

ARGONAUT GOLD

Gold producer with advanced exploration projects in the Americas

CORPORATE PRESENTATION

Third Quarter Ended September 30, 2020
Conference Call

November 6, 2020

TSX:AR

FORWARD LOOKING INFORMATION

This presentation contains certain “forward-looking statements” and “forward-looking information” under applicable Canadian securities laws concerning the proposed transaction and 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, statements with respect to the pandemic virus outbreak and government, regulatory and market responses thereto; commodity price volatility; uncertainty of exploration and development; uncertainty in the estimation of Mineral Reserves and Mineral Resources; permitting risk; mineral and surface rights; undisclosed risks and liabilities relating to the Alio business combination; risks that the anticipated benefits of the Alio business combination will not be realized or fully realized; statements with respect to estimated production and mine life of the various mineral projects of Argonaut; the benefits of the development potential of the properties of Argonaut; the future price of gold, copper, and silver; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; success of exploration activities; 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 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 changes in market conditions; the scope, duration and impact of the COVID-19 pandemic; the scope, duration and impact of regulatory responses to the pandemic on the employees, business and operations of Argonaut and the broader market; variations in ore grade or recovery rates; risks relating to international operations; fluctuating metal prices and currency exchange rates; the ability to realize synergies of recent M&A activity; possible exposure to undisclosed risks of liabilities arising in relation to recent transactions; 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. 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.

References to dollars or “$” are to U.S. dollars unless specified otherwise.

Q3 & Recent CSR Highlights



- **La Colorada received the ESR (Socially Responsible Award) for the 9th consecutive year.**
- **Continued COVID-19 support for communities, including sanitization of homes and businesses and donation of hygiene supplies.**
- **Donation of food baskets in communities surrounding operations.**
- **Donation to the Red Cross station in Dolores Hidalgo, Guanajuato Mexico.**

Q3 2020 and Recent Highlights

Financial Performance

- Net income of $13.4 million or $0.05 per basic share
- Increase in cash balance by $23.1M exclusive of July equity raise

Production and Cost

- Consolidated production of 49k GEOs[2]
- Cash cost per gold ounce sold[1] of $1,008
- AISC per gold ounce sold[1] of $1,401



Short-Term Initiatives

- Closed Alio Gold merger
- Completed C$126.5M equity financing
- Ana Paula sale agreement for $30M at closing, C$10M upon a construction announcement, 1% NSR and 9.9% equity in NewCo.
- Subsequent to end of Q3:
  - Completed C$11.5M flow-through financing
  - Completed $57.5M convertible debenture financing
  - Expanded and extended corporate revolver to up to $125.0M

Long-Term Growth Initiatives

- Magino
  - Construction decision
  - Continued to show promising continuity and deliver positive, high-grade drill results from the ongoing program
- Cerro del Gallo
  - Permitting

[1] Please refer to section on slide 18 entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.
[2] Gold equivalent ounces (“GEO” or “GEOs”) are based on a conversion ratio of 80:1 for silver to gold ounces. The conversion ratios are based on three year trailing average silver to gold exchange ratio.

Financial Performance

	Third Quarter Ended September 30			9 Months Ended September 30		
	2020	2019	% Change	2020	2019	% Change
Sales (GEO)[1]	**49,291**	**45,567**	8%	125,691	145,426	-14%
Revenue ($M)	**94.4**	**66.8**	41%	218.9	196.8	11%
Net income (loss) ($M)	**13.4**	**4.9**	173%	(3.8)	14.4	-126%
Earnings (loss) per share - basic	**0.05**	**0.03**	67%	(0.02)	0.08	-125%
Cash flow from operating activities ($M)	**31.1**	**19.5**	59%	80.0	57.1	40%
Cash and cash equivalents ($M)	**177.9**	**35.6**	400%	177.9	35.6	400%
Net cash ($M)	**155.8**	**21.6**	621%	155.8	21.6	621%

