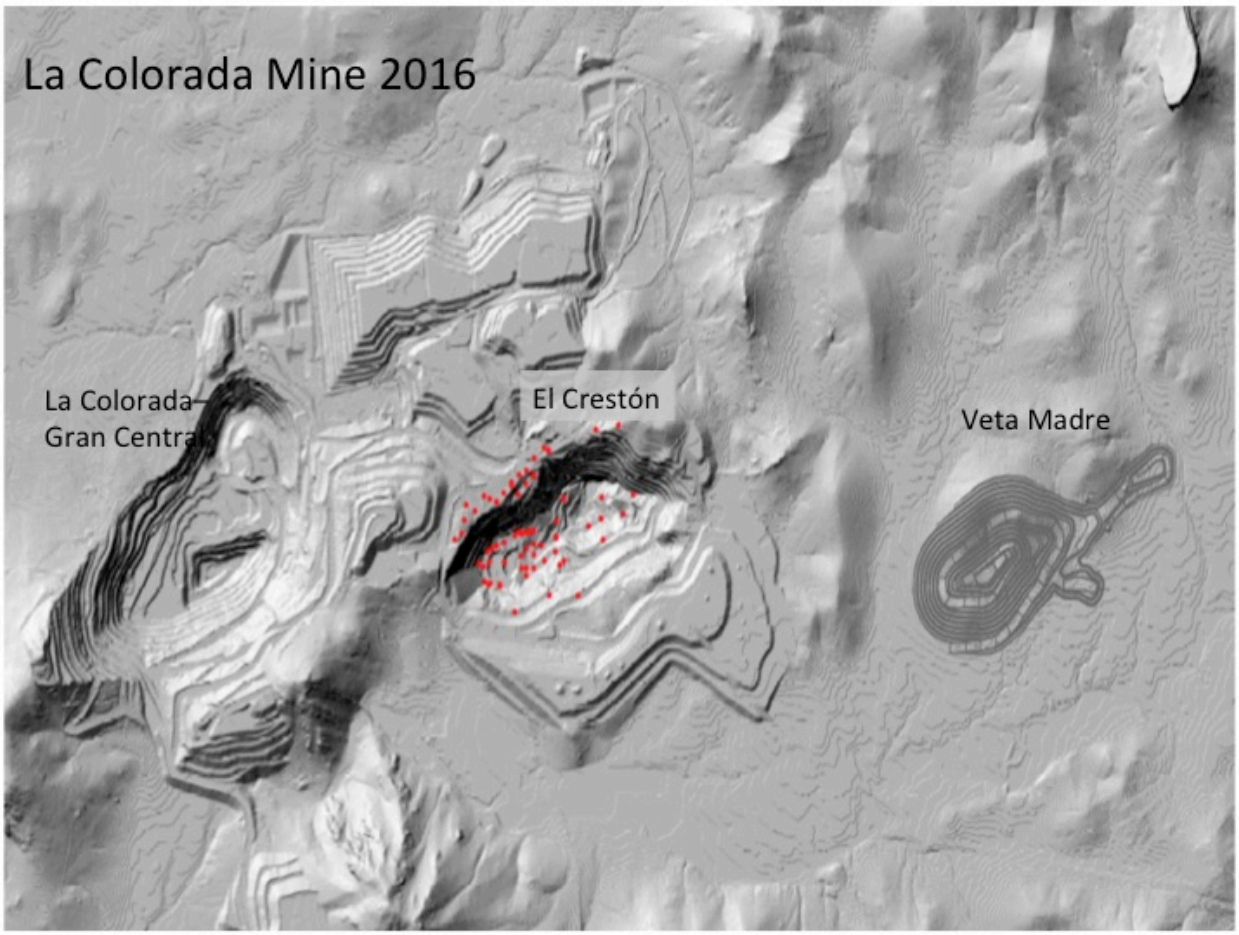
Argonaut Gold Announces Completion of El Creston Confirmation Drilling at its La Colorada Mine

Toronto, Ontario - (October 3, 2016) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") is pleased to announce that it has completed a 70 hole reverse-circulation ("RC") drill program. The program's primary objective was to confirm historical gold-silver resource estimates for its El Creston gold-silver deposit at the La Colorada Mine located in Sonora, Mexico (Indicated mineral resource of 14.4 million tonnes at 0.618 g/t Au and 12.1 g/t Ag and inferred mineral resource of 2.2 million tonnes at 0.887 g/t Au and 13.3 g/t Ag – see Preliminary Economic Assessment Technical Report with an effective date of October 15, 2011).

