Argonaut Gold Announces Drill Results at the La Colorada Mine's El Creston Deposit that Signal Potential Open Pit Expansion

Results Include 133 metres at 1.29 g/t Gold

Toronto, Ontario - (March 20, 2017) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") is pleased to announce that it has completed a 22 hole reverse-circulation ("RC") drill program totaling 5,139 metres at the La Colorada mine in Sonora, Mexico (the "2017 drill program"). The drilling was designed to test for the down dip extension of potential open pit mineralization at the El Creston deposit. The Company believes the results of the 2017 drill program, coupled with the results of 70 RC holes drilled during 2016 (see press release dated October 3, 2016) (the "2016 drill program"), have the potential to expand the El Creston open pit beyond its current design.

The recently completed El Creston drill program was mainly designed to convert Inferred Resource projected down-dip to a Measured and Indicated Resource. All 22 holes were spaced along the northern fringes of the historical El Creston pit and drilled to intersect mineralized zones that dip northerly below the currently designed pit limits. In addition to upgrading Inferred Resources and confirming Indicated Resource, the 2017 drill program was intended to further de-risk the project prior to the commencement of mining. Table 1 below illustrates the El Creston deposit Mineral Resource estimate year-over-year that was most recently updated at December 31, 2016 and shows the high conversion rate of Inferred Resource to Indicated Resource through the 2016 drill program as well as the ability to discover new Inferred Resource. The results from the 2017 drill program are not included in the Mineral Resource estimate.

Table 1: El Creston Mineral Resource Estimate – 2015 vs. 2016[1]

El Creston Deposit	Class	Tonnes (000s)	Au Grade (g/t)	Au Ozs (000s)	Ag Grade (g/t)	Ag Ozs (000s)
December 31, 2015	Indicated	12,869	0.61	251	12.5	5,154
	Inferred	487	0.92	14	17.9	280
December 31, 2016	Indicated	13,097	0.63	264	16.5	6,937
	Inferred	2,381	0.82	63	12.1	923

[1] The El Creston Deposit December 31, 2015 Mineral Resource Estimate was updated internally and reviewed by Qualified Persons Mike Lechner and Richard Rhoades. The Mineral Resource update used a gold price of $1,300 and a silver price of $18. A gold equivalent cut-off grade of 0.106 g/t was used.

The El Creston Deposit December 31, 2016 Mineral Resource Estimate was updated internally and reviewed by Qualified Persons Mike Lechner and Richard Rhoades. The resource update used a gold price of $1,400 and a silver price of $20. A cut-off grade of 0.11 g/t Au was used and is supported by the current operating costs. The Mineral Resources are confined within a conceptual pit using MineSight software and slope templates developed by Golder Associates.

Pete Dougherty, President and CEO commented: "The results of the drill campaigns over the past 11 months have further delineated and de-risked the El Creston deposit and give us further confidence in the potential to expand the El Creston open pit beyond its current design. These results substantiate the Company's decision to accelerate stripping at El Creston and is an example of how brownfields exploration continues to yield positive results at La Colorada."

Gold samples were capped at 10 g/t Au. Table 2 below illustrates key highlight holes from the 2017 drill program. For a full table of all drill results, plan view maps and cross sections, please visit: http://www.argonautgold.com/gold_operations/drill_results/

