



Argonaut Gold Announces First Quarter Production of 55,516 Gold Equivalent Ounces, Cash Flow¹ of \$25 Million and Provides Magino Construction Project Update

Toronto, Ontario - (May 11, 2022) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") is pleased to announce its operating and financial results for the first quarter ended March 31, 2022. For the first quarter 2022, the Company reports production of 55,516 gold equivalent ounces² ("GEO" or "GEOs"), revenue of \$105.8 million, cash flow from operating activities before changes in non-cash operating working capital and other items of \$25.1 million, net income of \$5.6 million or earnings per basic share of \$0.02, and adjusted net income³ of \$8.2 million or adjusted earning per basic share³ of \$0.03. All dollar amounts are expressed in United States dollars, unless otherwise specified (C\$ refers to Canadian dollars).

¹ "Cash Flow" refers to "Cash flow from operating activities before changes in non-cash operating working capital and other items".

² GEOs are based on a conversation ratio of 80:1 for silver to gold for 2022 and 85:1 for 2021. The silver to gold conversation ratio is based on the three-year trailing average silver to gold ratios. These are the referenced ratios for each year throughout the press release.

³ This is a Non-IFRS Measure. Please refer to the section entitled "Non-IFRS Measures" for a discussion of these Non-IFRS Measures.

Magino Project Capital

The Company also reports that following the appointment of Larry Radford to the position of President, CEO and Director on March 21, 2022, Argonaut initiated a review of the estimated cost to completion ("EAC") for the Magino construction project. While this review has not yet been finalized, the Company estimates that the updated EAC is likely to be approximately 15% higher than the previously reported EAC of C\$800 million (see December 14, 2021 press release). At March 31, 2022, Argonaut had committed approximately C\$605 million, had incurred approximately C\$400 million, and estimates the project is approximately 50% complete.

Magino Project Schedule

The Magino construction project currently remains on schedule for first gold pour by March 31, 2023. Argonaut has very recently been advised that certain subcontractors at Magino are exposed to current and threatened labour actions, which may give rise to delays should such labour actions continue or commence. While the scope of such delays remain uncertain, these events are developing and to this point have not led to any change to the overall project schedule.

Magino Project Financing

Since mid-December 2021, Argonaut has been actively advancing financing and strategic alternatives to finance the previously announced funding shortfall to complete the Magino construction project. Both financing and strategic alternatives continue to advance, and the Company is cautiously optimistic it will conclude either a financing or strategic alternative prior to the end of the second quarter 2022 to be able to continue to advance the Magino construction project on schedule. In the event that neither a financing nor a strategic alternative is available

promptly and upon acceptable terms, Argonaut may need to amend or adjust its plans for construction of the Magino project.

Larry Radford, President & CEO stated: “We were generally in line with our operational budget during the first quarter, which yielded over 55,000 GEOs and \$25 million in cash flow. My focus since my appointment has been primarily on the Magino construction project. The mining industry is experiencing extraordinary cost pressures and Magino is no exception. We have looked at costs internally and with the assistance of outside experts and are looking at all aspects of the project to understand risks and opportunities. While the updated EAC is not yet finalized, we expect it is likely to be approximately 15% higher than the C\$800 million estimated prior to my appointment. We continue to advance financing options in parallel with strategic alternatives and, in order to continue to advance the Magino construction project on schedule, our goal is to have a solution in place by the end of the second quarter 2022.”

First Quarter 2022 Results

Key operating and financial statistics for the first quarter ended March 31, 2022 are outlined in the following table:

