# Argonaut Gold Announces Updated Mineral Resources and Reserves

***Significant increase in mineral resources at two principal assets***

**Toronto, Ontario** - (March 30, 2023) **Argonaut Gold Inc. (TSX: AR)** (the “Company”, “Argonaut Gold” or “Argonaut”), is pleased to announce today a significant increase in Mineral Resources for the Company’s two principal assets: the Magino Project, in the final stages of construction, located in Ontario, Canada, and the Florida Canyon Mine located in Nevada, USA. Measured and Indicated Mineral Resources at the Company’s two principal assets increased by 14% to 5.7 million gold ounces, while Inferred Mineral Resources more than quadrupled to 3.0 million gold ounces. On a consolidated basis, Measured and Indicated Mineral Resources total 11.3 million gold ounces, Inferred Mineral Resources total 3.5 million gold ounces, and Proven and Probable Mineral Reserves total 5.6 million gold ounces effective December 31, 2022.

“This updated resource statement underpins our belief that the combination of Magino and a redevelopment of Florida Canyon can provide the foundation for Argonaut’s transition into a low-cost mid-tier gold producer in North America,” stated Richard Young, President and Chief Executive Officer.

## Summary of Proven and Probable Mineral Reserves

| Project | Category | Tonnes (millions) | Au Grade (g/t) | Contained Au Ounces (000s) | Ag Grade (g/t) | Contained Ag Ounces (000s) | Cu Grade (%Cu) | Contained Tonnes Cu (000s) |
|---|---|---|---|---|---|---|---|---|
| Magino | Proven | 26.3 | 1.24 | 1,044 | | | | |
| Magino | Probable | 37.0 | 1.11 | 1,317 | | | | |
| **Magino** | **Proven & Probable** | **63.3** | **1.16** | **2,361** | | | | |
| Florida Canyon | Probable | 86.6 | 0.33 | 930 | | | | |
| **Florida Canyon** | **Probable** | **86.6** | **0.33** | **930** | | | | |
| El Creston | Probable | 13.4 | 0.88 | 380 | 12.0 | 5,170 | | |
| Veta Madre | Probable | 5.9 | 0.70 | 132 | 4.2 | 797 | | |
| **La Colorada Complex** | **Probable** | **19.3** | **0.83** | **512** | **9.6** | **5,967** | **-** | **-** |
| San Agustin | Probable | 14.0 | 0.32 | 145 | 14.9 | 6,690 | | |
| El Castillo | Probable | - | - | - | | | | |
| **El Castillo Complex** | **Proven & Probable** | **14.0** | **0.32** | **145** | **14.9** | **6,690** | | **-** |
| Cerro del Gallo | Proven | 70.4 | 0.59 | 1,326 | 13.7 | 31,088 | 0.10 | 68 |
| Cerro del Gallo | Probable | 21.3 | 0.46 | 313 | 11.7 | 8,012 | 0.08 | 18 |
| **Cerro del Gallo** | **Proven & Probable** | **91.7** | **0.56** | **1,639** | **13.3** | **39,100** | **0.09** | **86** |
| **Argonaut Consolidated Mineral Reserves** | **Proven** | **96.7** | **0.76** | **2,370** | **N/A** | **31,088** | **N/A** | **68** |
| | **Probable** | **178.2** | **0.56** | **3,217** | **N/A** | **20,669** | **N/A** | **18** |
| | **Proven & Probable** | **274.9** | **0.63** | **5,587** | **N/A** | **51,757** | **N/A** | **86** |