[1] GEOs are based on a conversion ratio of 80:1 for silver to gold ounces for 2020 and 75:1 for 2019.
[2] Please refer to section on slide 18 entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

Q3 2020 Capital Spending And Cash Flow ($M)

Investing in the future

Q3 Cash Flow Reconciliation

Opening balance cash	65.2
Cash flow from operations	31.1
Cash before investment & financing	**96.3**
Capital spending	(10.2)
Proceeds from issuance of common shares, net of share issuance costs	89.6
Other	2.2
Total investment & financing	**$81.6**
Ending Balance Cash	**$177.9**

Q3 Capital Spend

	Sustaining	Expansion	Stripping
El Castillo	1.5	-	-
San Agustin	1.4	-	-
La Colorada	0.7	-	-
Florida Canyon	2.6	-	-
Magino		2.5	-
Exploration	-	1.2	-
Corp. & Other	-	0.3	-
	$6.2	$4.0	-
Total Spending			**$10.2**

Year-End 2020 Cash Estimate ($M)

Q3 ending cash balance	**$178**
Free cash flow from operations[1]	$27+
Ana Paula sale proceeds	$30
Convertible debenture net proceeds	$55
Flow-through financing net proceeds	$9
Debt repayment & financial obligations	($27)
Capital spend[2]	($50)
YE 2020 Ending Balance Cash Estimate	**$222+**

[1] Assumes $1,900 gold
[2] Mid-point of updated 2020 capital guidance, including $35M - $40M of Magino construction capital

Operations Overview

Production (GEO)[1]	Third Quarter Ended September 30			9 Months Ended September 30		
	2020	2019	% Change	2020	2019	% Change
El Castillo	9,492	14,592	(35%)	33,615	52,613	(36%)
San Agustin	17,198	15,702	10%	45,245	43,765	3%
La Colorada	10,972	14,418	(24%)	31,869	42,716	(25%)
Florida Canyon	11,289	-	-	11,289	-	-
TOTAL	**48,951**	**44,712**	9%	122,018	139,094	(12%)
Cash Cost (per Au oz.)[2]						
El Castillo	$894	$1,038	(14%)	$963	$970	(1%)
San Agustin	$821	$848	(3%)	$787	$848	(7%)
La Colorada	$910	$800	14%	$1,020	$885	15%
Florida Canyon	$1,353	-	-	$1,353	-	-
Consolidated Cash Cost	**$1,008**	**$901**	12%	$960	$906	6%
AISC[2]						
Consolidated AISC	**$1,401**	**$1,134**	24%	$1,280	$1,168	11%

[1] GEOs are based on a conversion ratio of 80:1 for silver to gold ounces for 2020 and 75:1 for 2019.
[2] Please refer to section on slide 18 entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

2020 Guidance

2020 GEO[2] Production Guidance (in 000s)

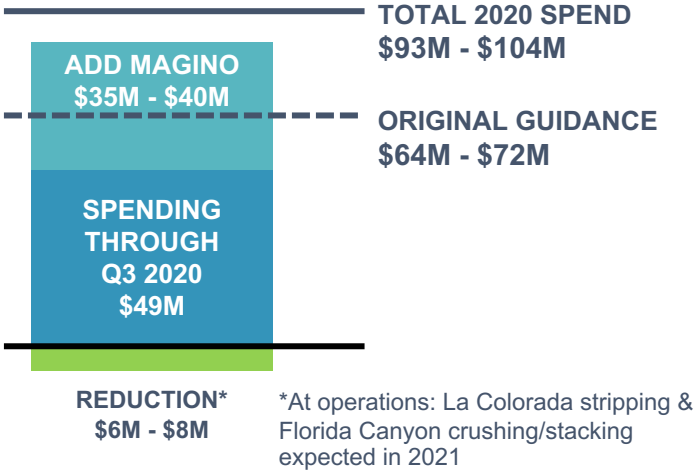
Mine	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Estimate	Full Year 2020 Estimate	Previous Estimate
El Castillo	15	9	10	10 - 14	43 – 47	45 – 50
San Agustin	14	14	17	18 - 22	63 – 67	62 – 68
La Colorada	13	8	11	14 - 18	46 – 50	53 – 55
Florida Canyon*	11	13	11	12 - 15	47 – 50	50 – 57
Consolidated*	**53**	**44**	**49**	**54 - 69**	**200 – 215**	**210 – 230**

