



Argonaut Gold Announces Second Quarter Production of 59,192 Gold Equivalent Ounces and Cash Flow¹ of \$23.3 Million

Toronto, Ontario - (August 10, 2022) **Argonaut Gold Inc. (TSX: AR)** (the “Company”, “Argonaut Gold” or “Argonaut”) is pleased to announce its operating and financial results for the second quarter ended June 30, 2022. For the second quarter 2022, the Company reports production of 59,192 gold equivalent ounces² (“GEO” or “GEOs”), revenue of \$111.4 million, cash flow from operating activities before changes in non-cash operating working capital and other items of \$23.3 million, net income of \$18.4 million or earnings per basic share of \$0.06, and adjusted net income³ of \$7.3 million or adjusted earning per basic share³ of \$0.02. All dollar amounts are expressed in United States dollars, unless otherwise specified (C\$ refers to Canadian dollars).

¹ “Cash Flow” refers to “Cash flow from operating activities before changes in non-cash operating working capital and other items”.

² GEOs are based on a conversation ratio of 80:1 for silver to gold for 2022 and 85:1 for 2021. The silver to gold conversation ratio is based on the three-year trailing average silver to gold ratios. These are the referenced ratios for each year throughout this press release.

³ This is a Non-IFRS Measure. Please refer to the section entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

Larry Radford, President & CEO stated: “We were slightly ahead of our operational budget in terms of GEO production during the second quarter, which yielded over 59,000 GEOs, albeit at a slightly higher cost than budgeted due to inflationary pressures on input costs. We recently put a financing package together that we believe fully finances the Magino construction project. We are also tracking well against our most recent Magino capital estimate to completion of C\$920 million. With the financing behind us and what I believe to be the right team now in place, I feel Argonaut is in a much better position to execute on our business plan.”

Second Quarter 2022 Results

Key operating and financial statistics for the second quarter ended June 30, 2022 are outlined in the following table:

	3 Months Ended			6 Months Ended		
	June 30			June 30		
	2022	2021	Change	2022	2021	Change
Financial Data (in millions except for earning per share)						
Revenue	\$111.4	\$120.2	(7%)	\$217.2	\$225.5	(4%)
Gross profit	\$19.8	\$39.8	(50%)	\$41.5	\$67.4	(38%)
Net income (loss)	\$18.4	\$21.8	(16%)	\$24.0	\$48.8	(51%)
Earnings (loss) per share - basic	\$0.06	\$0.07	(14%)	\$0.07	\$0.16	(56%)
Adjusted net income ¹	\$7.3	\$22.7	(68%)	\$15.5	\$29.7	(48%)
Adjusted earnings per share – basic ¹	\$0.02	\$0.07	(73%)	\$0.05	\$0.10	(50%)
Cash flow from operating activities before changes in non-cash operating working capital and other items	\$23.3	\$39.3	(41%)	\$48.4	\$67.0	(28%)
Cash and cash equivalents	\$75.8	\$216.0	(65%)	\$75.8	\$216.0	(65%)
Net cash	\$(4.2)	\$216.0	(102%)	\$(4.2)	\$216.0	(102%)
Gold Production and Cost Data						
GEOs loaded to the pads ²	86,896	130,414	(33%)	181,801	244,235	(26%)
GEOs projected recoverable ^{2,3}	51,092	71,032	(28%)	105,843	134,319	(21%)
GEOs produced ^{2,4}	59,192	63,750	(7%)	114,706	123,453	(7%)
GEOs sold ²	59,241	65,651	(10%)	115,613	124,766	(7%)
Average realized sales price	\$1,884	\$1,812	4%	\$1,879	\$1,788	5%
Cash cost per gold ounce sold ¹	\$1,248	\$876	42%	\$1,202	\$936	28%
All-in sustaining cost per gold ounce sold ¹	\$1,474	\$1,203	23%	\$1,453	\$1,258	16%

¹This is a Non-IFRS Measure. Please refer to the section below entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

²GEOs are based on a conversion ratio of 80:1 for silver to gold for 2022 and 85:1 for 2021. The silver to gold conversion ratio is based on the three-year trailing average silver to gold ratio.