## Summary of Measured and Indicated Mineral Resources

| Project | Category | Tonnes (millions) | Au Grade (g/t) | Contained Au Ounces (000s) | Ag Grade (g/t) | Contained Ag Ounces (000s) | Cu Grade (%Cu) | Contained Tonnes Cu (000s) |
|---|---|---|---|---|---|---|---|---|
| Magino | Measured | 48.8 | 0.99 | 1,556 | | | | |
| Magino | Indicated | 102.0 | 0.92 | 3,001 | | | | |
| **Magino** | **M&I** | **150.8** | **0.94** | **4,557** | | | | |
| Florida Canyon | Indicated | 113.6 | 0.31 | 1,132 | | | | |
| **Florida Canyon** | **Indicated** | **113.6** | **0.31** | **1,132** | | | | |
| La Colorada Complex | Indicated | 21.7 | 0.82 | 570 | 9.6 | 6,671 | | |
| **La Colorada Complex** | **Indicated** | **21.7** | **0.82** | **570** | **9.6** | **6,671** | | |
| San Agustin | Indicated | 22.1 | 0.31 | 223 | 12.8 | 9,092 | | |
| El Castillo | Indicated | 23.5 | 0.31 | 232 | | | | |
| **EL Castillo Complex** | **Indicated** | **45.6** | **0.31** | **455** | | **9,092** | | |
| Cerro del Gallo | Measured | 121.6 | 0.49 | 1,899 | 13.1 | 51,086 | 0.10 | 122 |
| Cerro del Gallo | Indicated | 80.4 | 0.37 | 965 | 10.8 | 28,017 | 0.08 | 66 |
| **Cerro del Gallo** | **M&I** | **202.0** | **0.44** | **2,864** | **12.2** | **79,103** | **0.09** | **187** |
| San Antonio | Indicated | 65.0 | 0.86 | 1,735 | | | | |
| **Argonaut Consolidated Mineral Resources** | **Measured** | **170.4** | **0.63** | **3,455** | **N/A** | **51,086** | **N/A** | **122** |
| | **Indicated** | **428.3** | **0.57** | **7,858** | **N/A** | **43,780** | **N/A** | **66** |
| | **M&I** | **598.7** | **0.59** | **11,314** | **N/A** | **94,866** | **N/A** | **187** |

## Summary of Inferred Mineral Resources

| Project | Category | Tonnes (millions) | Au Grade (g/t) | Contained Au Ounces (000s) | Ag Grade (g/t) | Contained Ag Ounces (000s) | Cu Grade (%Cu) | Contained Tonnes Cu (000s) |
|---|---|---|---|---|---|---|---|---|
| Magino | Inferred | 31.6 | 0.83 | 843 | | | | |
| Florida Canyon | Inferred | 119.3 | 0.53 | 2,051 | | | | |
| La Colorada | Inferred | 0.6 | 0.63 | 12 | 7.2 | 138 | | |
| San Agustin | Inferred | 21.9 | 0.61 | 427 | 21.3 | 15,015 | | |
| El Castillo | Inferred | 2.5 | 0.33 | 26 | | | | |
| Cerro del Gallo | Inferred | 5.1 | 0.43 | 71 | 11.9 | 1,947 | 0.06 | 5 |
| San Antonio | Inferred | 6.2 | 0.34 | 67 | | | | |
| **Argonaut Consolidated Mineral Resources** | **Inferred** | **187.2** | **0.58** | **3,497** | **N/A** | **17,100** | **N/A** | **5** |

***Notes to the Mineral Reserve and Resource Tables:***

*(1) Mineral Reserves and Mineral Resources have been estimated as at December 31, 2022 in accordance with NI 43-101 as required by Canadian securities regulatory authorities. Mineral Resources are presented inclusive of Mineral Reserves. Numbers may not sum due to rounding.*

*(2) The Mineral Reserves for the Magino Project set out in the table above were based on the technical report titled "Magino Gold Project, Ontario, Canada, NI 43-101 Technical Report, Mineral Resource and Mineral Reserve Update", dated effective as of February 14, 2022, prepared by John M. Marek, P. Eng., Independent Mining Consultants, Inc.; Christo Marais, P. Geo., Argonaut; Philip Addis, P. Eng., SLR Consulting (Canada) Ltd.; Tommaso Roberto Raponi, P. Eng., T.R. Raponi Consulting Ltd.; and Kyle L. Stanfield, P. Eng., Argonaut (the "**Magino Technical Report**"). The Mineral Reserves were estimated using a gold price of $1,350 per ounce. The Mineral Reserves used a variable gold cut-off grade of between 0.38 g/t Au and 0.70 g/t Au, depending on mine sequencing.*

*(3) The Mineral Reserves for Florida Canyon set out in the above table are based on updated models, mine plans and topography as well as updated recoveries and cost assumptions as of December 31, 2022. Florida Canyon used a gold price of $1,600 per ounce. The cut-off grade for Florida Canyon was variable depending on ore type and process selection.*

*(4) The Mineral Reserves for La Colorada Complex set out in the above table are based on updated models, mine plans and topography as well as updated recoveries and cost assumptions as of December 31, 2022. La Colorada used a gold price of $1,600 per ounce and a silver price of $20.00 per ounce. Cut-off grades for La Colorada were 0.14 g/t Au equivalent ("AuEQ") at El Creston and 0.16 g/t AuEQ at Veta Madre.*