2020 Cost and Capital Guidance

Costs on target within guidance range:

($ per gold ounce sold)	CASH COST[1]	AISC[1]
2020 GUIDANCE	$925 - $1,025	$1,225 - $1,350
9 MONTHS ENDED SEPT 30, 2020	**$960**	**$1,280**

Changes in Capital:



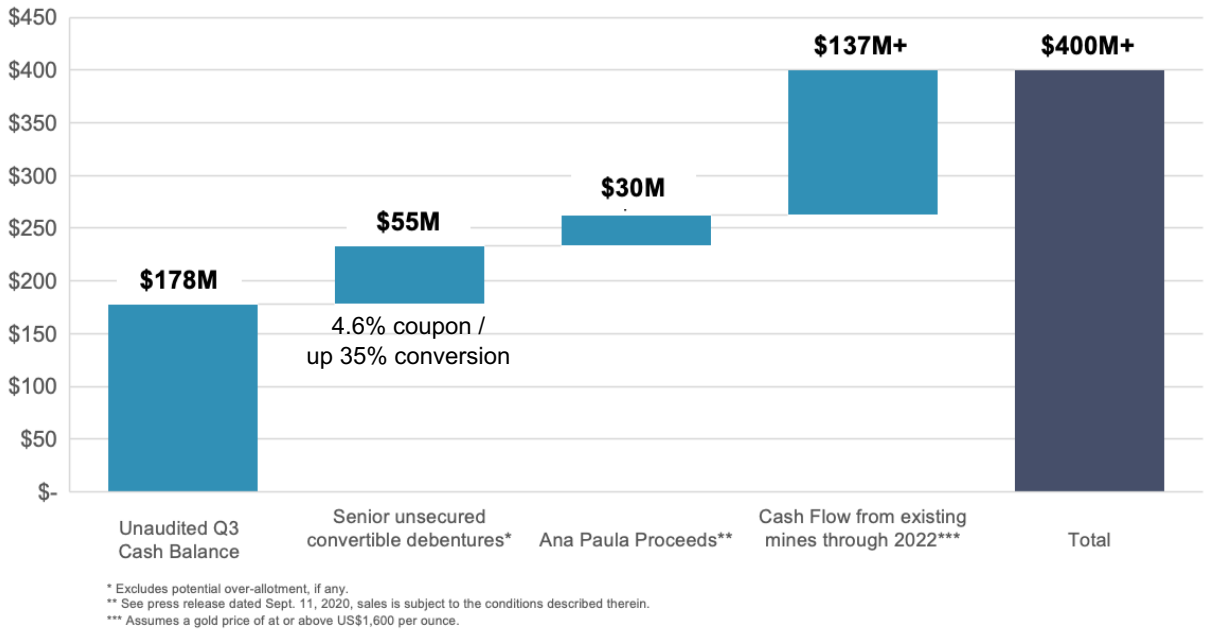
*At operations: La Colorada stripping & Florida Canyon crushing/stacking expected in 2021

*Florida Canyon production and capital spend during Q1 2020 and Q2 2020 was under Alio Gold Inc. prior to the closing of the merger between Alio Gold Inc. and Argonaut on July 1, 2020. 2020 GEO production and capital guidance estimates the combined production for the two companies for the full year 2020.

[1] Please refer to section on slide 18 entitled "Non-IFRS Measures" for a discussion of these Non-IFRS Measures.
[2] GEOs are based on a conversion ratio of 80:1 for silver to gold.