³Expected recoverable GEOs are based on the assumptions and parameters as set forth in the El Castillo Gold Mine Technical Report dated February 14, 2022, the San Agustin Gold/Silver Mine Technical Report dated February 14, 2022, the La Colorada Gold/Silver Mine Technical Report dated February 14, 2022 and the Florida Canyon Technical Report dated July 8, 2020. In periods where the Company mines and processes material not specifically defined in a technical report (for example: low-grade stockpile material or run-of-mine ore), management uses its best estimate of recovery based on the information available.

⁴Produced ounces are calculated as ounces loaded to carbon.

Second Quarter 2022 and Recent Company Highlights:

- Corporate Highlights:
 - GEO production of 59,192 GEOs.

- Cash flow before changes in working capital and other items of \$23.3 million.
- Executed a binding commitment with a syndicate of lenders for a \$250 million debt facility, which is expected to close by the end of Q3 2022. Completed a C\$195 million equity offering to fund the Magino construction project (see press release dated July 5, 2022).
- Entered into gold price protection through forward sales contracts at a price of \$1,860/oz during the life of the term loan debt facility under the following terms:
 - Beginning Q3 2023, 25,000 gold ounces per quarter for the first six quarters; and
 - 15,000 gold ounces per quarter for the remaining 10 quarters over the life of the term loan.
- Social and Environmental Responsibility
 - Hosted Magino site tours including a visit from Bishop Dowd and Father Asorgoe from Dubreuilville, and Maskwa Aviation, a joint venture partner of Missanabie Cree First Nation (MCFN).
 - Participated in regular monthly meetings with Indigenous groups to provide project and environmental updates for Magino. Argonaut also provided sponsorships and donations to Métis Nation of Ontario and MCFN for their Annual General Meeting and Annual Gathering.
 - Provided community funding including sponsorships and donations for the Wawa Music Festival, Wawa Golf Club, Wawa Public Library Summer Youth Program and Dubreuilville Magpie Walleye.
 - Hosted a course in Durango for local small suppliers and entrepreneurs to provide resources and training for requirements to work in Mexico's mining industry.
 - Collaborated with Coordinación Estatal de Protección Civil Durango to host a children's course on safety in the community of San Jan del Rio.
 - Installed a new chlorinator for a main pipeline in La Colorada to provide improved water quality for the community.
 - La Colorada Mine has been included into a pilot plan to be implemented by the United Nations ("UN") Economic Commission for Europe's Center of Excellence of the Extractive and Energies Sectors to align our sector to the UN standards and methodologies in coordination with the Federal Ministry of Economy.
 - Hosted the health campaigns in the Cerro del Gallo communities of San Antón de las Minas and Las Lozas.
 - Sponsored a local softball team in Winnemucca, Nevada.
- El Castillo
 - Production of 12,178 GEOs at a cash cost per gold ounce sold of \$1,513 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).
- San Agustin

- Production of 19,135 GEOs at a cash cost per gold ounce sold of \$1,009 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).
- La Colorada
 - Production of 13,390 GEOs at a cash cost per gold ounce sold of \$1,003 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).
- Florida Canyon
 - Production of 14,489 GEOs at a cash cost per gold ounce sold of \$1,585 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).
- Magino
 - **Construction**
 - At June 30, 2022, the Magino construction project was estimated at approximately 54.8% complete. In Argonaut received a delay claim from Ausenco (process facility EPC contractor) that the substantial completion milestone will be delayed by 23 days due to the province-wide strike of several trades, including crane operators and carpenters, lasting 23 days. The actual impact of this delay claim on project completion has not yet been assessed. To date, this delay claim has neither been accepted nor captured in a definitive schedule, the estimated first gold pour has not yet been determined; however, indications are that first gold is expected to be delayed from March 2023 to April 2023.
 - At June 30, 2022, of the C\$920 million estimated cost to completion, C\$510.1 million and C\$688.1 million had been spent and committed at the Magino construction project. Recent major milestones included:
 - Completed process plant building roof and wall cladding;
 - Completed primary steel for gravity tower in the process plant;
 - Completed baffle installation and structural steel for carbon in pulp tanks;
 - Completed crusher foundation concrete;
 - Completed upgrade of the access road to the air monitoring station;
 - Completed installation of the building heaters;
 - Continued hydro vac cleaning for liner placement at the Water Quality Control Pond;
 - Completed hydro seeding at the Fish Habitat Compensation Area; commissioning has commenced;
 - Completed construction of the bat hibernaculum;
 - Continued construction of the Tailings Management Facility; and

- Continued surface water, groundwater and effluent sampling and monitoring.

