



Argonaut Gold Announces Third Quarter 2022 Financial Results
Production of 45,939 Gold Equivalent Ounces and Cash Flow¹ of \$13.6 Million

Toronto, Ontario - (November 3, 2022) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") is pleased to announce today its operating and financial results for the third quarter ended September 30, 2022. For the third quarter 2022, the Company reports production of 45,939 gold equivalent ounces ("GEO" or "GEOs"²), revenue of \$75.3 million, cash flow from operating activities before changes in non-cash working capital and other items of \$13.6 million, net loss of \$1.3 million or loss per share of \$0.00, and adjusted net loss³ of \$0.2 million or adjusted loss per share³ of \$0.00. 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".

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 ratios. These are the referenced ratios for each year throughout this press release.

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

"We made significant progress on the completion and construction of the Magino Project. We remain focused on the long-term strategic objective to generate increasing cash flow through low-cost production growth. Magino is a key driver of our future growth with a production potential of 142,000 ounces per year for the first five years of production at significantly lower life-of-mine cash costs³ of approximately \$907 per ounce," said Larry Radford, Argonaut President and CEO.

"Year-to-date, our production results are in-line with our expectations. We had a challenging third quarter at our La Colorada and Florida Canyon mines that was mostly offset by the consistent performance of our El Castillo Complex. The challenge at these two mines were due to the block model performance and seasonal rains at La Colorada that are expected but were heavier than normal. With infill programs ongoing in support of revised block models, we expect improved reconciliations in the future."

Q3 2022 and RECENT HIGHLIGHTS

- Corporate Highlights
 - Produced 45,939 gold equivalent ounces;
 - Delivered cash flow before changes in working capital and other items of \$13.6 million;
- Following due diligence by the banking syndicate and meeting the conditions precedent, closed a \$250 million debt facility;
- Closed the sale of a 2% net smelter returns royalty agreement on Magino with Franco-Nevada Corporation ("Franco-Nevada") for proceeds of US\$52.5 million;
- Completed a \$10 million equity private placement with Franco-Nevada;
- Argonaut has entered into gold price protection through forward gold contracts

- Beginning in Q3 2023, 25,000 gold ounces per quarter at \$1,860 per ounce for the first six quarters; and
 - 15,000 gold ounces per quarter at \$1,860 per gold ounce and 10,000 gold ounces per quarter at \$1,763 per gold ounce for the next 10 quarters starting in Q1 2025;
- Argonaut has entered into foreign exchange forward contracts for the Canadian dollar for the next 24 months with the average rate of 1.334 Canadian dollars per US dollar.
- Magino Construction
 - At September 30, 2022, of the C\$920 million estimated cost to completion, C\$626.0 million had been spent and C\$726.0 million had been committed.
 - At September 30, 2022, the Magino construction project was estimated at approximately 70% complete.
 - Key leadership roles filled.
 - Advancing Stage 1A of the TMF and starting Stage 1B.
 - Received major process equipment for the mill - the mills and tanks are in place.
 - Pumping, piping, and electrical systems being installed - enclosed and winter ready.
 - All four permanent generators have been received and are in place.
 - Formal Operations Readiness Initiative and commissioning progressing - +72% of the action items are completed.
- Social and Environmental Responsibility
 - At El Castillo, authorization was received from the Ejido Board for the closure plan;
 - At San Agustin, the CFE powerline was commissioned in October, reducing future diesel consumption by approximately 300,000 liters per month;
 - At La Colorada, the Summer Argonauta 2022 course was completed. The course was provided to young people in the community and included courses in dance, singing, and Environmental Care. The event closing was attended by a representative from the Sonora Secretary of Education and Culture and the Secretary of the City Council of La Colorada;
 - At Florida Canyon, the mine sponsored several different fall youth sports programs, and
 - At Cerro de Gallo, we hosted weeklong summer camps in the local communities. Held at public schools and in collaboration with the university, we hosted over 150 children with activities focused on arts and crafts, physical education, and a focus on the benefits of mining, water conservation, and environmental awareness.

Third Quarter 2022 Results

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

	3 Months Ended September 30			9 Months Ended September 30		
	2022	2021	Change	2022	2021	Change
Financial Data (in millions except for earning per share)						
Revenue	\$75.3	\$108.6	(31%)	\$292.5	\$334.0	(12%)
Gross profit	\$7.0	\$29.1	(76%)	\$48.4	\$96.5	(50%)
Net income (loss)	\$(1.3)	\$15.0	(109%)	\$22.7	\$63.8	(64%)
Earnings (loss) per share - basic	\$(0.00)	\$0.05	(104%)	\$0.05	\$0.21	(77%)
Adjusted net income ¹	\$(0.2)	\$17.2	(101%)	\$15.3	\$46.9	(67%)
Adjusted earnings per share – basic ¹	\$(0.00)	\$0.06	(100%)	\$0.03	\$0.15	(78%)
Cash flow from operating activities before changes in non-cash operating working capital and other items	\$13.6	\$39.6	(66%)	\$62.0	\$106.6	(42%)
Cash and cash equivalents	\$89.2	\$167.6	(47%)	\$89.2	\$167.6	(47%)
Net cash	\$9.2	\$167.6	(95%)	\$9.2	\$167.6	(95%)
Gold Production and Cost Data						
GEOs loaded to the pads ²	76,144	111,584	(32%)	257,946	355,818	(28%)
GEOs projected recoverable ^{2,3}	40,445	64,768	(38%)	146,288	199,088	(27%)
GEOs produced ^{2,4}	45,939	58,777	(22%)	160,645	182,230	(12%)
GEOs sold ²	39,930	60,606	(34%)	155,543	185,372	(16%)
Average realized sales price	\$1,895	\$1,789	6%	\$1,883	\$1,788	5%
Cash cost per gold ounce sold ¹	\$1,403	\$992	41%	\$1,254	\$955	31%
All-in sustaining cost per gold ounce sold ¹	\$1,890	\$1,228	54%	\$1,595	\$1,248	28%

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.

