

JULY 2021

A LETTER FROM PRESIDENT & CEO, PETE DOUGHERTY

The Magino construction project continues to advance on schedule. We have received the majority of pre-production mining equipment on-site and have been actively onboarding and training our team as we continue to work with our two major partners: Ausenco Engineering Canada Inc. and Sigfusson Northern Ltd. (SNL).

A summary of progress in June includes:

SITE WORKS & CONSTRUCTION PROGRESS

Site works and construction milestones include:

- 100% of stripping and most of the excavation is complete for plant site;
- First aggregates arrived on site for concrete mixing at the plant site;
- Ausenco's subcontractor has commenced mobilization of the concrete batch plant;
- Main haul road to the Tailings Management Facility (TMF) 100% complete;
- Wash plant pad for TMF filter 1 stockpile is completed with production of the granular material for the tailings dam ongoing;
- Completed mobilization and installation of fuel attendant trailer at fuel bay; and
- Multiple sump systems installed at plant-site; and all HDPE piping completed from plant site to historical tails pond.



Open Pit Area



Process Plant Footprint



**Haul Road construction in progress
from Truck Shop to Run-of-Mine**



**Main Haul Road completed to the TMF
(shown at water control quality pond)**

ENVIRONMENT, PERMITTING & COMMUNITY RELATIONS

Argonaut has been very active with community relations during the month of June. Our team is continuously engaging with community members and all Indigenous communities to ensure our neighbours are well informed of all activities with the Project.

Key highlights include:

- Received MNRF beaver dam removal authorization;
- Participated in an Information Session with Metis Nation of Ontario Education and Training Branch, where discussions were held regarding employment opportunities with Argonaut Gold and upcoming possibilities;
- Participated in separate monthly meetings with Missanabie Cree First Nation, Metis Nation of Ontario and Batchewana First Nation to provide project and environmental updates;
- Participated in a virtual presentation hosted by the Société Économique de l'Ontario et Association Francophone du Nord Ouest de l'Ontario;
- Hosted a site tour with three members of the Environmental Stewardship for Michipicoten First Nation; and
- Assisted in community donations to support the Wawa hospital (Lady Dunn Health Centre) and the Town of Dubreuilville for training support.



Aaron MacDonnell, Environmental Manager and Steve Murphy, Environmental Stewardship Manager for Michipicoten First Nation at the Lovell Lake Water Treatment Pond and Final Regulatory Discharge point.

PRE-PRODUCTION MINING

Pre-production mining has commenced and includes:

- Detailed angle reverse circulation (RC) drill program on the final test pattern and ore contact zone;
- Majority of pre-production mining equipment has arrived on-site;

- Safety berm along the Goudreau Road is complete;
- Onboarding for pre-production employees, and training in progress; and
- Operational Readiness Sessions in progress.

MOBILIZING TEAMS & CAMPS

We continue to assemble and mobilize our teams and build infrastructure and have made the following progress:

- 'The Magino Lodge', the camp located on-site at the old Dubreuilville Mill Site, received the occupancy permit, and we currently have 144 rooms available for occupancy. The Recreation Centre and Kitchen are nearing completion;
- COVID-19 testing in progress and ongoing; and
- Ausenco civil contractor mobilized.



Magino Lodge – Camp, Recreation Centre and Kitchen

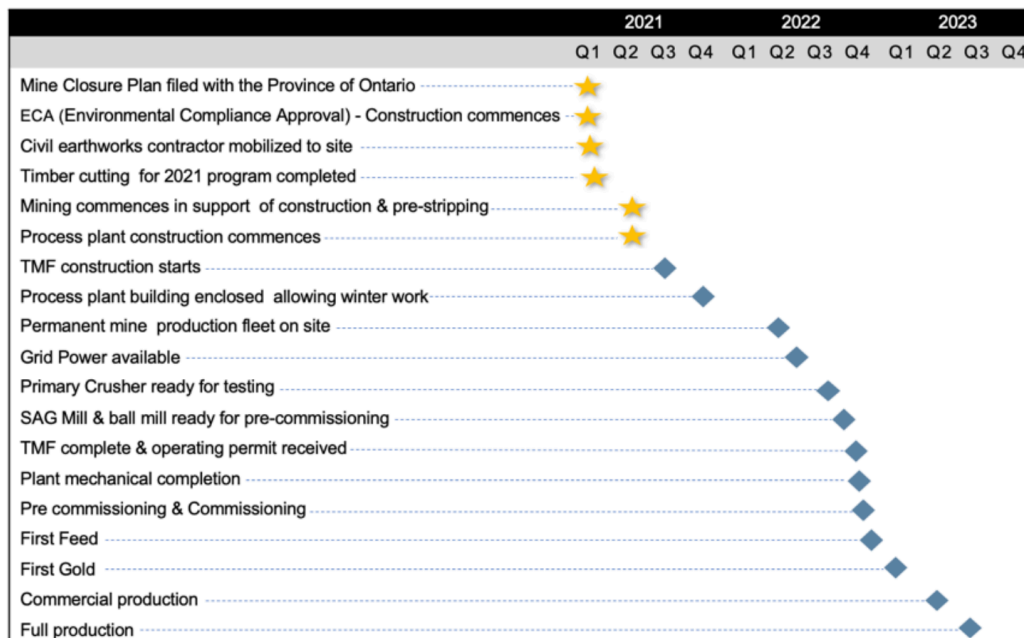
PROJECT TIMELINE & UPCOMING MILESTONES

During the next few weeks, upcoming milestones include:

- Detailed schedule for Fish Habitat Compensation Construction Schedule;
- Installation of Air Monitoring Stations and Groundwater Well;
- Open pit overburden stripping, production drilling and blasting ongoing;

- Continuing plant site pad development; of haul roads; of dams; and hauling of concrete aggregates;
- Filling water tanks for Ausenco concrete batch plant;
- Exploration drilling program; and
- Continuing ongoing engagement with local communities and Indigenous groups.

An overview of the project timeline through 2023 is below:



As we continue to progress on the construction of our Magino, we are committed to updating our shareholders during this process as we execute on our strategy to transform Argonaut from a high-cost, junior producer with relatively short mine lives to a low-cost intermediate producer with much longer mine lives.



Pete Dougherty
President & CEO