

ARGONAUT GOLD

TSX:AR

CORPORATE PRESENTATION

Second Quarter Ended June 30, 2021 Conference Call

August 11, 2021

FORWARD LOOKING INFORMATION

This presentation may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than statements of historical facts, included in this presentation that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Corporation's businesses, operations, plans and other such matters are forward-looking information.

When used in this presentation, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Examples of such forward-looking information include information pertaining to, without limitation, inherent hazards associated with mining operations, the future price of gold and silver, the market and global demand for gold and silver, the estimation of the Mineral Reserves and Mineral Resources, the realization of Mineral Reserve and Mineral Resource estimates, the timing and amount of estimated future production, costs of production, expansion of production capabilities, expected capital expenditures, costs and timing of development of new deposits, success of exploration activities, permitting risk in development projects, the ability to obtain surface rights to support planned infrastructure at the Corporation's exploration and development projects, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks and hazards, title disputes or claims and limitations on insurance coverage.

For a more detailed discussion of these factors and other risks, see “Risk Factors” as more fully described in the Company’s filings with the Canadian Securities Administrators, including its Annual Information Form for the year ended December 31, 2020, available on SEDAR at www.sedar.com.

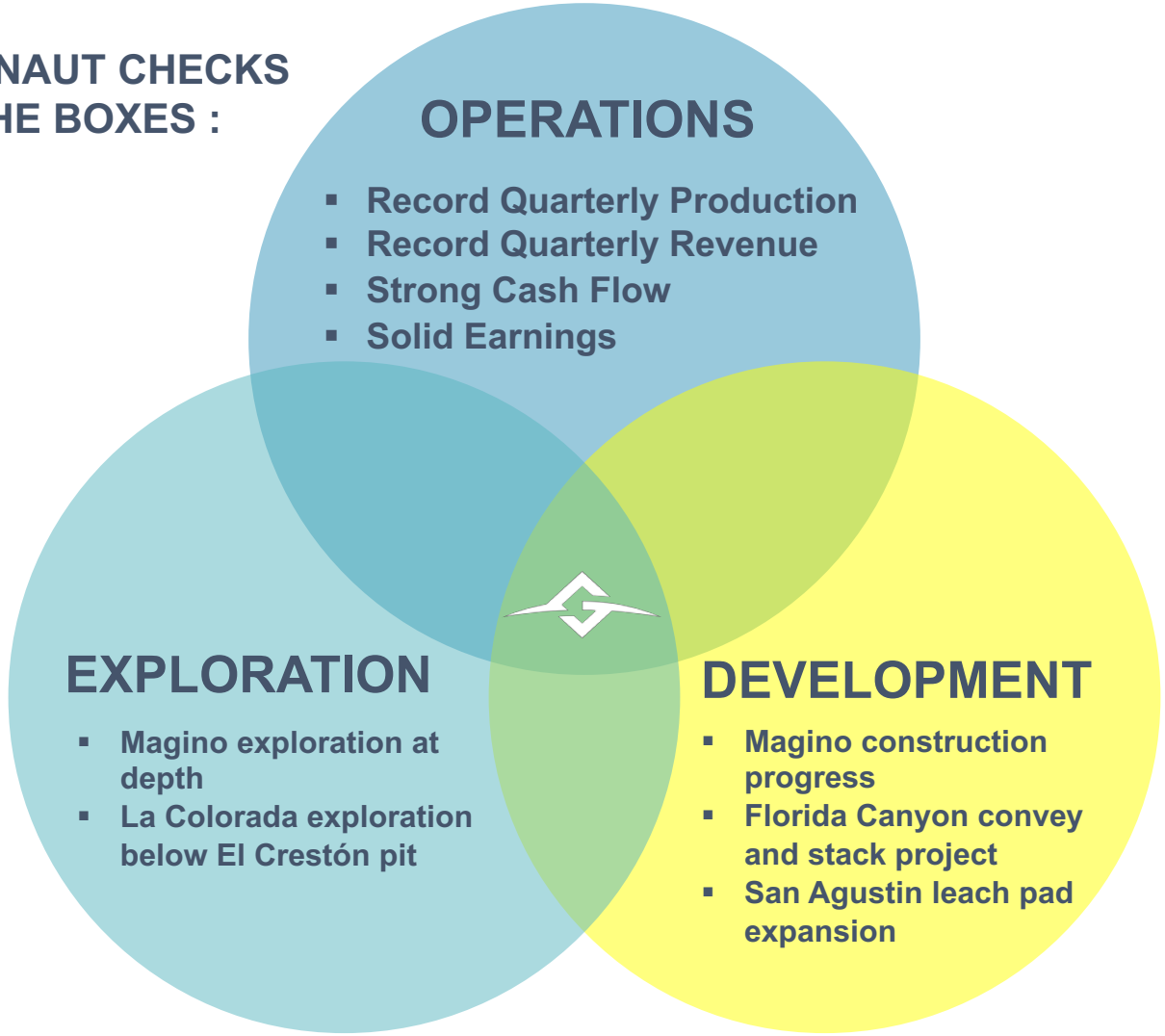
Although the Corporation has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such information will prove to be accurate as actual developments or events could cause results to differ materially from those anticipated. These include, among others, the factors described or referred to elsewhere herein, and include unanticipated and/or unusual events. Many of such factors are beyond the Corporation's ability to predict or control.

Readers of this presentation are cautioned not to put undue reliance on forward-looking information due to its inherent uncertainty. The Corporation disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, unless require under applicable laws. This forward-looking information should not be relied upon as representing management's views as of any date subsequent to the date of this presentation.

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

Q2 2021 & Recent Highlights

ARGONAUT CHECKS ALL THE BOXES :



Q2 2021 and Recent Highlights

Financial Performance

- Record quarterly revenue of $120.2M
- Record quarterly cash flows from operating activities before changes in non-cash operating working capital of $39.3M
- Net income of $21.8M or $0.07 per basic share
- Adjusted net income[1] of $24.4 million or $0.08 per basic share
- Cash balance of $216.0M

Production and Cost

- Record quarterly production of 63.7k GEOs[2]
- Cash cost per gold ounce sold[1] of $876
- AISC per gold ounce sold[1] of $1,187



Short-Term Initiatives

- Magino construction progressing on schedule for first gold pour in Q1 2023
  - Launched monthly newsletter for regular updates
- Florida Canyon permits received for installation and operation of new conveying and stacking system
  - Construction completed and ramp up underway

Long-Term Growth Initiatives

- Magino exploration at depth
  - 7.0m at 13.3 g/t Gold at Magino's South Zone approx. 1.5km from Island Gold border
- La Colorada
  - Discovered high grade gold veins below El Crestón pit including 12.2m at 98.9 g/t Au and 30.3 g/t Ag and 21.3m at 44.6 g/t Au and 274.9 g/t Ag
- Florida Canyon/Standard
  - Ongoing exploration program
- Cerro del Gallo
  - Permitting

[1] Please refer to section on slide 23 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 85:1 for silver to gold ounces. The conversion ratios are based on three year trailing average silver to gold exchange ratio.