For recent highlights and photos of the Magino project, visit the Company's website at:

<https://www.argonautgold.com/English/assets/development/magino/default.aspx>

Financial Results – Second Quarter 2022

Revenue for the second quarter of 2022 was \$111.4 million, a decrease from \$120.2 million in the second quarter of 2021. During the second quarter of 2022, the Company sold 57,344 gold ounces at an average realized price per ounce of \$1,884, compared to 63,000 gold ounces sold at an average realized price per ounce of \$1,812 during the same period of 2021. Gold ounces sold for the first quarter of 2022 decreased compared to the same period in 2021 primarily due to fewer ounces produced and sold at the La Colorada and El Castillo mines.

Net income for the second quarter of 2022 was \$18.4 million or earnings per basic share of \$0.06, compared with net income of \$21.8 million or earnings per basic share of \$0.07 for the second quarter of 2021.

Adjusted net income for the second quarter of 2022 was \$7.3 million or \$0.02 per basic share, a decrease from adjusted net income of \$22.7 million or \$0.07 per basic share for the second quarter of 2021 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).

Cash flows from operating activities before changes in non-cash operating working capital and other items totaled \$23.3 million during the second quarter of 2022, a decrease from \$39.3 million in the second quarter of 2021, primarily due to fewer gold ounces sold and higher operating costs.

Financial Results – First Half 2022

Revenue for the six months ended June 30, 2022 was \$217.2 million, a decrease from \$225.5 million for the six months ended June 30, 2021. During the first half of June 30, 2022, gold ounces sold totaled 111,450 at an average realized price per ounce of \$1,879, compared to 119,727 gold ounces sold at an average realized price per ounce of \$1,788 during the same period of 2021. Gold ounces sold for the six months ended June 30, 2022 decreased compared to the same period

of 2021 primarily due to the reduction in gold ounces sold from the La Colorada and El Castillo mines.

Net income for the first half of 2022 was \$24.0 million or \$0.07 per basic or diluted share for the first half of 2022 compared to net income of \$48.8 million or \$0.16 per basic or diluted share in the six months ended June 30, 2021.

Adjusted net income for the first half of 2022 was \$15.5 million or \$0.05 per basic share, a decrease from adjusted net income of \$29.7 million or \$0.10 per basic share for the first half of 2021 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).

Cash flows from operating activities before changes in non-cash operating working capital and other items totaled \$48.4 million during the first half of 2022, a decrease from \$67.0 million in the first half of 2021, primarily due to fewer gold ounces sold and higher operating costs.

Operational Results – Second Quarter 2022

During the second quarter of 2022, the Company achieved production of 59,192 GEOs at a cash cost per gold ounce sold of \$1,248 and all-in sustaining cost per gold ounce sold ("AISC") of \$1,474 compared to 63,750 GEOs at a cash cost of \$876 per gold ounce sold and an AISC of \$1,203 during the second quarter 2021 (These are Non-IFRS Measures. Please see "Non-IFRS Measures" section). The 7% decrease in GEO production was primarily related to lower ore tonnes mined, lower grades in both gold and silver, and lower gold recoveries at the La Colorada mine. Higher cash costs were primarily related to higher mining rates at El Castillo, La Colorada and Florida Canyon due to higher strip ratios, higher key consumable costs across all operations and lower gold ounces sold.

SECOND QUARTER 2022 EL CASTILLO COMPLEX OPERATING STATISTICS

	3 Months Ended June 30			6 Months Ended June 30		
	2022	2021	Change	2022	2021	Change
Mining (in 000s except waste/ore ratio)						
Tonnes ore El Castillo	1,471	2,496	(41%)	2,982	4,900	(39%)
Tonnes ore San Agustin	2,954	2,718	9%	5,771	5,588	3%
Tonnes ore	4,425	5,214	(15%)	8,753	10,488	(17%)
Tonnes waste El Castillo	2,804	2,473	13%	5,732	5,610	2%

