Argonaut Gold Announces Third Quarter 2019 Operating and Financial Results and Organizational Restructuring

Toronto, Ontario - (November 7, 2019) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") announces its operating and financial results for the third quarter ended September 30, 2019. The Company reports quarterly production of 44,712 gold equivalent ounces[1] ("GEO" or "GEOs"), cash flow from operating activities before changes in operating working capital of $17.2 million, net income of $4.9 million or earnings per share of $0.03, adjusted net income of $6.5 million or adjusted earnings per share of $0.04 and a net cash increase of $11.7 million (see "Non-IFRS Measures" section). All dollar amounts are expressed in United States dollars, unless otherwise specified (C$ refers to Canadian dollars).

CEO Commentary

Pete Dougherty, President and CEO stated: "Our net cash position increased by $11.7 million during the quarter and as the quarter progressed, we started to see a rebound in operations after a challenging second quarter earlier this year. We were able to stack considerable ounces to the leach pads, which should lead to a strong fourth quarter in terms of production. As previously guided, we expect crushing throughput at San Agustin to ramp up to 30,000 tonnes per day during the fourth quarter after achieving nearly 25,000 tonnes per day in the third quarter. We anticipate finishing 2019 near the low end or slightly under our annual production guidance of between 200,000 and 215,000 GEOs."

Outlook

The Company is tracking toward the low end of its 2019 production guidance of between 200,000 and 215,000 GEOs and anticipates it will produce between 190,000 and 200,000 GEOs during 2019. Given the expectation that GEO production for the year will be near or slightly under the low end of previous guidance, the Company now expects 2019 cash costs of between $900 and $925 per gold ounce sold (previously $800 to $900 per gold ounce sold) (see "Non-IFRS Measures" section). In addition, the Company now anticipates all-in sustaining costs of between $1,125 and $1,150 per gold ounce sold (previously $1,025 to $1,125 per gold ounce sold) (see "Non-IFRS Measures" section) primarily due to the potential for fewer gold ounces sold.

The Company plans to invest between $50 million and $55 million in capital programs during 2019 (unchanged from last quarter), of which approximately $41 million was spent during the first nine months of 2019.

[1] GEOs are based on a conversion ratio of 75:1 for silver to gold for 2019 and 70:1 for 2018. The silver to gold conversion ratio is based on the three-year trailing average silver to gold ratio.

Key operating and financial statistics for the three and nine months ended September 30, 2019 are outlined in the following table:

	3 Months Ended Sept 30			9 Months Ended Sept 30		
	2019	2018	Change	2019	2018	Change
Financial Data (in millions except for earnings (loss) per share)						
Revenue	$66.8	$41.3	62%	$196.8	$144.4	36%
Gross profit (loss)	$14.5	($3.3)	539%	$35.2	$28.0	26%
Net income (loss)	$4.9	($2.7)	281%	$14.4	$9.9	45%
Earnings (loss) per share – basic	$0.03	($0.02)	250%	$0.08	$0.06	33%
Adjusted net income (loss)[1]	$6.5	($1.0)	750%	$10.3	$13.9	(26%)
Adjusted earnings (loss) per share – basic[1]	$0.04	($0.01)	500%	$0.06	$0.08	(25%)
Cash flow from operating activities before changes in non-cash operating working capital	$17.2	$10.9	58%	$46.6	$48.9	(5%)
Cash and cash equivalents	$35.6	$20.6	73%	$35.6	$20.6	73%
Net cash[1]	$21.6	$12.6	71%	$21.6	$12.6	71%
Gold Production and Cost Data						
GEOs loaded to the pads[2]	100,731	67,244	50%	260,251	222,891	17%
GEOs projected recoverable[2,3]	54,884	37,763	45%	152,828	121,932	25%
GEOs produced[2,3,4]	44,712	34,165	31%	139,094	113,459	23%
GEOs sold[2]	45,567	34,248	33%	145,426	113,152	29%
Average realized sales price	$1,474	$1,212	22%	$1,359	$1,282	6%
Cash cost per gold ounce sold[1]	$901	$867	4%	$906	$735	23%
All-in sustaining cost per gold ounce sold[1,5]	$1,134	$1,032	10%	$1,168	$930	26%