	3 Months Ended March 31		
	2022	2021	Change
Financial Data (in millions except for earning per share)			
Revenue	\$105.8	\$105.3	—%
Gross profit	\$21.7	\$27.6	(21%)
Net income (loss)	\$5.6	\$27.0	(79%)
Earnings (loss) per share - basic	\$0.02	\$0.09	(78%)
Adjusted net income ¹	\$8.2	\$7.0	17%
Adjusted earnings per share – basic ¹	\$0.03	\$0.02	28%
Cash flow from operating activities before changes in non-cash operating working capital and other items	\$25.1	\$27.7	(9%)
Cash and cash equivalents	\$166.1	\$227.3	(27%)
Net cash	\$86.1	\$227.3	(62%)
Gold Production and Cost Data			
GEOs loaded to the pads ²	94,905	113,821	(17%)
GEOs projected recoverable ^{2,3}	54,751	63,287	(13%)
GEOs produced ^{2,4}	55,516	59,704	(7%)
GEOs sold ²	56,373	59,116	(5%)
Average realized sales price	\$1,874	\$1,761	6%
Cash cost per gold ounce sold ¹	\$1,153	\$1,003	15%
All-in sustaining cost per gold ounce sold ¹	\$1,430	\$1,318	8%

¹This is a Non-IFRS Measure. Please refer to the section below entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

²GEOs are based on a conversion ratio of 80:1 for silver to gold for 2022 and 85:1 for 2021. The silver to gold conversion ratio is based on the three-year trailing average silver to gold ratio.

³Expected recoverable GEOs are based on the assumptions and parameters as set forth in the El Castillo Gold Mine Technical Report dated February 14, 2022, the San Agustin Gold/Silver Mine Technical Report dated February 14, 2022, the La Colorada Gold/Silver Mine Technical Report dated February 14, 2022 and the Florida Canyon Technical Report dated July 8, 2020. In periods where the Company mines and processes material not specifically defined in a technical report (for example: low grade stockpile material or run-of-mine ore), management uses its best estimate of recovery based on the information available.

⁴Produced ounces are calculated as ounces loaded to carbon.

First Quarter 2022 and Recent Company Highlights:

- Corporate Highlights:
 - GEO production of 55,516 GEOs.
 - Cash flow before changes in working capital and other items of \$25.1 million.
 - Strengthened leadership with the appointment of Larry Radford as President, CEO and Director effective March 21, 2022.
 - Closed flow-through equity financing of C\$51.8 million, including full exercise of over-allotment option (see press release dated March 3, 2022).
 - Entered into gold price protection through forward sales contracts for the remainder of the Magino construction phase with 7,500 gold ounces monthly between April 2022 and March 2023, for a total of 90,000 gold ounces, at \$1,916/oz.
- Social and Environmental Responsibility
 - Hosted meetings with the Mayors and Councillors of the communities of Dubreuilville, Wawa and White River to discuss Magino's construction progress, project status and employment statistics.
 - Sponsored local events in the communities near Magino including Wawa's Annual Ice Fishing Derby, the Wawa Minor Hockey Association hockey tournament, The Alzheimer's Society "Walk for Alzheimer's" and made donations to Journée de Femmes in Dubreuilville for International Women's Day.
 - Hosted conferences at La Colorada and El Castillo for International Women's Day.
 - Delivered educational scholarships to students in the municipality of La Colorada.
 - Hosted a mine tour of Florida Canyon for students of the Winnemucca's Albert Lowry High School.
 - Partnered with Winnemucca County to ensure maintenance of the county access road to Florida Canyon during inclement weather.
- El Castillo
 - Production of 11,611 GEOs at a cash cost per gold ounce sold of \$1,226 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).
 - Filed updated Technical Report on February 14, 2022.
- San Agustin
 - Production of 19,902 GEOs at a cash cost per gold ounce sold of \$945 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).
 - Filed updated Technical Report on February 14, 2022.
- La Colorada
 - Production of 13,783 GEOs at a cash cost per gold ounce sold of \$957 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).
 - Filed updated Technical Report on February 14, 2022.