Tonnes waste San Agustin	1,978	1,738	14%	3,905	3,512	11%
Tonnes waste	4,782	4,211	14%	9,637	9,122	6%
Tonnes mined El Castillo	4,275	4,969	(14%)	8,714	10,510	(17%)
Tonnes mined San Agustin	4,932	4,456	11%	9,676	9,100	6%
Tonnes mined	9,207	9,425	(2%)	18,390	19,610	(6%)
Tonnes per day El Castillo	47	55	(14%)	48	58	(17%)
Tonnes per day San Agustin	54	49	11%	54	51	6%
Tonnes per day	101	104	(2%)	102	109	(6%)
Waste/ore ratio El Castillo	1.91	0.99	93%	1.92	1.14	68%
Waste/ore ratio San Agustin	0.67	0.64	5%	0.68	0.63	8%
Waste/ore ratio	1.08	0.81	34%	1.10	0.87	27%
Leach Pads (in 000s)						
Tonnes direct to leach pads El Castillo	1,471	2,488	(41%)	2,982	4,890	(39%)
Tonnes crushed to leach pads San Agustin	2,949	2,962	—%	5,764	5,944	(3%)
Tonnes to leach pads	4,420	5,450	(19%)	8,746	10,834	(19%)
Production						
Gold grade loaded to leach pads El Castillo (g/t) ¹	0.30	0.25	20%	0.30	0.27	11%
Gold grade loaded to leach pads San Agustin (g/t) ¹	0.29	0.32	(9%)	0.29	0.29	—%
Gold grade loaded to leach pads (g/t)¹	0.29	0.28	4%	0.29	0.28	4%
Gold loaded to leach pads El Castillo (oz) ²	14,330	19,973	(28%)	28,604	42,149	(32%)
Gold loaded to leach pads San Agustin (oz) ²	27,412	30,280	(9%)	54,036	56,190	(4%)
Gold loaded to leach pads (oz)²	41,742	50,253	(17%)	82,640	98,339	(16%)
Projected recoverable GEOs loaded El Castillo ⁴	7,337	10,859	(32%)	14,177	20,596	(31%)
Projected recoverable GEOs loaded San Agustin ⁴	18,958	21,454	(12%)	37,254	40,342	(8%)
Projected recoverable GEOs loaded⁴	26,295	32,313	(19%)	51,431	60,938	(16%)
Gold produced El Castillo (oz) ^{2,3}	12,047	12,723	(5%)	23,478	24,695	(5%)
Gold produced San Agustin (oz) ^{2,3}	18,033	18,105	—%	36,433	35,376	3%
Gold produced (oz)²	30,080	30,828	(2%)	59,911	60,071	—%
Silver produced El Castillo (oz) ^{2,3}	10,407	17,445	(40%)	24,704	39,240	(37%)
Silver produced San Agustin (oz) ^{2,3}	88,160	138,470	(36%)	208,328	280,901	(26%)
Silver produced (oz)^{2,3}	98,567	155,915	(37%)	233,032	320,141	(27%)

GEOs produced El Castillo ³	12,178	12,928	(6%)	23,787	25,156	(5%)
GEOs produced San Agustin ³	19,135	19,734	(3%)	39,037	38,681	1%
GEOs produced³	31,313	32,662	(4%)	62,824	63,837	(2%)
Gold sold El Castillo (oz) ²	11,463	12,614	(9%)	25,032	26,216	(5%)
Gold sold San Agustin (oz) ²	18,656	18,829	(1%)	35,859	35,495	1%
Gold sold (oz)²	30,119	31,443	(4%)	60,891	61,711	(1%)
Silver sold El Castillo (oz) ²	11,296	19,094	(41%)	26,196	40,212	(35%)
Silver sold San Agustin (oz) ²	93,420	144,867	(36%)	216,898	273,788	(21%)
Silver sold (oz)²	104,716	163,961	(36%)	243,094	314,000	(23%)
GEOs sold El Castillo	11,603	12,839	(10%)	25,359	26,689	(5%)
GEOs sold San Agustin	19,824	20,534	(3%)	38,570	38,716	—%
GEOs sold	31,427	33,372	(6%)	63,929	65,405	(2%)
Cash cost per gold ounce sold El Castillo ⁵	\$ 1,513	\$ 1,109	36%	\$ 1,357	\$ 1,077	26%
Cash cost per gold ounce sold San Agustin ⁵	\$ 1,009	\$ 801	26%	\$ 978	\$ 804	22%
Cash cost per gold ounce sold⁵	\$ 1,201	\$ 916	31%	\$ 1,134	\$ 916	24%

