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Argonaut Gold Announces Closing Of \$17.25 Million Offering Of Flow Through Shares, Including Exercise In Full Of Underwriters' Option

TORONTO, November 17, 2022 – Argonaut Gold Inc. (TSX:AR) ("**Argonaut**" or the "**Company**") is pleased to announce that it has closed its previously-announced offering of 35,937,500 common shares of the Company issued as "flow-through shares" (the "**CDE Flow-Through Shares**") with respect to "Canadian development expenses" ("**CDE**") within the meaning of the Income Tax Act (Canada) and the regulations thereunder in force as of the date hereof (the "Tax Act") at a price of \$0.48 per CDE Flow-Through Share for gross proceeds of \$17,250,000 (the "Offering"), which includes the exercise in full of the underwriters' option.

The Offering was completed pursuant to an underwriting agreement dated November 11, 2022 entered into among the Company and a syndicate of underwriters led by Cormark Securities Inc., and including BMO Nesbitt Burns Inc., Scotia Capital Inc., Desjardins Securities Inc., Echelon Wealth Partners Inc., Laurentian Bank Securities Inc., Paradigm Capital Inc., RBC Dominion Securities Inc. and Stifel Nicolaus Canada Inc.

The proceeds from the sale of the CDE Flow-Through Shares will be used on development expenses on the Magino project as permitted under the Tax Act to qualify as CDE. The Company will renounce all the CDE development expenses in favour of the subscribers of the CDE Flow Through Shares effective on or before May 31, 2023.

The Company filed a prospectus supplement to its short form base shelf prospectus dated June 2, 2022 (collectively, the "**Prospectus**") in each of the provinces and territories of Canada, except for Québec, pursuant to National Instrument 44-102 – Shelf Distributions to qualify for distribution the CDE Flow-Through Shares. Copies of the Prospectus and documents incorporated by reference therein are available electronically on SEDAR (www.sedar.com) under Argonaut's issuer profile.

The securities offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor will there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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.

Forward-Looking Information

This news 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 in this news release include, but are not limited to, statements with respect to the use of proceeds of the Offering, tax treatment of the CDE Flow -Through Shares, and timing of the renunciation of the CDE development expenses. 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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