- Florida Canyon
 - Production of 10,220 GEOs at a cash cost per gold ounce sold of \$1,654 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).
- Magino
 - **Construction**
 - At March 31, 2022, the Magino construction project was estimated at approximately 50% complete and remains on schedule for first gold pour by March 31, 2023. Recent major milestones included:
 - Completed process plant building steel erection and roof with wall cladding well advanced;
 - Continued installation of the SAG mill rebar and formwork;
 - Commenced pouring of concrete for leach tank pads;
 - Installed cranes in building;
 - Continued backfill in main carbon-in-pulp tank area and south end of process plant;
 - Installation of conduit through the grinding area;
 - Overburden removal and rock placement in the North, Northwest and Southwest embankments for the Water Quality Control Pond;
 - Continued construction of Tailings Management Facility; and
 - Continued logging initiatives.
 - Filed updated Technical Report on March 3, 2022.
 - **Exploration**
 - Continued to intersect high-grade gold mineralization below the planned Magino open pit including (see February 14, 2022 press release):
 - 4.0m at 26.7 g/t Au, including 2.0m at 53.2 g/t Au
 - 3.0m at 11.1 g/t Au, including 1.0m at 30.0 g/t Au

Financial Results – First Quarter 2022

Revenue for the first quarter of 2022 was \$105.8 million, relatively in line with \$105.3 million in the first quarter of 2021. During the first quarter of 2022, the Company sold 54,107 gold ounces at an average realized price per ounce of \$1,874, compared to 56,727 gold ounces sold at an average realized price per ounce of \$1,761 during the same period of 2021. Gold ounces sold for the first quarter of 2022 decreased 5% compared to the same period in 2021 primarily due to lower gold grades processed at La Colorada and lower recoveries at Florida Canyon due to an increase in run-of-mine ore, which yields a lower recovery than crushed ore.

Net income for the first quarter of 2022 was \$5.6 million or earnings per basic share of \$0.02, compared with net income of \$27.0 million or earnings per basic share of \$0.09 for the first quarter of 2021, primarily due to a \$2.5 million loss on derivatives in the first quarter of 2022 compared to an \$18.8 million gain on derivatives in the first quarter 2021 as well as higher operating costs.

Adjusted net income for the first quarter of 2022 was \$8.2 million or \$0.03 per basic share, an increase from adjusted net income of \$7.0 million or \$0.02 per basic share for the first quarter of 2021. (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section).

Cash flows from operating activities before changes in non-cash operating working capital and other items totaled \$25.1 million during the first quarter of 2022, a slight decrease from \$27.7 million in the first quarter of 2021, primarily due to higher operating costs.

Operational Results – First Quarter 2022

During the first quarter of 2022, the Company achieved production of 55,516 GEOs at a cash cost per gold ounce sold of \$1,153 and all-in sustaining cost per gold ounce sold ("AISC") of \$1,430 compared to 59,704 GEOs at a cash cost of \$1,003 per gold ounce sold and an AISC of \$1,318 during the first quarter 2021 (These are Non-IFRS Measures. Please see "Non-IFRS Measures" section). The 8% decrease in GEO production was primarily related to lower gold grades processed at La Colorada and lower recoveries at Florida Canyon due to processing more run-of-mine ore. Higher costs were primarily related to higher mining rates at El Castillo and La Colorada due to higher strip ratios, higher reagent costs across all operations and lower gold ounces sold.

FIRST QUARTER 2022 EL CASTILLO COMPLEX OPERATING STATISTICS

	3 Months Ended March 31		
	2022	2021	% Change
Mining (in 000s except waste/ore ratio)			
Tonnes ore El Castillo	1,511	2,404	(37%)
Tonnes ore San Agustin	2,817	2,870	(2%)
Tonnes ore	4,328	5,274	(18%)
Tonnes waste El Castillo	2,927	3,137	(7%)
Tonnes waste San Agustin	1,927	1,774	9%
Tonnes waste	4,854	4,911	(1%)
Tonnes mined El Castillo	4,438	5,541	(20%)
Tonnes mined San Agustin	4,744	4,644	2%
Tonnes mined	9,182	10,185	(10%)
Tonnes per day El Castillo	50	62	(20%)
Tonnes per day San Agustin	53	52	2%
Tonnes per day	103	114	(10%)
Waste/ore ratio El Castillo	1.94	1.30	49%
Waste/ore ratio San Agustin	0.68	0.62	10%
Waste/ore ratio	1.12	0.93	20%
Leach Pads (in 000s)			
Tonnes direct to leach pads El Castillo	1,511	2,402	(37%)
Tonnes crushed to leach pads San Agustin	2,815	2,982	(6%)
Tonnes to leach pads	4,326	5,384	(20%)

