



**Argonaut Gold Announces Fourth Quarter and Full Year Financial and Operating Results,
Meets 2018 Production and Cost Guidance**

Toronto, Ontario – (February 19, 2019) **Argonaut Gold Inc. (TSX: AR)** (the “Company”, “Argonaut Gold” or “Argonaut”) announces its financial and operating results for the fourth quarter and year ended December 31, 2018. The Company reports quarterly and full year net loss of \$17.5 million and \$7.6 million or loss per share of \$0.10 and \$0.04, respectively, adjusted net income¹ of \$2.5 million and \$16.4 million and adjusted earnings per share¹ of \$0.01 and \$0.09, respectively, derived from the sale of 42,328 and 155,480 gold equivalent ounces² (“GEO” or “GEOs”), respectively, which generated cash flow from operations before working capital changes of \$9.2 million and \$58.1 million, respectively. During 2018, the Company achieved record quarterly and annual production of 51,658 and 165,117 GEOs, respectively. All dollar amounts are expressed in United States dollars unless otherwise specified.

CEO Commentary

Pete Dougherty, President and CEO stated: “We challenged ourselves early in 2017 to achieve an approximate 65% production growth target between 2017 and 2019. With our record fourth quarter in 2018 leading to a record year for the Company in terms of production, we are well on our way to achieving this objective. During 2018, we surpassed the significant milestone of over one million GEOs produced since Argonaut’s founding, a testament to our commitment to health and safety, our people, our communities and our environment. There are two items that highlight that we are conducting our business the right way: one, we received the Environmentally and Socially Responsible Company designation in Mexico for the seventh consecutive year; and two, we had our best annual safety performance in the Company’s history. We continued to de-risk and advance our development project portfolio. Our quarterly cash flows were impacted by timing of gold sales, as well as the previously disclosed Republic Metals Corporation bankruptcy filing. Our main focus as a Company during 2019 will be expanding the San Agustin mine’s crushing capacity and adding cash to the balance sheet through free cash flow generation by our operations while continuing to de-risk and advance our development assets.”

Key operating and financial statistics for the three months and year ended December 31, 2018 are outlined in the following table:

¹Please refer to the section below entitled “Non-IFRS Measures” for a discussion on these Non-IFRS Measures.

²GEOs are based on a conversion ratio of 70:1 for silver to gold ounces for 2017 and 2018. The silver to gold conversion ratio is based on the three-year trailing average silver to gold ratio. This is the referenced ratio for 2017 and 2018 throughout the press release.

	3 months ended December 31		% Change	Year ended December 31		% Change
	2018	2017		2018	2017	
Financial Data (in \$USD millions except for earnings (loss) per share)						
Revenue	\$51.6	\$39.5	31%	\$196.1	\$155.1	26%
Gross profit (loss)	(\$9.6)	\$8.2	(217%)	\$18.5	\$31.3	(41%)
Net income (loss)	(\$17.5)	\$5.2	(437%)	(\$7.6)	\$23.9	(132%)
Earnings (loss) per share – basic	(\$0.10)	\$0.03	(433%)	(\$0.04)	\$0.14	(129%)
Adjusted net income ¹	\$2.5	\$6.4	(61%)	\$16.4	\$14.9	10%
Adjusted earnings per share – basic ¹	\$0.01	\$0.04	(75%)	\$0.09	\$0.09	0%
Cash flow from operating activities before changes in non-cash operating working capital	\$9.2	\$11.7	(21%)	\$58.1	\$45.9	27%
Cash and cash equivalents				\$15.4	\$14.1	9%
Net cash ¹				\$2.4	\$6.1	(61%)
Gold Production and Cost Data						
GEOs loaded to the pads ²	95,776	68,108	41%	318,667	217,224	47%
GEOs projected recoverable ^{2,3}	59,706	38,774	54%	181,638	126,755	43%
GEOs produced ^{2,4,5}	51,658	34,987	48%	165,117	126,704	30%
GEOs sold ²	42,328	31,025	36%	155,480	123,554	26%
Average realized sales price	\$1,226	\$1,276	(4%)	\$1,267	\$1,257	1%
Cash cost per gold ounce sold ¹	\$945	\$755	25%	\$792	\$787	1%
All-in sustaining cost per gold ounce sold ¹	\$1,046	\$897	17%	\$912	\$922	(1%)

¹Please refer to the section below entitled “Non-IFRS Measures” for a discussion of these Non-IFRS Measures.