Financial Performance

	Second Quarter Ended June 30			6 Months Ended June 30		
	2021	**2020**	% Change	2021	2020	% Change
Sales (GEO)[1]	**65,650**	**34,196**	92%	124,766	76,400	63%
Revenue ($M)	**120.2**	**58.0**	107%	225.5	124.5	81%
Net income (loss) ($M)	**21.8**	**(7.7)**	383%	48.8	(17.2)	384%
Earnings (loss) per share - basic	**$0.07**	**($0.04)**	275%	$0.16	($0.10)	260%
Adjusted net income[2] ($M)	**24.4**	**8.5**	187%	32.2	16.9	91%
Adjusted earnings per share – basic	**$0.08**	**$0.05**	60%	$0.11	$0.09	22%
Cash flow from operating activities [before changes in working capital] ($M)	**39.3**	**11.8**	233%	67.0	26.5	159%
Cash and cash equivalents ($M)	**216.0**	**65.2**	231%	216.0	65.2	231%

[1] GEOs are based on a conversion ratio of 85:1 for silver to gold ounces for 2021 and 80:1 for 2020.
[2] Please refer to section on slide 23 entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

Q2 2021 Capital Spending and Cash Flow ($M)

Investing in the future

Q2 Cash Flow Reconciliation ($M)

Opening balance cash	227.3
Cash flow from operations excl. working capital	39.3
Changes in working capital	2.9
Cash before investment & financing	**269.5**
Capital spending	(57.6)
Other	4.1
Ending Balance Cash	**216.0**

Q2 Capital Spend ($M)

	Sustaining	Expansion	Stripping
El Castillo	0.5	-	2.3
La Colorada	0.7	-	0.1
Florida Canyon	3.0	1.9	-
Magino	-	43.5	-
Prodigy	-	0.5	
San Agustin	1.9	-	-
Exploration	-	2.9	-
Corp. & Other	-	0.3	-
	6.1	49.1	2.4
Total Spending*			**57.6**

* Total does not sum due to rounding

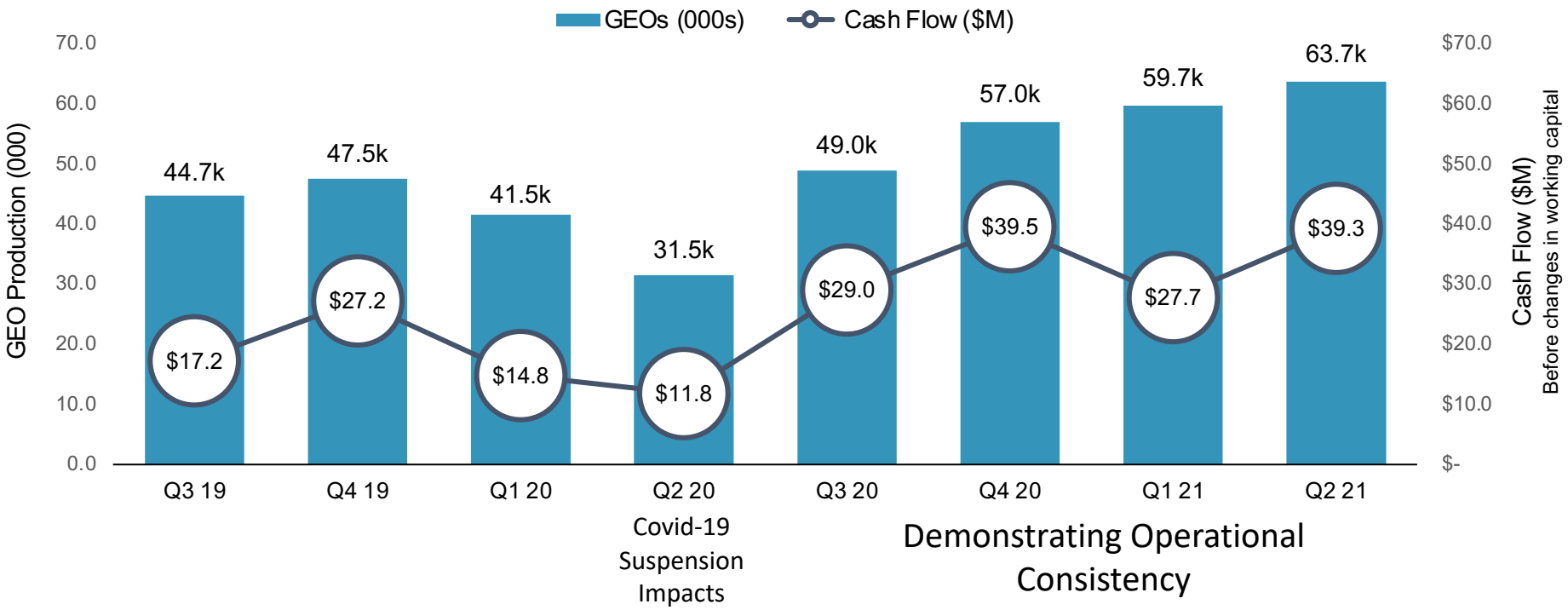
Accruals of $64.0M and $103.2M related to Magino construction project for Q1 2021 and H1 2021, respectively.