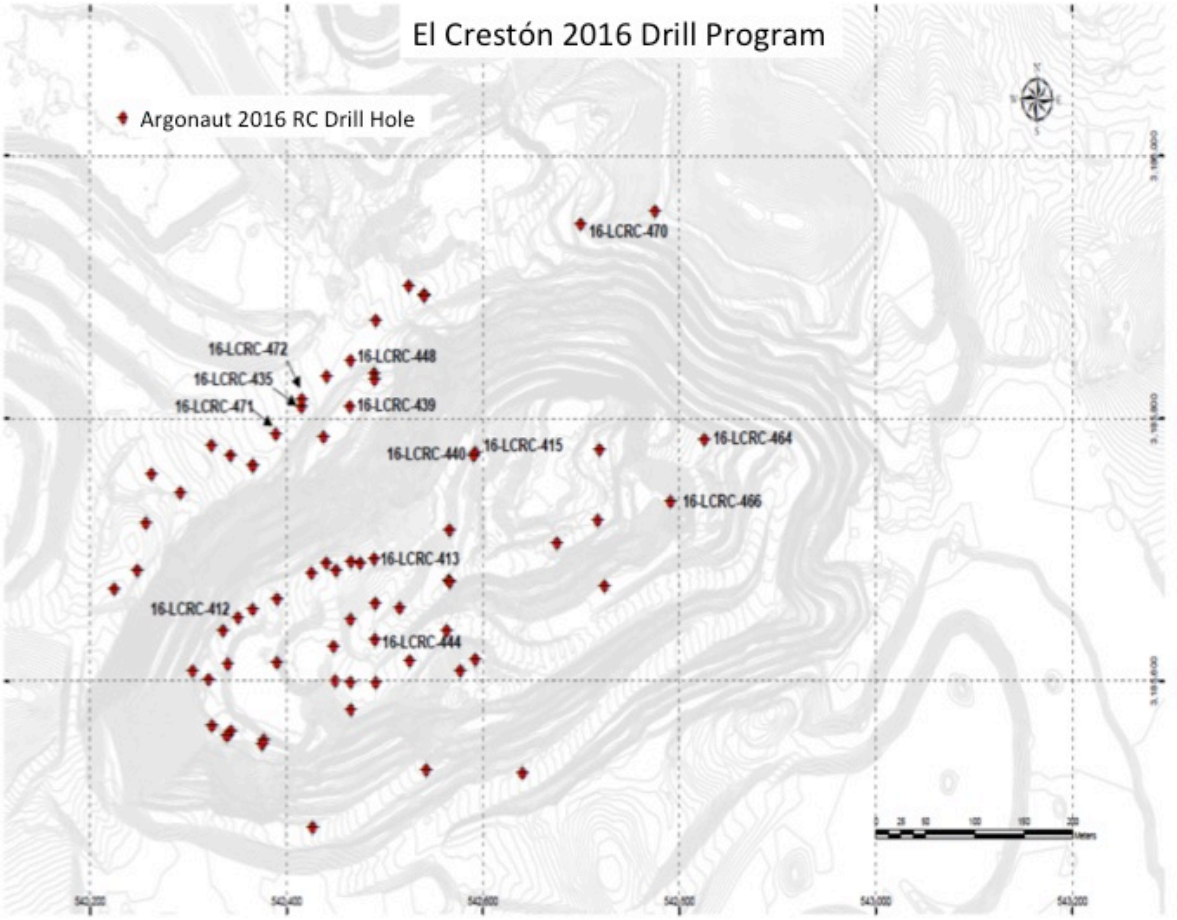
The La Colorada Mine sequencing plan calls for a series of three pits: La Colorada-Gran Central, El Creston and Veta Madre. The Company is currently mining in the La Colorada-Gran Central pit and the mine plan calls for stripping to begin at El Creston during the fourth quarter of 2016.



The Company's objectives with this drill program were to both confirm the mineral resource completed by previous mine operators during the 1990s and also to drill test areas where mineralization could be projected beyond the known resource. The drill program consisted of 70 RC holes totaling approximately 10,600 metres.

