



Argonaut Gold Announces Major Milestone of Magino Closure Plan Filing

Toronto, Ontario – (January 21, 2021) **Argonaut Gold Inc. (TSX: AR)** (the “Company”, “Argonaut Gold” or “Argonaut”) is pleased to announce that the province of Ontario has filed the Closure Plan for the Magino project. Site preparation, such as tree removal and clearing, is expecting to commence imminently, with construction scheduled to begin as soon as site preparation is complete. Argonaut envisions a two-year construction period with first gold production at Magino during the first half of 2023.

Pete Dougherty, President and CEO stated: "The filing of the Closure Plan is a significant milestone and allows us to begin site preparation activities for construction of the Magino mine and processing facility. Magino is truly a valuable and strategic asset given existing infrastructure, the already-known mineral endowment of the ore body and the existing exploration potential, its location within the mining-friendly jurisdiction of Ontario, Canada and its proximity to other strong cash flowing operations such as the Island Gold mine. By moving Magino forward, we are executing on our vision to transform Argonaut from a junior, relatively high-cost producer with short mine lives to an intermediate, lower-cost producer with long mine lives."

Kyle Stanfield, Director of Environment and Community Relations commented: "We are humbled by the tremendous community support that has enabled this important project milestone to pass. We will continue to coordinate closely with our Indigenous and Municipal partners as we develop this investment into a world class mining operation."

The Magino project has received incredible stakeholder support locally, provincially and federally, as well as strong shareholder support to see the project move forward. The Magino project initial capital estimate of between C\$480 million and C\$510 million, of which approximately 40% is covered by a fixed-bid contract with Ausenco Engineering Canada Inc., is considered fully financed through Argonaut's current cash balance and anticipated cash flow from operations assuming a gold price environment at or above US\$1,600 per ounce. At December 31, 2020, Argonaut had US\$214 million in cash and also has access up to US\$125 million through its existing revolving credit facility, which is fully undrawn.

The Magino Feasibility Study demonstrated that the Magino project is a strategic, scalable, long-life asset in the attractive mining jurisdiction of Ontario, Canada. Highlights from the Magino Feasibility Study include:

- A 10,000 tonne per day processing facility;
- Average annual gold production of 150,000 ounces over the first five years;
- A 17-year mine life;
- Cash cost of US\$669 per gold ounce sold*; and

- All-in sustaining cost of US\$711 per gold ounce sold*.

*See Non-IFRS Measures Section

For further information on the Magino project, please see the report as listed below on the Company's website or on www.sedar.com:

Magino Gold Project	Feasibility Study Technical Report on the Magino Project, Ontario, Canada dated December 21, 2017 (effective date November 8, 2017)
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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. Cash cost per gold ounce sold is equal to production costs less silver revenue divided by gold ounces sold. All-in sustaining cost per gold ounce sold is equal to production costs less silver revenue plus general and administrative expenses, exploration expenses, accretion of reclamation provision and sustaining capital expenditures divided by gold ounces sold. The Company believes that these measures provide investors with an improved ability to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under International Financial Reporting Standards ("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 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 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.

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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