²GEOs are based on a conversion ratio of 70:1 for silver to gold ounces for 2017 and 2018. The silver to gold conversion ratio is based on the three-year trailing average silver to gold ratio. This is the referenced ratio for 2017 and 2018 throughout the press release.

³2018: Expected recoverable GEOs are based on the assumptions and parameters as set forth in the El Castillo Complex Technical Report dated March 27, 2018 and the La Colorada Gold/Silver Mine Technical Report dated March 27, 2018. In periods where the Company mines material not specifically defined in a technical report (for example: low grade stockpile material), management uses its best estimate of recovery based on the information available. 2017: Expected recoverable GEOs – El Castillo expected recovery rates: ROM oxide 50%, crushed oxide 70%, ROM transition 40%, crushed transition 60%, crushed sulphides argillic 30% and crushed sulphides silicic 17%; San Agustin expected recovery rates: gold 66% and silver 16%; La Colorada expected recovery rates: gold 60% and silver 30%.

⁴Produced ounces are calculated as ounces loaded to carbon.

⁵Year ended December 31, 2017 includes GEOs produced by San Agustin prior to declaration of commercial production effective October 1, 2017.

2018 and Recent Company Highlights:

- Corporate Highlights:
 - Set new records for quarterly and annual GEO production.
 - Achieved the milestone of one million GEOs of production since the launch of the Company at the end of 2009.
 - Received nationally awarded Environmental Socially Responsible Company recognition at both the El Castillo Complex and La Colorada mine.
 - Increased corporate revolver from \$30 million to \$50 million with an accordion feature providing up to \$75 million.
 - Entered into zero cost collar Mexican peso (“MXN”) to US dollar (“USD”) contracts for \$24 million with downside protection of 20.00 MXN: 1 USD and participation up to 23.56 MXN: 1 USD for 2019.
- El Castillo Complex:

- Operated with safety results significantly better than industry standards.
- Increased full year production by 60% to 117,126 GEOs and reduced cash cost per gold ounce sold (see Non-IFRS Measures section) by 14% to \$737 with the first full year of the San Agustin mine contributing to the El Castillo Complex.
- San Agustin crusher throughput achieved approximately 22% over nameplate capacity of 16,700 tonnes per day.
- Completed the El Castillo west crusher throughput expansion from 5,000 tonnes per day to 14,000 tonnes per day.
- Completed construction of the La Victoria leach pad and cell 1 of Phase 8A leach pads at El Castillo and the San Agustin Phase 2 leach pad expansion.
- La Colorada:
 - Operated the entire year without a lost time injury.
 - Completed construction of the Northeast Phase 2 leach pad.
- Cerro del Gallo:
 - Re-logged drill core and developed a detailed geologic model.
 - Completed a drill program for metallurgical test work samples.
 - Conducted metallurgical test work.
- San Antonio:
 - Submitted new Environmental Impact Assessment application in February 2019.
- Magino:
 - Completed Federal Environmental Assessment process with receipt of a positive Decision Statement.
 - Signed the Community Engagement Agreement with the Métis Nation of Ontario.

Financial Results – Fourth Quarter 2018

Revenue for the three months ended December 31, 2018 was \$51.6 million, an increase from \$39.5 million for the three months ended December 31, 2017. During the fourth quarter of 2018, gold ounces sold totaled 41,030 at an average realized price per ounce of \$1,226 compared to 29,912 gold ounces sold at an average price per ounce of \$1,276 during the same period of 2017.