Production			
Gold grade loaded to leach pads El Castillo (g/t) ¹	0.29	0.29	—%
Gold grade loaded to leach pads San Agustin (g/t) ¹	0.29	0.27	7%
Gold grade loaded to leach pads (g/t)¹	0.29	0.28	4%
Gold loaded to leach pads El Castillo (oz) ²	14,274	22,176	(36%)
Gold loaded to leach pads San Agustin (oz) ²	26,624	25,910	3%
Gold loaded to leach pads (oz)²	40,898	48,086	(15%)
Projected recoverable GEOs loaded El Castillo ⁴	6,840	9,737	(30%)
Projected recoverable GEOs loaded San Agustin ⁴	18,295	18,889	(3%)
Projected recoverable GEOs loaded⁴	25,135	28,626	(12%)
Gold produced El Castillo (oz) ^{2,3}	11,432	11,972	(5%)
Gold produced San Agustin (oz) ^{2,3}	18,400	17,271	7%
Gold produced (oz)²	29,832	29,243	2%
Silver produced El Castillo (oz) ^{2,3}	14,297	21,795	(34%)
Silver produced San Agustin (oz) ^{2,3}	120,168	142,431	(16%)
Silver produced (oz)^{2,3}	134,465	164,226	(18%)
GEOs produced El Castillo ³	11,611	12,228	(5%)
GEOs produced San Agustin ³	19,902	18,947	5%
GEOs produced³	31,513	31,175	1%
Gold sold El Castillo (oz) ²	13,569	13,602	—%
Gold sold San Agustin (oz) ²	17,203	16,666	3%
Gold sold (oz)²	30,772	30,268	2%
Silver sold El Castillo (oz) ²	14,900	21,118	(29%)
Silver sold San Agustin (oz) ²	123,478	128,921	(4%)
Silver sold (oz)²	138,378	150,039	(8%)
GEOs sold El Castillo	13,755	13,851	(1%)
GEOs sold San Agustin	18,746	18,182	3%
GEOs sold	32,501	32,033	1%
Cash cost per gold ounce sold El Castillo ⁵	\$ 1,226	\$ 1,049	17%
Cash cost per gold ounce sold San Agustin ⁵	\$ 945	\$ 807	17%
Cash cost per gold ounce sold⁵	\$ 1,069	\$ 916	17%

¹ "g/t" refers to grams per tonne.

² "oz" refers to troy ounce.

³ Produced ounces are calculated as ounces loaded to carbon.

⁴ Expected recoverable GEOs are based on the assumptions and parameters as set forth in the El Castillo Gold Mine Technical Report dated February 14, 2022 and the San Agustin Gold/Silver Mine Technical Report dated February 14, 2022. In periods where the Company mines and processes material not specifically defined in a technical report (for example: run-of-mine ore), management uses its best estimate of recovery based on the information available.

⁵ Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure.

Summary of Production Results at the El Castillo Complex

During the first quarter of 2022, the El Castillo Complex produced 1% more GEOs at a cash cost per gold ounce sold 17% higher than during the first quarter of 2021 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). El Castillo produced 5% fewer GEOs at a cash cost per gold ounce sold 17% higher (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section), primarily due to a higher strip ratio and higher reagent costs. San Agustin produced 5% more GEOs, primarily due to higher recoveries, at a cash cost per gold ounce sold 17% higher (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section), primarily due to higher reagent costs.