Magino Fully Financed – Moving to Construction

Initial capital of $360-$380M



* Excludes potential over-allotment, if any.
** See press release dated Sept. 11, 2020, sales is subject to the conditions described therein.
*** Assumes a gold price of at or above US$1,600 per ounce.

Feasibility Study Highlights[1]

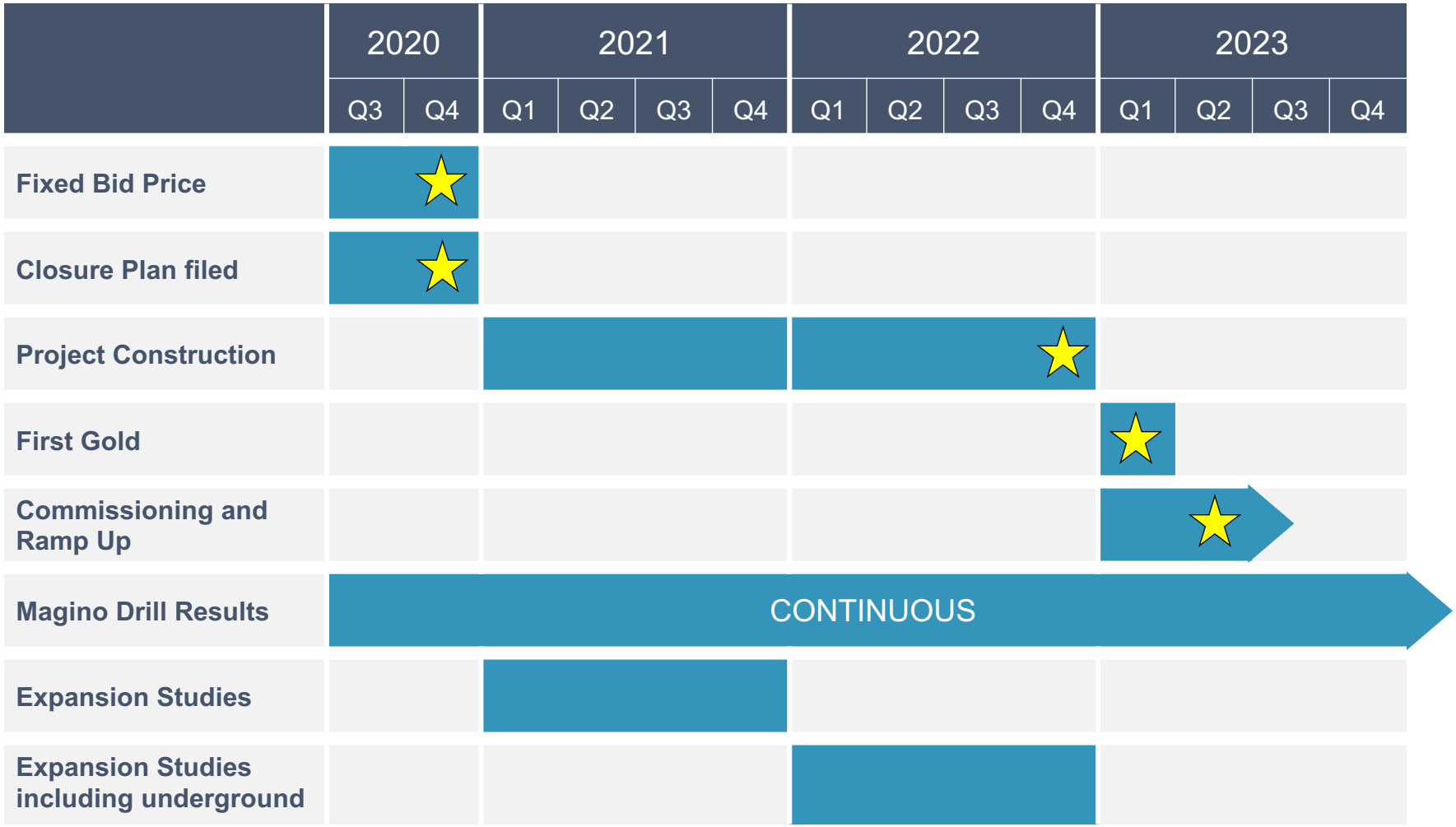
- A 10,000 tonne per day processing facility;
- Average annual gold production of 150,000 ounces over the first five years;
- A 17-year mine life;
- Cash cost of US$669 per ounce sold[2]; and
- All-in sustaining cost of US$711 per gold ounce sold[2].