Production costs for the fourth quarter of 2018 were \$38.0 million, an increase from \$23.9 million in the fourth quarter of 2017 primarily due to the increase in gold ounces sold and an increase in cash cost per gold ounce sold. Cash cost per gold ounce sold (see Non-IFRS Measures section) was \$945 in the fourth quarter of 2018, compared to \$755 in the same period of 2017, due to a higher proportion of gold ounces sold from the El Castillo mine, which has a higher cash cost per gold ounce sold, and an increase in cash cost per gold ounce sold at the San Agustin and La Colorada mines. All operating mines saw an increase in cash cost during the fourth quarter of 2018 due to the increase in cost of consumables, coupled with lower deferred stripping in the fourth quarter 2018 at the La Colorada mine. Depreciation, depletion and amortization (“DD&A”) expense included in cost of sales for the fourth quarter of 2018 totaled \$8.6 million, an increase from \$7.4 million in the fourth quarter of 2017, due to the increase in gold ounces sold, as many of the mining assets are amortized on a unit-of-production basis. Included in cost of sales in the fourth quarter of 2018 is a non-cash

impairment write down of \$12.8 million related to the net realizable value of non-current work-in-process inventory at the El Castillo mine, as a result of the increase in management's estimate of future production costs to convert the inventory into saleable form. Additionally, included in cost of sales in the fourth quarter of 2018 is a negative inventory adjustment of \$4.0 million at the El Castillo Complex and \$1.3 million at the La Colorada mine related to the Republic Metals Corporation ("Republic") bankruptcy case. The adjustments and non-cash impairments were partially offset by a non-cash impairment reversal of \$2.6 million at the El Castillo mine and \$0.9 million at the La Colorada mine related to the net realizable value of current work-in-process inventory, as a result of an increase in the price of gold as at December 31, 2018.

General and administrative expenses for the fourth quarter of 2018 were \$3.4 million, an increase from \$2.9 million in the same period of 2017, primarily due to employee related costs.

Other operating expenses for the fourth quarter of 2018 were \$3.1 million, an increase from \$0.8 million in the fourth quarter of 2017, primarily due to the revision of estimated reclamation costs associated with a section of the La Colorada mine where mining activities have ceased.

During the fourth quarter of 2018, the Company recognized a net non-cash impairment of mineral properties, plant and equipment of \$2.0 million consisting of a non-cash impairment of \$27.7 million at its El Castillo mine and a non-cash impairment reversal of \$25.9 million at La Colorada, primarily due to revised life-of-mine ("LOM") plans for the El Castillo and La Colorada mines that incorporate updated Mineral Reserves and LOM cost assumptions including increased cost assumptions associated with key consumables such as cyanide, lime and diesel.

Gains on foreign exchange derivatives for the fourth quarter of 2018 were \$0.5 million, compared to losses of \$0.6 million in the fourth quarter of 2017, primarily due an increase in unrealized gains on the Company's outstanding zero-cost collar contracts on the Mexican peso.

Other expense for the fourth quarter of 2018 was \$0.8 million, a decrease from \$1.2 million in the fourth quarter of 2017, primarily due to differences in foreign currency translation effects.

Income tax recovery for the fourth quarter of 2018 was \$1.3 million, a decrease from \$2.8 million in the same period of 2017. The change is primarily due to the recognition of previously unrecognized Mexican deferred tax assets in the fourth quarter of 2017.

Net loss for the fourth quarter of 2018 was \$17.5 million or \$0.10 per share, a decrease from net income of \$5.2 million or \$0.03 per basic share for the fourth quarter of 2017.

Financial Results – 2018

Revenue for the year ended December 31, 2018 was \$196.1 million, an increase from \$155.1 million for the year ended December 31, 2017. Gold ounces sold totaled 149,695 at an average realized price per ounce of \$1,267 (compared to 120,041 gold ounces sold at an average price per ounce of \$1,257 for 2017). Gold ounces sold increased in 2018 primarily due to the commencement of commercial production at the San Agustin mine effective October 1, 2017,

partially offset by a reduction in gold ounces produced and sold at the El Castillo mine.