Pete Dougherty, President and CEO commented: "The results of the drill program are very encouraging as they not only show confirmation of the known resource but also show greater widths and higher grades which bolster our excitement about the upside at La Colorada as we look to start mining the El Creston pit later this year."

Plan View Map of Key Highlight Hole Locations



Gold samples were capped at 10 g/t Au. Table 1 below illustrates key highlight holes from the drill program:

Table 1: Key Highlight Holes

Hole	Azimuth	Dip	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t
16-LCRC-464	**0**	**-90**					
Interval			**6.1**	**12.2**	**6.1**	**5.95**	**19.5**

Including			**6.1**	**9.1**	**3.0**	**10.00***	**33.7**
Interval			**76.2**	**108.2**	**32.0**	**1.74**	**74.0**
Including			**77.7**	**82.3**	**4.6**	**6.91**	**470.6**
Including			**100.6**	**102.1**	**1.5**	**10.00***	**17.7**
16-LCRC-466	**130**	**-77**					
Interval			**24.4**	**64.0**	**39.6**	**0.80**	**4.8**
Including			**25.9**	**27.4**	**1.5**	**10.00***	**8.6**
Including			**61.0**	**62.5**	**1.5**	**3.55**	**2.5**
Interval			**73.2**	**117.3**	**44.2**	**0.86**	**5.3**
Including			**82.3**	**85.3**	**3.0**	**2.88**	**1.8**
Including			**106.7**	**111.3**	**4.6**	**2.87**	**22.4**
16-LCRC-470	**180**	**-60**					
Interval			**163.1**	**249.9**	**86.9**	**0.80**	**7.5**
Including			**205.7**	**222.5**	**16.8**	**2.39**	**12.6**
Including			**248.4**	**249.9**	**1.5**	**3.39**	**31.8**
16-LCRC-415	**0**	**-68**					
Interval			**24.4**	**51.8**	**27.4**	**1.29**	**15.4**
Including			**29.0**	**35.1**	**6.1**	**3.05**	**34.6**
Including			**45.7**	**48.8**	**3.0**	**2.59**	**14.3**
16-LCRC-440	**180**	**-85**					
Interval			**99.1**	**143.3**	**44.2**	**2.12**	**16.6**
Including			**112.8**	**118.9**	**6.1**	**8.24**	**11.9**
16-LCRC-412	**180**	**-60**					
Interval			**29.0**	**45.7**	**16.8**	**0.32**	**14.4**
Interval			**97.5**	**118.9**	**21.3**	**2.87**	**182.5**
Including			**97.5**	**99.1**	**1.5**	**6.08**	**184.0**
Including			**102.1**	**103.6**	**1.5**	**10.00***	**655.0**
16-LCRC-413	**180**	**-76**					
Interval			**30.5**	**57.9**	**27.4**	**1.63**	**35.9**
Including			**42.7**	**45.7**	**3.0**	**9.47**	**78.2**
16-LCRC-444	**180**	**-69**					
Interval			**73.2**	**146.3**	**73.2**	**1.40**	**15.0**
Including			**93.0**	**97.5**	**4.6**	**6.46**	**19.6**
Including			**103.6**	**108.2**	**4.6**	**6.13**	**11.1**