Revolving Credit Facility: Up to $125M at LIBOR+2.25%

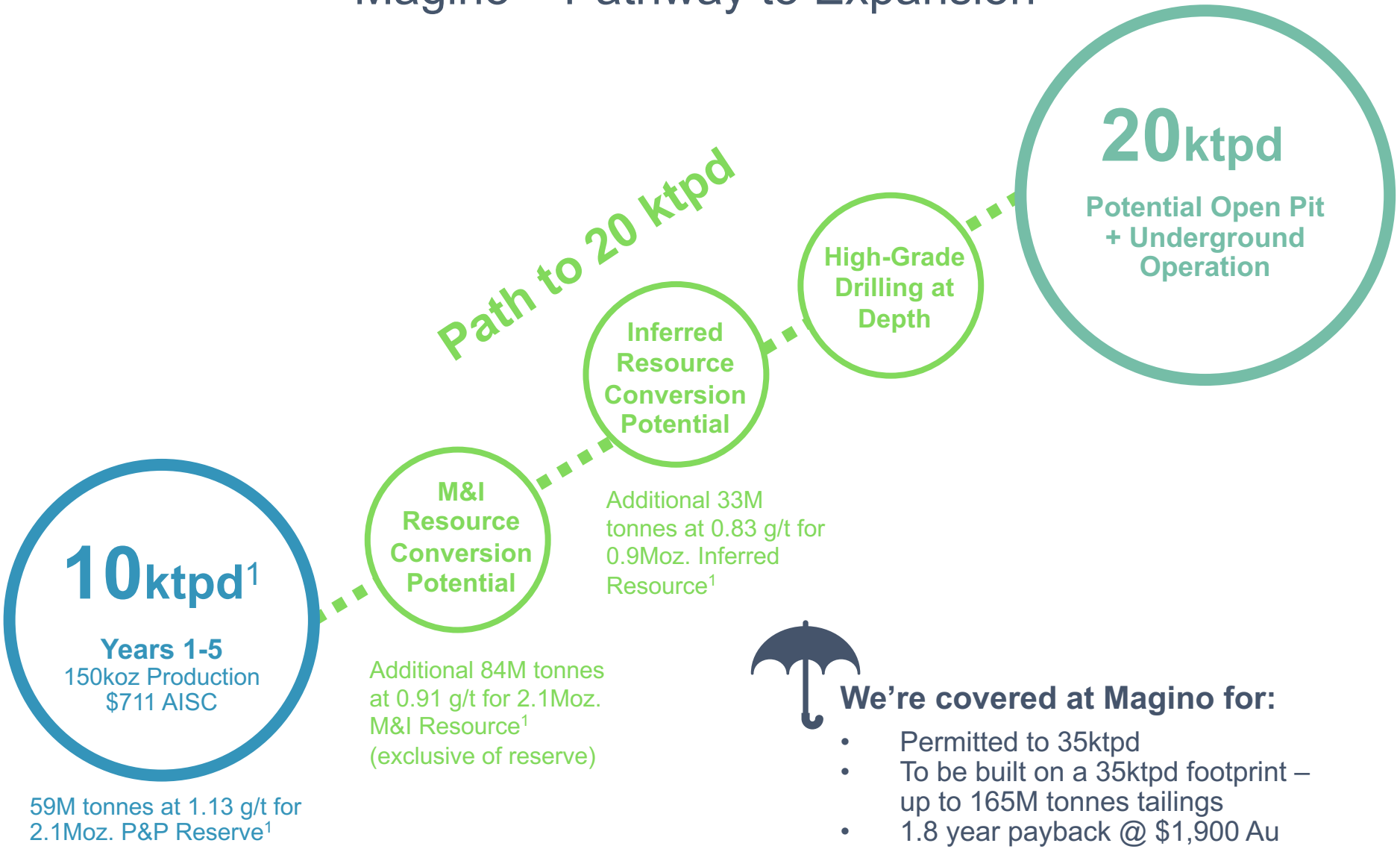
Safety Net

[1] Based on the assumptions and parameters as set forth in the Magino Feasibility Study dated December 21, 2017, recently estimated including contingency and inflation.
[2] Please refer to section on slide 18 entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

Conceptual Magino Project Timeline



Magino – Pathway to Expansion



We're covered at Magino for:

- Permitted to 35ktpd
- To be built on a 35ktpd footprint – up to 165M tonnes tailings
- 1.8 year payback @ $1,900 Au

[1] Based on the assumptions and parameters as set forth in the Magino Feasibility Study dated December 21, 2017.

Argonaut's Vision & Strategy

Transitioning our production and cost profile:

High-Cost Producer

150k – 200k oz
per year

Low Cost Intermediate Producer

300k – 500k oz
per year

SUSTAINABLE GROWTH & REPLACEMENT
of ounces

- **Generating cash flow to finance growth**
- **Favourable gold price environment**
- **De-risking our development project pipeline**

Executing Our Strategy – Our 3-Phase Approach

HARVEST



- **HARVEST** cash from existing operations
- Significant free cash flow as capital comes down and production rises

REPLACE



- **REPLACE** short mine life operations
- Florida Canyon provides immediate growth and then replaces El Castillo

GROWTH



- **GROWTH** through the development project pipeline
- All development stage assets provide much longer mine life and significantly lower operating costs

Low Risk Investment

So far in 2020…

Dec. 31/19	
Market Cap ($M)	262
Net Cash ($M)	28
Enterprise Value ($M)	234
Gold Price ($/oz)	1,516

