021 and 2020 periods in the table above.

During the fourth quarter of 2021, the Florida Canyon mine produced 27% more GEOs at a cash cost per gold ounce sold 33% higher than during the fourth quarter of 2020 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). Higher GEO production was primarily related to the production adjustment in December 2021 (discussed below). Higher costs are primarily related to a year-to-date production adjustment (discussed below) and inflationary pressures on key consumable and reagents.

Florida Canyon, similar to other heap leach mines, calculates its daily production based on samples taken from the effluent at the bottom of the leach pads. These samples are used to estimate the monthly produced ounces. For El Castillo, San Agustin and La Colorada, this information is then reconciled with other known information, including inventory and sales, to obtain the adjusted production number reported at the end of each month. Florida Canyon did not previously have this process in place, but has adopted it as of the fourth quarter 2021. As this reconciliation was not calculated monthly throughout 2021, the full 2021 adjustment to produced gold ounces was recognized during the fourth quarter of 2021. As a result of the adjustment, additional costs were recognized in the fourth quarter of 2021 that would have been recognized in prior quarters of 2021. Since the number of gold ounces sold does not change, the cash cost per gold ounce sold was affected (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). The resulting higher costs appear abnormal for the quarter, but when compared to the full year 2021, appear reasonable and consistent with expectations.

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, particularly during the first quarter of 2022 when most of the final tax payments for 2021 are made, 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 ¹	\$ per oz Au	1,400 - 1,475	1,000 - 1,075	950 - 1,050	1,150 - 1,250	1,100 - 1,190
AISC ¹	\$ per oz Au	1,500 - 1,600	1,050 - 1,150	1,200 - 1,300	1,700 - 1,800	1,415 - 1,525

¹ This is a Non-IFRS Measure. Please 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 anticipates entering into its final full year of mining operations. 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 financing is in place. 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. In the event that financing is not available promptly and upon acceptable terms, the Company may need to amend or adjust its plans for construction of the Magino project.

Argonaut Gold Fourth Quarter and Year Ended 2021 Operational and Financial Results Conference Call and Webcast:

The Company will host a conference call and webcast to discuss its fourth quarter and year ended December 31, 2021 operating and financial results at 9:00 am EST on March 2, 2022.

Q4 and Year Ended 2021 Conference Call Information

Toll Free (North America): 1-888-664-6392

International: 1-416-764-8659

Conference ID: 82995499

Webcast: www.argonautgold.com

Q4 and Year Ended 2021 Conference Call Replay

Toll Free Replay Call (North America): 1-888-390-0541

International Replay Call: 1-416-764-8677

Replay Entry Code: 995499#

The conference call and replay will be available from 12:00 pm EST on March 2, 2022 until 11:59 pm EST on March 9, 2022.

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 press release 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, exploration, accretion and other expenses 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 (gains) losses, non-cash impairment write down (reversal) of work-in-process inventory, non-cash impairment write down (reversal) of mineral, properties, plant and equipment, unrealized (gains) losses on commodity derivatives and care and maintenance expenses. 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 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 under the heading "Non-IFRS Measures" in the management's discussion and analysis

("MD&A") for full disclosure on non-IFRS measures. The disclosure under the heading "Non-IFRS Measures" in the MD&A is incorporated by reference herein. The MD&A is available under the Company's profile at www.sedar.com.

This press release should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2021 and associated MD&A, for the same period, which are available from the Company's website, www.argonautgold.com, in the "Investors" section under "Financial Filings", and under the Company's profile on SEDAR at www.sedar.com.

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. Forward-looking statements and forward-looking information include, but are not limited to statements with respect to: the Magino construction capital estimate; the ability to finance additional construction costs on terms acceptable to Argonaut; the realization of mineral reserve estimates; the timing and amount of estimated future production; the impact of inflation on costs of exploration, development and 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; the impact of COVID-19, the response of governments to COVID-19 and the effectiveness of such responses; 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 availability and changing terms of financing, variations in ore grade or recovery rates, changes in market conditions, changes in inflation, 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, the impact of COVID-19 and the impact and effectiveness of governmental responses to COVID-19, 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 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 Gold Mine	El Castillo Gold Mine, Durango, Mexico NI 43-101 Technical Report dated February 14, 2022 (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, 2022 (effective date of August 1, 2021)
La Colorada Gold/Silver Mine	La Colorada Gold/Silver Mine, Sonora, Mexico, NI 43-101 Technical Report dated February 14, 2022 (effective date of October 1, 2021)
Florida Canyon Gold Mine	NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Florida Canyon Gold Mine Pershing 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 January 31, 2020 (effective date of October 24, 2019)

The key assumptions, parameters and methods used in the Magino technical report are described in the press release dated February 14, 2022. These 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 under Argonaut's issuer profile within 45 days from the February 14, 2022 press release announcement. 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.

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.

[Argonaut Gold Inc.](http://www.argonautgold.com)

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