Operations Overview

	Second Quarter Ended June 30			6 Months Ended June 30		
Production (GEO)[1]	**2021**	**2020**	% Change	**2021**	**2020**	% Change
El Castillo	12,723	9,151	39%	24,695	23,586	5%
San Agustin	19,734	14,268	38%	38,681	28,047	38%
La Colorada	17,288	7,869	120%	33,804	20,897	62%
Florida Canyon	13,798			25,811		
TOTAL	**63,749**	**31,531**	**102%**	**123,452**	**73,067**	**69%**
Cash Cost (per Au oz.)[2]						
El Castillo	$1,109	$862	29%	$1,107	$988	9%
San Agustin	$801	$756	6%	$804	$769	5%
La Colorada	$608	$1,169	(48%)	$676	$1,074	(37%)
Florida Canyon	$1,110			$1,279		
Consolidated Cash Cost	**$876**	**$885**	**(1%)**	**$936**	**$929**	**1%**
AISC[2]						
Consolidated AISC	**$1,187**	**$1,080**		$1,247	$1,213	

[1] GEOs are based on a conversion ratio of 85:1 for silver to gold ounces for 2021 and 80:1 for 2020.
[2] Please refer to section on slide 23 entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

Recent Quarterly Production and Cash Flow



- **Three consecutive quarters of record GEO production.**
- **Record cash flow in two of the past three quarters.**

2021 Guidance

2021 Production and Cost Guidance

	First Half 2021	Full Year 2021 Guidance
GEO production	123,452	210,000 – 250-000
Cash cost per gold ounce sold[1]	$936	$950 - $1,050
AISC per gold ounce sold[1]	$1,247	$1,250 - $1,350

On track to achieve 2021 consolidated production and cost guidance.

Updated 2021 Capital Guidance

	First Half 2021 Accruals	Original Full Year 2021 Guidance	Updated Full Year 2021 Guidance
Capital (including exploration and excluding Magino construction capital)[2]	$33.4M	$75M - $85M	$65M - $75M
Magino construction capital[2]	$103.2M	$180M - $190M	$190M - $200M

Reduced spend at La Colorada by ~$10M and increased spend at Magino by ~$10M.

[1] Please refer to section on slide 23 entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.
[2] Assumes exchanges rates of MXN:USD of 20:1 and CAD:USD of 1.25:1.

Argonaut's Commitment to Sustainability

2020 Highlights & 2021 Ongoing Programs

- Reduction in water consumption by 8% by switching to drip irrigation at operations.
- Reduced GHG by ~84 tonnes/year by installing solar panels.
- Plant and species rescue programs.
- Regular air quality monitoring.
- Regular environmental training programs and workshops.
- Community focused cleaning campaigns.

Upcoming Initiatives

- Switching to grid power at operations.
- Changes at Florida Canyon which reduces haul truck distances and fuel consumption, which reduces GHG.