- **JULY 1st**: Alio Merger closing
- **JULY 23rd:** Closed C$126.5M Equity Financing
- **SEPT 11th:** Agreement to sell Ana Paula for $30M on closing, C$10M on construction announcement, 1% NSR and 9.9% equity in NewCo
- **MARCH 3rd, JULY 28th & SEPT. 16th:** Magino Drill Results
- **OCT.14th:** Closed C$11.5M Flow-Through Financing
- **OCT.14th:** Magino Construction Decision, Fixed Price Bid & Debt Financing ($55M net proceeds from convert & up to $125M revolver)

Sept. 30/20	
Market Cap ($M)	587
Net Cash ($M)	156
Enterprise Value ($M)	431
Gold Price ($/oz)	1,885

Analyst consensus value for operating and development assets =

$1.1 Billion



ADDITIONAL INFORMATION

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Mineral Resource Notes and Disclosures

Mineral Reserves and Mineral Resources have been estimated as at December 31, 2019 in accordance with NI 43-101 as required by Canadian securities regulatory authorities. Mineral Resources are presented inclusive of Mineral Reserves. Numbers may not sum due to rounding.

The Mineral Reserves for El Castillo and San Agustin, which together form the El Castillo Complex, are based on updated models, mine plans and topography, including depletion through mining activities and changes to recovery and cost assumptions as of December 31, 2019. El Castillo used a gold price of $1,450 per ounce; San Agustin used a gold price of $1,350 per ounce and silver price of $16.75 per ounce. Cut-off grades for El Castillo range from 0.10 g/t Au to 0.71 g/t Au depending on ore type; cut-off grades at San Agustin range from 0.11 g/t gold equivalent ("AuEQ") to 0.25 g/t AuEQ depending on ore type.