Production costs for the year ended December 31, 2018 were \$122.9 million, an increase from \$98.8 million in 2017, primarily due to an increase in gold ounces sold due to a full year of production at the San Agustin mine, which achieved commercial production effective October 1, 2017. Cash cost per gold ounce sold (see Non-IFRS Measures section) was \$792 for the year ended December 31, 2018, comparable to \$787 in the same period of 2017. DD&A expense included in cost of sales for the year ended December 31, 2018, totaled \$33.2 million, an increase from \$25.0 million for the year ended December 31, 2017, due to an increase in ounces sold. Included in cost of sales is a net non-cash impairment write down of work-in-process inventory of \$3.4 million due to the decrease in the price of gold as at September 30, 2018 and subsequent increase as at December 31, 2018, a non-cash impairment write down of \$12.8 million related to the net realizable value of non-current work-in-process inventory at the El Castillo mine and a negative inventory adjustment of \$5.3 million related to finished goods inventory currently part of the Republic bankruptcy filing.

General and administrative expenses for the year ended December 31, 2018 were \$13.0 million, an increase from \$11.7 million for the year ended December 31, 2017, primarily due to employee related costs.

Other operating expenses for the year ended December 31, 2018 were \$3.1 million, an increase from \$0.8 million for 2017, primarily due to the revision of estimated reclamation costs associated with a section of the La Colorada mine where mining activities have ceased.

During 2018, the Company recognized a net non-cash impairment of mineral properties, plant and equipment of \$2.0 million consisting of a non-cash impairment of \$27.7 million at its El Castillo mine and a non-cash impairment reversal of \$25.9 million at La Colorada, primarily due to revised LOM plans for the El Castillo and La Colorada mines that incorporate updated Mineral Reserves and LOM cost assumptions including increased cost assumptions associated with key consumables such as cyanide, lime and diesel.

Gains on foreign exchange derivatives during the year ended December 31, 2018 were \$1.1 million, compared to \$2.0 million for the year ended December 31, 2017, primarily due to a decrease in realized gains on the Company's zero-cost collar contracts on the Mexican peso.

Other expense for the year ended December 31, 2018 was \$0.7 million, a decrease from \$1.8 million of other income in 2017, primarily due to differences in foreign currency translation effects.

Income tax expense for the year ended December 31, 2018 was \$6.7 million compared to income tax recovery of \$2.8 million in the same period of 2017. The change is primarily due to the recognition in 2017 of a deferred tax asset related to net operating losses ("NOLs") from prior years, which were not previously recognized as the utilization of the NOLs became probable with the declaration of commercial production at the San Agustin mine effective October 1, 2017.

Net loss for the year ended December 31, 2018 was \$7.6 million or \$0.04 per share, a decrease from net income of \$23.9 million or \$0.14 per basic share for the year ended December 31, 2017.

Operational Results – Fourth Quarter and Full Year 2018

In spite of a period of four and half months where the Company lacked the ability to blast at its La Colorada mine, the Company achieved its 2018 production and cost guidance of above 165,000 GEOs at a cash cost per gold ounce sold (see Non-IFRS Measures section) below \$800 and an all-in sustaining cost (“AISC”) per gold ounce sold (see Non-IFRS Measures section) below \$950, producing 165,117 GEOs at a cash cost per gold ounce sold of \$792 and an AISC per gold ounce sold of \$912.

During the fourth quarter 2018, the Company achieved record quarterly production of 51,658 GEOs at a cash cost of \$945 per gold ounce sold and AISC per gold ounce sold of \$1,046 compared to 34,987 GEOs at a cash cost of \$755 per gold ounce sold and AISC per gold ounce sold of \$897 during the fourth quarter of 2017. Higher production was due to a 93% increase in GEO production at the El Castillo Complex, primarily due to the successful ramp up of the San Agustin mine and the west crusher expansion at the El Castillo mine during 2018. Higher per unit costs are primarily related to cost increases associated with key consumables such as cyanide, lime and diesel and to a lower allocation of stripping costs from operating expenses to capital.

During 2018, the Company achieved record annual production of 165,117 GEOs at a cash cost of \$792 per gold ounce sold and AISC per gold ounce sold of \$912 compared to 126,704 GEOs, including pre-commercial production from the San Agustin mine of 2,932 GEOs, at a cash cost of \$787 per gold ounce sold and AISC per gold ounce sold of \$922 during 2017. Higher production was driven by the commencement of commercial production at the San Agustin mine effective October 1, 2017.

