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ARGONAUT GOLD INC. ANNOUNCES C$40 MILLION BOUGHT DEAL FINANCING

Toronto, Ontario - (February 23, 2017) – **Argonaut Gold Inc. (TSX: AR)** ("Argonaut" or the "Company") has announced today that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets, under which the underwriters have agreed to buy on bought deal basis 16,700,000 common shares (the "Common Shares"), at a price of C$2.40 per Common Share for gross proceeds of approximately C$40 million (the "Offering"). The Company has granted the Underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the Offering, to purchase up to an additional 15% of the Offering to cover over-allotments, if any. The offering is expected to close on or about March 15, 2017 and is subject to Argonaut Gold Inc. receiving all necessary regulatory approvals.

The net proceeds of the offering will be used for the acquisition of properties adjacent to the El Castillo Mine and for general corporate purposes.

The Common Shares will be offered by way of a short form prospectus in all provinces and territories of Canada, excluding Quebec and may also be offered by way of private placement in the United States.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Argonaut Gold Inc.
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 and the construction stage San Agustin project in Durango, Mexico and the production stage La Colorada mine in Sonora, Mexico. Advanced exploration stage projects include the San Antonio project in Baja California Sur, Mexico, and the Magino project in Ontario, Canada. The Company also has several exploration stage projects, all of which are located in North America.

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