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 Gold Mine Technical Report dated February 14, 2022 and the San Agustin Gold/Silver Mine Technical Report dated February 14, 2022. In periods where the Company mines and processes material not specifically defined in a technical report (for example: run-of-mine ore), 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 the El Castillo Complex

During the second quarter of 2022, the El Castillo Complex produced 4% fewer GEOs at a cash cost per gold ounce sold 31% higher than during the second quarter of 2021 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). El Castillo produced 6% fewer GEOs at a cash cost per gold ounce sold 36% higher (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section), primarily due to the El Castillo mine having a remaining mine life of less than one year, so mining waste is no longer capitalized as capitalized stripping but is included in production cost, along with increased maintenance and key consumable costs. San Agustin produced 3% fewer GEOs, at a cash cost per gold ounce sold 26% higher (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section), primarily due to lower gold grades processed and higher key consumable costs.

SECOND QUARTER 2022 LA COLORADA OPERATING STATISTICS

	3 Months Ended			6 Months Ended		
	June 30			June 30		
	2022	2021	Change	2022	2021	Change
Mining (in 000s except for waste/ore ratio)						
Tonnes ore	976	1,150	(15%)	2,101	2,377	(12%)
Tonnes waste	5,711	2,173	163%	11,048	6,187	79%
Tonnes mined	6,687	3,323	101%	13,149	8,564	54%
Tonnes per day	73	37	101%	73	48	54%
Waste/ore ratio	5.85	1.89	210%	5.26	2.6	102%
Leach Pads (in 000s)						
Tonnes crushed to leach pads	1,063	1,247	(15%)	2,183	2,513	(13%)
Production						
Gold loaded to leach pads (g/t) ¹	0.44	0.76	(42%)	0.44	0.65	(32%)
Gold loaded to leach pads (oz) ²	14,902	30,320	(51%)	31,186	52,411	(40%)
Projected recoverable GEOs loaded ⁴	11,573	24,101	(52%)	23,887	41,735	(43%)
Gold produced (oz) ^{2,3}	12,950	16,721	(23%)	26,291	32,615	(19%)
Silver produced (oz) ^{2,3}	35,191	48,145	(27%)	70,559	101,057	(30%)
GEOs produced ³	13,390	17,288	(23%)	27,173	33,804	(20%)
Gold sold (oz) ²	13,322	17,699	(25%)	26,402	31,329	(16%)
Silver sold (oz) ²	38,194	53,153	(28%)	73,479	97,591	(25%)
GEOs sold	13,799	18,324	(25%)	27,320	32,477	(16%)
Cash cost per gold ounce sold ⁵	\$ 1,003	\$ 608	65%	\$ 980	\$ 676	45%

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 February 14, 2022. 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 second quarter of 2022, the La Colorada mine produced 23% fewer GEOs at a cash cost per gold ounce sold 65% more than during the second quarter of 2021 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). Lower GEO production and higher costs were primarily due to lower ore tonnes mined, lower grade and recoveries, and higher key consumable costs.