Bill Zisch, Chief Operating Officer, commented: “I’m very proud of the team for their efforts to ensure we safely achieved our annual production and cost guidance in spite of the operational challenges we faced throughout the year. During 2018, we improved our safety record and increased crushing capacity through both expansion and productivity gains. In 2019, we will be expanding the crushing capacity at the San Agustin mine from 20,000 tonnes per day to 30,000 tonnes per day. At the operations, our focus is to safely deliver on the goal we set for ourselves in early 2017 and achieve over 200,000 GEOs of production in 2019.”

FOURTH QUARTER AND FULL YEAR 2018 EL CASTILLO COMPLEX OPERATING STATISTICS

	3 Months Ended Dec 31			Year Ended Dec 31		
	2018	2017 ⁶	% Change	2018	2017 ⁶	% Change
Mining (in 000s except waste/ore ratio)						
Tonnes ore El Castillo	2,766	1,940	43%	8,801	8,140	8%

Tonnes ore San Agustin	2,055	939	119%	7,379	939	686%
Tonnes ore	4,821	2,879	67%	16,180	9,079	78%
Tonnes waste El Castillo	3,105	1,961	58%	12,303	10,407	18%
Tonnes waste San Agustin	1,434	404	255%	3,216	404	696%
Tonnes waste	4,539	2,365	92%	15,519	10,811	44%
Tonnes mined El Castillo	5,871	3,901	50%	21,104	18,547	14%
Tonnes mined San Agustin	3,489	1,343	160%	10,595	1,343	689%
Tonnes mined	9,360	5,244	78%	31,699	19,890	59%
Tonnes per day El Castillo	64	42	52%	58	51	14%
Tonnes per day San Agustin	38	15	153%	29	15	93%
Tonnes per day	102	57	79%	87	66	32%
Waste/ore ratio El Castillo	1.12	1.01	11%	1.40	1.28	9%
Waste/ore ratio San Agustin	0.70	0.43	63%	0.44	0.43	2%
Waste/ore ratio	0.94	0.82	15%	0.96	1.19	(19%)
Leach Pads (in 000s)						
Tonnes crushed to East leach pads El Castillo	1,350	1,323	2%	4,698	5,214	(10%)
Tonnes crushed to West leach pads El Castillo	1,498	571	162%	4,142	2,181	90%
Tonnes overland conveyor to leach pads El Castillo	0	0	-	0	769	(100%)
Tonnes crushed to leach pads San Agustin	2,073	1,004	106%	7,408	1,004	638%
Tonnes crushed to leach pads	4,921	2,898	70%	16,248	9,168	77%
Production						
Gold grade loaded to leach pads El Castillo (g/t) ¹	0.37	0.38	(3%)	0.37	0.36	3%
Gold grade loaded to leach pads San Agustin (g/t) ¹	0.37	0.50	(26%)	0.39	0.50	(22%)
Gold grade loaded to leach pads (g/t)¹	0.37	0.42	(12%)	0.38	0.38	0%
Gold loaded to leach pads El Castillo (oz) ²	34,231	23,109	48%	106,552	95,705	11%
Gold loaded to leach pads San Agustin (oz) ²	24,658	15,967	54%	93,181	15,967	484%
Gold loaded to leach pads (oz)²	58,889	39,076	51%	199,733	111,672	79%
Projected recoverable GEOs loaded El Castillo ⁴	24,569	14,683	67%	66,716	60,022	11%
Projected recoverable GEOs loaded San Agustin ⁴	16,274	10,538	54%	61,499	10,538	484%
Projected recoverable GEOs loaded⁴	40,843	25,221	62%	128,215	70,560	82%
Gold produced El Castillo (oz) ^{2,3}	18,823	8,551	120%	47,857	59,000	(19%)
Gold produced San Agustin (oz) ^{2,3}	18,201	10,302	77%	65,323	10,302	534%
Gold produced (oz)^{2,3}	37,024	18,853	96%	113,180	69,302	63%
Silver produced El Castillo (oz) ^{2,3}	11,288	10,946	3%	31,792	37,820	(16%)

