FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Argonaut Gold Inc. ("**Argonaut**" or the "**Company**")
Royal Bank Plaza, South Tower
200 Bay Street, Suite 1302
Toronto, Ontario M5J 2J3

Item 2: Date of Material Change

December 12, 2023

Item 3: News Release

A news release announcing the material change was disseminated over GlobeNewswire's distribution network on December 12, 2023 and a copy was filed on the Company's profile at www.sedarplus.ca.

Item 4: Summary of Material Change

On December 12, 2023, the Company announced that it closed its previously announced public offering (the "**Offering**") of 223,685,000 common shares of the Company (the "**Offered Shares**") at a price of C$0.38 per Offered Share, for gross proceeds to the Company of C$85,000,300, including the exercise in full of the underwriters' over-allotment option.

Item 5: 5.1 - Full Description of Material Change

Offering

On December 12, 2023, the Company announced that it had closed its previously announced Offering of 223,685,000 Offered Shares at a price of C$0.38 per Offered Share, for gross proceeds to the Company of C$85,000,300, including the exercise in full of the underwriters' over-allotment option. The Offering was completed on a "bought deal" basis by a syndicate of agents co-led by Cormark Securities Inc., BMO Capital Markets and Scotia Capital Inc., and including RBC Dominion Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., Paradigm Capital Inc. and Laurentian Bank Securities Inc.

The net proceeds of the Offering will be used to fund development and optimization of the Company's Magino and Florida Canyon mines and for general working capital purposes.

The Offered Shares were offered in each of the provinces and territories of Canada, other than Québec, pursuant to a prospectus supplement dated December 6, 2023 to the Company's base shelf prospectus dated June 2, 2022, 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**") and in certain other jurisdictions outside of Canada and the United States as agreed to by the Company.

The Offered Shares have not been, and will not be, registered under the U.S. Securities Act 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, U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable U.S. state securities laws or any exemption from such registration is available. This material change report not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States or to, or for the account or benefit of, U.S. Persons, nor will there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

<u>MI 61-101</u>

GMT Capital Corp. ("**GMT**"), which is a "control person" of Argonaut, and certain directors and officers of Argonaut (collectively with GMT, the "**Participating Insiders**") participated in the Offering. As a result of the Offering, GMT will continue to be a control person of Argonaut. The holdings of the Participating Insiders 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	254,218,462 (29.4%)	319,981,762 (29.4%)
Richard Young, CEO and Director	4,999,500 (0.578%)	5,657,400 (0.520%)
David Savarie, Vice President and General Counsel	340,000 (0.039%)	405,800 (0.037%)

Each issuance by the Company of Offered Shares to a Participating Insider under the Offering is considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 in reliance on the exemptions set out in sections 5.5(a) and 5.7(1)(a), respectively, of MI 61-101 as the fair market value of such transactions, insofar as they involve related parties, is not more than 25% of the Company's market capitalization. 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 Company elected to expedite closing of the Offering for sound business reasons.

A resolution approving the Offering was passed in writing by all directors of the Company entitled to vote thereon, in accordance with the *Business Corporations Act* (Ontario). James Kaufman, being the Chairman of one of the co-lead underwriters of the Offering and Janet Yang, being an employee of GMT, declared a potential conflict of interest with respect to the Offering and abstained from voting. No special committee was established in connection with the Offering, and no materially contrary view was expressed by any director.

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

Inquiries in respect of the material change referred to herein may be made to David Savarie, VP, General Counsel & Corporate Secretary by contacting Joanna Longo, Investor Relations, at 416-575-6965.

Item 9: Date of Report

December 13, 2023