FIRST QUARTER 2022 LA COLORADA OPERATING STATISTICS

	3 Months Ended March 31		
	2022	2021	% Change
Mining (in 000s except for waste/ore ratio)			
Tonnes ore	1,125	1,227	(8%)
Tonnes waste	5,337	4,014	33%
Tonnes mined	6,462	5,241	23%
Tonnes per day	73	59	23%
Waste/ore ratio	4.74	3.27	45%
Leach Pads (in 000s)			
Tonnes crushed to leach pads	1,120	1,266	(12%)
Production			
Gold loaded to leach pads (g/t) ¹	0.45	0.54	(17%)
Gold loaded to leach pads (oz) ²	16,284	22,091	(26%)
Projected recoverable GEOs loaded ⁴	12,314	17,634	(30%)
Gold produced (oz) ^{2,3}	13,341	15,894	(16%)
Silver produced (oz) ^{2,3}	35,368	52,912	(33%)
GEOs produced ³	13,783	16,516	(17%)
Gold sold (oz) ²	13,080	13,630	(4%)
Silver sold (oz) ²	35,285	44,438	(21%)
GEOs sold	13,521	14,153	(4%)
Cash cost per gold ounce sold ⁵	\$ 957	\$ 765	25%

¹ "g/t" refers to grams per tonne.

² "oz" refers to troy ounce.

³ Produced ounces are calculated as ounces loaded to carbon.

⁴ Expected recoverable GEOs are based on the assumptions and parameters as set forth in the La Colorada Gold/Silver Mine Technical Report dated February 14, 2022. In periods where the Company mines material not specifically defined in a technical report (for example: low grade stockpile material), management uses its best estimate of recovery based on the information available.

⁵ Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure.

Summary of Production Results at La Colorada

During the first quarter of 2022, the La Colorada mine produced 17% fewer GEOs at a cash cost per gold ounce sold 25% more than during the first quarter of 2021 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). Lower GEO production and higher costs were primarily due to a 17% reduction in gold grade processed and a 45% higher strip ratio, as mining transitions from the El Crestón pit to the Veta Madre pit. Costs were also higher due to higher reagent costs.

FIRST QUARTER 2022 FLORIDA CANYON OPERATING STATISTICS

	3 Months Ended March 31		
	2022	2021	% Change
Mining (in 000s except for waste/ore ratio)			
Tonnes ore	2,186	2,203	(1%)
Tonnes waste	2,813	3,228	(13%)
Tonnes mined	4,999	5,431	(8%)
Tonnes per day	54	58	(8%)
Waste/ore ratio	1.29	1.47	(12%)
Leach Pads (in 000s)			
Tonnes direct to leach pads	601	412	46%
Tonnes crushed to leach pads	1,684	1,795	(6%)
Production			
Gold grade loaded to leach pads (g/t) ¹	0.39	0.34	15%
Gold loaded to leach pads (oz) ²	28,370	23,915	19%
Projected recoverable GEOs loaded ⁴	17,302	17,027	2%
Gold produced (oz) ^{2,3}	10,092	11,928	(15%)
Silver produced (oz) ^{2,3}	10,223	7,232	41%
GEOs produced ³	10,220	12,013	(15%)
Gold sold (oz) ²	10,255	12,829	(20%)
Silver sold (oz) ²	7,643	8,546	(11%)
GEOs sold	10,351	12,930	(20%)
Cash cost per gold ounce sold ⁵	\$1,654	\$1,462	13%

¹ "g/t" refers to grams per tonne.

² "oz" refers to troy ounce.

³ Produced ounces are calculated as ounces loaded to carbon.

⁴ Expected recoverable GEOs are based on the assumptions and parameters as set forth in the Florida Canyon Mine Technical Report dated July 8, 2020. In periods where the Company mines material not specifically defined in a technical report (for example: run-of-mine or low grade stockpile material), management uses its best estimate of recovery based on the information available.

⁵ Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure.

Summary of Production Results at Florida Canyon

During the first quarter of 2022, the Florida Canyon mine produced 15% fewer GEOs at a cash cost per gold ounce sold 13% higher than during the first quarter of 2021 (This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section). Lower GEO production and higher costs were primarily related to lower recoveries due to processing more run-of-mine ore, which yields a lower recovery, and higher reagent costs.

Guidance and Outlook

Argonaut maintains its 2022 production and cost guidance as outlined in the table below. Due to the current inflationary environment, the Company will continue to monitor inputs to its cost profile and make adjustments to cost guidance if and when appropriate.