Sustainability Report published April 2021

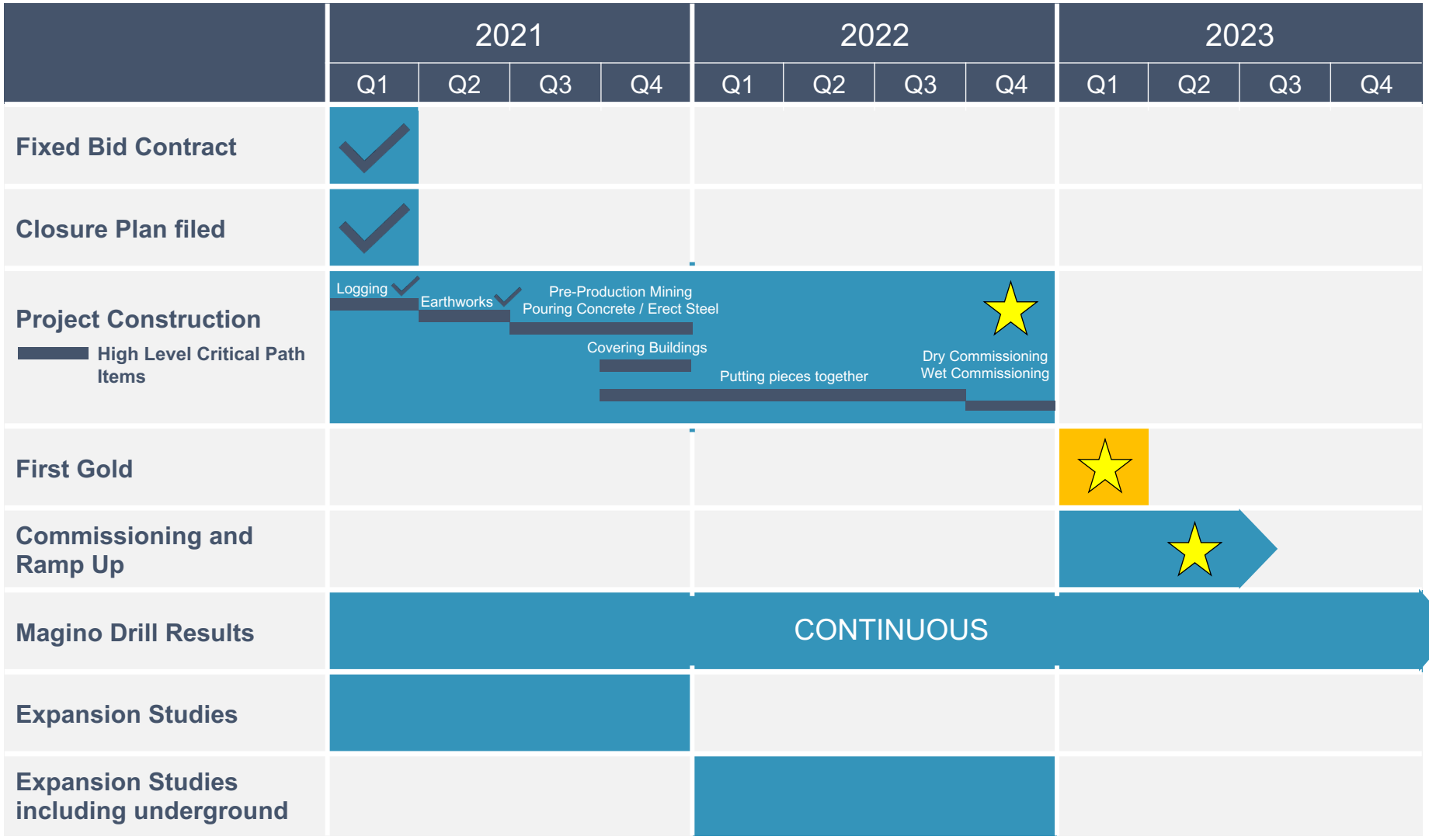

La Colorada Solar Farm in collaboration with municipality


Re-planting campaigns


Species protection


Regular air quality monitoring

Conceptual Magino Project Timeline

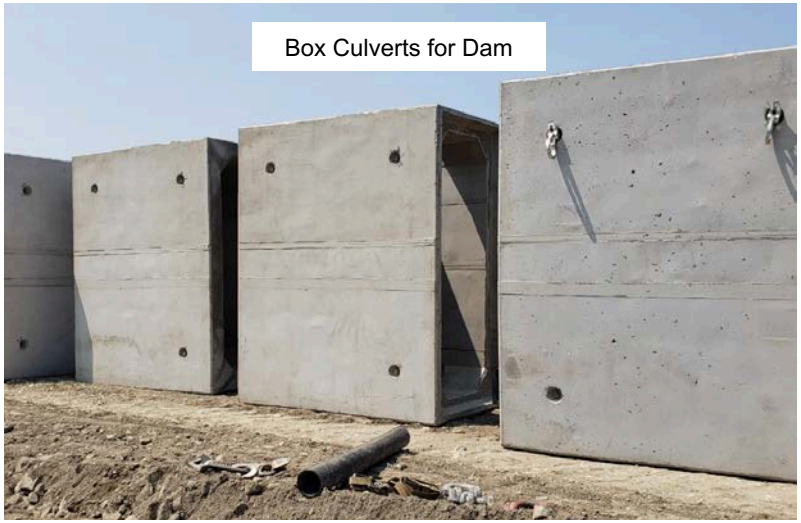


Construction well underway

Magino Construction Update









Magino Construction



Magino Lodge – Camp, Recreation Centre and Kitchen

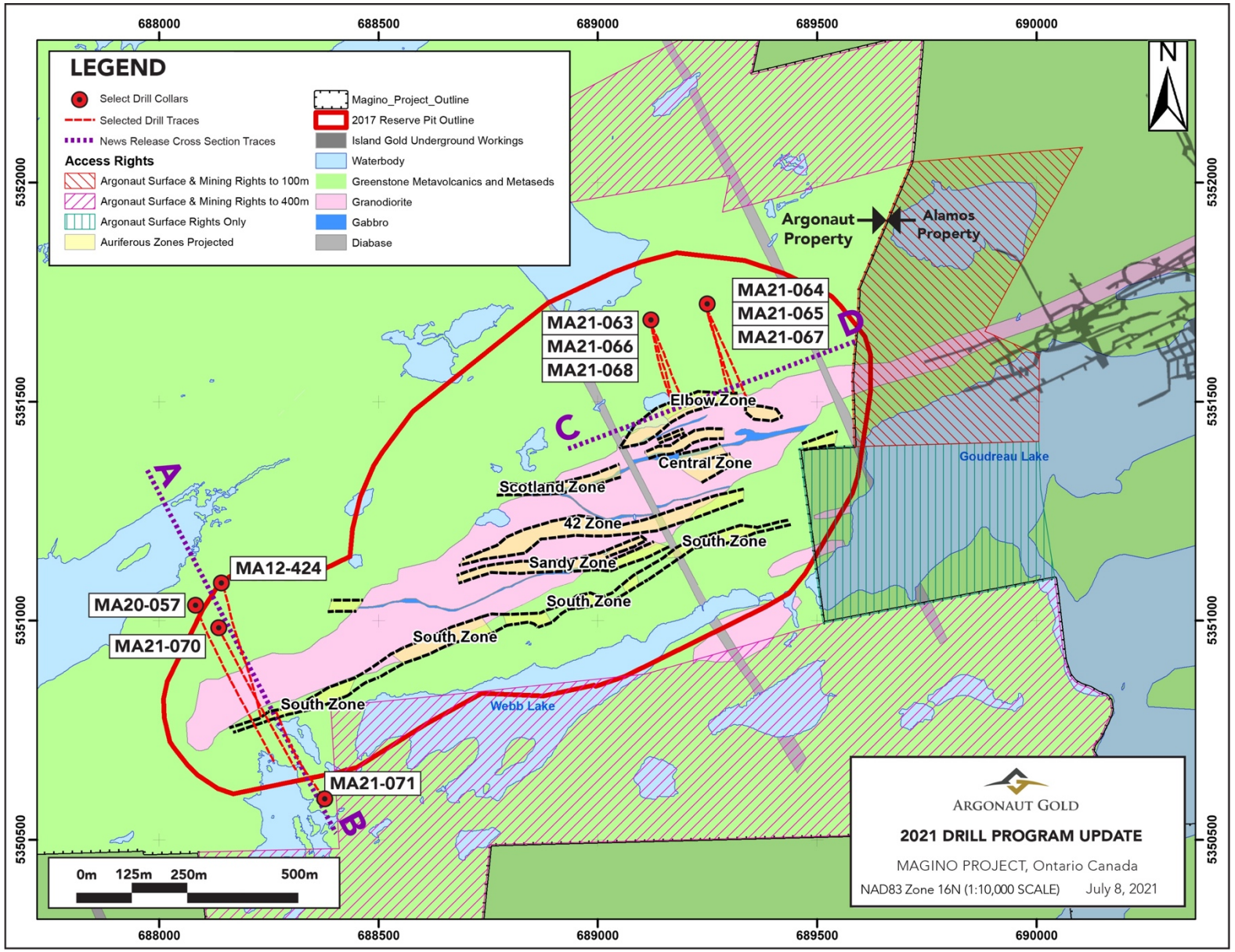


Aaron MacDonnell, Environmental Manager and Steve Murphy, Environmental Stewardship Manager for Michipicoten First Nation.