[1]Please refer to the section below entitled "Non-IFRS Measures" for a discussion of these Non-IFRS Measures.
[2]GEOs are based on a conversion ratio of 75:1 for silver to gold for 2019 and 70:1 for 2018. The silver to gold conversion ratio is based on the three-year trailing average silver to gold ratio.
[3]Expected recoverable GEOs are based on the assumptions and parameters as set forth in the El Castillo Complex Technical Report dated March 27, 2018 and the La Colorada Gold/Silver Mine Technical Report dated March 27, 2018. In periods where the Company mines material not specifically defined in a technical report (for example: low grade stockpile material), management uses its best estimate of recovery based on the information available.
[4]Produced ounces are calculated as ounces loaded to carbon.
[5]Three and nine months ended September 30, 2018 all-in sustaining cost per gold ounce sold was restated to follow the amended guidance issued by the World Gold Council during the fourth quarter of 2018.

Third Quarter 2019 and Recent Company Highlights:

- Corporate
  - Increased net cash by $11.7 million (see "Non-IFRS Measures" section).
  - Completed a private placement financing of flow-through common shares at a price of C$3.40 per flow-through share for gross proceeds of C$4.0 million.
  - Initiated zero-cost collar gold price protection program on 145,500 total ounces, which is a portion of El Castillo's estimated remaining life-of-mine production, to ensure profitability at an attractive price protection point. The monthly gold

collars have a floor price of $1,450 per gold ounce and a weighted average ceiling price of $1,707 per gold ounce from between the fourth quarter of 2019 to the second quarter of 2022.

- El Castillo Complex
  - Third quarter production of 30,294 GEOs.
    - El Castillo production of 14,592 GEOs.
    - San Agustin production of 15,702 GEOs.
  - Completed new water well at San Agustin, which allows for a crushing and stacking ramp up to 30,000 tonnes per day during the fourth quarter 2019.
- La Colorada
  - Third quarter production of 14,418 GEOs.
  - Achieved crushing and stacking rate above 14,000 tonnes per day.
- Cerro del Gallo
  - Advanced pre-feasibility study.
  - Advanced the Unified Technical Document that includes an Environmental Impact Assessment, an Environmental Risk Assessment and the Justified Technical Study for a Change of Soil Use.
- San Antonio
  - Advanced environmental permitting.
- Magino
  - Commenced a 6,000-metre drill program and subsequently expanded the program to 20,000 metres based on the early success of identifying high-grade structures beneath and to the east of the planned pit and to the west of the adjacent Island Gold Mine.
  - Advanced remaining Federal and Provincial authorizations.
- Social Responsibility
  - Signed a collaborative agreement for the 7th health fair at La Colorada in Sonora, Mexico with the Centro de Rehabilitación Integral Teletón.
  - Hosted a cultural event with the Cultural Institute of Sonora at La Colorada.
  - Participated in an exposition hosted by the Durango, Mexico state government where the Company exhibited an interactive learning pavilion where local attendees, including families, could learn about mining and the Company's projects.
    - The Company's exhibit was awarded first place and best interactive exhibit among 160 participants.
  - Sponsored an international forum on geological and mining heritage, organized by the Universidad Autónoma de Baja California Sur, to discuss possible historical tourism and ecotourism in mining communities.
  - Hosted soprano Elena Rivera and the Latin American Quartet at the Mining Cultural Centre of the Mexican chamber of commerce in Mexico City, Mexico.
  - Hosted student interactive workshops in the municipality of Dolores Hidalgo in the village of San Antón in Guanajuato, Mexico.

