Argonaut Gold Announces 2023 Production Results

TORONTO, Ontario - (January 18, 2024) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") announces fourth quarter and full year 2023 production results. The Company expects to provide 2024 production, operating, capital and cost per ounce guidance on February 26, 2024, and plans to report its financial results for the three and twelve months ended December 31, 2023 in the first half of March, 2024.

"Our Florida Canyon mine in Nevada and our Mexican mines had a solid year, surpassing the top end of production guidance on a combined basis by 9%. Our newest mine, Magino, met target start date of commissioning the mill in mid-May, however, ramp up of the mine and mill took longer than anticipated, resulting in the Company missing consolidated production guidance by a small margin. Despite this setback, we are proud of the Magino team completing construction on schedule, meeting forecast costs to complete, and transitioning into operations in a challenging environment that included key components of the operation being deferred to conserve cash during construction and an overall industry shortage of skilled miners in Ontario. Mining at Magino improved significantly by the end of year and mill modifications scheduled for early in the new year are expected to enable the mill to operate at nameplate capacity consistently," stated Richard Young, President and CEO of Argonaut Gold.

2023 Production Highlights

Fourth quarter 2023 production was 61,523 gold equivalent ounces (GEOs), an increase of 14% compared to the third quarter 2023, benefiting from the commissioning of the Magino Mine. Overall, 2023 consolidated annual production was 197,509 GEOs, 1% less than the Company's annual guidance of 200 to 230 thousand GEOs. Cash and cash equivalents totaled $83.8 million at year end with $218 million outstanding under the Company's term loan facilities.

Summary of Production Results

	2023				***Total***	***2023 Guidance Range***	
Production – GEO's	Q1	Q2	Q3	Q4	**Actual**		
Magino	0	3,296	10,693	22,112	**36,101**	72,000	81,000
Florida Canyon	12,746	18,251	22,384	17,780	**71,161**	55,000	65,000
La Colorada	5,674	5,932	6,741	7,861	**26,208**	27,000	30,000
San Agustin	12,924	11,245	10,208	10,252	**44,629**	35,000	39,000
El Castillo	7,241	4,768	3,885	3,518	**19,412**	10,000	14,000
Consolidated Mexican Operations					**90,247**	72,000	83,000
Total*	**38,585**	**43,492**	**53,911**	**61,523**	**197,511**	**200,000**	**230,000**

**Totals may not add due to rounding*

In summary, the Company nearly achieved consolidated lower end of production guidance, with strong performances from Florida Canyon and the Mexican operations, offset by lower than expected output from Magino.

Progress at Magino

- Daily mining rates for the month of December were largely on target, averaging 50,500 tonnes per day ("tpd"). There has been a steady improvement in the daily mining rate through 2023, with continuing improvement in the average quarterly daily mining rate through the year:

Mining Rate – tpd	Q1	Q2	Q3	Q4			*Q4 Detail*
					Oct	Nov	Dec
Magino	14,400	23,500	40,400	45,600	40,800	45,400	50,500

- Overall, the daily average mining rate increased by 25% in December compared to the third quarter average.
- With additional mobile equipment scheduled to arrive in H1 2024 along with the installation of the fleet management system, management expects daily mining rates to increase into the 65,000 tpd range in 2024, in line with the current NI 43-101 technical report for the Magino Mine.
- In parallel with the increase in the daily mining rate through the fourth quarter, gold grades mined have also increased, resulting in the average grade milled, on a monthly basis, increasing from 0.69 grams per tonne in October, to 1.02 grams per tonne in November, to 1.07 grams per tonne in December.
- Mill throughput rates remained below nameplate in December, averaging 9,240 tpd, however, a scheduled mill shutdown in the first half of January 2024 is expected to support the continued increase in mill average daily throughput to the nameplate of 10,000 tpd.
- The infill drill program underway to convert Mineral Resources to Mineral Reserves is proceeding well, having completed approximately 27,000 metres through the end of 2023, constituting 43% of the planned program. The program is expected to be completed on time in June 2024. The goal of the drill program is to add between 500,000 and 1 million ounces to Mineral Reserves, based on the conversion of existing Mineral Resources. A second phase program is expected to continue through the end of 2024.
- Mill optimization and expansion studies are well underway to determine the most cost effective path to expand the process facilities to between a target of 17,500 and 20,000 tpd.
- An updated NI 43-101 technical report for the Magino Mine including the updated Mineral Reserves and Mineral Resources and mill optimization and expansion opportunities is expected to be completed in the first quarter of 2024. A second NI 43-101 technical report including the balance of the 63,000 metre drill program and detailed mill optimization and expansion plans is expected to be completed in the third quarter of 2024.

Qualified Person, Technical Information

The technical information contained in this press release has been prepared under the supervision of, and has been reviewed and approved by Mr. Marc Leduc, P.Eng. Chief Operating Officer; a Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). For further information on the Magino Mine, please see the technical report titled Magino Gold Project, Ontario, Canada, NI 43-101 Technical Report, Mineral Resource and Mineral Reserve Update dated March 3, 2022 (effective date of February 14, 2022) on the Company's website www.argonautgold.com or on www.sedarplus.ca.

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 Mine, 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".

Cautionary Note Regarding Forward-looking Statements

This press release contains certain "forward-looking statements" under applicable Canadian securities laws concerning the business, operations and financial performance and condition of Argonaut Gold. Except for statements of historical fact relating to Argonaut, all statements included herein are forward-looking statements. The words "believe", "expect", "strategy", "target", "plan", "scheduled", "commitment" "opportunities", "guidance", "project", "continue", "on track", "estimate", "growth", "forecast", "potential", "future", "extend", "planned", "will", "could", "would", "should", "may" and similar expressions typically identify forward-looking statements.

Forward-looking statements are necessarily 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 but are not limited to 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, risks related to the anticipated performance of material equipment, the impact of COVID-19 and other human health concerns and the impact and effectiveness of governmental responses to them, 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 dated March 31, 2023 and in the most recent Management's Discussion and Analysis for the three and nine months ended September 30, 2023, both filed under the Company's issuer profile 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.

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. Further, the forward-looking statements included herein speak only as of the date of this press release.

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