



Argonaut Gold Announces Record Quarterly Production of 56,986 Gold Equivalent Ounces and Annual Production of 203,483 Gold Equivalent Ounces; Provides 2021 Production, Cost and Capital Guidance

Toronto, Ontario – (January 19, 2021) **Argonaut Gold Inc. (TSX: AR)** (the “Company”, “Argonaut Gold” or “Argonaut”) is pleased to announce record quarterly production of 56,986 gold equivalent ounces (“GEOs” or “GEO”)¹, representing a 16% increase over the previous quarter and a 20% increase over the same period the previous year. Argonaut produced 203,483 GEOs in 2020 and had a cash balance of approximately \$214 million at December 31, 2020. The table below details fourth quarter and full year 2020 production results. All dollar amounts are expressed in United States dollars, unless specified.

Fourth Quarter and Full Year 2020 GEO Production

Mine	Fourth Quarter 2020	Full Year 2020	2020 Production Guidance ¹
El Castillo	12,568	46,182	43,000 – 47,000
San Agustin	18,622	63,866	63,000 – 67,000
La Colorada	14,502	46,371	46,000 – 50,000
Florida Canyon ²	11,294	47,064	47,000 – 50,000
Consolidated²	56,986	203,483	200,000 – 215,000

¹ As presented in the third quarter 2020 financial and operating results press release dated November 4, 2020.

² Florida Canyon production during Q1 2020 and Q2 2020 was under Alio Gold Inc. prior to the closing of the merger between Alio Gold Inc. and Argonaut on July 1, 2020. 2020 GEO production guidance estimated the combined full year 2020 production from the El Castillo, San Agustin, La Colorada and Florida Canyon.

Pete Dougherty, President and CEO stated: “2020 was a spectacular year for Argonaut, as we completed a merger, saw the conclusion of Schedule 2 amendment and executed on a financing plan for Magino’s development and achieved record quarterly production in our most recent quarter. As we look to 2021, we are taking a cautious approach to guidance when considering potential productivity challenges due to COVID-19 protocols and contact tracing, as the health and safety of our workforce is paramount. Our focus is to deliver cash flow from the operating mines to fuel Argonaut’s growth through the construction of Magino, as we embark on the transition from a relatively high-cost junior producer with short mine life assets to an intermediate lower-cost producer with long life assets.”

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

2021 Production and Cost Guidance

The Company anticipates it will produce between 210,000 and 250,000 GEOs during 2021 at a cash cost of between \$950 and \$1,050 per gold ounce sold and an all-in sustaining cost ("AISC") of between \$1,250 and \$1,350 per gold ounce sold (see "Non-IFRS Measures" section).

2021 GEO Production and Cost Guidance

		El Castillo	San Agustin	La Colorada	Florida Canyon	Consolidated
GEO production	<i>In 000s</i>	40 – 50	65 – 75	55 – 65	50 – 60	210 – 250
Cash costs¹	<i>\$ per oz Au</i>	1,050 – 1,150	900 – 1,000	700 – 800	1,200 – 1,300	950 – 1,050
AISC¹	<i>\$ per oz Au</i>					1,250 – 1,350

¹ See "Non-IFRS Measures" section.

2021 Capital Guidance

The Company plans to invest between \$255 million and \$275 million in capital expenditures during 2021 with approximately 80% being expansionary capital (primarily for the construction of the Magino Gold mine) and 20% being sustaining capital.

2021 Capital Estimate by Project and Category(\$M)¹

	El Castillo	San Agustin	La Colorada	Florida Canyon	Magino	Cerro del Gallo	Exploration	Consolidated
Sustaining	3 – 4	5 – 7	1 – 2	17 – 18	-	-	-	26 – 31
Stripping	6 – 7	-	19 – 20	-	-	-	-	25 – 27
Total Sustaining	9 – 11	5 – 7	20 – 22	17 – 18	-	-	-	51 – 58
Expansionary	-	-	-	11 – 12	180 – 190	3 – 4	10 – 11	204 – 217
Total	9 – 11	5 – 7	20 – 22	28 – 30	180 – 190	3 – 4	10 – 11	255 – 275

¹ Assumes exchanges rates of MXN:USD of 20:1 and CAD:USD of 1.3:1.

Board Member Retirement

Effective December 31, 2020, Chris Lattanzi has retired from Argonaut's board of directors. Mr. Lattanzi has been an integral member of Argonaut's board since the inception of the Company at the end of 2009.

Jim Kofman, Chairman of the board, commented: "The invaluable experience that Chris garnered throughout his 60 year career as a mining engineer and brought to the Argonaut board has been tremendously appreciated. Quite simply, the amount of knowledge that Chris has shared with Argonaut's board members and management to help inform the Company's decisions has been indispensable and cannot be replaced. On behalf the board, I want to wish Chris the absolute best during his well-earned retirement. It has been a pleasure learning from and working with him over the years."

Argonaut Gold Fourth Quarter and Year End Financial Results Conference Call and Webcast

The Company plans to release its fourth quarter and year end 2020 operating results, financial statements and the related management's discussion and analysis after market close on February 25, 2021 and will host a conference call and webcast on February 26, 2021 at 9:00 am EST to discuss the results.

Fourth Quarter and Year End Conference Call Information for February 26, 2021:

Toll Free (North America): 1-888-231-8191

International: 1-647-427-7450

Webcast: www.argonautgold.com

Fourth Quarter and Year End Conference Call Replay:

Toll Free Replay Call (North America): 1-855-859-2056

International Replay Call: 1-416-849-0833

Passcode: 8346749

The conference call replay will be available from 12:00 pm EST on February 26, 2021 to 11:59 pm EST March 4, 2021.

Non-IFRS Measures

The Company has included certain non-IFRS measures including "Cash cost per gold ounce sold" and "All-in sustaining cost per gold ounce sold" 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. 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.

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 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; 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 variations in ore grade or recovery rates, changes in market conditions, risks relating to the availability and timeliness of permitting and governmental approvals; risks relating to international operations, fluctuating metal prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated.

These factors are discussed in greater detail in Argonaut's most recent Annual Information Form and in the most recent Management's Discussion and Analysis filed on SEDAR, which also provide additional general assumptions in connection with these statements. Argonaut cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Argonaut believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release.

Although Argonaut has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Argonaut undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if the property is developed. Comparative market information is as of a date prior to the date of this document.

Qualified Person, Technical Information and Mineral Properties Reports

Technical information included in this release was supervised and approved by Brian Arkell, Argonaut's Vice President, Exploration and a Qualified Person under National Instrument 43-101

(“NI 43-101”). For further information on the Company’s material properties, please see the reports as listed below on the Company’s website or on www.sedar.com:

El Castillo Complex	NI 43-101 Technical Report on Resources and Reserves, El Castillo Complex, Durango, Mexico dated March 27, 2018 (effective date of March 7, 2018)
La Colorada Mine	NI 43-101 Technical Report on Resources and Reserves, La Colorada Gold/Silver Mine, Hermosillo, Mexico dated March 27, 2018 (effective date of December 8, 2017)
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)
Magino Gold Project	Feasibility Study Technical Report on the Magino Project, Ontario, Canada dated December 21, 2017 (effective date November 8, 2017)
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)

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 development 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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