Financial Results – Third Quarter 2019

Revenue for the three months ended September 30, 2019 was $66.8 million, an increase from

$41.3 million for the three months ended September 30, 2018. During the third quarter of 2019, gold ounces sold totaled 44,303 at an average realized price per ounce of $1,474, compared to 33,179 gold ounces sold at an average realized price per ounce of $1,212 during the same period of 2018. Gold ounces sold for the three months ended September 30, 2019 increased compared to the same period in 2018 primarily due to an increase in gold ounces sold at the El Castillo and La Colorada mines as a result of increases in grade, ore tonnes to pad and recovery.

Production costs for the third quarter of 2019 were $41.5 million, an increase from $29.9 million in the third quarter of 2018, primarily due to an increase in gold ounces sold. Cash cost per gold ounce sold (see "Non-IFRS Measures" section) was $901 in the third quarter of 2019, a slight increase from $867 in the same period of 2018. Depreciation, depletion and amortization ("DD&A") expense included in cost of sales for the third quarter of 2019 totaled $11.2 million, an increase from $7.9 million in the third quarter of 2018, primarily due to an increase in gold ounces sold, as many of the mining assets are amortized on a unit-of-production basis. Additionally, included in cost of sales in the third quarter of 2018 is a non-cash impairment write down of $6.9 million at the El Castillo and La Colorada mines related to the net realizable value of work-in-process inventory, as a result of a decrease in the price of gold as at September 30, 2018.

General and administrative expenses for the third quarter of 2019 were $3.4 million, an increase from $2.7 million for the same period of 2018, primarily due to employee related costs.

Gains on derivatives for the third quarter of 2019 were $0.5 million, an increase from $0.2 million in the third quarter of 2018, principally due to an increase in realized and net unrealized gains on the Company's zero-cost collar foreign exchange and commodity contracts.

Other expense for the third quarter of 2019 was $1.1 million, a decrease from other income of $1.2 million in the third quarter of 2018, primarily due to differences in foreign currency translation effects, partially offset by proceeds of $0.6 million related to a bankruptcy filing.

Income tax expense for the third quarter of 2019 was $5.1 million, compared to an income tax recovery of $2.4 million in the same period of 2018. The increase is primarily due to the foreign exchange effects of the strengthening Mexican peso on the calculation of deferred taxes, higher taxable income in the third quarter of 2019 and the deferred tax effect of the non-cash impairment write down of work-in-process inventory in the third quarter of 2018.

Net income for the third quarter of 2019 was $4.9 million or $0.03 per basic share, an increase from a net loss of $2.7 million or $0.02 per basic share for the third quarter of 2018.

Financial Results – First Nine Months 2019

Revenue for the nine months ended September 30, 2019 was $196.8 million, an increase from $144.4 million for the nine months ended September 30, 2018. During the first nine months of 2019, gold ounces sold totaled 140,729 at an average realized price per ounce of $1,359, compared to 108,665 gold ounces sold at an average realized price per ounce of $1,282 during the same period of 2018. Gold ounces sold for the nine months ended September 30, 2019 increased compared to the same period in 2018 primarily due to an increase in gold ounces sold at the El Castillo and La Colorada mines as a result of increases in grade, ore tonnes to pad and

recovery. The increase in ore tonnes to pad at the El Castillo mine is primarily due to the expansion of crusher throughput capacity at the West crusher from 5,000 tonnes per day to 14,000 tonnes per day during the first quarter of 2018.

Production costs for the nine months ended September 30, 2019 were $133.0 million, an increase from $85.0 million in the first nine months of 2018 primarily due to an increase in gold ounces sold and an increase in cash cost per gold ounce sold. Cash cost per gold ounce sold (see "Non-IFRS Measures" section) was $906 in the first nine months of 2019, an increase from $735 in the same period of 2018, primarily due to an increase in cash cost per gold ounce sold at the San Agustin mine, as disclosed further in the discussion of operations. DD&A expense included in cost of sales for the nine months ended September 30, 2019 totaled $33.3 million, an increase from $24.6 million in the nine months ended September 30, 2018, primarily due to the increase in gold ounces sold, as many of the mining assets are amortized on a unit-of-production basis. Additionally, included in cost of sales in the first nine months of 2019 is a non-cash impairment reversal of $4.7 million at the El Castillo mine related to the net realizable value of the work-in-process inventory, primarily due to a revision in management's estimate of future production costs to convert the non-current work-in-process inventory into saleable form and the expected timing of recoveries of the inventory. Included in cost of sales during the first nine months of 2018 is a non-cash impairment write down of $6.9 million at the El Castillo and La Colorada mines related to the net realizable value of work-in-process inventory, as a result of a decrease in the price of gold as at September 30, 2018.

