/ Not for distribution to U.S. news wire services or dissemination in the United States /

Argonaut Gold Announces Exercise of Over-Allotment Option; Additional Gross Proceeds of C$4.9 Million

Toronto, Ontario – (March 21, 2017) Argonaut Gold Inc. (TSX: AR) (the "**Company**", "**Argonaut Gold**" or "**Argonaut**") is pleased to announce that the syndicate of underwriters led by BMO Capital Markets (collectively, the "**Underwriters**") have partially exercised their over-allotment option (the "**Over-Allotment Option**") to acquire an additional 2,050,000 common shares of the Company ("**Common Shares**") at a price of C$2.40 per Common Share for additional gross proceeds of C$4,920,000.

The partial exercise of the Over-Allotment Option is expected to close on or about March 22, 2017.

The Over-Allotment Option was granted to the Underwriters in connection with Argonaut Gold's previously announced "bought deal" public offering of 16,700,000 Common Shares at a price of C$2.40 per Common Share for aggregate gross proceeds of C$40,080,000, which closed on March 15, 2017 (the "**Offering**"). Under the terms of the Offering, the Underwriters were granted the Over-Allotment Option, which is exercisable in whole or in part for a period of 30 days following the closing date of the Offering, to purchase up to an additional 2,505,000 Common Shares at a price of C$2.40 per Common Share for market stabilization purposes and to cover over-allotments, if any.

The Common Shares issued under the Offering (including pursuant to the Over-Allotment Option) were offered by way of a short form prospectus dated March 7, 2017 in each of the provinces and territories of Canada, except Québec. Copies of the final short form prospectus and documents incorporated by reference therein are available electronically under Argonaut's issuer profile on SEDAR at www.sedar.com.

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

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.

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain "forward-looking statements" and "forward-looking information" under applicable Canadian securities laws concerning, among other things, the timing and ability of the Company to close the Over-Allotment Option, if at all; the timing and ability of the Company to satisfy the closing conditions of the Over-Allotment Option, if at all; and the use of proceeds of the Offering. These "forward-looking statements" and "forward-looking information" 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. Although Argonaut Gold 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. Argonaut Gold 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. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

For more information, contact:

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