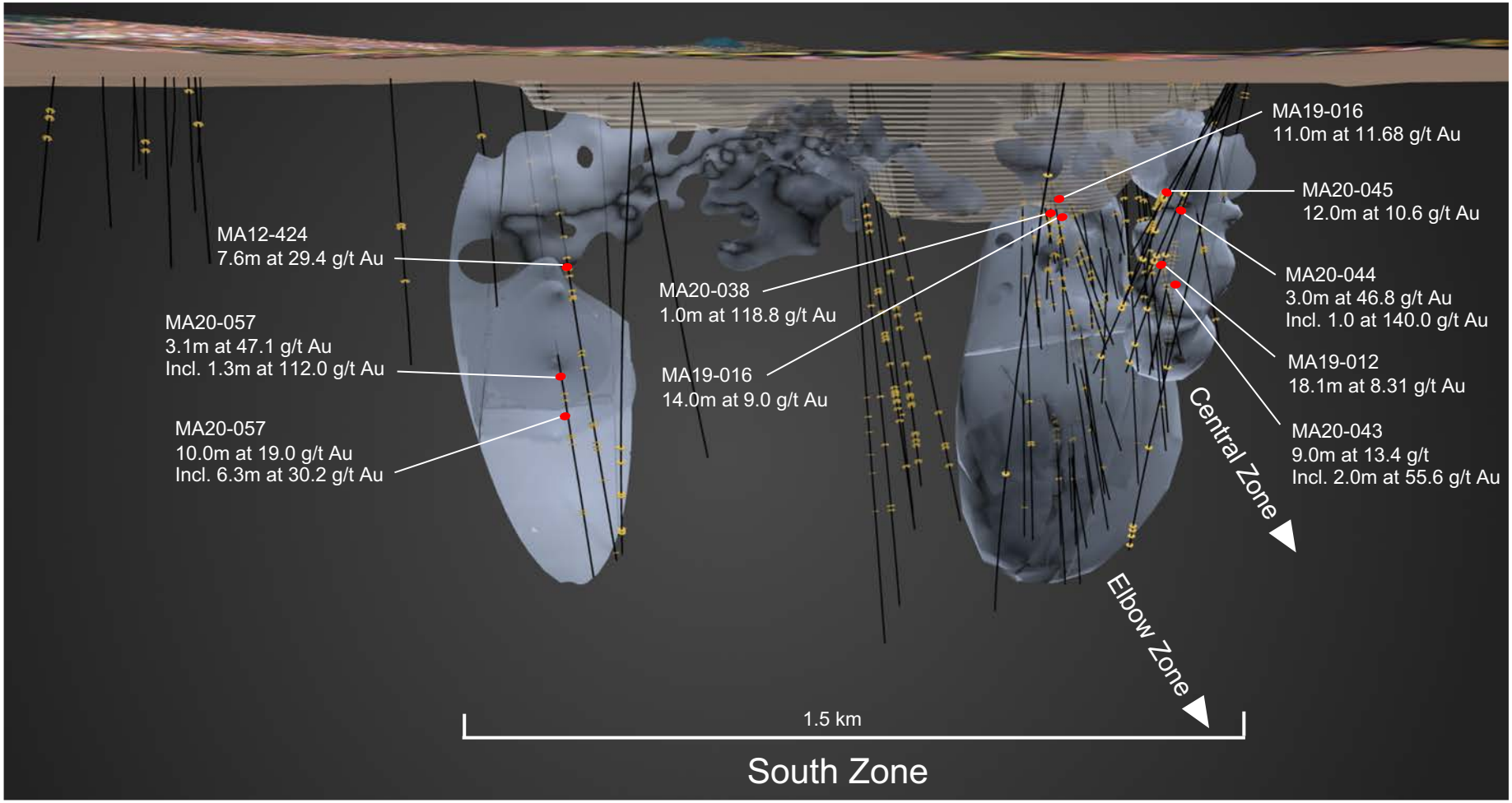
Ground Breaking Ceremony with Provincial and Municipal government officials and local Indigenous communities

Magino Plan View

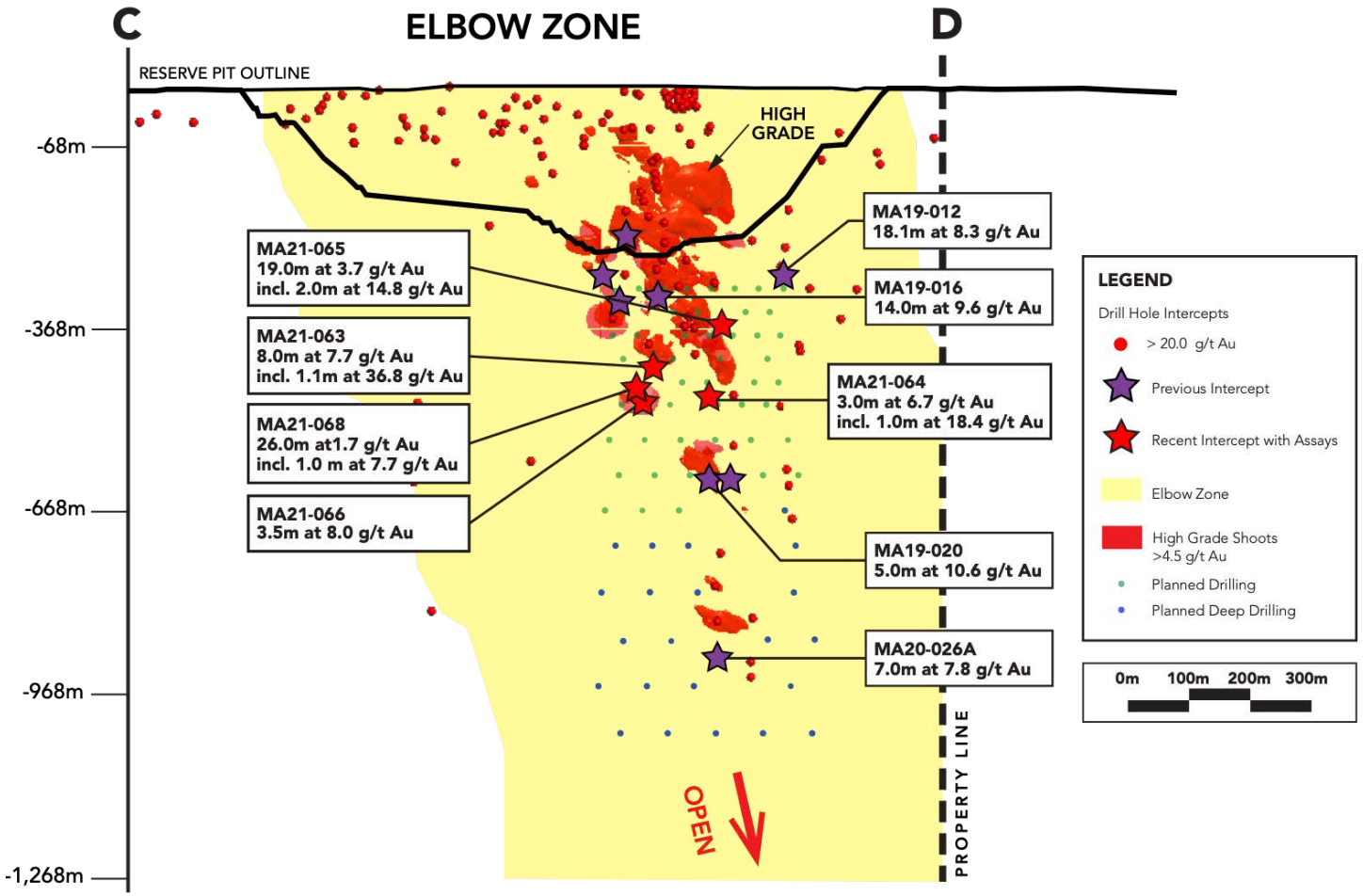


Magino High-Grade Drill Results at Depth Below the Pit

Long Section Looking North



Elbow Zone – Long Section



Early-stage resource definition drilling on the Elbow Zone.