(5) *The Mineral Reserves for San Agustin Mine set out in the above table are based on updated models, mine plans and topography, including depletion through mining activities and changes to recovery and cost assumptions as of December 31, 2022. San Agustin used a gold price of $1,600 per ounce and silver price of $20.00 per ounce. Cut-off grades at San Agustin were 0.17 g/t AuEQ.*

(6) *The Mineral Reserves for Cerro del Gallo set out in the table above were based on the technical report titled "Pre-Feasibility Study NI 43-101 Technical Report Cerro del Gallo Heap Leach Project Guanajuato, Mexico", dated January 31, 2020 (effective date of October 24, 2019, prepared by Carl Defilippi, M.Sc. C.E.M., SME of Kappes Cassiday & Associates, Thomas Dyer, P.E. of Mine Development Associates, Todd Minard, P.E. of Golder Associates Inc., Brian Arkell, CPG and Neb Zurkic, CPG (the "**Cerro del Gallo Technical Report**"). The Mineral Reserves were estimated at a gold price of $1,200 per ounce and a silver price of $14.50 per ounce. The Mineral Reserves used a gold cut-off grade of between 0.30 g/t AuEQ and 0.39 g/t AuEQ depending on ore type.*

(7) *The M&I Mineral Resources and Inferred Mineral Resources for the Magino Project set out in the table above were based on pit cones using a gold price of $1,800 per ounce and preliminary stope designs below the $1,800 per ounce cone.*

(8) *The M&I Mineral Resources and Inferred Mineral Resources for Florida Canyon set out in the above table were based on pit cones using a gold price of $1,800 per ounce.*

(9) *The M&I Mineral Resources and Inferred Mineral Resources for La Colorada set out in the above table were based on pit cones using a gold price of $1,800 per ounce and a silver price of $24.00 per ounce.*

(10) *The M&I Mineral Resources and Inferred Mineral Resources for El Castillo and San Agustin, which together form the El Castillo Complex, set out in the above table were based on pit cones using a gold price of $1,800 per ounce and silver price of $24.00 per ounce. El Castillo mine ceased mining operations in the fourth quarter of 2022 and is now in residual leaching.*

(11) *The M&I Mineral Resources and Inferred Mineral Resources for the Cerro del Gallo Project set out in the table above were taken from the technical report titled "Pre-Feasibility Study NI 43-101 Technical Report Cerro del Gallo Heap Leach Project Guanajuato, Mexico", dated January 31, 2020 (effective date of October 24, 2019 (the "**Cerro del Gallo Technical Report**"). The Mineral Resources were estimated at a gold price of $1,600 per ounce and a silver price of $20.00 per ounce. Cut-off grades range from 0.25 g/t AuEQ to 0.30 g/t AuEQ depending on ore type.*

(12) *The M&I Mineral Resources and Inferred Mineral Resources for the San Antonio Project set out in the table above were taken from the technical report titled "NI 43-101 Technical Report on Resources, San Antonio Project", dated October 10, 2012 (effective date of September 1, 2012), prepared by Leah Mach, M.Sc. Geology, CPG and Mark Willow, M.Sc., C.E.M. of SRK Consulting (U.S.) Inc., Richard Rhoades, P.E., and Carl Defilippi, M.Sc. C.E.M., SME of Kappes Cassiday & Associates (the "**San Antonio Technical Report**"). The Mineral Resources were estimated at a gold price of $1,500 per ounce using a cut-off grade of 0.11 g/t Au for oxide and transition and 0.15 g/t Au for sulphide. On December 5, 2022, Argonaut entered into an Option Agreement whereby Heliostar Metals Limited has been granted the option to acquire a 100% interest in and to San Antonio.*

(13) *The Company completed the sale of the Ana Paula Project to Heliostar Metals Limited in March 2023 as per the purchase agreement, therefore Mineral Resource and Reserve estimates prepared for this property are not included in these tables.*

## Magino Project

At Magino, nearly all of the Measured, Indicated and Inferred Mineral resources fall into a larger open pit cone, as the deeper high-grade drill results from the 2022 exploration program targeting underground potential ended up floating into a deeper open pit cone. Magino's Mineral Reserve estimate remains largely unchanged from the prior year at 2.4 million gold ounces. Prior year reserves were estimated using a long-term gold price of $1,600 per ounce, while this year the Company is reporting Mineral Reserves using $1,350 per ounce, removing 66,000 ounces of low-grade material from reserves as a result.