SECOND QUARTER 2022 FLORIDA CANYON OPERATING STATISTICS

	3 Months Ended June 30			6 Months Ended June 30		
	2022	2021	% Change	2022	2021	Change
Mining (in 000s except for waste/ore ratio)						
Tonnes ore	1,984	2,496	(21%)	4,170	4,699	(11%)
Tonnes waste	3,985	3,194	25%	6,798	6,422	6%
Tonnes mined	5,969	5,690	5%	10,968	11,121	(1%)
Tonnes per day	64	61	5%	59	60	(1%)
Waste/ore ratio	2.01	1.28	57%	1.63	1.37	19%
Leach Pads (in 000s)						
Tonnes direct to leach pads	160	711	(78%)	761	1,123	(32%)
Tonnes crushed to leach pads	1,836	1,796	2%	3,520	3,591	(2%)
Production						
Gold grade loaded to leach pads (g/t) ¹	0.33	0.31	6%	0.36	0.32	13%
Gold loaded to leach pads (oz) ²	20,976	25,313	(17%)	49,346	49,228	—%
Projected recoverable GEOs loaded ⁴	13,224	14,619	(10%)	30,526	31,646	(4%)
Gold produced (oz) ^{2,3}	14,380	13,726	5%	24,472	25,654	(5%)
Silver produced (oz) ^{2,3}	8,733	6,117	43%	18,956	13,349	42%
GEOs produced ³	14,489	13,798	5%	24,709	25,811	(4%)
Gold sold (oz) ²	13,903	13,858	—%	24,157	26,687	(9%)
Silver sold (oz) ²	8,889	8,217	8%	16,532	16,752	(1%)
GEOs sold	14,015	13,954	—%	24,364	26,884	(9%)
Cash cost per gold ounce sold ⁵	\$1,585	\$1,110	43%	\$1,615	\$1,279	26%

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 Florida Canyon Mine Technical Report dated July 8, 2020. In periods where the Company mines material not specifically defined in a technical report (for example: run-of-mine or 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 Florida Canyon

During the second quarter of 2022, the Florida Canyon mine produced 5% more GEOs at a cash cost per gold ounce sold 43% higher than during the second quarter of 2021 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). Higher GEO production was primarily related

to higher recoveries and higher costs were primarily related to lower ore tonnes and ounces mined and placed in previous months and higher key consumable costs.

Guidance and Outlook

Argonaut maintains its 2022 GEO production guidance and, primarily due to inflationary pressures on key consumable costs, is adjusting its cost guidance higher as outlined in the table below.

2022 GEO Production and Cost Guidance

		H1 2022 (Actual)	Original Full Year 2022 Guidance	Revised Full Year 2022 Guidance
GEO production	<i>In 000s</i>	114,706	200 – 230	200 – 230
Cash costs¹	<i>\$ per oz Au</i>	1,202	1,100 – 1,190	1,200 – 1,300
AISC¹	<i>\$ per oz Au</i>	1,453	1,415 – 1,525	1,500 – 1,600

¹This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section.

Following the Magino construction, equity raise and Committed Credit Facilities, Argonaut is providing 2022 capital guidance. Through June 30, 2022, Argonaut had invested approximately \$207 million in capital expenditures or approximately 46% of its estimated 2022 capital spend.

2022 Capital Guidance by Project and Category (\$M)¹

	El Castillo	San Agustin	La Colorada	Florida Canyon	Magino	Cerro del Gallo	Exploration	Consolidated
Capital	1	3-5	3-4	17 - 20	400 - 423	1-2	11-12	436 - 467
Stripping	3		12-13	2-3				17 - 19
Total	4	3-5	15 - 17	19 - 23	400 - 423	1-2	11-12	453 - 486

¹Assumes exchange rates of MXN:USD of 20:1 and CAD:USD of 1.25:1.

Management Changes

Argonaut advises that Dan Symons, Vice President, Corporate Development & Investor Relations has resigned from his position to pursue other opportunities. A search for a replacement is in progress. Larry Radford, President & CEO commented "With more than six years of service, we want to thank Dan for his contributions to the growth of Argonaut Gold."

Argonaut Gold Second Quarter 2022 Operational and Financial Results Conference Call and Webcast:

The Company will host a conference call and webcast to discuss its second quarter ended June 30, 2022 operating and financial results at 9:00 am EDT on August 11, 2022.

Q2 2022 Conference Call Information

Toll Free (North America): 1-888-664-6392
International: 1-416-764-8659
Conference ID: 90653330
Webcast: www.argonautgold.com

Q2 2022 Conference Call Replay

Toll Free Replay Call (North America): 1-888-390-0541
International Replay Call: 1-416-764-8677
Replay Entry Code: 653330#

The conference call and replay will be available from 12:00 pm EDT on August 11, 2022 until 11:59 pm EDT on August 18, 2022.