The Company sold fewer ounces than it produced in the third quarter 2022 due to timing of gold sales. Those ounces in finished goods inventory were sold in October 2022. The average realized gold price was \$1,895 per gold ounce as compared with the average price of \$1,728 for the third quarter 2022. This higher price was realized by delivering into the gold forward pricing contracts for the quarter and into future forward contracts.

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

	Guidance (August 2022)	Amended Guidance for 2022
--	------------------------	---------------------------

GEO production⁽¹⁾	200,000 – 230,000	200,000 – 230,000
Cash cost per gold ounce sold⁽²⁾	\$1,200 – \$1,300	\$1,300 – \$1,350
AISC per gold ounce sold⁽²⁾	\$1,500 – \$1,600	\$1,650 – \$1,725
Capital (including exploration and excluding Magino construction capital)	\$53 million - \$63 million	\$60 million - \$65 million
Magino Construction Capital	\$400 million - \$423 million	\$400 million - \$423 million

¹Based on a silver to gold ratio of 80:1 in 2022 and 85:1 in 2021.

²This is a Non-IFRS Measure. Please see “Non-IFRS Measures” section.

Argonaut’s condensed interim consolidated financial statements and management’s discussion & analysis (“MD&A”), for the three and nine month periods ended September 30, 2022, are available via Argonaut’s website at <https://www.argonautgold.com/English/investors/financial-reports/default.aspx> and will be available on SEDAR at www.sedar.com.

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

The Company will host a conference call and webcast to discuss its third quarter ended September 30, 2022 operating and financial results at 9:00 am EDT on November 4, 2022.

Q3 2022 Conference Call Information

Toll Free (North America): 1-888-664-6392

International: 1-416-764-8659

Conference ID: 82292873

Webcast: www.argonautgold.com

Q3 2022 Conference Call Replay

Toll Free Replay Call (North America): 1-888-390-0541

International Replay Call: 1-416-764-8677

Replay Entry Code: 292873#

The conference call and replay will be available from 12:00 pm EDT on November 4, 2022 until 11:59 pm EST on November 11, 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 (loss) income”, “Adjusted (loss) 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 (loss) income is equal to net (loss) 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 (loss) earnings per

share - basic is equal to adjusted net (loss) 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:

All Mines	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Production costs, as reported (\$000s)	\$ 56,239	\$ 61,936	\$ 197,971	\$ 185,472
Less silver sales (\$000s)	2,031	3,885	9,816	15,314
Net cost of sales (\$000s)	\$ 54,208	\$ 58,051	\$ 188,155	\$ 170,158
Gold ounces sold	38,639	58,528	150,089	178,255
Cash cost per gold ounce sold	\$ 1,403	\$ 992	\$ 1,254	\$ 955

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 September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net cost of sales (\$000s)	\$ 54,208	\$ 58,051	\$ 188,155	\$ 170,158
General and administrative expenses (\$000s)	3,521	4,248	13,113	12,719
Exploration expenses (\$000s)	2,705	1,561	3,497	3,252
Accretion and other expenses (\$000s)	3,418	2,728	10,098	8,334
Sustaining capital expenditures (\$000s)	9,169	5,311	24,581	28,005
AISC (\$000s)	\$ 73,021	\$ 71,899	\$ 239,444	\$ 222,468
Gold ounces sold	38,639	58,528	150,089	178,255
AISC per gold ounce sold	\$ 1,890	\$ 1,228	\$ 1,595	\$ 1,248

Adjusted net (loss) income and adjusted (loss) 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 September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net (loss) income, as reported (\$000s)	\$ (1,295)	\$ 14,996	\$ 22,735	\$ 63,781
Unrealized gain on derivatives (\$000s)	(140)	(2,794)	(12,200)	(17,239)
Other non-operating expense (income), net of tax (\$000s)	1,164	1,723	3,315	(1,921)
Foreign exchange (gain) loss, net of tax (\$000s)	(344)	2,515	1,481	3,040
Impact of foreign exchange on deferred income taxes (\$000s)	397	903	(458)	664
Inventory write-down (reversal), net of tax (\$000s)	51	(155)	(76)	(1,412)
Loss on sale of marketable securities (\$000s)	—	—	534	—
Adjusted net (loss) income (\$000s)	\$ (167)	\$ 17,188	\$ 15,331	\$ 46,913
Weighted average number of common shares outstanding, as reported	743,259,299	310,735,042	466,228,242	306,889,421
Adjusted (loss) earnings per share - basic	\$ (0.00)	\$ 0.06	\$ 0.03	\$ 0.15

Net cash or debt 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 (debt) is provided below:

	September 30, 2022	June 30, 2022	December 31, 2021
Cash and cash equivalents (\$000s)	\$ 89,195	\$ 75,816	\$ 199,235
Debt (\$000s)	(80,000)	(80,000)	(80,000)
Net cash (debt) (\$000s)	\$ 9,195	\$ (4,184)	\$ 119,235

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, 2022 and associated MD&A for the same periods, 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 draws on 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.