"Magino is a large high-quality asset with significant growth and expansion potential. This year, we expect to begin a program to convert resources to reserves within the open pit, and target the high-grade potential at depth," stated Marc Leduc, Chief Operating Officer. "We believe Magino will grow in size and quality to become Argonaut's cornerstone asset and one of the largest, lowest-cost gold mines in Canada."

Magino is expected to achieve commercial production in the third quarter of 2023.

**Florida Canyon Mine**

At Florida Canyon, Inferred Mineral Resources increased to 2.1 million gold ounces from 20,000 gold ounces last year, in part due to the inclusion of 28,956 metres of drilling, and initial inclusion of sulfide mineralization. The inclusion of 700,000 ounces of sulfide mineralization helped pull an additional 1.35 million ounces of oxide mineralization into a large economic pit. The Mineral Reserve estimate for Florida Canyon remains largely unchanged at 930,000 gold ounces, as additional drilling offset depletion and loss from higher costs.

"Our Florida Canyon mine has significant growth potential as it resembles many gold deposits in Nevada where large sulfide deposits exist below oxide mineralization. Florida Canyon has produced 2.8 million ounces of gold since it opened in 1986, demonstrating a geological system that created significant gold mineralization. Last year, we drilled FCM-0124 that had a mineralized interval of 73 metres at 8.8 grams per tonne gold, which demonstrates the high-grade nature in some of the sulfide zones. The focus this year will be on updating the geologic model for the property and beginning a proof-of-concept drilling program on the sulfides to demonstrate the growth opportunity of this asset," added Mr. Leduc.

**La Colorada Complex**

At La Colorada Complex, the Mineral Reserve Estimate increased by 13% to 512,000 gold ounces based on 14,450 metres of drilling, which added 115,000 ounces or 56,000 ounces net of depletion, with approximately 75% contained within the El Creston pit. Measured and Indicated Resources decreased due to the removal of the Gran Central deposit from the resource model. The deep drilling at El Creston had a significant positive impact on the overall grade of the La Colorada Complex, which increased more than 20% to 0.83 grams per tonne as higher-grade material was encountered at depth.

**San Agustin Mine**

At San Agustin, both Mineral Reserves and Resource estimates declined materially. Reserves declined by 57% to 145,000 gold ounces from 336,000 gold ounces. Measured and Indicated Resources and Inferred resources declined by approximately 60% and 70%, respectively. The decline in reserves and resources was largely due to depletion, the impact of a higher cost structure, and modeling changes.

**Qualified Person, Technical Information and Mineral Properties Reports**

Technical information included in this release was prepared under the supervision of, 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 following technical reports on the Company's website at www.argonautgold.com or under the Company's issuer profile at 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) |
| Magino Gold Project | NI 43-101 Technical Report Mineral Resource and Mineral Reserve Update dated March 3, 2022 (effective date February 14, 2022) |
| 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 with a portfolio of operations and multi-stage assets in North America. Focused on becoming a low-cost mid-tier gold producer, the Company is in the final stages of construction at its Magino project, located in Ontario, Canada. Magino is expected to achieve commercial production in the third quarter of 2023 and become Argonaut's largest and lowest cost mine. The commissioning of Magino will be the first step in transforming the Company as it enters a pivotal growth stage.

The Company also has three operating mines including the Florida Canyon mine in Nevada, USA, where it is pursuing additional growth, La Colorada mine in Sonora, Mexico and San Agustin mine in Durango, Mexico. Argonaut Gold trades on the Toronto Stock Exchange (TSX) under the ticker symbol "AR".

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**Cautionary Note on Mineral Resource and Reserve Estimates**

The Mineral Resources and Mineral Reserves tables above are as at December 31, 2022. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Mineral Resources hold intrinsic economic interest, which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves. Measured and Indicated Mineral Resources listed above are inclusive of Mineral Reserves.

## 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 availability and change in terms of financing, the Magino construction capital estimate; the ability to finance additional construction costs on terms acceptable to Argonaut; risks related to meeting the Magino construction project schedule; 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; risk of employee and/or contractor strike actions; 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 while Argonaut believes that the assumptions reflected in those forward-looking statements are reasonable, there is no assurance they will prove to be correct. 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.

These factors are discussed in greater detail in Argonaut's most recent Annual Information Form dated March 31, 2023 (the "AIF") and in the most recent Management's Discussion and Analysis filed on SEDAR, which also provide additional general assumptions in connection with these statements. We encourage all investors to review the Risk Factors section of our AIF in detail prior to making an investment decision in Argonaut.

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.