Table 2: Key Highlight Holes

Hole	Azimuth	Dip	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
17-LCRC-479	**180**	**65°**					
Interval			**161.5**	**166.1**	**4.6**	**0.32**	**1**
Interval			**175.3**	**190.5**	**15.2**	**0.62**	**5**
Including			**179.8**	**182.9**	**3.0**	**1.69**	**8**
Interval			**195.1**	**214.9**	**19.8**	**0.72**	**10**
Including			**201.2**	**204.2**	**3.0**	**2.32**	**17**
Including			**211.8**	**213.4**	**1.5**	**1.93**	**7**
Interval			**245.4**	**257.6**	**12.2**	**0.44**	**5**
Interval			**265.2**	**271.3**	**6.1**	**0.33**	**5**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Ag (g/t)**
17-LCRC-481	**180**	**53°**					
Interval			**189.0**	**192.0**	**3.0**	**0.15**	**4**
Interval			**199.6**	**240.8**	**41.1**	**1.15**	**6**
Including			**199.6**	**201.2**	**1.5**	**3.81**	**2**
Including			**225.6**	**230.1**	**4.6**	**6.57**	**24**
Including			**231.6**	**233.2**	**1.5**	**2.62**	**7**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Ag (g/t)**
17-LCRC-482	**180**	**50°**					
Interval			**100.6**	**106.7**	**6.1**	**0.16**	**10**
Interval			**147.8**	**166.1**	**18.3**	**0.26**	**33**
Interval			**201.2**	**208.8**	**7.6**	**0.49**	**2**
Interval			**213.4**	**240.8**	**27.4**	**0.96**	**5**
Interval			**248.4**	**251.5**	**3.0**	**0.65**	**9**
Interval			**262.1**	**278.9**	**16.8**	**2.69**	**3**
Including			**262.1**	**268.2**	**6.1**	**6.86**	**5**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Ag (g/t)**
17-LCRC-483	**180**	**50°**					
Interval			**123.4**	**128.0**	**4.6**	**0.21**	**1**
Interval			**150.9**	**153.9**	**3.0**	**0.28**	**11**
Interval			**184.4**	**243.8**	**59.4**	**1.24**	**6**
Including			**184.4**	**185.9**	**1.5**	**7.39**	**7**
Including			**189.0**	**195.1**	**6.1**	**3.32**	**8**
Including			**219.5**	**224.0**	**4.6**	**2.85**	**6**
Including			**227.1**	**228.6**	**1.5**	**10.00**	**10**
Interval			**248.4**	**249.9**	**1.5**	**6.89**	**5**
Interval			**262.1**	**268.2**	**6.1**	**0.19**	**10**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Ag (g/t)**
17-LCRC-484	**180**	**57°**					
Interval			**135.6**	**137.2**	**1.5**	**1.08**	**2**
Interval			**155.4**	**157.0**	**1.5**	**1.30**	**3**
Interval			**179.8**	**182.9**	**3.0**	**0.89**	**6**

Interval			**190.5**	**242.3**	**51.8**	**0.52**	**4**
Interval			**251.5**	**253.0**	**1.5**	**0.22**	**14**
Interval			**259.1**	**262.1**	**3.0**	**0.67**	**1**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Ag (g/t)**
17-LCRC-485	**180**	**59°**					
Interval			**106.7**	**115.8**	**9.1**	**0.38**	**28**
Interval			**184.4**	**233.2**	**48.8**	**0.97**	**12**
Including			**208.8**	**211.8**	**3.0**	**1.56**	**5**
Including			**217.9**	**224.0**	**6.1**	**1.74**	**3**
Including			**231.6**	**233.2**	**1.5**	**10.00**	**24**
Interval			**245.4**	**268.2**	**22.9**	**0.32**	**4**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Ag (g/t)**
17-LCRC-486	**180**	**57°**					
Interval			**167.6**	**222.5**	**54.9**	**0.89**	**5**
Including			**170.7**	**172.2**	**1.5**	**10.00**	**9**
Including			**196.6**	**198.1**	**1.5**	**3.08**	**13**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Ag (g/t)**
17-LCRC-489	**180**	**55°**					
Interval			**201.2**	**207.3**	**6.1**	**0.24**	**81**
Interval			**214.9**	**251.5**	**36.6**	**1.22**	**12**
including			**217.9**	**221.0**	**3.0**	**6.36**	**21**
including			**234.7**	**237.7**	**3.0**	**4.83**	**22**
Interval			**288.0**	**345.9**	**57.9**	**1.00**	**4**
including			**298.7**	**309.4**	**10.7**	**4.22**	**3**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Ag (g/t)**
17-LCRC-490	**180**	**57°**					
Interval			**152.4**	**285.0**	**132.6**	**1.29**	**24**
including			**155.4**	**157.0**	**1.5**	**4.17**	**27**
including			**166.1**	**170.7**	**4.6**	**8.19**	**44**
including			**184.4**	**187.5**	**3.0**	**7.05**	**274**
including			**268.2**	**272.8**	**4.6**	**3.64**	**103**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Ag (g/t)**
17-LCRC-492	**180**	**69°**					
Interval			**166.1**	**181.4**	**15.2**	**1.32**	**4**
including			**167.6**	**169.2**	**1.5**	**10.00**	**19**
Interval			**185.9**	**213.4**	**27.4**	**1.01**	**16**
including			**195.1**	**199.6**	**4.6**	**4.86**	**25**
Interval			**217.9**	**222.5**	**4.6**	**3.00**	**70**
including			**219.5**	**221.0**	**1.5**	**6.53**	**85**
Interval			**228.6**	**236.2**	**7.6**	**0.35**	**22**

Tom Burkhart, Vice President of Exploration commented: “The El Creston open pit exploits a large structural controlled vein system that comes to surface and dips to the north. This system was an important historical producer in the district and an obvious drill target beneath the designed pit. We are very pleased that the 2017 drill program confirms what we suspected and are optimistic that these encouraging results will positively impact the continuing development of the El Creston deposit.”

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; success of exploration activities; the realization of mineral reserve estimates; the timing and amount of estimated future production; economics of production; 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, variations in recovery rates, changes in market conditions, 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 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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