General and administrative expenses for the nine months ended September 30, 2019 were $10.5 million, an increase from $9.6 million in the same period of 2018, primarily due to employee related costs.

Gains on derivatives during the first nine months of 2019 were $1.0 million, an increase from $0.6 million in the first nine months of 2018, due to an increase in realized gains on the Company's zero-cost collar foreign exchange contracts, partially offset by a net decrease in unrealized gains on the Company's zero-cost collar foreign exchange and commodity contracts.

Other income for the nine months ended September 30, 2019 was $0.8 million, an increase from $0.1 million in the same period of 2018, primarily due to proceeds of $0.6 million related to a bankruptcy filing.

Income tax expense for the nine months ended September 30, 2019 was $10.4 million, compared to $7.9 million in the same period of 2018. The increase is primarily due to a greater foreign exchange effect of the strengthening Mexican peso on the calculation of deferred taxes in the first nine months of 2018 and higher taxable income in the first nine months of 2019.

Net income for the nine months ended September 30, 2019 was $14.4 million or $0.08 per basic share, an increase from $9.9 million or $0.06 per basic share for the nine months ended September 30, 2018.

Operational Results – Third Quarter 2019

During the third quarter 2019, the Company achieved production of 44,712 GEOs at a cash cost of $901 per gold ounce sold and all-in sustaining cost of $1,134 per gold ounce sold compared to 34,165 GEOs at a cash cost of $867 per gold ounce sold and an all-in sustaining cost of $1,032 per gold ounce sold during the third quarter 2018 (see "Non-IFRS Measures" section). Higher production was primarily driven by increases at the El Castillo mine due to increased tonnes to pad and higher recoveries and at the La Colorada mine due to an increase in grade. Higher all-in sustaining costs are primarily related to higher deferred stripping costs and costs associated with land acquisitions.

The El Castillo Complex produced 30,294 GEOs at a cash cost of $947 per gold ounce sold during the third quarter of 2019 versus 26,894 GEOs at a cash cost of $786 per gold ounce sold during the third quarter of 2018 (see "Non-IFRS Measures" section). Higher costs are primarily related to higher waste to ore ratio at the San Agustin mine.

La Colorada produced 14,418 GEOs at a cash cost of $800 per gold ounce sold during the third quarter of 2019 compared to 7,271 GEOs at a cash cost of $1,152 per gold ounce sold during the third quarter of 2018 (see "Non-IFRS Measures" section). Higher production and lower costs are primarily related to an 82% increase in grade mined, as during the third quarter of 2018, the Company was mining and processing ore from low-grade stockpiles due to the inability to blast due to the temporary suspension of the explosives permit in 2018.

Pete Dougherty commented: "After a challenging second quarter operationally where we lacked sufficient water at San Agustin to meet our solution flow requirements, we successfully installed a new water well and saw production trend stronger as we successfully got stacked ore under solution. We averaged a crushing and stacking rate of nearly 25,000 tonnes per day at San Agustin during the third quarter and continue to expect to complete our ramp up to 30,000 tonnes per day during the fourth quarter. Productivity at El Castillo was impacted during the quarter by water in the pit and unexpected downtime at the East crusher for maintenance – two issues that are now largely resolved. At La Colorada, we were able to exceed the crushing and stacking rate of 14,000 tonnes per day, which should bode well for fourth quarter production."

