



ARGONAUT GOLD

Argonaut Gold Announces 43% Increase in Mineral Reserves to 6.8 Million Contained Gold Ounces and 26% Increase in Measured and Indicated Mineral Resources to 13.1 Million Contained Gold Ounces Year-over-Year

Toronto, Ontario – (March 29, 2021) **Argonaut Gold Inc. (TSX: AR)** (the “Company”, “Argonaut Gold” or “Argonaut”) is pleased to announce it has increased its Mineral Reserves by 43% and its Measured and Indicated (“M&I”) Mineral Resources by 26% from December 31, 2019 to December 31, 2020. The majority of the increase to Mineral Reserves and Mineral Resources are in relation to the acquisition of Alio Gold Inc. (see press release date July 1, 2020). Both the San Agustin mine and the La Colorada mine increased their respective Mineral Reserves net of depletion, while the Florida Canyon mine essentially replaced the Mineral Reserves that were depleted. Mineral Reserves and Mineral Resources were not updated at the Company’s non-producing projects.

The following table shows the gold and silver Mineral Resources and Mineral Reserves at December 31, 2020. Mineral Resources are not Mineral Reserves. Mineral Resources hold intrinsic economic interest, which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves. Measured and Indicated Mineral Resources listed below are inclusive of Mineral Reserves.

Mineral Reserves and Mineral Resources¹

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 Complex²	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 Canyon⁴	Proven & Probable	70.8	0.42	954				
Magino ⁵	Proven	24.2	1.03	804				
Magino ⁵	Probable	34.7	1.19	1,332				
Magino⁵	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 Gallo⁶	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 Paula⁷	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 Complex⁸	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
<i>Measured and indicated Mineral Resources are inclusive of Mineral Reserves</i>								
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 Complex⁸	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

Notes:

- (1) Mineral Reserves and Mineral Resources have been estimated as at December 31, 2020 in accordance with National 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.

Qualified Persons

Estimates of Mineral Reserves and Mineral Resources for Argonaut's operating mineral properties have been prepared under the general supervision of Brian Arkell, Argonaut's Vice President of Exploration, and a Qualified Person for the purposes of NI 43-101.

Mineral Reserve and Mineral Resource reconciliation for Argonaut's operating mines is shown in the following tables:

2019 – 2020 Mineral Reserve Reconciliation

Gold Reserves (Proven and Probable)

	YE-2019 Mineral Reserves Contained Au	Depletion of Contained Au Ounces (000s)	Addition of Contained Au Ounces due to Gold Price	Drilling, Modeling & Mine Plan Changes to Contained Au	YE-2020 Mineral Reserve Contained Au

	Ounces (000s)		(000s)	Ounces (000s)	Ounces (000s)
El Castillo	242	(98)	40	20	203
San Agustin	418	(94)	56	69	448
La Colorada	375	(53)	16	117	455
Florida Canyon	962	(62)	0	54	954

Note:

(1) Footnotes from the Mineral Reserves and Mineral Resources statement apply. The 2020 Mineral Reserves are based on a gold price of \$1,500 per ounce, and 2019 Mineral Reserves were based on a gold price of \$1,450 per ounce at the El Castillo Mine and \$1,350 per ounce at the San Agustin Mine, the La Colorada Mine and the Florida Canyon Mine. Florida Canyon 2019 Mineral Reserves were calculated by Alio Gold Inc. (“Alio”) prior to the with Alio, which was completed on July 1, 2020.

2019 – 2020 M&I Mineral Resource Reconciliation

Gold Resources (M&I)

	YE-2019 M&I Mineral Resources Contained Au Ounces (000s)	Depletion of Contained Au Ounces (000s)	Addition of Contained Au Ounces due to Gold Price (000s)	Drilling, Modeling & Mine Plan Changes to Contained Au Ounces (000s)	YE-2020 M&I Mineral Resources Contained Au Ounces (000s)
El Castillo	418	(104)	105	49	467
San Agustin	664	(106)	40	6	579
La Colorada	558	(60)	36	91	625
Florida Canyon	N/A	-	-	-	1,161

Note:

(2) Footnotes from the Mineral Reserves and Mineral Resources statement apply. M&I Mineral Resources are inclusive of Mineral Reserves. The 2020 Mineral Resources are based on a gold price of \$1,800 per ounce and 2019 Mineral Resources were based on a gold price of \$1,600 per ounce. Mineral Resources were not calculated in 2019 at the Florida Canyon Mine by Alio at the end of 2019.

Pete Dougherty, President & CEO commented: “The replacement of depleted Mineral Reserves is a key part of our business strategy. Our strategy is to harvest cash from these operations, replace depleted Mineral Reserves to extend mine lives and focus on executing on our growth

projects to transition Argonaut from a high-cost junior producer with relatively short mine lives to a lower cost intermediate producer with much longer mine lives.”

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 Inc. (“Argonaut” or “Argonaut Gold”). Forward-looking statements and forward-looking information include, but are not limited to statements with respect to the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; 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; success of exploration activities; and currency exchange rate fluctuations; permitting and legal processes in relation to mining permitting and approvals; estimated production and mine life of the various mineral projects of Argonaut; the ability to obtain permits for operations; and synergies. 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 variations in ore grade or recovery rates, changes in market conditions, 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, 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.

For further information on the Company's mineral properties, please see the reports as listed below on the Company's website or on www.sedar.com:

El Castillo Complex	NI 43-101 Technical Report on Resources and Reserves, El Castillo Complex, Durango, Mexico dated March 27, 2018 (effective date of March 7, 2018)
La Colorada Mine	NI 43-101 Technical Report on Resources and Reserves, La Colorada Gold/Silver Mine, Hermosillo, Mexico dated March 27, 2018 (effective date of December 8, 2017)
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	Feasibility Study Technical Report on the Magino Project, Ontario, Canada dated December 21, 2017 (effective date November 8, 2017)
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)
Ana Paula Project	Amended Preliminary Feasibility Study Technical Report on the Ana Paula Project, Guerrero, Mexico dated June 7, 2017 (effective date May 16, 2017)
San Antonio Project	NI 43-101 Technical Report on Resources, San Antonio Project, Baja California Sur, Mexico dated October 10, 2012 (effective date September 1, 2012)

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.

Dan Symons

Vice President, Corporate Development & Investor Relations

Phone: 416-915-3107

Email: dan.symons@argonautgold.com

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