The Mineral Reserves for La Colorada are based on updated models, mine plans and topography as well as updated recoveries and cost assumptions as of December 31, 2019. La Colorada used a gold price of $1,350 per ounce and a silver price of $16.75 per ounce. Cut-off grade for La Colorada was 0.13 g/t AuEQ.

The Mineral Reserves for Cerro del Gallo were taken from the Cerro del Gallo Technical Report. The Mineral Reserves were estimated at a gold price of $1,200 per ounce and a silver price of $14.50 per ounce. The Mineral Reserves used a gold cutoff grade of between 0.30 g/t AuEQ and 0.39 g/t AuEQ depending on ore type.

The Mineral Reserves for Magino were taken from the Magino Technical Report. The Mineral Reserves were estimated at a gold price of $1,200 per ounce. The Mineral Reserves used a gold cutoff grade of 0.41 g/t.

The M&I Mineral Resources and Inferred Mineral Resources for El Castillo and San Agustin, which together form the El Castillo Complex, were based on pit cones using $1,600 per ounce gold and $19.75 per ounce silver. Cut-off grades range from 0.08 g/t Au to 0.62 g/t Au for El Castillo and 0.11 to 0.25 g/t AuEQ for San Agustin, depending on ore type.

The M&I Mineral Resources and Inferred Mineral Resources for La Colorada were based on pit cones using $1,600 per ounce gold and $19.75 per ounce silver. Cut-off grade was 0.10 g/t AuEQ.

The M&I Mineral Resources and Inferred Mineral Resources for the Cerro del Gallo Project were taken from the Cerro del Gallo Technical Report. The Mineral Resources were estimated at a gold price of $1,600 per ounce and a silver price of $20.00 per ounce. Cut-off grades range from 0.25 g/t AuEQ to 0.30 g/t AuEQ depending on ore type.

The M&I Mineral Resources and Inferred Mineral Resources for the San Antonio Project were taken from the San Antonio Technical Report. The Mineral Resources were estimated at a gold price of $1,500 per ounce using a cutoff grade of 0.11 g/t Au for oxide and transition and 0.15 g/t Au for sulphide.

The M&I Mineral Resources and Inferred Mineral Resources for the Magino Project were taken from the Magino Technical Report. The Mineral Resources were estimated at a gold price of $1,300 per ounce. The Mineral Resources used a gold cutoff of 0.25 g/t.

The Mineral Reserves and Mineral Resources for Florida Canyon were taken from the technical report entitled " Technical Report Mineral Resource and Mineral Reserve Florida Canyon Gold Mine Pershing County Nevada" effective date of June 1, 2020.

The Mineral Reserves and Mineral Resources for the Ana Paula Project were taken from the technical report entitled "Ana Paula Project NI 43-101 Preliminary Feasibility Study, Guerrero, Mexico" dated May 16, 2017.

Notes and Disclosures

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 other exploration stage projects, all of which are located in North America.

QUALIFIED PERSON

Technical information included in this presentation was supervised and approved by Brian Arkell, Argonaut Gold's Vice President of Exploration, and a Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. ("NI 43-101").

NATIONAL INSTRUMENT 43-101

Brian Arkell, Argonaut Gold's Vice-President of Exploration and a Qualified Person under NI 43-101, has read and approved the scientific and technical information in this presentation as it relates to Argonaut. This presentation contains information regarding mineral resources that are not mineral reserves and do not have demonstrated economic viability.

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

This presentation uses the terms "Measured", "Indicated" and "Inferred" Resources as defined in accordance with NI 43-101. United States readers are advised that while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve calculation is made. United States readers are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into reserves. In addition, "Inferred Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resource will ever be upgraded to a higher category. United States readers are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable.

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 presentation 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, proceeds from legal proceedings and unrealized (gains) losses on commodity derivatives. 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 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.

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

This presentation should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2020 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.

