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Argonaut Gold Reaffirms Magino's Estimated Cost to Completion and Announces US$250 Million Binding Debt Commitment and Proposed Equity Financing to Fully Finance the Magino Construction Project

Toronto, Ontario – (June 23, 2022) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") is pleased to announce today a reaffirmation of the estimated cost to completion of its 100% owned Magino project and a funding package which is expected to fully finance construction of the project.

Debt Commitment

The Company has received a binding commitment letter from a syndicate of lenders for the financing of a six year, US$200 million term loan credit facility and a three year revolving credit facility of US$50 million (the "Facilities"), for a total debt Facilities limit of US$250 million. The proceeds of the Facilities are to be used to refinance the Company's existing debt and for general corporate purposes, including ongoing development and expansion capital of the Magino project in Ontario, Canada and other producing assets.

Larry Radford, President and CEO of Argonaut, commented: "Magino is a long life, low cost mine in an outstanding mining jurisdiction. This debt financing arrangement, along side the proposed equity financing, will put Argonaut Gold in a strong financial position to complete the Magino project and move it forward into production by the end of Q1 2023."

Key Facility Terms

The term loan facility of US$200 million is a six year term and is to be repaid in 20 quarterly principal repayments equal to 5.0% of the outstanding balance commencing on September 30, 2023, with no penalty for voluntary prepayment.

The revolving credit facility of US$50 million is a three year term.

The Facilities will bear an interest rate of 1.25% per annum on the committed but undrawn portions, and a rate on drawn portions equal to the Adjusted Term Secured Overnight Financing Rate plus 6.00% per annum.

US$80 million from the Facilities will be available at closing to refinance existing secured debt, with additional drawdowns available following satisfaction of conditions precedent. Closing is expected by the end of August 2022.

In addition, conditions precedent to the availability of the Facilities include, without limitation:

- mandatory gold hedging by the Company covering 300,000 ounces at a certain minimum hedge price between the years 2023 and 2027;

- Canadian dollar to US dollar foreign exchange hedging program by the Company covering the period up to project completion and rolling 12-month coverage thereafter;

- a minimum of US$150 million (net of fees and expenses) in equity to be raised, of which US$123 million must be raised and spent prior to initial drawdown;

- independent technical engineers and the lenders to complete a detailed review of:

    - updated cost to complete estimate and project schedule in respect of the Magino project;

    - grade control drilling plan and master blasting plan;

    - Magino project operating costs;

    - other information reasonably requested by the independent technical engineers;

- evidence that sufficient funding is available to achieve project completion for the Magino project; and

- other customary conditions precedent.

Dave Ponczoch, CFO of Argonaut, said: "Under the terms of the new Facilities, Argonaut is able to access up to US$250 million as needed for corporate and development purposes. The size and terms of the Facilities give Argonaut the flexibility to meet all foreseeable requirements for the near future."

The Company anticipates that the debt financing solution together with the equity contribution from the proposed equity financing will fully finance the remaining portion of its Magino project. Endeavour Financial assisted the Company as its financial advisor.

Proposed Equity Financing

In addition, the Company announces that it is commencing a marketed offering (the "Offering") of common shares of the Company (the "Offered Shares"). The Offering will be conducted through a syndicate of agents led by BMO Capital Markets, Scotiabank and Cormark Securities.

The net proceeds of the Offering will be used for the development of the Magino Project and for general corporate purposes.

The Offered Shares will be offered in each of the provinces and territories of Canada, other than Québec, pursuant to a prospectus supplement to the Company's base shelf prospectus dated June 2, 2022 (collectively, the "Prospectus") and in the United States on a private placement basis to "qualified institutional buyers" pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act").

The Offering is expected to be priced in the context of the market, with the final terms of the Offering to be determined at the time of pricing. There can be no assurance as to whether or when the Offering may be completed, or as to the actual size or terms of the Offering. The closing of the Offering will be subject to market and other customary conditions and Toronto Stock Exchange approval.

In addition, the Company will grant to the agents an option, exercisable in whole or in part in the sole discretion of the agents at any time up to 30 days from and including the closing date of the Offering, to offer to sell up to an additional 15% of the Offered Shares pursuant to the proposed Offering on the same terms and conditions to cover over-allotments, if any, and for market stabilization purposes.

Copies of the Prospectus, following filing of the prospectus supplement, may be obtained on SEDAR at www.sedar.com and from BMO Capital Markets, Brampton Distribution Centre C/O The Data Group of Companies, 9195 Torbram Road, Brampton, Ontario L6S 6H2 by telephone at 905-791-3151 Ext 4020 or by email at torbramwarehouse@datagroup.ca. The Prospectus contains important detailed information about the Company and the proposed Offering. Prospective investors should read the Prospectus and the other documents the Company has filed on SEDAR at www.sedar.com before making an investment decision.

Corporate Governance

The board of directors (the "Board") of Argonaut formed a special committee (the "Special Committee") consisting of unconflicted members of the Board, to consider the proposed terms of the Offering, including the number of securities issuable, the number of Offered Shares issuable to insiders and the offering price being at a discount to the market price. The Special Committee has met separately from the full Board. After careful consideration, the Special Committee unanimously recommended that the Company approve the terms of the Offering relating to these matters.