THIRD QUARTER 2019 EL CASTILLO COMPLEX OPERATING STATISTICS

	3 Months Ended Sept 30			9 Months Ended Sept 30		
	2019	2018	Change	2019	2018	Change
Mining (in 000s except waste/ore ratio)						
Tonnes ore El Castillo	2,436	2,267	7%	7,024	6,035	16%
Tonnes ore San Agustin	2,371	1,747	36%	5,993	5,324	13%
Tonnes ore	**4,807**	**4,014**	**20%**	**13,017**	**11,359**	**15%**
Tonnes waste El Castillo	2,947	3,869	(24%)	10,241	9,198	11%
Tonnes waste San Agustin	1,633	808	102%	4,358	1,782	145%
Tonnes waste	**4,580**	**4,677**	**-2%**	**14,599**	**10,980**	**33%**
Tonnes mined El Castillo	5,383	6,136	(12%)	17,265	15,233	13%

Tonnes mined San Agustin	4,004	2,555	57%	10,351	7,106	46%
Tonnes mined	**9,387**	**8,691**	**8%**	**27,616**	**22,339**	**24%**
Tonnes per day El Castillo	59	66	(11%)	63	56	13%
Tonnes per day San Agustin	44	28	57%	38	26	46%
Tonnes per day	**103**	**94**	**10%**	**101**	**82**	**23%**
Waste/ore ratio El Castillo	1.21	1.71	(29%)	1.46	1.52	(4%)
Waste/ore ratio San Agustin	0.69	0.46	50%	0.73	0.33	121%
Waste/ore ratio	**0.95**	**1.16**	**(18%)**	**1.12**	**0.97**	**15%**
Leach Pads (in 000s)						
Tonnes crushed to East leach pads El Castillo	988	1,182	(16%)	3,162	3,348	(6%)
Tonnes crushed to West leach pads El Castillo	1,124	1,064	6%	3,556	2,644	34%
Tonnes crushed to leach pads San Agustin	2,287	1,732	32%	5,909	5,335	11%
Tonnes crushed to leach pads	**4,399**	**3,978**	**11%**	**12,627**	**11,327**	**11%**
Production						
Gold grade loaded to leach pads El Castillo (g/t)[1]	0.39	0.33	18%	0.39	0.38	3%
Gold grade loaded to leach pads San Agustin (g/t)[1]	0.32	0.34	(6%)	0.39	0.40	(3%)
Gold grade loaded to leach pads (g/t)[1]	**0.35**	**0.34**	**3%**	**0.39**	**0.39**	**0%**
Gold loaded to leach pads El Castillo (oz)[2]	30,939	24,125	28%	88,508	72,321	22%
Gold loaded to leach pads San Agustin (oz)[2]	23,385	18,832	24%	73,548	68,523	7%
Gold loaded to leach pads (oz)[2]	**54,324**	**42,957**	**26%**	**162,056**	**140,844**	**15%**
Projected recoverable GEOs loaded El Castillo[4]	15,526	14,477	7%	54,498	42,147	29%
Projected recoverable GEOs loaded San Agustin[4]	17,082	13,596	26%	52,048	49,454	5%
Projected recoverable GEOs loaded[4]	**32,608**	**28,073**	**16%**	**106,546**	**91,601**	**16%**
Gold produced El Castillo (oz)[2,3]	14,281	10,298	39%	51,529	29,034	77%
Gold produced San Agustin (oz)[2,3]	15,210	15,770	(4%)	41,978	47,122	(11%)
Gold produced (oz)[2,3]	**29,491**	**26,068**	**13%**	**93,507**	**76,156**	**23%**
Silver produced El Castillo (oz)[2,3]	23,293	4,865	379%	81,294	20,504	296%
Silver produced San Agustin (oz)[2,3]	36,887	52,895	(30%)	134,014	189,007	(29%)
Silver produced (oz)[2,3]	**60,180**	**57,760**	**4%**	**215,308**	**209,511**	**3%**
GEOs produced El Castillo[3]	14,592	10,368	41%	52,613	29,327	79%
GEOs produced San Agustin[3]	15,702	16,526	(5%)	43,765	49,822	(12%)
GEOs produced[3]	**30,294**	**26,894**	**13%**	**96,378**	**79,149**	**22%**
Gold sold El Castillo (oz)[2]	15,955	9,937	61%	54,839	27,292	101%
Gold sold San Agustin (oz)[2]	14,478	15,912	(9%)	44,565	46,222	(4%)
Gold sold (oz)[2]	**30,433**	**25,849**	**18%**	**99,404**	**73,514**	**35%**
Silver sold El Castillo (oz)[2]	23,293	4,865	379%	81,294	20,504	296%

