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Trading Symbol: TSX: AR **FOR IMMEDIATE RELEASE**

ARGONAUT GOLD ANNOUNCES CLOSING OF C$11.5 MILLION "BOUGHT DEAL" PRIVATE PLACEMENT OF FLOW-THROUGH SHARES

(Toronto, October 14, 2020) – Argonaut Gold Inc. (TSX:AR) ("**Argonaut**" or the "**Company**") is pleased to announce that it has closed its previously announced "bought deal" private placement of an aggregate of 3,002,650 common shares in the capital of the Company that will qualify as "flow-through shares" (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada)) (the "**Flow-Through Shares**") at a price of C$3.83 per Flow-Through Share for aggregate gross proceeds of C$11,500,149.50, including full exercise of the underwriters' option (the "**Offering**"). The Flow-Through Shares were offered and sold through a syndicate of underwriters led by Canaccord Genuity Corp.

The gross proceeds from the issue and sale of the Flow-Through Shares will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" as such terms are defined in the *Income Tax Act* (Canada) (the "**Qualifying Expenditures**") related to the Company's projects in Ontario on or before December 31, 2021. All Qualifying Expenditures will be renounced in favour of the subscribers of the Flow-Through Shares effective December 31, 2020.

The Offering was made by way of private placement in Canada pursuant to applicable exemptions from the prospectus requirements under applicable Canadian securities laws. The Flow-Through Shares issued under the Offering are subject to a hold period under applicable Canadian securities laws which will expire on February 15, 2021.

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 state in which such offer, solicitation or sale would be unlawful.

About Argonaut

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, the Cerro del Gallo project in Guanajuato, Mexico and the Ana Paula project in Guerrero, Mexico. The Company holds several exploration stage projects, all of which are located in North America.

Cautionary Note Regarding Forward-Looking Information

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 use of proceeds of the Offering; the timing and ability of the Company to obtain final approval of the Offering from the Toronto Stock Exchange; the tax treatment of the Flow-Through Shares; the timing for the Qualifying Expenditures to be renounced in favour of the subscribers; estimated production and mine life of the various mineral projects of Argonaut; expectations with respect to future cash flows from operations, net debt and financial results; the successful completion of proposed acquisitions; metal or mineral recoveries; synergies 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; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; success of exploration activities; market volatility and disruptions in many aspects of Argonaut's business due to a pandemic virus outbreak, such as COVID-19, resulting from government policies restricting mobility assembly, or contact with, employees and suppliers across the global supply chain; 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" or "will" occur. Forward-looking statements are based on the opinions and estimates of the management of Argonaut 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 risks of the mining industry, the spread of COVID-19 and the impact of government policies to ameliorate COVID-19, failure of plant, equipment or processes to operate as anticipated, changes in market conditions, variations in ore grade or recovery rates, 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 and labour disputes. These factors are discussed in greater detail in Argonaut's (i) most recent Annual Information Forms, and (ii) most recent Management Discussion and Analysis, which are each filed on Argonaut's SEDAR profile and 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 presentation should not be unduly relied upon. These statements speak only as of the date of this presentation. Although Argonaut have 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 any 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.

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