High Grade Results at La Colorada

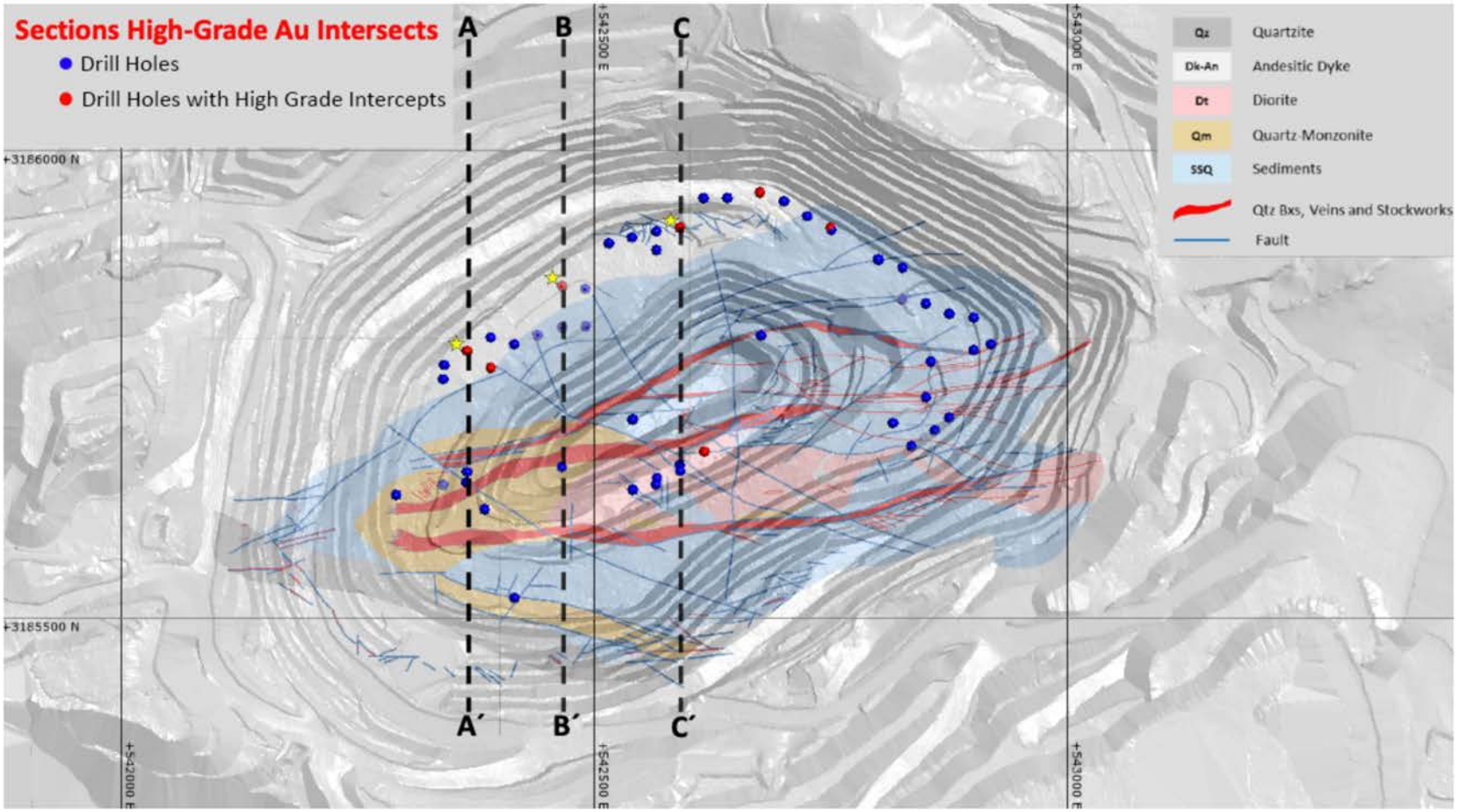


Figure 1 – Plan Map of the El Crestón open pit showing the locations of the drill holes from the recent exploration program

Note: Refer to Argonaut Press Release dated April 26, 2021.

High Grade Results at La Colorada

Recent Drill Results
High Grade Gold Veins Below the El Crestón Pit at La Colorada Mine

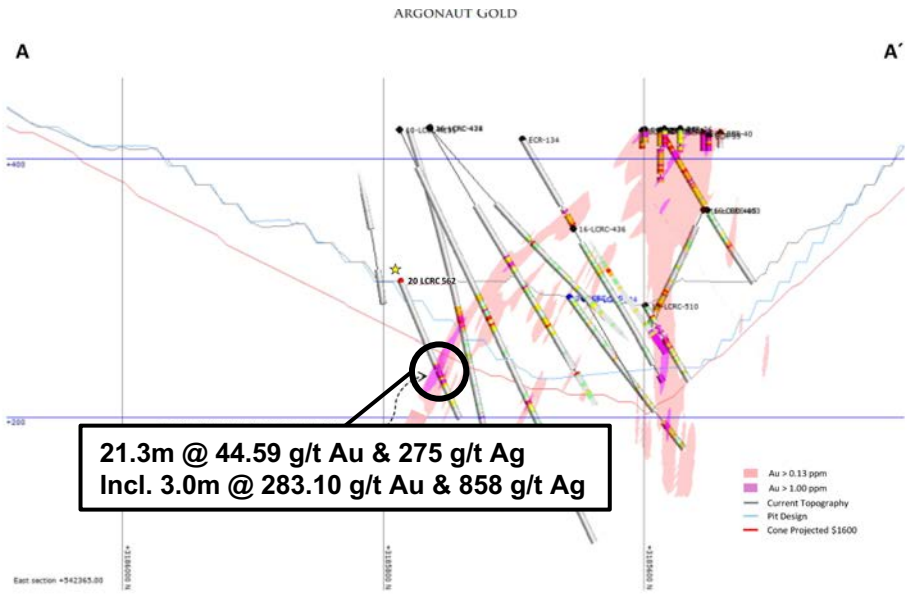


Figure 2 – Cross section showing the section for 'line A' in Figure 1 (Plan View Map)