Silver sold San Agustin (oz)[2]	37,410	54,747	(32%)	144,830	185,416	(22%)
Silver sold (oz)[2]	**60,703**	**59,612**	**2%**	**226,124**	**205,920**	**10%**
GEOs sold El Castillo	16,266	10,007	63%	55,923	27,585	103%
GEOs sold San Agustin	14,977	16,694	(10%)	46,496	48,871	(5%)
GEOs sold	**31,243**	**26,701**	**17%**	**102,419**	**76,456**	**34%**
Cash cost per gold ounce sold El Castillo[5]	$1,038	$1,050	(1%)	$970	$1,021	(5%)
Cash cost per gold ounce sold San Agustin[5]	$848	$622	36%	$848	$476	78%
Cash cost per gold ounce sold[5]	**$947**	**$786**	**20%**	**$915**	**$678**	**35%**

[1] "g/t" refers to grams per tonne.
[2] "oz" refers to troy ounce.
[3] Produced ounces are calculated as ounces loaded to carbon.
[4] Expected recoverable GEOs are based on the assumptions and parameters as set forth in the El Castillo Complex Technical Report dated March 27, 2018. In periods where the Company mines material not specifically defined in a technical report, management uses its best estimates of recovery based on the information available.
[5] Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure.

Summary of Production Results at the El Castillo Complex

During the third quarter 2019, the El Castillo Complex produced 13% more GEOs at a cash cost per gold ounce sold (see "Non-IFRS Measures" section) 20% higher compared to the third quarter 2018. Higher production was driven by increased production from the El Castillo mine due to higher recoveries. Higher costs are primarily a result of a higher waste to ore ratio at the San Agustin mine.

At El Castillo, water in the bottom of the pit, combined with unscheduled downtime of the East crusher for maintenance, led to lower than anticipated productivity. This lower productivity led to a decrease in total tonnes mined, crushed and stacked on the leach pads when compared to the third quarter of 2018. The mine saw its waste to ore ratio return to planned levels during the quarter after experiencing a higher than anticipated waste to ore ratio during the previous quarter.

At San Agustin, after the completion of a new water well which allowed for planned solution flow rates, daily production trended stronger as the third quarter progressed. Additionally, with sufficient water available the Company was able to increase its crushing and stacking rate, averaging nearly 25,000 tonnes per day during the third quarter representing a 32% increase over the third quarter 2018 and an 18% increase over the second quarter 2019. The Company remains on track to achieve its planned ramp up to 30,000 tonnes per day during the fourth quarter. GEO production at San Agustin was 5% lower during the third quarter 2019 when compared to the third quarter 2018 despite higher contained ounces stacked on leach pad, primarily due to a lack of water for planned solution flow rates during the first half of the third quarter 2019. A new water well was drilled in August 2019 and, during the second half of the third quarter, sufficient water became available to meet planned solution flow rates and increases in daily production. Given the daily production trend experienced during the third quarter 2019 and to-date in the fourth quarter, it is anticipated that GEO production will reach planned levels during the fourth quarter due to the increased ounces stacked and solution flows at planned levels now that there is sufficient water available. Total tonnes mined, crushed and stacked increased during the third

quarter 2019 compared to the third quarter 2018 due to the planned higher mining rate in connection with the 10,000 tonne per day expansion completed during the first half of 2019, along with a higher waste to ore ratio.

