

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Argonaut Gold Inc. ("**Argonaut**" or the "**Company**")
9600 Prototype Court
Reno, Nevada 89521

Item 2: Date of Material Change

July 5, 2022

Item 3: News Release

A news release announcing the material change was disseminated over GlobeNewswire's distribution network on July 5, 2022 and a copy was filed on the Company's profile at www.sedar.com.

Item 4: Summary of Material Change

On July 5, 2022, the Company announced that it had closed its previously announced best efforts marketed offering (the "**Offering**") of 434,000,000 common shares of the Company (the "**Offered Shares**") at a price of C\$0.45 per Offered Share, for gross proceeds to the Company of C\$195,300,000. GMT Capital Corp. ("**GMT**"), which is a "control person" of Argonaut, and certain directors and officers of Argonaut participated in the Offering. As a result of the Offering, GMT will continue to be a control person of Argonaut.

The Company also announced that it had signed the binding commitment letter from a syndicate of lenders for the financing of a six year, US\$200 million term loan credit facility and a three year revolving credit facility of US\$50 million (the "**Facilities**"), for a total debt Facilities limit of US\$250 million. As one of the conditions precedent for closing of the Facilities, the Company announced that it will hedge its gold price exposure over the life of the loan beginning in the third quarter 2023, with 25,000 gold ounces per quarter for the first six quarters and 15,000 gold ounces for the remaining 10 quarters at a gold price of US\$1,860/oz.

Item 5: 5.1 - Full Description of Material Change

Offering

On July 5, 2022, the Company announced that it closed its previously announced best efforts marketed Offering of 434,000,000 common shares of the Company at a price of C\$0.45 per Offered Share, for gross proceeds to the Company of C\$195,300,000. The Offering was completed on a "best efforts" basis by a syndicate of agents led by BMO Capital Markets, Scotiabank, and Cormark Securities, and including Canaccord Genuity Corp., RBC Capital Markets, Desjardins Capital Markets, Echelon Wealth Partners, Laurentian Bank Securities, Paradigm, and Stifel GMP. The net proceeds of the Offering will be used for the

construction of the Company's 100% owned Magino project in Ontario, Canada and for general corporate purposes.

The Offered Shares were offered in each of the provinces and territories of Canada, other than Québec, pursuant to a prospectus supplement dated June 24, 2022 to the Company's base shelf prospectus dated June 2, 2022, and in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**").

The securities offered in the Offering have not been, and will not be, registered under the U.S. Securities Act, as amended or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This material change report shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

MI 61-101

GMT, which is a "control person" of Argonaut, and certain directors and officers of Argonaut participated in the Offering. As a result of the Offering, GMT will continue to be a control person of Argonaut. The holdings of GMT prior to the Offering and subsequent to completion of the Offering are set out below:

	Number (%) of Common Shares Held Prior to the Offering	Number (%) of Common Shares Held After the Offering
GMT	67,676,962 (20.33%)	212,121,462 (27.66%)
Directors and Officers	2,766,973 (0.8%)	3,211,473 (0.4%)

The involvement of GMT and other related parties in the transactions referred to above in connection with the Offering are "related party transactions" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), and the Company relied on the exemptions in sections 5.5(g) and 5.7(e) of MI 61-101 in connection with such transactions. The Company was not in a position to file a material change report 21 days prior to closing because the terms of the Offering and insider participation were not yet established by that time, and Argonaut elected to expedite closing of the Offering for sound business reasons.

The board of directors (the "**Board**") of Argonaut had formed a special committee (the "**Special Committee**") consisting of unconflicted members of the Board, to consider the proposed terms of the Offering, including the number of securities issuable, the number of Offered Shares issuable to insiders, and the offering price being at a discount to the market price. The Special Committee met separately from the Board, and after careful consideration, the Special Committee, having considered the reasonableness of the Offering, unanimously recommended that the Company approve the terms of the Offering. The Board subsequently met (with

members of the Board with an interest in the Offering having declared their interests and not participating in deliberations or voting), received the advice of the Special Committee, and, acting unanimously determined, among other things, that the Offering is reasonable for the Company in the circumstances.

US\$250 Million Credit Facilities

Argonaut also announced, further to its news release dated June 23, 2022, that it had signed the binding commitment letter from a syndicate of lenders for the financing of a six year, US\$200 million term loan credit facility and a three year revolving credit facility of US\$50 million, for a total debt Facilities limit of US\$250 million. The proceeds of the Facilities will be used to refinance the Company's existing debt and for general corporate purposes, including ongoing development and expansion capital of the Magino project in Ontario, Canada and other producing assets.

Closing of the Facilities is subject to a number of conditions precedent as further described in the Company's June 23, 2022 news release.

The Company anticipates that the Facilities together with the net proceeds of the Offering, will fully finance the remaining portion of its Magino project. Endeavour Financial assisted the Company as its financial advisor in connection with the Facilities.

Hedging

The Company announced that, as one of the conditions precedent for closing of the Facilities, it had made the following arrangements to hedge its gold price exposure over the life of the loan on the following terms:

- Beginning in the third quarter 2023, Argonaut has hedged 25,000 gold ounces per quarter for the first six quarters and 15,000 gold ounces for the remaining 10 quarters at a gold price of US\$1,860/oz.

5.2 - Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

For further information, please contact Daniel Symons, Corporate Development and Investor Relations, at 416-915-3107.

Item 9: Date of Report

July 15, 2022

Forward-Looking Statements

This material change report 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. Forward-looking statements and forward-looking information include, but are not limited to statements with respect to the use of proceeds from the Offering and the Facilities; closing of the Facilities; 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 material change report should not be unduly relied upon. These statements speak only as of the date of this material change report.

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.