Consolidated Mineral Resources & Mineral Reserves[1]

Project	Category	Tonnes (millions)	Au Grade (g/t)	Contained Au Ounces (000s)	Ag Grade (g/t)	Contained Ag Ounces (000s)	Cu %	Cu tonnes (000s)
Mineral Reserves	**Proven & Probable**							
El Castillo	Proven	1.1	0.60	21				
El Castillo	Probable	18.4	0.37	220				
San Agustin	Probable	44.3	0.29	418	12.3	17,536		
El Castillo Complex	**Proven & Probable**	**63.8**	**0.32**	**659**	**12.3**	**17,536**		
La Colorada	**Proven & Probable**	**19.8**	**0.59**	**375**	**8.8**	**5,572**		
Cerro del Gallo	Proven	70.4	0.59	1,326	13.7	31,088	0.10	67,691
Cerro del Gallo	Probable	21.3	0.46	313	11.7	8,012	0.08	17,821
Cerro del Gallo	**Proven & Probable**	**91.8**	**0.56**	**1,638**	**13.3**	**39,100**	**0.09**	**85,782**
Ana Paula	Proven	6.5	2.62	550	5.3	1,115		
Ana Paula	Probable	6.9	2.12	471	5.1	1,139		
Ana Paula	**Proven & Probable**	**13.4**	**2.36**	**1,021**	**5.2**	**2,254**		
Florida Canyon	Probable	74.5	0.41	1,019				
Florida Canyon	**Proven & Probable**	**74.5**	**0.41**	**1,019**				
Magino	Proven	24.2	1.03	804				
Magino	Probable	34.7	1.19	1,332				
Magino	**Proven & Probable**	**58.9**	**1.13**	**2,136**				
Consolidated Mineral Reserves	**Proven & Probable**	**322.3**	**0.66**	**6,848**	**N/A**	**64,462**	**N/A**	**85,782**
Mineral Resources	**Measured & Indicated ("M&I")**							
El Castillo	M&I	36.4	0.35	409				
San Agustin	Indicated	72.1	0.27	638	10.4	24,106		
El Castillo Complex	**M&I**	**108.5**	**0.30**	**1,047**	**10.4**	**24,106**		
La Colorada	**Indicated**	**30.9**	**0.56**	**555**	**8.4**	**8,334**		
Cerro del Gallo	**M&I**	**201.9**	**0.44**	**2,864**	**12.2**	**79,103**	**0.09**	**187,100**
San Antonio	**M&I**	**65.0**	**0.86**	**1,735**				
Ana Paula	**M&I**	**21.0**	**2.17**	**1,462**	**4.8**	**3,269**		
Florida Canyon	**Indicated**	**137.0**	**0.38**	**1,667**				
Magino	**M&I**	**144.0**	**0.91**	**4,197**				
Consolidated Mineral Resources	**Measured & Indicated**	**708.3**	**0.59**	**13,527**	**N/A**	**114,812**	**N/A**	**187,100**
Measured and indicated Mineral Resources are inclusive of Mineral Reserves								
Mineral Resources	**Inferred**							
El Castillo	Inferred	0.7	0.35	8				
San Agustin	Inferred	3.8	0.29	36	12.1	833		
El Castillo Complex	**Inferred**	**4.6**	**0.30**	**44**	**12.1**	**833**		
La Colorada	**Inferred**	**4.3**	**0.65**	**90**	**11.1**	**1,541**		
Cerro del Gallo	**Inferred**	**5.1**	**0.43**	**71**	**11.9**	**1,947**	0.06	1
San Antonio	**Inferred**	**6.2**	**0.34**	**67**				
Ana Paula	**Inferred**	**0.9**	**1.84**	**51**	**5.3**	**149**		
Florida Canyon	**Inferred**	**24.7**	**0.34**	**276**				
Magino	**Inferred**	**33.2**	**0.83**	**886**				
Consolidated Mineral Resources	**Inferred**	**79.0**	**0.58**	**1,485**	**N/A**	**4,470**		

[1] Please refer to Notes and Disclosures slide for Mineral Resource Notes and Disclosure.