Silver produced San Agustin (oz) ^{2,3}	55,463	45,100	23%	244,470	45,100	442%
Silver produced (oz)^{2,3}	66,751	56,046	19%	276,262	82,920	233%
GEOs produced El Castillo ³	18,984	8,707	118%	48,311	59,540	(19%)
GEOs produced San Agustin ³	18,993	10,946	74%	68,815	10,946	529%
GEOs produced³	37,977	19,653	93%	117,126	70,486	66%
Gold sold El Castillo (oz) ²	14,373	8,707	65%	41,665	62,194	(33%)
Gold sold San Agustin (oz) ²	14,750	8,309	78%	60,972	8,309	634%
Gold sold (oz)²	29,123	17,016	71%	102,637	70,503	46%
Silver sold El Castillo (oz) ²	11,288	10,946	3%	31,792	37,820	(16%)
Silver sold San Agustin (oz) ²	43,088	32,626	32%	228,504	32,626	600%
Silver sold (oz)²	54,376	43,572	25%	260,296	70,446	269%
GEOs sold El Castillo	14,534	8,863	64%	42,119	62,734	(33%)
GEOs sold San Agustin	15,365	8,775	75%	64,236	8,775	632%
GEOs sold	29,899	17,638	70%	106,355	71,509	49%
Cash cost per gold ounce sold El Castillo ⁵	\$1,007	\$1,015	(1%)	\$1,016	\$918	11%
Cash cost per gold ounce sold San Agustin ⁵	\$764	\$385	98%	\$545	\$385	42%
Cash cost per gold ounce sold⁵	\$884	\$708	25%	\$737	\$855	(14%)

¹"g/t" is grams per tonne.

²"oz" means troy ounce.

³Produced ounces are calculated as ounces loaded to carbon.

⁴2018: Expected recoverable GEOs are based on the assumptions and parameters as set forth in the El Castillo Complex Technical Report dated March 27, 2018. 2017: Expected recoverable GEOs – El Castillo expected recovery rates: ROM oxide 50%, crushed oxide 70%, ROM transition 40%, crushed transition 60%, crushed sulphides argillic 30% and crushed sulphides silicic 17%; San Agustin expected recovery rates: gold 66% and silver 16%

⁵Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure.

⁶The three months and year ended December 31, 2017 excludes pre-commercial production operating statistics for San Agustin. Commercial production was declared on October 1, 2017.

Summary of Production Results at the El Castillo Complex

During the fourth quarter 2018, the El Castillo Complex produced 93% more GEOs at a cash cost per gold ounce sold (see Non-IFRS Measures section) 25% higher compared to the fourth quarter 2017. Higher production was primarily driven by increased crusher throughput rates at both mine sites. Higher cash costs were primarily related to lower grades and higher waste to ore ratio at the San Agustin mine, which was in line with the current mine sequencing, coupled with higher costs associated with key consumables.

During 2018, the El Castillo Complex produced 60% more GEOs, including pre-commercial production of 2,932 GEOs at San Agustin in 2017, at a cash cost per gold ounce sold (see Non-IFRS Measure section) of 14% less compared to 2017. Higher production and lower costs were driven by a full year of operations at the San Agustin mine, which achieved commercial production on October 1, 2017.

FOURTH QUARTER AND FULL YEAR 2018 LA COLORADA OPERATING STATISTICS

	3 Months Ended Dec 31	Year Ended Dec 31
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	2018	2017	% Change	2018	2017	% Change
Mining (in 000s except for waste/ore ratio)						
Tonnes mineralized material	1,568	1,109	41%	4,926	4,492	10%
Tonnes waste	6,216	4,409	41%	18,416	18,864	(2%)
Total tonnes	7,784	5,518	41%	23,342	23,356	0%
Tonnes per day	85	60	42%	64	64	0%
Waste/mineralized material ratio	3.97	3.97	0%	3.74	4.20	(11%)
Tonnes rehandled	-	10	(100%)	38	39	(3%)
Leach Pads (in 000s)						
Tonnes crushed to leach pads	1,292	1,134	14%	4,764	4,490	6%
Tonnes direct to leach pads	289	93	211%	289	383	(25%)
Production						
Gold grade loaded to leach pads (g/t) ¹	0.46	0.47	(2%)	0.40	0.54	(26%)
Gold loaded to leach pads (oz) ²	23,342	18,430	27%	65,108	84,050	(23%)
Projected recoverable GEOs loaded ⁴	17,654	12,770	38%	47,985	55,412	(13%)
Gold produced (oz) ^{2,3}	13,052	14,779	(12%)	45,886	50,796	(10%)
Silver produced (oz) ^{2,3}	44,000	38,861	13%	147,348	174,330	(15%)
GEOs produced ³	13,681	15,334	(11%)	47,991	53,286	(10%)
Gold sold (oz) ²	11,907	12,896	(8%)	47,058	49,538	(5%)
Silver sold (oz) ²	36,511	34,404	6%	144,674	175,502	(18%)
GEOs sold	12,429	13,387	(7%)	49,125	52,045	(6%)
Cash cost per gold ounce sold ⁵	\$1,093	\$817	34%	\$914	\$691	32%

