

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name	Argonaut Gold Inc.					
Reporting Year	From	2020-01-01	To:	2020-12-31	Date submitted	2021-05-27
Reporting Entity ESTMA Identification Number	E217052	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report				

Other Subsidiaries Included
(optional field)

For Consolidated Reports - Subsidiary Reporting Entities Included in Report: E268348 Castle Gold Corporation, E499979 Pediment Gold Corp., E270359 Alio Gold Inc., E310952 Alio Gold (US) Inc.

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	2021-05-27
Position Title	Chief Financial Officer		

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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
Canada	Batchewana First Nation						340,000			340,000	The amount paid to the payee represents bonuses paid in cash to the Batchewana First Nation of CA\$340,000.
Canada	Michipicoten First Nation				1,310,000		3,240,000			4,550,000	The amount paid to the payee represents fees and bonuses paid in cash to the Michipicoten First Nation of CA\$1,310,000 and CA\$990,000, respectively, and a bonus paid in kind of CA\$2,250,000 through the issuances of common shares at market price on the dates of grant.
Canada	Missanabie Cree First Nation				200,000					200,000	The amount paid to the payee represents fees paid in cash to the Missanabie Cree First Nation of CA\$200,000.
Canada	Metis Nation of Ontario						110,000			110,000	The amount paid to the payee represents a bonus paid in kind to the Metis Nation of Ontario of CA\$110,000, through the issuance of common shares at market price on the date of grant.
Mexico	Federal Government of Mexico		2,290,000	1,620,000	3,690,000					7,600,000	<p>The breakdown of amounts paid to Payee represents the following:</p> <p>(1) Comisión Nacional Forestal: Permit fees totaling CA\$620,000.</p> <p>(2) Secretaria de Economía: Concession fees of CA\$2,648,000; mining taxes of CA\$330,000; and royalties on precious metals revenue paid in cash of CA\$1,620,000; totaling CA\$4,598,000.</p> <p>(3) Secretaria de Hacienda y Crédito Público: Corporate income taxes of CA\$1,960,000; and permitting, surcharge, and miscellaneous fees of CA\$422,000; totaling CA\$2,382,000. 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\$1,391,000.</p>
United States of America	Federal Government of the United States of America	Bureau of Land Management			220,000					220,000	The amount paid to the payee represents concession payments amounting to CA\$220,000.

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United States of America	Pershing County		510,000		20,000					530,000	The amount paid to the payee represents taxes, annual filing fees, business license fees, property taxes, and landfill fees amounting to CA\$530,000.
United States of America	State of Nevada	Nevada Division of Environmental Protection			140,000					140,000	The amount paid to the payee represents reclamation permit fees and annual air quality permit fees amounting to CA\$140,000.

Additional Notes: On July 1, 2020, Argonaut Gold Inc. acquired Alio Gold Inc. and all of its subsidiaries, assets, and projects. The payments summarized here are summarized for the entire 2020 year.

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\$ = CA\$1.3415
 1 MXN = CA\$0.0627

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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 ^{2,3}
Canada	Magino			1,510,000		3,690,000			5,200,000	
Mexico	Ana Paula			1,520,000					1,520,000	Reportable for 2020 due to acquisition of Alio Gold Inc.
Mexico	Cerro del Gallo			320,000					320,000	
Mexico	Corporate	1,960,000		40,000					2,000,000	
Mexico	El Castillo	330,000	1,160,000	660,000					2,150,000	
Mexico	La Colorada		460,000	650,000					1,110,000	
Mexico	San Antonio			500,000					500,000	
United States of America	Florida Canyon	510,000		300,000					810,000	Reportable for 2020 due to acquisition of Alio Gold Inc.
United States of America	Rye Patch Gold Exploration			80,000					80,000	Reportable for 2020 due to acquisition of Alio Gold Inc.

Additional Notes³:

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