2022 GEO Production and Cost Guidance

		Q1 2022 (Actual)	Full Year 2022 Guidance
GEO production	<i>In 000s</i>	55,516	200 – 230
Cash costs ¹	<i>\$ per oz Au</i>	1,153	1,100 – 1,190
AISC ¹	<i>\$ per oz Au</i>	1,430	1,415 – 1,525

¹This is a Non-IFRS Measure. Please see "Non-IFRS Measures" section.

As Argonaut is currently advancing financing and strategic alternatives to fund the remainder of the Magino construction project, it intends to provide full year 2022 capital guidance after financing is in place. The largest component of the projected 2022 capital spend will be the Magino construction project where Argonaut forecasts it will invest approximately \$340 million (C\$424 million), which is subject to change pending the updated EAC, assuming financing is achieved promptly and upon acceptable terms. In the event that financing is not available promptly and upon acceptable terms, the Company may need to amend or adjust its plans for construction of the Magino project which would significantly impact the project's schedule and potentially increase project capital. Ultimate project costs may experience variation due to disruptions including those caused by COVID-19, the Russia/Ukraine war, weather, labour disruptions, a tight labour market, inflation and supply chain impacts.

Argonaut Gold First Quarter 2022 Operational and Financial Results Conference Call and Webcast:

The Company will host a conference call and webcast to discuss its first quarter ended March 31, 2022 operating and financial results at 9:00 am EDT on May 12, 2022.

Q1 2022 Conference Call Information

Toll Free (North America): 1-888-664-6392

International: 1-416-764-8659

Conference ID: 00692888

Webcast: www.argonautgold.com

Q1 2022 Conference Call Replay

Toll Free Replay Call (North America): 1-888-390-0541

International Replay Call: 1-416-764-8677

Replay Entry Code: 692888#

The conference call and replay will be available from 12:00 pm EDT on May 12, 2022 until 11:59 pm EDT on May 19, 2022.

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 press release 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, non-cash impairment write down (reversal) of mineral, properties, plant and equipment, unrealized (gains) losses on derivatives and care and maintenance expenses. 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.

The following table provides a reconciliation of production costs per the financial statements to cash cost per gold ounce sold:

El Castillo mine	Three months ended March 31,	
	2022	2021
Production costs, as reported (\$000s)	\$ 16,995	\$ 14,830
Less silver sales (\$000s)	363	565
Net cost of sales (\$000s)	\$ 16,632	\$ 14,265
Gold ounces sold	13,569	13,602
Cash cost per gold ounce sold	\$ 1,226	\$ 1,049

San Agustin mine	Three months ended March 31,	
	2022	2021
Production costs, as reported (\$000s)	\$ 19,260	\$ 16,884
Less silver sales (\$000s)	3,000	3,432
Net cost of sales (\$000s)	\$ 16,260	\$ 13,452
Gold ounces sold	17,203	16,666
Cash cost per gold ounce sold	\$ 945	\$ 807

La Colorada mine	Three months ended March 31,	
	2022	2021
Production costs, as reported (\$000s)	\$ 13,381	\$ 11,596
Less silver sales (\$000s)	858	1,167
Net cost of sales (\$000s)	\$ 12,523	\$ 10,429
Gold ounces sold	13,080	13,630
Cash cost per gold ounce sold	\$ 957	\$ 765

Florida Canyon mine	Three months ended March 31,	
	2022	2021
Production costs, as reported (\$000s)	\$ 17,153	\$ 18,986
Less silver sales (\$000s)	187	227
Net cost of sales (\$000s)	\$ 16,966	\$ 18,759
Gold ounces sold	10,255	12,829
Cash cost per gold ounce sold	\$ 1,654	\$ 1,462

All Mines	Three months ended March 31,	
	2022	2021
Production costs, as reported (\$000s)	\$ 66,789	\$ 62,295
Less silver sales (\$000s)	4,408	5,391
Net cost of sales (\$000s)	\$ 62,381	\$ 56,904
Gold ounces sold	54,107	56,727
Cash cost per gold ounce sold	\$ 1,153	\$ 1,003

AISC includes net cost of sales at the Company's mining operations, which forms the basis of the Company's cash cost per gold ounce sold. Additionally, the Company includes general and administrative, exploration, accretion and other expenses, and sustaining capital expenditures. Sustaining capital expenditures exclude all expenditures at the Company's pre-production, development stage, and advanced exploration stage projects and certain expenditures at the Company's operating sites that are deemed expansionary in nature.

