Argonaut Gold Extends Mineralization on Recently Acquired Fresnillo Mineral Concession Adjacent to the El Castillo Mine

Toronto, Ontario – (May 8, 2017) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") is pleased to announce that it has completed approximately 11,540 metres in 75 reverse-circulation ("RC") drill holes on the North Target area that lies adjacent to the El Castillo open pit mine. The North Target lies within a 420 hectare mineral concession recently acquired from a wholly-owned subsidiary of Fresnillo Plc ("Fresnillo") (see press release dated February 23, 2017). The North Target drilling is part of an ongoing US$2 million infill RC drill program within areas of projected mineralization outward from the currently operational El Castillo open pit mine.

Previous wide-spaced drilling by Fresnillo established the gold potential in the area and was valuable in the design of the current drilling program. The Company's objective was to increase drill-hole density within mineralized areas to approximately 35 metre spacing, which is consistent with the current modeling practices at El Castillo. These new drill hole results of the North Target area display strongly oxidized gold bearing rocks with the same chemical and structure characteristics as the El Castillo open pit mine. Potential to extend the current El Castillo pit limits and extend mine life is highly promising. Drilling continues on the South Target area where Fresnillo's prior work supports further drilling to possibly extend pit limits there as well, and the results are expected to be released during the second half of 2017. The Company anticipates publishing an updated National Instrument 43-101 Technical Report for the El Castillo mining complex during the first quarter of 2018, where the drill results from the North and South Target areas will be incorporated into an updated mineral reserve and resource estimates.

Pete Dougherty, President & CEO commented: "With the acquisition of Fresnillo's San Juan concession and the drill results so far, we expected to increase the life of the El Castillo mine. Drilling results to date are positive and indicate strong potential to expand the current pit limits initially into the North Target area. This previously announced acquisition also allows us to extract a large, known wedge of economic mineralization that lies on our side of the original concession boundary, as we move the pit wall back onto the newly acquired ground."

Thomas Burkhart noted: "Based on our geologic understanding of the El Castillo gold system, it was clear that there is a north to northeast trend of mineralization that continued into the North Target area. Overall, the continuity of gold mineralization and thicknesses were better than expected and the depth of oxidation is deeper than our current pit in the north exceeding 200 metres. We are very pleased with the results of this drill program to date."

Table 1 below illustrates key highlight holes from the North Target area. For a full table of drill results, plan view maps and cross sections, please visit: http://www.argonautgold.com/gold_operations/drill_results/

Table 1: Selected Drill Results

Hole	Azimuth	Dip	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t
17-CA-697	**180**	**65°**					
Interval			**42.7**	**141.7**	**99.1**	**0.64**	**1**
Including			**109.7**	**120.4**	**10.7**	**2.35**	**0**
Interval			**152.4**	**182.9**	**30.5**	**0.27**	**0**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-700	**180**	**65°**					
Interval			**32.0**	**36.6**	**4.6**	**0.18**	**0**
Interval			**53.3**	**195.1**	**141.7**	**0.49**	**1**
Including			**80.8**	**88.4**	**7.6**	**2.27**	**1**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-702	**180**	**55°**					
Interval			**50.3**	**204.2**	**153.9**	**0.53**	**1**
Including			**82.3**	**86.9**	**4.6**	**2.49**	**2**
Including			**120.4**	**123.4**	**3.0**	**3.20**	**0**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-706	**180**	**67°**					
Interval			**105.2**	**190.5**	**85.3**	**0.52**	**1**
Including			**121.9**	**132.6**	**10.7**	**1.85**	**1**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-707	**180**	**68°**					
Interval			**15.2**	**131.1**	**115.8**	**0.44**	**1**
Including			**48.8**	**53.3**	**4.6**	**1.09**	**1**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-710	**180**	**64°**					
Interval			**32.0**	**170.7**	**138.7**	**0.58**	**1**
Including			**54.9**	**65.5**	**10.7**	**1.30**	**1**
Including			**79.2**	**86.9**	**7.6**	**3.49**	**3**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-718	**180**	**80°**					
Interval			**0.0**	**114.3**	**114.3**	**0.41**	**1**
Including			**45.7**	**50.3**	**4.6**	**1.20**	**2**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-721	**180**	**66°**					
Interval			**25.9**	**36.6**	**10.7**	**0.37**	**1**
Interval			**47.2**	**158.5**	**111.3**	**0.54**	**1**
Including			**64.0**	**68.6**	**4.6**	**1.41**	**1**
Including			**93.0**	**100.6**	**7.6**	**2.91**	**1**
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-722	**180**	**57°**					
Interval			**19.8**	**96.0**	**76.2**	**0.51**	**1**

Including			19.8	24.4	4.6	1.75	1
Including			30.5	35.1	4.6	1.60	2
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-726	**180**	**68°**					
Interval			13.7	155.4	141.7	0.68	1
Including			32.0	44.2	12.2	4.30	3
Hole	**Azimuth**	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**Au g/t**	**Ag g/t**
17-CA-728	**180**	**65°**					
Interval			3.0	97.5	94.5	0.52	1
Including			7.6	16.8	9.1	1.20	5
Including			30.5	33.5	3.0	4.04	0

Qualified Person Comments / Quality Control Procedures

Drill samples are transported to the preparation laboratory of ALS-Chemex Labs Inc. in Chihuahua, Mexico where samples are prepared and pulps sent for assay in the laboratory of ALS-Chemex in Vancouver, British Columbia. Samples are analyzed for gold by fire assay and atomic absorption finish. For silver, samples use a multi-element inductively coupled plasma (ICP) assay. Argonaut utilizes standard Quality Assurance/Quality Control sample procedures that include the insertion of sample standards, blanks and duplicates as well as systematic check assaying by a second accredited laboratory.

The technical information relating to exploration activities disclosed in this news release was prepared under the supervision of, and reviewed and verified by, Thomas Burkhart, Argonaut Gold's Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

For further information on the El Castillo mine, please see the technical report on the El Castillo mine titled "NI 43-101 Technical Report on Resources and Reserves, Argonaut Gold Inc., El Castillo Mine, Durango State, Mexico", dated February 24, 2011 (effective date of November 6, 2010), prepared by SRK Consulting (U.S.), Inc. for Argonaut Gold (the "El Castillo Report"). The El Castillo Report is available electronically on Argonaut's website at www.argonautgold.com or on SEDAR under Argonaut's issuer profile at www.sedar.com.

The Company is not aware of any legal, political, environmental or other risks that could materially affect the El Castillo mine other than those set out in the annual information form of Argonaut for the financial year ended December 31, 2016 (dated March 20, 2017) filed on SEDAR under Argonaut's issuer profile at www.sedar.com. Please see below under the heading "Cautionary Note Regarding Forward-looking Statements" for further details regarding risks facing the Company.

Production for today; development for tomorrow

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's 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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