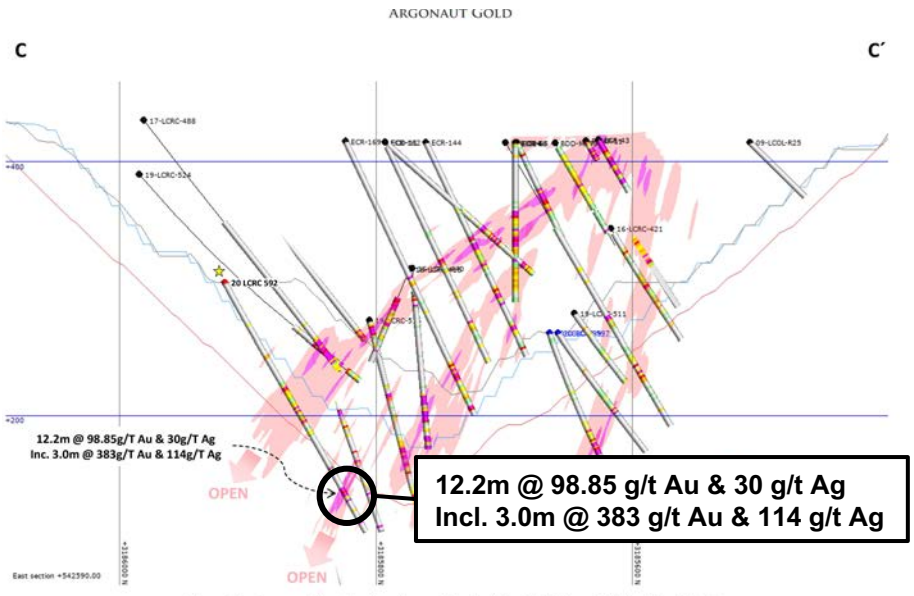


Figure 4 – Cross section showing the section for 'line C' in Figure 1 (Plan View Map)

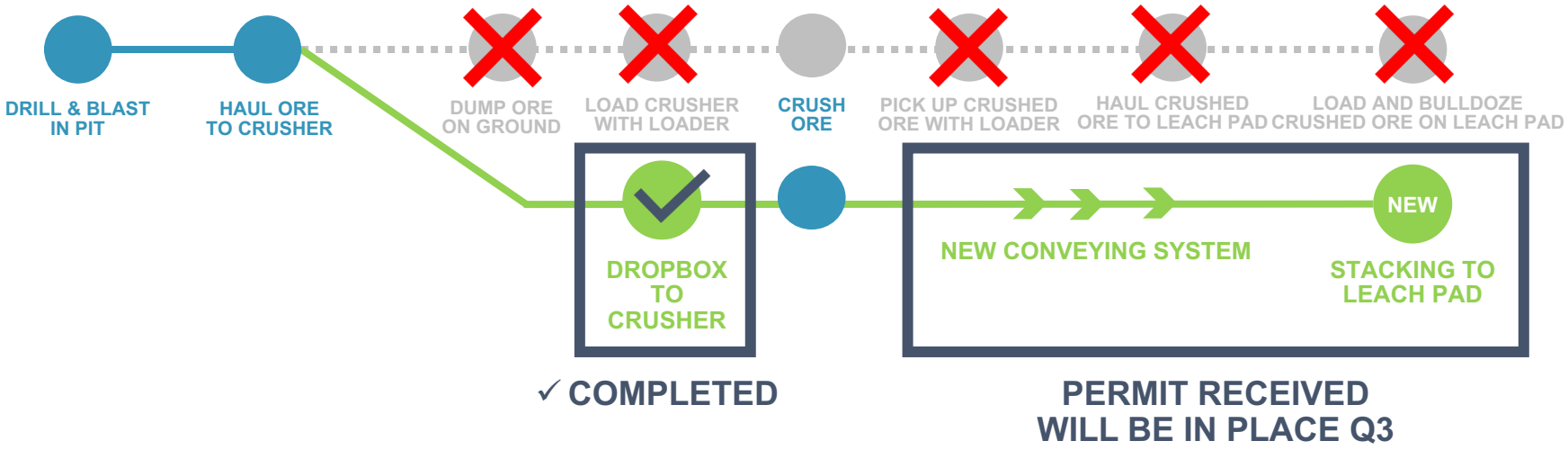
Three drill rigs active on phase 2 program below the El Crestón pit.

Note: Refer to Argonaut Press Release dated April 26, 2021.

Optimizing Florida Canyon

Acquired Florida Canyon: July 2020

Status of improvements since acquiring:



Goals for 2021:

- Reduce unit operating costs by eliminating re-handling
- Free up mobile equipment to repurpose in the pit to raise production profile
- Reduction in per/oz cost due to higher production profile

Optimizing Florida Canyon



Conveyor 1



Tunnels & Utilities



Grasshoppers ready for deployment

Potential Near-Term Catalysts

Magino Construction Progress

- Monthly newsletter and quarterly press release updates

Magino Exploration

- Targeting high-grade gold mineralization at depth

La Colorada Exploration

- Targeting the down dip extension of gold and silver veins below the El Créston pit

Florida Canyon

- Adding conveying & stacking system from crusher to leach pads to significantly reduce operating costs



ADDITIONAL INFORMATION

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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. 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.

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" and "Adjusted earnings per share - basic" in this presentation to supplement its financial statements which are presented in accordance with IFRS. The Company believes that these measures provide investors with an alternate view to evaluate the performance of the Company by providing information on control of production costs, trends in cash costs of the Company and the underlying operating performance of the core mining business. Management also uses these measures to monitor internal performance. 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 most recent 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 six months ended June 30, 2021 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.

Mineral Resource Notes and Disclosures

(1) Mineral Reserves and Mineral Resources have been estimated as at December 31, 2020 in accordance withNational Instrument ("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.

(2)The Mineral Reserves for El Castillo and San Agustin, which together form the El Castillo Complex, set out in the above table 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, 2020. El Castillo used a gold price of $1,500 per ounce; San Agustin used a gold price of $1,500 per ounce and silver price of $18.75 per ounce. Cut-off grades for El Castillo range from 0.10 g/t Au to 0.51 g/t Au depending on ore type; cut-off grades at San Agustin were 0.13 g/t Au.

(3)The Mineral Reserves for La Colorada set out in the above table are based on updated models, mine plans and topography as well as updated recoveries and cost assumptions as of December 31, 2020. La Colorada used a gold price of $1,500 per ounce and a silver price of $18.75 per ounce. Cut-off grade for La Colorada was 0.11 g/t gold equivalent ("AuEQ").

