Argonaut Gold Announces C$80 Million Bought Deal Offering

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TORONTO, December 4, 2023 – Argonaut Gold Inc. (TSX:AR) ("Argonaut" or the "Company") is pleased to announce that it has entered into an agreement with a syndicate of underwriters co-led by Cormark Securities Inc., BMO Capital Markets and Scotia Capital Inc. (collectively, the "Co-Lead Underwriters"), on their own behalf and on behalf of a syndicate of underwriters (collectively with the Co-Lead Underwriters, the "Underwriters") pursuant to which the Co-Lead Underwriters have agreed to purchase for resale, on a "bought deal" basis, 210,527,000 common shares of the Company (the "Offered Shares") at a price of C$0.38 per Offered Share (the "Offering Price") for gross proceeds of approximately C$80 million (the "Offering"). The Underwriters have also been granted an option, exercisable in whole or in part for a period of 30 days following the closing of the Offering, to purchase an additional 13,158,000 Offered Shares at the Offering Price, for additional gross proceeds of up to approximately C$5 million.

The net proceeds of the Offering will be used to fund development and optimization of the Company's Magino and Florida Canyon Mines and for general working capital purposes.

"There is significant value to be realized at Magino and Florida Canyon and this financing provides us with the ability to unlock that value. It not only allows us to enter our next, important phase of growth as we optimize production at our two cornerstone assets, it also gives us greater financial flexibility to refinance our current debt facility to better match our growth opportunities," said Richard Young, President and Chief Executive Officer of Argonaut Gold. "We remain on track to meet the lower end of full-year consolidated production guidance, and now with a stronger cash position, we are better positioned to achieve our vision to become a low-cost, mid-tier North American gold producer delivering value to shareholders."

The Offered Shares will be offered by way of a prospectus supplement to the Company's short form base shelf prospectus dated June 2, 2022, to be filed in all of the provinces and territories of Canada (other than the province of Québec) and some may be resold in the United States pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and in such other jurisdictions outside of Canada and the United States as agreed to by the Company, in each case in accordance with all applicable laws and provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction. Closing is expected on or about December 12, 2023 and is subject to Toronto Stock Exchange and other necessary regulatory approvals. The Offered Shares 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-based gold producer with a portfolio of operations in North America. Focused on becoming a low-cost, mid-tier gold producer. The Company's flagship asset, Magino, is expected to become Argonaut's largest and lowest cost mine. The Company is pursuing potential for re-development and additional growth at the Florida Canyon Mine in Nevada, USA. Together, the Magino and Florida Canyon mines are the Company's cornerstone assets that will drive Argonaut through this pivotal growth stage. The Company also has two additional operating mines in Mexico, the La Colorada Mine in Sonora and the San Agustin Mine in Durango. Argonaut Gold trades on the Toronto Stock Exchange (TSX) under the ticker symbol "AR".

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Caution Regarding 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 closing of the Offering, use of proceeds of the Offering and the approval of the TSX. 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" or "will" occur. Forward-looking statements are based on the opinions and estimates of the management of Argonaut 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 risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, changes in market conditions, variations in ore

grade or recovery rates, 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 and labour disputes. These factors are discussed in greater detail in Argonaut's (i) most recent Annual Information Form, and (ii) most recent Management Discussion and Analysis, which are each filed on Argonaut's SEDAR profile and 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 forwardlooking 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 presentation should not be unduly relied upon. 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 any 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.