THIRD QUARTER 2019 LA COLORADA OPERATING STATISTICS

	3 Months Ended Sept 30			9 Months Ended Sept 30		
	2019	2018	Change	2019	2018	Change
Mining (in 000s except for waste/ore ratio)						
Tonnes ore	1,452	1,200	21%	3,511	3,358	5%
Tonnes waste	5,767	4,254	36%	17,667	12,200	45%
Total tonnes	7,219	5,454	32%	21,178	15,558	36%
Tonnes per day	78	59	32%	78	57	37%
Waste/ore ratio	3.97	3.55	12%	5.03	3.63	39%
Tonnes rehandled	0	0	-	0	38	(100%)
Leach Pads (in 000s)						
Tonnes crushed to leach pads	1,331	1,207	10%	3,337	3,472	(4%)
Tonnes direct to leach pads	145	0	-	234	0	-
Production						
Gold grade loaded to leach pads (g/t)[1]	0.60	0.33	82%	0.51	0.37	38%
Gold loaded to leach pads (oz)[2]	28,586	12,957	121%	59,097	41,766	41%
Projected recoverable GEOs loaded[4]	22,276	9,690	130%	46,282	30,331	53%
Gold produced (oz)[2,3]	13,969	7,040	98%	41,064	32,834	25%
Silver produced (oz)[2,3]	33,616	16,213	107%	123,874	103,348	20%
GEOs produced[3]	14,418	7,271	98%	42,716	34,310	25%
Gold sold (oz)[2]	13,870	7,330	89%	41,325	35,151	18%
Silver sold (oz)[2]	34,041	15,205	124%	126,131	108,163	17%
GEOs sold	14,324	7,547	90%	43,007	36,696	17%
Cash cost per gold ounce sold[5]	$800	$1,152	(31%)	$885	$854	4%

[1] "g/t" refers to grams per tonne.
[2] "oz" refers to troy ounce.
[3] Produced ounces are calculated as ounces loaded to carbon.
[4] Expected recoverable GEOs are based on the assumptions and parameters as set forth in the La Colorada Gold/Silver Mine Technical Report dated March 27, 2018. In periods where the Company mines material not specifically defined in a technical report (for example: low grade stockpile material), management uses its best estimate of recovery based on the information available.
[5] Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure.

Summary of Production Results at La Colorada

During the third quarter 2019, La Colorada produced 98% more GEOs at a cash cost per gold ounce sold (see "Non-IFRS Measures" section) 31% lower than the third quarter 2018. Higher production and lower costs are primarily due to the 82% increase in grade, as the Company was

mining and processing of ore from low-grade stockpiles during the third quarter of 2018 due the inability to blast due to the temporary suspension of the explosives permit.

The crushing and stacking rate exceeded 14,000 tonnes per day during the third quarter and, when combined with a grade increase of 30% over the previous quarter, should lead to improved fourth quarter GEO production.

Organizational Restructuring

The Company has made the decision to restructure the organization with the goal of eliminating redundancies and maximizing efficiencies and profitability. In light of this restructuring, Bill Zisch, Chief Operating Officer is departing the Company effective immediately. The VP, Operations of Mexico will report directly to Pete Dougherty, President and CEO.

Pete Dougherty stated: "I want to thank Bill for guiding us through our production growth ramp up over the past two years, and we wish him well in his future endeavours."

Argonaut Gold Third Quarter Operational and Financial Results Conference Call and Webcast:

The Company will host a conference call and webcast to discuss its third quarter operating and financial results at 9:00 am EST on November 8, 2019.

Q3 Conference Call Information

Toll Free (North America):	1-888-231-8191
International:	1-647-427-7450
Conference ID:	7118207
Webcast:	**www.argonautgold.com**

Q3 Conference Call Replay:

Toll Free Replay Call (North America):	1-855-859-2056
International Replay Call:	1-416-849-0833

The conference call replay will be available from 12:00 pm EST on November 8, 2019 until 11:59 pm EST on November 15, 2019.

