



Argonaut Announces Successful Completion of Magino Financing Package

Toronto, Ontario – (October 27, 2022) **Argonaut Gold Inc. (TSX: AR)** (the “Company”, “Argonaut Gold” or “Argonaut”) announces today that the Company has closed its previously announced US\$250 million Loan Facilities and drawn down the first tranche of US\$80 million of the loan facilities which was used to repay the balance outstanding on the former revolving credit facility.

The Loan Facilities consist of a term loan of US\$200 million and a revolving credit facility of US\$50 million for the ongoing development and construction of the Magino Project. Pursuant to the Loan Facilities, Argonaut has hedged 25,000 gold ounces per quarter for the six quarters starting in the third quarter 2023 at a gold price of US\$1,860/oz and 15,000 gold ounces per quarter for the 10 quarters starting in the first quarter 2025 at a gold price of US\$1,860/oz. In addition, the Company has hedged 10,000 gold ounces per quarter for the 10 quarters starting the first quarter 2025 at a gold price of US\$1,763/oz. Argonaut has hedged, via forward contracts, the Canadian dollar exposure at an average rate of 1.334 Canadian dollars per \$1 US dollar for the next 24 months. All conditions precedent for the drawdown of the Loan Facilities have been satisfied.

In addition, Argonaut has closed the sale of a 2% net smelter return royalty on the Magino Project and surrounding land package to Franco-Nevada Corporation ("Franco Nevada") for US\$52.5 million and a US\$10 million equity private placement by way of issuance of 34,693,462 common shares of the Company to Franco-Nevada at a price of CA\$0.3931 per common share.

“In completing this financing, Argonaut expects to meet all future financial obligations related to Magino construction and banking covenants while also maintaining a high level of financial flexibility,” said Larry Radford, President and CEO of Argonaut Gold. “The financial completion is a testament to the strong project fundamentals of Magino and supported by the leading gold-focused royalty partner, Franco-Nevada and our syndicate of lenders. As a result, we are confident we have the financial resources to complete the construction of the Magino Project and achieve the milestone of first gold and beyond.”

Update on the Magino Project

Argonaut is continuing construction and has commenced operational readiness activities at the Magino Project. The status of specific deliverables is described below:

- Chuck Hennessey has joined Argonaut as Vice President Canadian Operations to take Magino from project to operation;
- Advancing Stage 1A of the Tailings Management Facility and starting Stage 1B;
- Reviewing proposed Pit Optimization and Mining Sequence;
- Received major process equipment for the mill; the mills and tanks are in place;
- Key leadership positions filled;
- Formal Operations Readiness Initiative progressing well as are commissioning plans - +72% action items are completed;
- Pumping, piping, and electrical systems being installed, much of which is inside the enclosed mill building ready for winter conditions;
- All four permanent generators have been received and are in place.

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.

About Franco-Nevada Corporation

Franco-Nevada is the leading gold-focused royalty and streaming company with the largest and most diversified portfolio of cash-flow producing assets. Its business model provides investors with gold price and exploration optionality while limiting exposure to cost inflation. Franco-Nevada is debt-free and uses its free cash flow to expand its portfolio and pay dividends. It trades under the symbol FNV on both the Toronto and New York stock exchanges.

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 cost and timing of construction; 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; synergies; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; 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 supply chain resilience, inflation and other impacts on construction, 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.

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