¹ "g/t" refers to grams per tonne.

² "oz" refers to troy ounce.

³ Produced ounces are calculated as ounces loaded to carbon.

⁴ 2018: Expected recoverable GEOs are based on the assumptions and parameters as set forth in the La Colorada Gold/Silver Mine Technical Report dated March 27, 2018. In periods where the Company mines material not specifically defined in a technical report (for example: low grade stockpile material), management uses its best estimate of recovery based on the information available. 2017: Expected recoverable GEOs – recovery rates: gold 60% and silver 30%.

⁵ Please refer to the section below entitled "Non-IFRS Measures" for a discussion of this Non-IFRS Measure.

Summary of Production Results at La Colorada

During the fourth quarter of 2018, crusher throughput rates were 14% higher compared to the fourth quarter of 2017, as the Company successfully ran operations above plan in an effort to make up for the timeframe earlier in 2018 when it lacked the ability to blast at the La Colorada mine. Quarterly GEO production was down 11% year-over-year due to the processing of low-grade stockpiles. Cash cost per gold ounce sold (see Non-IFRS Measures section) was 34% higher during the fourth quarter of 2018 compared to the fourth quarter of 2017, primarily due to a lower allocation of stripping costs from operating expenses to capital.

During 2018, the La Colorada mine produced 10% less GEOs at a cash cost per gold ounce sold (see Non-IFRS Measures section) 32% higher compared to 2017. Lower production is due to the four and a half month period where the mine lacked the ability to blast. Higher costs are primarily due to a lower allocation of stripping costs from operating expenses to capital.

2018 Capital

Total capital spending for 2018 was \$35.9 million, which was below the original guidance range of between \$50 million and \$55 million and slightly below the revised guidance range of between \$37 million and \$40 million. Capital spending was below the original guidance range primarily due to a lower allocation of stripping costs from operating expenses to capital at the La Colorada mine and slightly below the revised guidance due to cost savings and change in timing of certain capital projects.

2019 Guidance and Plans

In 2019, the Company plans to produce between 200,000 and 215,000 GEOs (based on the three-year historical average silver to gold ratio of 75:1). Cash cost per ounce of gold sold (see Non-IFRS measures section) in 2019 is expected to be between \$775 and \$875.

The Company noted the World Gold Council issued amended guidance on AISC (see Non-IFRS Measures section) during the fourth quarter of 2018. Following the amended guidance, the Company's AISC per gold ounce sold (see non-IFRS Measures section) would increase from \$1,046 to \$1,073 for the three months ended December 31, 2018 and from \$912 to \$969 for the year ended December 31, 2018. The primary reason for the increase is due to a reallocation from expansion capital to sustaining capital, primarily driven by reallocations of capital stripping and leach pad expansion capital.

The Company will follow the amended AISC (see Non-IFRS Measures section) guidance recommended by the World Gold Council for 2019 and therefore has updated its previously reported 2019 AISC guidance from between \$875 to \$975 to between \$975 to \$1,075 for 2019.

The Company plans to invest a total of between \$50 million and \$60 million on capital expenditures and exploration initiatives in 2019, including between \$27 million and \$31 million at the El Castillo Complex, between \$14 million and \$16 million at the La Colorada mine and between \$9 million and \$13 million at its development assets.

