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Argonaut Gold Announces Closing of US$57.5 Million Bought Deal Financing of 4.625% Senior Unsecured Convertible Debentures

Toronto, Ontario (October 29, 2020) – Argonaut Gold Inc. (TSX:AR) ("**Argonaut Gold**" or the "**Company**") is pleased to announce that it has closed its previously announced "bought deal" offering of US$57.5 million of 4.625% senior unsecured convertible debentures (the "**Debentures**") of the Company (including the full exercise of the Underwriters' over-allotment option) at a price of US$1,000 per Debenture (the "**Offering**"). The Debentures were offered and sold through BMO Capital Markets and Scotiabank (together, the "**Underwriters**") and are now listed on the Toronto Stock Exchange under the trading symbol 'AR.DB.U'.

The Debentures will mature on November 30, 2025 (the "**Maturity Date**") and will bear interest at an annual rate of 4.625% payable semi-annually in arrears on May 31 and November 30 of each year, commencing May 31, 2021. At the holder's option, the Debentures may be converted to common shares of the Company ("**Common Shares**") at any time prior to the close of business on the earlier of the last business day immediately preceding the Maturity Date and the date fixed for redemption at a conversion rate of 350.1155 per US$1,000 principal amount of Debenture (equal to a conversion price of approximately US$2.86 per Common Share), subject to adjustment in certain circumstances in accordance with the debenture indenture entered into between Computershare Trust Company of Canada, as debenture trustee, and the Company (the "**Debenture Indenture**").

The Debentures issued under the Offering were offered by way of a short form prospectus dated October 27, 2020 in each of the provinces of Canada, except Québec. Copies of the final short form prospectus, the Debenture Indenture and documents incorporated by reference therein are available electronically under Argonaut Gold's issuer profile on SEDAR at www.sedar.com.

The net proceeds of the Offering will be used to for the advancement of the Company's Magino Project and for general corporate purposes.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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. Advanced exploration projects include the Magino project in Ontario, Canada and the Cerro del Gallo project in Guanajuato, Mexico. The Company holds several other exploration stage projects, all of which are located in North America.

Cautionary Note Regarding Forward-looking Statements

This press release contains certain "forward-looking statements" and "forward-looking information" under applicable Canadian securities laws concerning, among other things, the Offering and the use of proceeds of the Offering. These "forward-looking statements" and "forward-looking information" 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 Gold and there is no assurance they will prove to be correct. Although Argonaut Gold 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. Argonaut Gold 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. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

For more information, contact:

Dan Symons
Vice President, Corporate Development & Investor Relations
Phone: 416-915-3107
Email: dan.symons@argonautgold.com

Source: Argonaut Gold Inc.