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”, “Adjusted earnings 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 is equal to net income less foreign exchange impacts on deferred income taxes, foreign exchange (gains) losses, non-cash impairment write down (reversal) of work-in-process inventory, non-cash impairment write down (reversal) of mineral, properties, plant and equipment, unrealized (gains) losses on derivatives and care and maintenance expenses. Adjusted earnings per share – basic is equal to adjusted net income 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 net debt calculation excludes the convertible debentures and lease liabilities, due to the nature of the obligations, in order to show the nominal undiscounted debt. 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 following table provides a reconciliation of production costs per the financial statements to cash cost per gold ounce sold:

El Castillo mine	Three months ended		Six months ended	
	June 30.		June 30.	
	2022	2021	2022	2021
Production costs, as reported (\$000s)	\$ 17,597	\$ 14,492	\$ 34,592	\$ 29,321
Less silver sales (\$000s)	251	509	614	1,074
Net cost of sales (\$000s)	\$ 17,346	\$ 13,983	\$ 33,978	\$ 28,247
Gold ounces sold	11,463	12,614	25,032	26,216
Cash cost per gold ounce sold	\$ 1,513	\$ 1,109	\$ 1,357	\$ 1,077

San Agustin mine	Three months ended		Six months ended	
	June 30.		June 30.	
	2022	2021	2022	2021
Production costs, as reported (\$000s)	\$ 20,899	\$ 18,969	\$ 40,159	\$ 35,853
Less silver sales (\$000s)	2,083	3,891	5,083	7,323
Net cost of sales (\$000s)	\$ 18,816	\$ 15,078	\$ 35,076	\$ 28,530
Gold ounces sold	18,656	18,829	35,859	35,495
Cash cost per gold ounce sold	\$ 1,009	\$ 801	\$ 978	\$ 804

La Colorada mine	Three months ended		Six months ended	
	June 30.		June 30.	
	2022	2021	2022	2021
Production costs, as reported (\$000s)	\$ 14,212	\$ 12,176	\$ 27,593	\$ 23,772
Less silver sales (\$000s)	850	1,419	1,708	2,586
Net cost of sales (\$000s)	\$ 13,362	\$ 10,757	\$ 25,885	\$ 21,186
Gold ounces sold	13,322	17,699	26,402	31,329
Cash cost per gold ounce sold	\$ 1,003	\$ 608	\$ 980	\$ 676

Florida Canyon mine	Three months ended		Six months ended	
	June 30.		June 30.	
	2022	2021	2022	2021
Production costs, as reported (\$000s)	\$ 22,235	\$ 15,604	\$ 39,388	\$ 34,590
Less silver sales (\$000s)	193	219	380	446
Net cost of sales (\$000s)	\$ 22,042	\$ 15,385	\$ 39,008	\$ 34,144
Gold ounces sold	13,903	13,858	24,157	26,687
Cash cost per gold ounce sold	\$ 1,585	\$ 1,110	\$ 1,615	\$ 1,279

All Mines	Three months ended		Six months ended	
	June 30.		June 30.	
	2022	2021	2022	2021
Production costs, as reported (\$000s)	\$ 74,943	\$ 61,241	\$ 141,732	\$ 123,536
Less silver sales (\$000s)	3,377	6,038	7,785	11,429
Net cost of sales (\$000s)	\$ 71,566	\$ 55,203	\$ 133,947	\$ 112,107
Gold ounces sold	57,344	63,000	111,450	119,727
Cash cost per gold ounce sold	\$ 1,248	\$ 876	\$ 1,202	\$ 936

AISC includes net cost of sales at the Company's mining operations, which forms the basis of the Company's cash cost per gold ounce sold. Additionally, the Company includes general and administrative, exploration, accretion and other expenses, and sustaining capital expenditures. Sustaining capital expenditures exclude all expenditures at the Company's pre-production, development stage, and advanced exploration stage projects and certain expenditures at the Company's operating sites that are deemed expansionary in nature.