The following table provides a reconciliation of AISC per gold ounce sold to the consolidated financial statements:

	Three months ended March 31,	
	2022	2021
Net cost of sales (\$000s)	\$ 62,381	\$ 56,904
General and administrative expenses (\$000s)	5,021	4,766
Exploration expenses (\$000s)	367	621
Accretion and other expenses (\$000s)	3,295	2,679
Sustaining capital expenditures (\$000s)	6,313	9,808
AISC (\$000s)	\$ 77,377	\$ 74,778
Gold ounces sold	54,107	56,727
AISC per gold ounce sold	\$ 1,430	\$ 1,318

Adjusted net income and adjusted earnings per share - basic exclude a number of temporary or one-time items described in the following table, which provides a reconciliation of adjusted net income to the consolidated financial statements:

	Three months ended March 31,	
	2022	2021
Net income, as reported (\$000s)	\$ 5,618	\$ 27,007
Unrealized losses (gains) on derivatives (\$000s)	1,465	(19,780)
Impact of foreign exchange on deferred income taxes (\$000s)	(718)	1,207
Sale of marketable securities (\$000s)	534	—
Proceeds from legal proceeding (\$000s)	498	—
Reversal of inventory write-down, net of tax (\$000s)	(119)	(1,409)
Foreign exchange losses (gains), net of tax (\$000s)	955	(22)
Adjusted net income (\$000s)	\$ 8,233	\$ 7,003
Weighted average number of common shares outstanding, as reported	311,052,835	299,490,756
Adjusted earnings per share - basic	\$ 0.03	\$ 0.02

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 net debt calculation excludes the convertible debentures

and lease liabilities, due to the nature of the obligations, in order to show the nominal undiscounted debt.

A reconciliation of net cash is provided below:

	March 31, 2022	December 31, 2021
Cash and cash equivalents (\$000s)	\$ 166,078	\$ 199,235
Debt (\$000s)	(80,000)	(80,000)
Net cash (\$000s)	\$ 86,078	\$ 119,235

This press release should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022 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.

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. Forward-looking statements and forward-looking information include, but are not limited to statements with respect to: the Magino construction capital estimate; the ability to finance additional construction costs on terms acceptable to Argonaut; [risks related to meeting the Magino construction project schedule](#); the realization of mineral reserve estimates; the timing and amount of estimated future production; the impact of inflation on costs of exploration, development and production; estimated production and mine life of the various mineral projects of Argonaut; risk of employee and/or contractor strike actions; timing of approval for modifications to existing permits; permitting and legal processes in relation to mining permitting and approval; 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; the impact of COVID-19, the response of governments to COVID-19 and the effectiveness of such responses; 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”, “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 the availability and changing terms of financing, variations in ore

grade or recovery rates, changes in market conditions, changes in inflation, 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, the impact of COVID-19 and the impact and effectiveness of governmental responses to COVID-19, 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.

Qualified Person, Technical Information and Mineral Properties Reports

Technical information included in this release was supervised and approved by Brian Arkell, Argonaut's Vice President, Exploration and a Qualified Person under NI 43-101. For further information on the Company's material properties, please see the reports as listed below on the Company's website or on www.sedar.com:

El Castillo Gold Mine	El Castillo Gold Mine, Durango, Mexico NI 43-101 Technical Report dated February 14, 2022 (effective date of October 1, 2021)
San Agustin Gold/Silver Mine	San Agustin Gold/Silver Mine, Durango, Mexico, NI 43-101 Technical Report dated February 14, 2022 (effective date of August 1, 2021)
La Colorada Gold/Silver Mine	La Colorada Gold/Silver Mine, Sonora, Mexico, NI 43-101 Technical Report dated February 14, 2022 (effective date of October 1, 2021)

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	NI 43-101 Technical Report Mineral Resource and Mineral Reserve Update dated March 3, 2022 (effective date February 14, 2022)
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)

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:

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