



Argonaut Gold Declares Commercial Production at the Magino Mine Announces Sale of Additional Royalties

TORONTO, Ontario - (November 2, 2023) Argonaut Gold Inc. (TSX: AR) (the “Company”, “Argonaut Gold” or “Argonaut”) is pleased to announce that commercial production has been achieved at the Company’s Magino Mine effective November 1, 2023.

“The Board of Directors and Management would like to thank the Magino team for their hard work to achieve the commercial production milestone and celebrate the dedication of all employees, contractors, and community partners that have supported construction of the newest gold mine in Canada as we work to achieve our vision of becoming a low-cost, mid-tier North American gold producer that delivers value to all stakeholders,” stated Richard Young, President and Chief Executive Officer.

In declaring commercial production, management considers several factors, including substantial completion of construction and development activities in accordance with design, and a production ramp-up period which achieves certain design criteria. The design criteria includes an ability to deliver sufficient ore to the plant and various plant metrics including, tonnes per operating hour (crushing and grinding circuits), availability and recovery rates to ensure that the plant flowsheet is operating.

“Plant commissioning and ramp-up proceeded largely on plan from June through August, ramping up from approximately 50% of nameplate capacity to 80%, placing the plant on track for commercial production in September. However, 20 days of unplanned downtime in September, delayed the ramp-up. This was the result of two events, the first centered on the Ball Mill motor drive and inching system and the second involved the SAG Mill motor. The EPC contractor, equipment suppliers and specialized contractors were mobilized to assist the site team in facilitating equipment repairs and addressing the various causes of the unplanned downtime. During commissioning, the greatest plant reliability issues centered on the process control system, which is comprised of several disparate systems. As a result, we are systematically centralizing all control functionality. The plant has been largely operating at nameplate capacity since the beginning of the quarter,” stated Marc Leduc, Chief Operating Officer.

Third quarter consolidated production was 53,911 gold equivalent ounces (“GEOs”), including pre-commercial production of 10,693 GEOs from the Magino Mine. Full year production for the Magino Mine will not meet the guidance set out at the beginning of the year due to the slower than planned ramp-up to commercial production. However, the Company remains on track to meet its full year consolidated production and all in sustaining cost guidance set at the beginning of the year.

As a result of the slower than planned ramp-up of Magino to commercial production, the Company will bolster its balance sheet through the sale to Franco-Nevada Corporation and certain of its

subsidiaries (Franco-Nevada) of an additional 1% net smelter return royalty (“NSR”) on its Magino Mine, and its non-core royalty holdings in Canada and Mexico for an aggregate purchase price of US\$29.5 million, with closing of such transactions subject to satisfactions of closing conditions. Upon the closing of this transaction Franco-Nevada will hold an aggregate 3.0% NSR on the Magino Mine.

Qualified Person, Technical Information

The technical information contained in this press release has been prepared under the supervision of, and has been reviewed and approved by Mr. Marc Leduc, P.Eng. Chief Operating Officer; a Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). For further information on the Magino Mine, please see the technical report titled Magino Gold Project, Ontario, Canada, NI 43-101 Technical Report, Mineral Resource and Mineral Reserve Update dated March 3, 2022 (effective date of February 14, 2022) on the Company's website www.argonautgold.com or on www.sedarplus.ca.

About Argonaut Gold

Argonaut Gold is a Canadian-based gold producer with a portfolio of operations in North America. Focused on becoming a low-cost, mid-tier gold producer, the Company's newest gold mine, Magino is expected to become Argonaut's largest and lowest cost mine. Commercial production at Magino is the first step in transforming the Company as it enters a pivotal growth stage. The Company also has three additional operating mines including the Florida Canyon mine in Nevada, USA, where it is pursuing potential for redevelopment and 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”.

Cautionary Note Regarding Forward-looking Statements

This press release contains certain “forward-looking statements” under applicable Canadian securities laws concerning the business, operations and financial performance and condition of Argonaut Gold. Except for statements of historical fact relating to Argonaut, all statements included herein are forward-looking statements. The words “believe”, “expect”, “strategy”, “target”, “plan”, “scheduled”, “commitment”, “opportunities”, “guidance”, “project”, “continue”, “on track”, “estimate”, “growth”, “forecast”, “potential”, “future”, “extend”, “planned”, “will”, “could”, “would”, “should”, “may” and similar expressions typically identify forward-looking statements. In particular, this press release contains forward-looking statements including, without limitation, with respect to Argonaut's anticipated production guidance at Magino, as well as consolidated production and all in sustaining cost guidance.

Forward-looking statements are necessarily 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 but are not limited to 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, risks related to the anticipated performance of material equipment, the impact of COVID-19 and other human health concerns and the impact and effectiveness of governmental responses to them, 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 dated March 31, 2023 and in the most recent Management's Discussion and Analysis for the three and six months ended June 30, 2023, both filed under the Company's issuer profile 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.

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. Further, the forward-looking statements included herein speak only as of the date of this press release.

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