

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name Argonaut Gold Inc.

Reporting Year From 1/1/2019 To: 12/31/2019 Date submitted 2020-05-15

Reporting Entity ESTMA Identification Number E217052

Original Submission
 Amended Report

Other Subsidiaries Included
 (optional field)

For Consolidated Reports - Subsidiary Reporting Entities Included in Report: E268348 Castle Gold Corporation, E499979 Pediment Gold Corp.

Not Substituted

Attestation by Reporting Entity

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full Name of Director or Officer of Reporting Entity David Ponczoch Date 2020-05-15

Position Title Chief Financial Officer

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Reporting Entity Name	Argonaut Gold Inc.		Currency of the Report	CAD
Reporting Entity ESTMA Identification Number	E217052			
Subsidiary Reporting Entities (if necessary)	E268348 Castle Gold Corporation, E499979 Pediment Gold Corp.			

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ³⁴
Mexico	Federal Government of Mexico		3,880,000	1,310,000	1,480,000					6,670,000	The breakdown of amounts paid to the Payee represents the following: 1) Corporate income taxes paid in cash to the Secretaria de Hacienda y Credito Publico of CA\$2,070,000. Additionally, payments were made in-kind through the utilization of tax credits, the reduction of refundable income tax and value added tax receivables and net operating losses from prior years of CA\$530,000. 2) Mining taxes paid in cash to the Secretaria de Economia of CA\$1,810,000. 3) Royalties on precious metals revenue paid in cash to the Secretaria de Hacienda y Credito Publico of CA\$1,310,000. 4) Various fees paid in cash totaling CA\$1,480,000 related to the following: -Concession fees paid to the Secretaria de Economia of CA\$1,200,000; -Permitting fees paid to the Comision Federal de Electricidade of CA\$120,000, Secretaria de Medio Ambiente y Recursos Naturales of CA\$120,000 and Secretaria de la Defensa Nacional of CA\$10,000; and -Surcharge fees paid to the Secretaria de Hacienda y Credito Publico of CA\$10,000 and Secretaria de Medio Ambiente y Recursos Naturales of CA\$20,000.
Canada	Batchewana First Nation				80,000		250,000			330,000	The amount paid to the Payee represents fees and bonus paid in cash to the Batchewana First Nation of CA\$80,000 and CA\$250,000. Balance paid in CA\$.
Canada	Metis Nation of Ontario				170,000		-			170,000	The amount paid to the Payee represents fees paid in cash to the Metis Nation of Ontario of CA\$170,000. Balance paid in CA\$.
Canada	Michipicoten First Nation				430,000					430,000	The amount paid to the Payee represents fees paid in cash to the Michipicoten First Nation of CA\$430,000. Balance paid in CA\$.

Additional Notes:

Where payments were made in currencies other than Canadian dollars, the payments were converted into Canadian dollars using a weighted average of the exchange rates during the period as follows:
 1 USD = CAD: 1.3269
 1 MXN = CAD: 0.0689

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Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
Mexico	El Castillo	1,710,000	890,000	70,000					2,670,000	
Mexico	La Colorada	110,000	420,000	340,000					870,000	
Mexico	San Antonio			560,000					560,000	
Mexico	Cerro del Gallo			510,000					510,000	
Mexico	Corporate	2,060,000							2,060,000	
Canada	Magino			680,000		250,000			930,000	

Additional Notes³:

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