Non-IFRS Measures

The Company has included certain non-IFRS measures including "Cash cost per gold ounce sold", "All-in sustaining cost per gold ounce sold", "Adjusted net income (loss)", "Adjusted earnings (loss) per share – basic", and "Net cash" in this press release to supplement its financial statements which are presented in accordance with International Financial Reporting Standards ("IFRS"). Cash cost per gold ounce sold is equal to production costs less silver sales divided by gold ounces sold. All-in sustaining cost per gold ounce sold is equal to production costs less silver sales plus general and administrative, exploration, accretion and other expenses and sustaining capital expenditures divided by gold ounces sold. Adjusted net income (loss) is equal to net income (loss) less foreign exchange impacts on deferred income taxes, foreign exchange (gains) losses, non-cash impairment write down (reversal) of work-in-process inventory, proceeds from

legal proceedings and unrealized (gains) losses on commodity derivatives. Adjusted earnings (loss) per share – basic is equal to adjusted net income (loss) divided by the basic weighted average number of common shares outstanding. Net cash is calculated as the sum of the cash and cash equivalents balance net of debt as at the statement of financial position date. The Company believes that these measures provide investors with an alternative view to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The Company adopted IFRS 16, Leases ("IFRS 16") in the annual period commencing January 1, 2019. The Company elected to apply IFRS 16 using a modified retrospective approach; therefore, comparative amounts were not restated. The impact as a result of adopting IFRS 16 on cash costs per gold ounce sold and all-in sustaining costs per gold ounce sold for 2019 compared to 2018 was not material.

Please see the management's discussion and analysis ("MD&A") for full disclosure on non-IFRS measures.

This press release should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2019 and associated MD&A, for the same period, which are available from the Company's website, www.argonautgold.com, in the "Investors" section under "Financial Filings", and under the Company's profile on SEDAR at www.sedar.com.

Creating Value Beyond Gold

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 Inc. ("Argonaut" or "Argonaut Gold"). Forward-looking statements and forward-looking information include, but are not limited to mine life of the various mineral projects of Argonaut; the ability to obtain permits for operations; synergies; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; and financial impact of completed acquisitions; 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; the ability to take advantage of forward sales agreements profitably 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 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 access to water to meet planned solution flow rates, estimates of future capital and operating costs, variations in ore grade or recovery rates, changes in market conditions, 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, 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 and in the most recent Management's Discussion and Analysis filed 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. 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 and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release.

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.

Qualified Person, Technical Information and Mineral Properties Reports

Technical information included in this release was supervised and approved by Brian Arkell, Argonaut's Vice President, Exploration and a Qualified Person under National Instrument 43-101 ("NI 43-101"). For further information on the Company's material properties, please see the reports as listed below on the Company's website or on www.sedar.com:

El Castillo Complex	NI 43-101 Technical Report on Resources and Reserves, El Castillo Complex, Durango State, Mexico dated March 27, 2018 (effective date of March 7, 2018)
La Colorada Mine	NI 43-101 Technical Report on Resources and Reserve, La Colorada Gold/Silver Mine, Hermosillo, Mexico dated March 27, 2018 (effective date of December 8, 2017)
Magino Gold Project	Feasibility Study Technical Report on the Magino Project, Ontario, Canada dated December 21, 2017 (effective date November 8, 2017)
San Antonio Gold Project	NI 43-101 Technical Report on Resources, San Antonio Project, Baja California Sur, Mexico dated October 10, 2012 (effective date of September 1, 2012)

About Argonaut Gold

Argonaut Gold is a Canadian gold company engaged in exploration, mine development and production. Its primary assets are the El Castillo mine and San Agustin mine, which together form the El Castillo Complex in Durango, Mexico and the La Colorada mine in Sonora, Mexico. Advanced exploration projects include the San Antonio project in Baja California Sur, Mexico, the Cerro del Gallo project in Guanajuato, Mexico and the Magino project in Ontario, Canada. The Company also has several exploration stage projects, all of which are located in North America.

For more information, contact:

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Source: Argonaut Gold Inc.