The Company's plans include:

El Castillo Complex

- Construction of the La Victoria leach pad phase 2 at the El Castillo mine.
- Expansion of the San Agustin crushing and stacking system from 20,000 tonnes per day to 30,000 tonnes per day and construction of the Phase 3 leach pad expansion.

La Colorada

- Construction of the Northeast leach pad phases 4A and 4B.

- Upgrade to the strip plant.

Magino

- Complete Provincial Environmental Assessment process.
- Advance construction permit, Mine Closure Plan and Schedule 2 authorizations.
- Advance detailed design and engineering.

Cerro del Gallo

- Complete a pre-feasibility study.

San Antonio

- Advance environmental permitting.

Argonaut Gold Fourth Quarter and Year End Financial Results Conference Call and Webcast

The Company will host a conference call and webcast on February 20, 2019 at 9:00 am EST to discuss the results.

Fourth Quarter and Year End Conference Call Information for February 20, 2019:

Toll Free (North America): 1-888-231-8191

International: 1-647-427-7450

Webcast: www.argonautgold.com

Fourth Quarter and Year End Conference Call Replay:

Toll Free Replay Call (North America): 1-855-859-2056

International Replay Call: 1-416-849-0833

Passcode: 3470117

The conference call replay will be available from 2:00 pm EST on February 20, 2019 to 11:59 pm EST February 27, 2019.

Non-IFRS Measures

The Company has included certain non-IFRS measures including “Cash cost per gold ounce sold”, “All-in sustaining cost per gold ounce sold”, “Adjusted net income”, “Adjusted earnings per share – basic” and “Net cash” in this press release to supplement its financial statements which are presented in accordance with International Financial Reporting Standards (“IFRS”). Cash cost per gold ounce sold is equal to production costs less silver sales divided by gold ounces sold. AISC is equal to production costs less silver sales plus general and administrative expenses, exploration expenses, accretion of reclamation provision and sustaining capital expenditures divided by gold ounces sold. Adjusted net income is equal to net income (loss) less foreign exchange impacts on deferred income taxes, foreign exchange (gains) losses, non-cash impairment write down (reversal) of work-in-process inventory, non-cash impairment loss (reversal) on certain non-current assets, other operating expenses and unrecognized (recognition of previously unrecognized) Mexican deferred tax assets. Adjusted earnings per share – basic is equal to adjusted net income divided by the basic weighted average number of common shares outstanding. Net cash is calculated as the sum of the cash and cash

equivalents balance net of debt as at the statement of financial position date. The Company believes that these measures provide investors with an alternative view to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Please see the management's discussion and analysis ("MD&A") for full disclosure on non-IFRS measures.

This press release should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018 and associated MD&A, for the same period, which are available from the Company's website, www.argonautgold.com, in the "Investors" section under "Financial Reports", and under the Company's profile on SEDAR at www.sedar.com.

Creating Value Beyond Gold

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 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.

Qualified Person, Technical Information and Mineral Properties Reports

Technical information included in this release was supervised and approved by Brian Arkell, Argonaut's Vice President, Exploration and a Qualified Person under National Instrument 43-101 ("NI 43-101"). For further information on the Company's material properties, please see the reports as listed below on the Company's website or on www.sedar.com:

El Castillo Complex	NI 43-101 Technical Report on Resources and Reserves, El Castillo Complex, Durango, Mexico dated March 27, 2018 (effective date of March 7, 2018)
La Colorada Mine	NI 43-101 Technical Report on Resources and Reserves, La Colorada Gold/Silver Mine, Hermosillo, Mexico dated March 27, 2018 (effective date of December 8, 2017)
Magino Gold Project	Feasibility Study Technical Report on the Magino Project, Ontario, Canada dated December 21, 2017 (effective date November 8, 2017)
San Antonio Gold Project	NI 43-101 Technical Report on Resources, San Antonio Project, Baja California Sur, Mexico dated October 10, 2012 (effective date of September 1, 2012)

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 and the La Colorada mine in Sonora, Mexico. Advanced exploration projects include the San Antonio project in Baja California Sur, Mexico, the Cerro del Gallo project in Guanajuato, Mexico and the Magino project in Ontario, Canada. The Company also has several exploration stage projects, all of which are located in North America.

For more information, contact:

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