The following table provides a reconciliation of AISC per gold ounce sold to the consolidated financial statements:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net cost of sales (\$000s)	\$ 71,566	\$ 55,203	\$ 133,947	\$ 112,107
General and administrative expenses (\$000s)	4,571	3,705	9,592	8,471
Exploration expenses (\$000s)	425	1,070	792	1,691
Accretion and other expenses (\$000s)	3,385	2,927	6,680	5,606
Sustaining capital expenditures (\$000s)	4,589	12,886	10,902	22,694
AISC (\$000s)	\$ 84,536	\$ 75,791	\$ 161,913	\$ 150,569
Gold ounces sold	57,344	63,000	111,450	119,727
AISC per gold ounce sold	\$ 1,474	\$ 1,203	\$ 1,453	\$ 1,258

Adjusted net income and adjusted earnings per share - basic exclude a number of temporary or one-time items described in the following table, which provides a reconciliation of adjusted net income to the consolidated financial statements:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net income, as reported (\$000s)	\$ 18,412	\$ 21,778	\$ 24,030	\$ 48,785
Unrealized (gain) loss on derivatives (\$000s)	(13,525)	5,335	(12,060)	(14,445)
Other non-operating expense (income), net of tax	1,653	(3,644)	2,151	(3,644)
Foreign exchange loss, net of tax (\$000s)	870	547	1,825	525
Impact of foreign exchange on deferred income	(137)	(1,445)	(855)	(239)
Inventory (reversal) write-down, net of tax (\$000s)	(8)	152	(127)	(1,257)
Loss on sale of marketable securities (\$000s)	—	—	534	—
Adjusted net income (\$000s)	\$ 7,265	\$ 22,723	\$ 15,498	\$ 29,725
Weighted average number of common shares	332,786,743	310,318,903	325,416,876	304,934,741
Adjusted earnings per share - basic	\$ 0.02	\$ 0.07	\$ 0.05	\$ 0.10

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 net debt calculation excludes the convertible debentures

and lease liabilities, due to the nature of the obligations, in order to show the nominal undiscounted debt.

A reconciliation of net cash is provided below:

	June 30, 2022	March 31, 2022	December 31, 2021
Cash and cash equivalents (\$000s)	\$ 75,816	\$ 166,078	\$ 199,235
Debt (\$000s)	(80,000)	(80,000)	(80,000)
Net (debt) cash (\$000s)	\$ (4,184)	\$ 86,078	\$ 119,235

This press release should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2022 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.

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. Forward-looking statements and forward-looking information include, but are not limited to statements with respect to: the conditions precedent for the Committed Credit Facilities, independent engineer technical review, the availability and change in terms of financing, the Magino construction capital estimate; the ability to finance additional construction costs on terms acceptable to Argonaut; risks related to meeting the Magino construction project schedule; the realization of mineral reserve estimates; the timing and amount of estimated future production; the impact of inflation on costs of exploration, development and production; estimated production and mine life of the various mineral projects of Argonaut; risk of employee and/or contractor strike actions; timing of approval for modifications to existing permits; permitting and legal processes in relation to mining permitting and approval; 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 impact of COVID-19, the response of governments to COVID-19 and the effectiveness of such responses; 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 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, the impact of COVID-19 and the impact and effectiveness of governmental responses to COVID-19, 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 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 Gold Mine	El Castillo Gold Mine, Durango, Mexico NI 43-101 Technical Report dated February 14, 2022 (effective date of October 1, 2021)
San Agustin Gold/Silver Mine	San Agustin Gold/Silver Mine, Durango, Mexico, NI 43-101 Technical Report dated February 14, 2022 (effective date of August 1, 2021)
La Colorada Gold/Silver Mine	La Colorada Gold/Silver Mine, Sonora, Mexico, NI 43-101 Technical Report dated February 14, 2022 (effective date of October 1, 2021)
Florida Canyon Gold Mine	NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Florida Canyon Gold Mine Pershing County, Nevada, USA dated July 8, 2020 (effective date June 1, 2020)
Magino Gold Project	NI 43-101 Technical Report Mineral Resource and Mineral Reserve Update dated March 3, 2022 (effective date February 14, 2022)
Cerro del Gallo Project	Pre-Feasibility Study Technical Report on the Cerro del Gallo Project, Guanajuato, Mexico dated January 31, 2020 (effective date of October 24, 2019)

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, the La Colorada mine in Sonora, Mexico and the Florida Canyon mine in Nevada, USA. The Company also holds the construction stage Magino project, the advanced exploration stage Cerro del Gallo project and several other exploration stage projects, all of which are located in North America.

For more information, contact:

Argonaut Gold Inc.

Joanna Longo

Investor Relations

Phone: 416-575-6965

Email: info@argonautgold.com

Source: Argonaut Gold Inc.