16-LCRC-439	**180**	**-56**					
Interval			**114.3**	**140.2**	**25.9**	**1.57**	**33.8**
Including			**128.0**	**131.1**	**3.0**	**8.03**	**95.3**
Interval			**193.5**	**210.3**	**16.8**	**1.27**	**66.2**
Including			**199.6**	**201.2**	**1.5**	**3.69**	**66.2**
Interval			**219.5**	**233.2**	**13.7**	**0.44**	**10.2**
Interval			**242.3**	**259.1**	**16.8**	**0.25**	**9.6**
Interval			**269.7**	**277.4**	**7.6**	**2.37**	**55.5**
Including			**269.7**	**271.3**	**1.5**	**9.85**	**198.0**
16-LCRC-448	**180**	**-59**					
Interval			**158.5**	**173.7**	**15.2**	**0.31**	**29.7**
Interval			**237.7**	**259.1**	**21.3**	**1.70**	**45.4**
Including			**246.9**	**249.9**	**3.0**	**10.00***	**125.6**
16-LCRC-435	**180**	**-52**					
Interval			**137.2**	**169.2**	**32.0**	**1.16**	**109.6**
Including			**146.3**	**152.4**	**6.1**	**3.64**	**360.0**
Interval			**193.5**	**202.7**	**9.1**	**0.19**	**49.5**
Interval			**210.3**	**236.2**	**25.9**	**0.55**	**43.0**
Including			**210.3**	**213.4**	**3.0**	**2.10**	**72.4**
Interval			**253.0**	**263.7**	**10.7**	**0.80**	**22.0**
Including			**253.0**	**256.0**	**3.0**	**1.95**	**52.0**
16-LCRC-472	**180**	**-60**					
Interval			**143.3**	**259.1**	**115.8**	**0.49**	**28.6**
Including			**157.0**	**161.5**	**4.6**	**5.62**	**236.3**
16-LCRC-471	**180**	**-63**					
Interval			**126.5**	**152.4**	**25.9**	**1.10**	**128.3**
Including			**132.6**	**141.7**	**9.1**	**2.16**	**81.1**
Interval			**216.4**	**237.7**	**21.3**	**1.11**	**42.8**
Including			**216.4**	**217.9**	**1.5**	**6.92**	**139.0**

*** Au grade was capped at 10 g/t**

To view a table of all drill results and cross sections, please visit: www.argonautgold.com/gold_operations/drill_results/

Tom Burkhardt, Vice President, Exploration stated: “The drill results support the mineralization model and in some cases we are seeing higher grade and thicker intervals than expected. We also note that the mineralization continues down dip to the north below the current pit limits.

It was a very successful program in that the drilling not only confirmed the historical mineralization model but also provided us with numerous drill targets as we look to the future."

Qualified Person Comments / Quality Control Procedures

The preparation of this Press Release was supervised and approved by Thomas Burkhart, Argonaut Gold's Vice President of Exploration and a Qualified Person under NI 43-101. Mr. Burkhart also reviewed the reverse circulation and on-site sample preparation procedures at La Colorada.

For sample analysis the Company utilizes a system of Quality Assurance/Quality Control that includes insertion and verification of standards, blanks and duplicates consistent with industry standards.

Samples from the El Creston deposit are collected at site by Argonaut's personnel and transported to ALS-Chemex preparation laboratory in Hermosillo, where samples are prepared and pulps sent for assay in ALS-Chemex's Vancouver, BC laboratory. Samples are analyzed for gold by fire assay and atomic absorption finish (Au-AA23 assay code; 0.005 to 10 ppm detection limit) plus silver by aqua regia and atomic absorption finish (0.1 to 100 ppm detection limit). Samples over 10 g/t Au are assayed with gravimetric finish (Assay code Au-GRA21).

Argonaut is not aware of any legal, political, environmental or other risks that could materially affect the potential development of the El Creston deposit other than those set out in its annual information form filed on www.sedar.com. Please see below under the heading "cautionary note regarding forward-looking financial information" for further details regarding risks facing Argonaut.

For further information regarding the La Colorada Mine, please see the Technical Report titled *National Instrument 43-101 Preliminary Economic Assessment La Colorada Project Sonora, Mexico* effective October 15, 2011.

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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 estimation of mineral resources at mineral projects of Argonaut; ; the realization of mineral reserve estimates; the timing and amount of estimated future production; economics of production; success of exploration activities; estimated production and mine life of the various mineral projects of Argonaut; the future price of gold and silver; synergies and financial impact of completed acquisitions; the benefits of the development potential of the properties of Argonaut 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” 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 metal grades, changes in market conditions, variations in 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, 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 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. 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.

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. 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.

About Argonaut Gold

Argonaut Gold is a Canadian gold company engaged in exploration, mine development and production activities. Its primary assets are the production stage El Castillo mine in Durango, Mexico, and La Colorada mine in Sonora, Mexico. Advanced exploration stage projects include the San Antonio project in Baja California Sur, Mexico, the Magino project in Ontario, Canada and the San Agustin project in Durango, Mexico. The Company also has several exploration stage projects, all of which are located in North America.

For more information please contact:

Argonaut Gold Inc.
Dan Symons
Vice President, Investor Relations
Phone: 416-915-3107
Email: dan.symons@argonautgold.com