(4)The Mineral Reserves for Florida Canyon set out in the above table are based on updated models, mine plans and topography as well as updated recoveries and cost assumptions as of December 31, 2020. Florida Canyon used a gold price of $1,500 per ounce. Cut-off grade for Florida Canyon was 0.17 g/t Au.

(5)The Mineral Reserves for the Magino Project set out in the table above 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.

(6)The Mineral Reserves for Cerro del Gallo set out in the table above 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.

(7)The Mineral Reserves for Ana Paula set out in the table above were taken from the Ana Paula Technical Report. The Mineral Reserves were estimated at a gold price of $1,200 per ounce and a silver price of $17.00 per ounce. The Mineral Reserves used a gold cutoff grade of 0.67 g/t Au.

(8)The M&I Mineral Resources and Inferred Mineral Resources for El Castillo and San Agustin, which together form the El Castillo Complex, set out in the above table were based on pit cones using $1,800 per ounce gold and $22.50 per ounce silver. Cut-off grades range from 0.08 g/t Au to 0.43 g/t Au for El Castillo and 0.10 to 0.23 g/t AuEQ for San Agustin, depending on ore type.

(9)The M&I Mineral Resources and Inferred Mineral Resources for La Colorada set out in the above table were based on pit cones using $1,800 per ounce gold and $22.50 per ounce silver. Cut-off grade was 0.09 g/t AuEQ.

(10)The M&I Mineral Resources and Inferred Mineral Resources for Florida Canyon set out in the above table were based on pit cones using $1,800 per ounce gold. Cut-off grade was 0.15 g/t Au.

(11)The M&I Mineral Resources and Inferred Mineral Resources for the Magino Project set out in the table above 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.

(12)The M&I Mineral Resources and Inferred Mineral Resources for the Cerro del Gallo Project set out in the table above 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.

(13)The M&I Mineral Resources and Inferred Mineral Resources for Ana Paula set out in the table above were taken from the Ana Paula Technical Report. The Mineral Resources were estimated at a gold price of $1,350 per ounce and a silver price of $17.00 per ounce. The Mineral Resources used a gold cutoff grade of 0.60 g/t Au for the Mineral Resources amenable to open pit extraction and 1.65 g/t Au for the Mineral Resources amenable to underground extraction.

(14)The M&I Mineral Resources and Inferred Mineral Resources for the San Antonio Project set out in the table above 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.

Consolidated Mineral Resources & Mineral Reserves[1]

MINERAL RESERVES	PROVEN & PROBABLE							
Project	Category	Tonnes (Millions)	Au Grade (g/t)	Contained Au Ounces (000s)	Ag Grade (g/t)	Contained Ag Ounces (000s)	Cu Grade (% Cu)	Contained Tonnes Cu
El Castillo[2]	Proven	0.2	0.51	4				
El Castillo[2]	Probable	17.1	0.36	199				
San Agustin[2]	Probable	47.2	0.30	448	9.4	14,278		
El Castillo Complex[2]	**Proven & Probable**	**64.5**	**0.31**	**651**		**14,278**		
La Colorada[3]	**Probable**	**24.1**	**0.58**	**453**	**8.6**	**6,702**		
Florida Canyon[4]	Proven	59.9	0.43	822				
Florida Canyon[4]	Probable	10.9	0.38	132				
Florida Canyon[4]	**Proven & Probable**	**70.8**	**0.42**	**954**				
Magino[5]	Proven	24.2	1.03	804				
Magino[5]	Probable	34.7	1.19	1,332				
Magino[5]	**Proven & Probable**	**58.9**	**1.13**	**2,136**				
Cerro del Gallo[6]	Proven	70.4	0.59	1,326	13.7	31,088	0.10	67,691
Cerro del Gallo[6]	Probable	21.3	0.46	313	11.7	8,012	0.08	17,821
Cerro del Gallo[6]	**Proven & Probable**	**91.8**	**0.56**	**1,638**	**13.3**	**39,100**	**0.09**	**85,512**
Ana Paula[7]	Proven	6.5	2.62	550	5.3	1,115		
Ana Paula[7]	Probable	6.9	2.12	471	5.1	1,139		
Ana Paula[7]	**Proven & Probable**	**13.4**	**2.36**	**1,021**	**5.2**	**2,254**		
Consolidated Mineral Reserves	**Proven & Probable**	**323.4**	**0.66**	**6,854**	**N/A**	**62,334**	**N/A**	**85,512**
MINERAL RESOURCES	MEASURED & INDICATED ("M&I")							
El Castillo[8]	M&I	40.4	0.34	447				
San Agustin[8]	Indicated	65.6	0.27	579	8.4	17,651		
El Castillo Complex[8]	**M&I**	**106.0**	**0.30**	**1,026**		**17,651**		
La Colorada[9]	Indicated	35.0	0.56	631	8.2	9,270		
Florida Canyon[10]	M&I	86.0	0.42	1,161				
Magino[11]	M&I	144.0	0.91	4,197				
Cerro del Gallo[12]	M&I	201.9	0.44	2,864	12.2	79,103	0.09	187,100
Ana Paula open pit[13]	M&I	18.0	2.06	1,195	4.9	2,865		
Ana Paula underground[13]	M&I	3.0	2.80	267	4.2	404		
San Antonio[14]	M&I	65.0	0.86	1,735				
Consolidated Mineral Resources	**Measured & Indicated**	**658.9**	**0.62**	**13,076**	**N/A**	**109,293**	**N/A**	**187,100**
Measured and indicated Mineral Resources are inclusive of Mineral Reserves								
MINERAL RESOURCES	INFERRED							
El Castillo[8]	Inferred	1.8	0.35	20				
San Agustin[8]	Inferred	2.1	0.36	25	8.7	603		
El Castillo Complex[8]	**Inferred**	**3.9**	**0.36**	**45**		**603**		
La Colorada[9]	Inferred	1.4	0.53	23	10.9	480		
Florida Canyon[10]	Inferred	5.8	0.29	54				
Magino[11]	Inferred	33.2	0.83	886				
Cerro del Gallo[12]	Inferred	5.1	0.43	71	11.9	1,947	0.06	1
Ana Paula open pit[13]	Inferred	0.2	1.27	10	8.8	70		
Ana Paula underground[13]	Inferred	0.6	2.07	41	3.9	79		
San Antonio[14]	Inferred	6.2	0.34	67				
Consolidated Mineral Resources	**Inferred**	**56.0**	**0.65**	**1,170**	**N/A**	**3,094**	**N/A**	**1**

[1] Please refer to slide titled "Mineral Resource Notes and Disclosure" for notes and disclosures.