



Argonaut Gold Executes Fixed Bid Contract for Magino Construction and Extends Ana Paula Sale Closing

Toronto, Ontario – (January 4, 2021) **Argonaut Gold Inc. (TSX: AR)** (the “Company”, “Argonaut Gold” or “Argonaut”) is pleased to announce that it has executed a fixed bid engineering, procurement, construction and commissioning contract (the “EPC contract”) with Ausenco Engineering Canada Inc. (“Ausenco”), a leading engineering and construction management company, for the construction of the Magino processing facility and other parts of the Magino construction project. The EPC contract totals approximately 40% of Magino’s initial capital estimate of between C\$480 million and C\$510 million (approximately US\$360 million and US\$380 million at a 0.75 Canadian dollar to US dollar exchange ratio, which was the approximate ratio when the construction decision was made October 2020).

Pete Dougherty, President and CEO stated: “We are very pleased to partner with Ausenco on the Magino project construction. Ausenco is an industry leader in the field of building high-quality processing facilities in the mining industry and recently did an excellent job with the Moose River project in Nova Scotia, Canada. We are excited for Magino to be one of the first projects entering construction in the current gold price environment, as we feel first mover advantage is critical when securing a construction team of the highest quality and with a superior track record.”

The Magino project has received tremendous stakeholder support locally, provincially and federally, as well as strong shareholder support to see the project move forward. Argonaut recently posted the first phase of financial assurance with the province of Ontario and expects the Magino project Closure Plan will be filed by the province of Ontario in January 2021, which will allow for construction to commence.

Ana Paula Sale Agreement

Argonaut and AP Mining have amended the agreement for the previously announced sale of the Ana Paula project to AP Mining (see press release dated September 11, 2020) to allow more time to meet the regulatory and government approvals required for closing. In connection with the amendment, AP Mining has agreed to pay an additional US\$1.0 million at 15 months from the closing date and to reimburse all of Argonaut’s costs incurred associated with the Ana Paula project incurred between January 1, 2021 and the closing of the transaction. Closing continues to be subject to financing and receipt of all necessary approvals, which is expected in the first quarter of 2021.

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 proposed sale of the Ana Paula project; 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; and financial impact of completed acquisitions; 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 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.

For further information on the Magino project, please see the report as listed below on the Company's website or on www.sedar.com:

Magino Gold Project	Feasibility Study Technical Report on the Magino Project, Ontario, Canada dated December 21, 2017 (effective date November 8, 2017)
---------------------	---

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. Advanced exploration projects include the Magino project in Ontario, Canada and the Cerro del Gallo project in Guanajuato, Mexico. The Company continues to hold several other exploration stage projects, all of which are located in North America.

For more information, contact:

Argonaut Gold Inc.

Dan Symons

Vice President, Corporate Development & Investor Relations

Phone: 416-915-3107

Email: dan.symons@argonautgold.com

Renmark Financial Communications Inc.

John Boidman: jboidman@renmarkfinancial.com

Media – D. Elizabeth Culley-Sullo: dculley-sullo@renmarkfinancial.com

Tel.: (416) 644-2020 or (212) 812-7680

www.renmarkfinancial.com

Source: Argonaut Gold Inc.