The involvement of insiders in the transactions referred to above in connection with the Offering are "related party transactions" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and the Company is relying on the exemptions in sections 5.5(g) and 5.7(e) of MI 61-101 in connection with such transactions.

Argonaut has made application to the TSX, pursuant to the provisions of Section 604(e) of the TSX Company Manual, for a "financial hardship" exemption from the requirements to obtain shareholder approval of the Offering, on the basis that absent the Offering the Company is in serious financial difficulty due to the lack of available cash and funding resources. The Offering is designed to improve the Company's financial situation. The application was made upon the recommendation of the Special Committee and was based on the determination that the transactions are reasonable for Argonaut in the circumstances.

Argonaut expects that, as a consequence of its financial hardship application, the TSX will commence a delisting review of Argonaut, which is normal practice when a listed issuer seeks to rely on this exemption. Although Argonaut believes that it will be in compliance with all continued listing requirements of the TSX and will be in a strong financial position upon the closing of the Offering and the Facilities, no assurance can be provided as to the outcome of such review or continued qualification for listing on the TSX. There can be no assurance that the TSX will accept the application for the use of the financial hardship exemption from the requirement to obtain shareholder approval described above.

Magino Construction Update

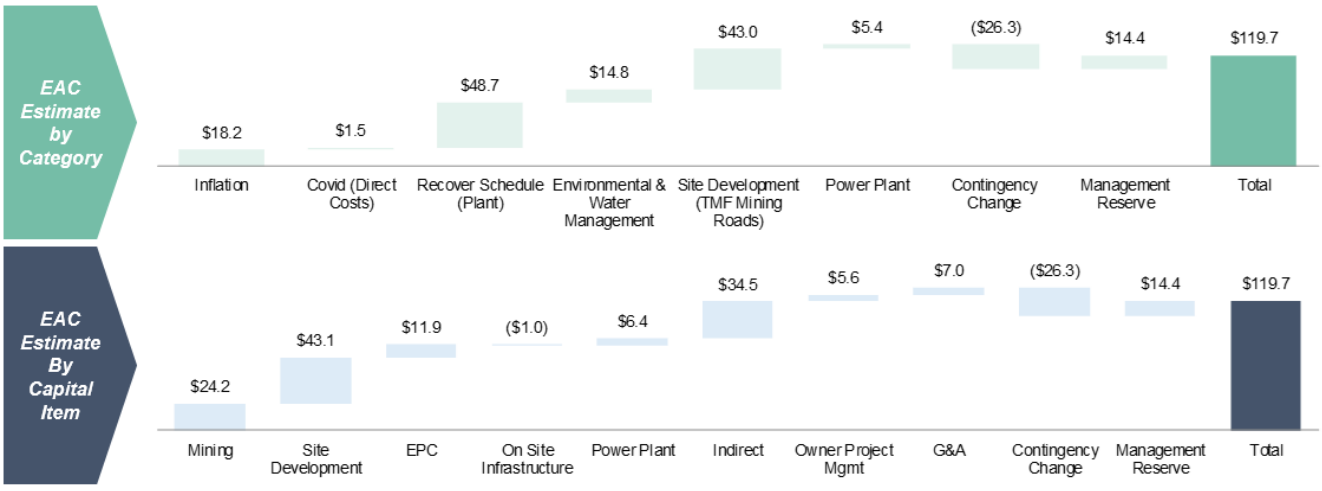
The Company has recently completed a detailed review of the estimated cost to completion ("EAC") of its Magino project and, consistent with the Company’s press release dated May 11, 2022, now estimates the EAC at approximately C$920 million, a C$120 million increase from the December 14, 2021 EAC of C$800 million. As at May 31, 2022, the Company had committed approximately C$659 million, had incurred approximately C$473 million, estimates the project is approximately 50% complete and that the project

remains on schedule for first gold pour by the end of March 2023. The Magino project management team has been augmented to improve project controls.

The updated EAC factors in the following changes:

- an updated estimate for the engineering, procurement, and construction contract, including direct and indirect costs to maintain first quarter 2023 production;
- incorporation of actual contractor productivities;
- escalation of pricing of consumables, such as diesel, explosives, etc.;
- refinement of contingency to C$34 million (representing a reduction of C$26 million) and inclusion of management reserve of C$14 million, with management reserve being defined as having an identified scope with a lower probability of needing to be spent;
- alignment of the EAC with the scope related to permitting;
- scope for additional road construction; and
- COVID-19 costs.

The following diagrams display the updated EAC breakdown for the Magino project by category and by capital item, as compared to the prior EAC estimate. All figures in the chart below are in Canadian dollars.



No securities regulatory authority has either approved or disapproved of the contents of this news release. The common shares of the Company have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Offered Shares may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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. Forward-looking statements and forward-looking information include, but are not limited to statements with respect to the use of proceeds from the Offering and the Facilities, the Magino project, the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; estimated production and mine life of the various mineral projects of Argonaut; 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; 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 possibility of project cost overruns or unanticipated costs and expenses; 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; 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.

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.

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